



Brussels, 25 September 2007

### Information note <sup>1</sup>

#### AGRICULTURE AND FISHERIES COUNCIL Brussels, 26 and 27 September 2007

*The Council meeting will start at 11.00 on Wednesday 26 September. The agenda includes certain items related to the work programme for the European Parliament's plenary session which will take place concurrently.*

*The Council will first be invited to state its position on three proposals for decisions concerning the marketing of three varieties of **genetically modified maize**.*

*The main items on the agenda are the expected adoption of a proposal for a Regulation to make the temporary scheme for the restructuring of the sugar industry more attractive and a proposal which would enable the set-aside rate for the marketing year 2008/2009 to be voluntarily reduced from 10 % to 0 % <sup>1</sup>. The Council will also hold an initial policy debate on a proposal for a Regulation on reform of the **wine** sector.*

*Finally, the Council will have an exchange of views on a proposal for a Regulation on cross-compliance, which will be presented by the Commission.*

*Under part "A", the Council will adopt a package of proposals relating to the market in milk products. The meeting will be chaired by Mr **Jaime Silva**, Portugal's Minister for Agriculture, Rural Development and Fisheries. Most of the items for discussion fall within the remit of the Special Committee on Agriculture.*

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*The Presidency will hold a press conference at the end of the meeting.*

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*Video streaming of public events is available:  
<http://www.consilium.europa.eu/videostreaming>*

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<sup>1</sup> This note has been drawn up under the sole responsibility of the Press Service.

<sup>1</sup> The draft European Parliament opinions on these two proposals will be put to the vote at the plenary session from 24 to 27 September.

## Genetically modified organisms

The Council will be invited to adopt or reject, by a qualified majority, three proposals for decisions on the marketing of three varieties of genetically modified maize – variety 59122 ([11744/07](#)), variety NK603xMON810 ([11786/07](#)) and variety 1507xNK603 ([11860/07](#)).

At this stage, it is impossible to predict whether there will be a qualified majority in the Council for or against all or any of the proposals. If there is no qualified majority, the decision will be referred back to the Commission.

In March, April and May 2006 the European Food Safety Authority (EFSA) gave three favourable opinions in accordance with Articles 6 and 18 of Regulation (EC) No 1829/2003 and concluded that it is unlikely that the placing on the market of the products containing, consisting of, or produced from the maize concerned as described in the respective applications will have adverse effects on human or animal health or the environment.

On 8 and 25 June 2007 the Commission consulted the relevant Regulatory Committee, which was unable to achieve the qualified majority required to issue an opinion.

Consequently, on 9, 11 and 12 July 2007 respectively the Commission submitted the three proposals to the Council, which must act by a qualified majority within three months of the date of submission (i.e. by 9, 11 and 12 October 2007 respectively).

## Sugar

The Council should **adopt by a qualified majority**, on the basis of Article 37 of the Treaty, a Council Regulation ([9147/07](#)) amending the Regulation establishing a temporary scheme for the restructuring of the sugar industry in the Community<sup>2</sup>.

Certain points put to delegations in July have been taken into account in the final text; these include the principle of voluntary restructuring, a two-phase approach to restructuring applications in 2008/2009 and a final reduction in the quota which takes account of the restructuring effort already made at Member State level.

### *The Commission proposal*

The aim of the Commission proposal is increased voluntary renunciation of production quotas for sugar under the temporary scheme for the restructuring of the sugar industry<sup>3</sup>, since the level initially expected has not been achieved.

To that end, and to avoid the uncertainty that discourages sugar undertakings, the amount of aid to be reserved to growers and machinery contractors, currently set by the Member States, would be fixed at 10 % of the aid to be granted to sugar undertakings. Growers who renounce quota would, however, receive an additional payment, made retroactively, in order not to disadvantage those who had already given up their quotas.

During the 2008/2009 marketing year, growers who give up their production on their own initiative could apply directly to the restructuring fund for aid, under the conditions laid down.

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<sup>2</sup> Regulation (EC) No 320/2006 (OJ L 58, 28.2.2006, p. 42).

<sup>3</sup> The restructuring scheme is applicable until 2010.

To give undertakings a greater incentive to take part in the restructuring scheme, those which renounce a certain proportion of their quotas in 2008/2009 will be exempt from payment of the restructuring levy for that part of the quota which was the subject of preventive withdrawal in the 2007/2008 marketing year.

The Commission considers that the proposed amendments would free up approximately 3,8 million tonnes of sugar quota in addition to the 2,2 million tonnes already renounced. If insufficient quota is renounced by 2010, the Commission also proposes that the level of compulsory reduction should vary in the light of the number of quotas which each Member State gave up under the restructuring scheme.

Proposed legal basis: Article 37 of the Treaty – qualified majority required for a Council decision; consultation of the European Parliament is mandatory.

## **Wine**

The Council will hold a policy debate on a proposal for a Regulation submitted in July 2007 ([11361/07](#)) on reform of the wine sector.

The debate will focus on two issues put forward by the Presidency ([12996/07](#)):

### Question 1

Planting rights are due to expire in 2010. The proposal is to extend this date until the voluntary grubbing-up scheme ceases in 2013. The objective is to improve the competitiveness of the European sector.

From 2014 should a gradual opening-up of production restrictions be provided for at Member State level in GI areas

- (a) either by gradually phasing out planting rights
- (b) or by introducing alternative production limitation measures [on a temporary basis]?

### Question 2

The Commission proposes to eliminate the use of sugar, abolish the aid for must and reduce the maximum permitted enrichment of wine in order to reduce excess production and to take account of falling sugar prices.

Given that the use of sugar has been accepted in certain wine producing regions due to climatic and traditional reasons, should specific transitional solutions be found?

On 16 July 2007, the Commission presented to the Council its proposal on reforming the common organisation of the wine market, the objectives of which are to boost the competitiveness of EU wine producers, win back markets, balance supply and demand, simplify rules, preserve the best traditions of European wine production, reinforce the social fabric in rural areas and respect the environment <sup>4</sup>.

The Commission's primary aim is to optimise use of the budget (EUR 1,3 billion), which will remain unchanged.

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<sup>4</sup> See press release summarising the exchange of views by Ministers at the presentation ([11680/07](#)).

## **Cross-compliance**

The Commission will present to the Council the proposal which it adopted recently (*12585/07*), and Ministers will be asked to express a preliminary opinion on the matter, which was the subject of a Commission report and Council conclusions<sup>5</sup> during the first half of 2007.

In its report to the Council on the implementation of cross-compliance, the Commission had identified several possible improvements from the point of view of efficiency and/or simplification of the cross-compliance system.

The proposal intends to apply the following specific improvements as from 2008:

- phasing-in of the statutory management requirements covered by the cross-compliance obligations in the new Member States that have opted for the single area payment scheme;
- simplification of the rules for eligibility under both the single-payment scheme and the single-area payment scheme regarding the time period during which the farmers shall have the land at their disposal;
- clarification of the farmer's responsibility vis-à-vis cross-compliance in case of transfer of land during the calendar year;
- introduction of a legal basis for the implementation under cross compliance of a *de minimis* rule for applying reductions and of exemptions from reductions for minor infringements.

It is also proposed that for all the new Member States opting to differentiate the per unit value of entitlements allocated to hectares of grassland or permanent pasture and of any other eligible hectares in the framework of the single-payment scheme, the date for identifying the parcels is established on 30 June 2006 instead of 30 June 2003.

The proposal also includes a modification to the special provisions governing complementary national direct payments in Cyprus, as a result of the extension of the period for the implementation of the single-area payment scheme that was adopted by the Council on 19 December 2006.

## **Set-aside**

The Council is expected to reach an agreement a proposal for a Regulation aiming to make it possible, on a voluntary basis and notwithstanding more stringent environmental-protection provisions at national level, to establish the mandatory set-aside rate for the 2008/2009 marketing year at 0 % (*12898/07*).

The advantage of this measure would be to enable the Community to respond to the increase in demand for cereal and oil-seed production and to a cyclical drop in production, mainly as a result of the bad weather in 2007.

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<sup>5</sup> Council conclusions of 11 and 12 June 2007.  
(<http://register.consilium.europa.eu/pdf/en/07/st10/st10682.en07.pdf>).

## **OTHER BUSINESS**

### **(a) Avian influenza**

Commissioner Kyprianou will update the Council on the development of H5N1 avian influenza in the EU. He may also report to the Council on the measures taken recently at Community level to help prevent the spread of the virus.

### **(b) Bluetongue – request by the Dutch delegation**

The Dutch delegation will inform the Council of its concerns regarding the bluetongue epidemic which has been affecting northern Europe since summer 2006.

### **(c) Bluetongue - request from the French delegation**

The French delegation will inform the Council of its concerns with regard to the restrictions necessitated by bluetongue and their consequences on the economy of the agricultural sector.

### **(d) Foot-and-mouth disease - request from the United Kingdom delegation**

The United Kingdom delegation will provide the Council with an update on the latest outbreak of foot-and-mouth disease in the United Kingdom.

### **(e) World Food Day - request from the German delegation**

Germany will report to the Council on the anniversary of the FAO's establishment and World Food Day devoted to the "right to food", to be held in Munich on 16 October 2007 ([12697/07](#)).

### **(f) WTO negotiations on the Doha programme for development**

Commissioner Fischer Boel will report to the Council on progress in the agricultural strand of the WTO negotiations.

### **(g) Forest fires - request from the Greek and Cypriot delegations**

The Greek delegation, with the support of the Cypriot delegation, will report to the Council on the gravity of the agricultural situation in Greece following the widespread fires which devastated the Peloponnesus.

### **(h) Situation on the world cereals market - request from the Spanish delegation**

The Spanish delegation will inform the Council of its concerns about the situation on the world cereals market.

**(i) Increase of milk quotas** - request from the Polish delegation

The Polish delegation will present its position on the need to increase its national milk quota in view of the current deficit on the dairy product market.

**(j) HELCOM Baltic Sea Action Plan** – request by the German delegation

The German delegation will inform the Council about the HELCOM Baltic Sea Action Plan and its consequences for European agriculture (13168/07).

The Ministers for the Environment of the Baltic Sea coastal states will meet in the Helsinki Commission in Krakow on 14 and 15 November 2007 to adopt the "Baltic Sea Action Plan". The aim of this Action Plan is to improve the ecology of the Baltic Sea by 2021.

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