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President **Martijn van Dam**
Minister for Agriculture of The Netherlands

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¹ • Where declarations, conclusions or resolutions have been formally adopted by the Council, this is indicated in the heading for the item concerned and the text is placed between quotation marks.
 • Documents for which references are given in the text are available on the Council's Internet site (<http://www.consilium.europa.eu>).
 • Acts adopted with statements for the Council minutes which may be released to the public are indicated by an asterisk; these statements are available on the Council's Internet site or may be obtained from the Press Office.

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ITEMS DEBATED

AGRICULTURE

Agriculture and climate

Ministers had an exchange of views on the relation between agriculture and climate, in light of the Paris climate agreement of December 2015 ([8772/16](#)).

After a Commission presentation on the legislative work stemming from the Paris agreement, ministers gave their views on its implementation. They also gave views on the role of the bio-economy and on how to integrate land use, land use change and forestry (LULUCF) into climate change targets and achieve the latter without threatening food production.

Ministers considered that coherence should be ensured between the EU food security and climate change objectives in the implementation of the Paris climate agreement and the drafting of relevant legislative proposals. They also invited the Commission to examine the best means of encouraging the sustainable intensification of food production while optimising the sector's contribution to greenhouse gas mitigation and sequestration (e.g. through afforestation).

The Paris climate agreement was reached on 12 December 2015 during COP 21. The EU committed to cutting greenhouse gas emissions in EU territory by at least 40% from 1990 levels by 2030. Regarding those sectors not covered by the emissions trading system (ETS), for example agriculture, the Commission is currently working on LULUCF and the effort sharing decision (ESD), with a view to adopting legislative proposals by mid-2016.

Animal welfare

In public session the Council took note of a Commission presentation on the results of the second Eurobarometer public opinion survey on animal welfare, on its consequences for future EU policy and on the establishment of an EU platform on animal welfare and its possible agenda ([8410/16](#)). Such an EU platform on animal welfare would consist of representatives of member states and stakeholders, and focus on exchange of information and best practices, as well as on improving the implementation of existing legislation.

Ministers gave their views on the topics that this platform should address and stressed, among others, the importance of prioritising the implementation and enforcement of existing legislation, of ensuring a level playing field between EU and non EU operators, and of raising public awareness on animal welfare and on EU standards in the field. Although some concerns were raised, member states broadly supported the establishment of the platform and welcomed the Commission intention to proceed with it.

The EU platform on animal welfare was already discussed in February 2016, when the Council expressed broad support for its establishment, under certain conditions.

Simplification of the Common Agricultural Policy

The Council took note of updated information on the state of play and next steps regarding the simplification of the Common Agricultural Policy (CAP), as a follow-up to the Council conclusions on CAP simplification of May 2015 ([8485/15](#)). The debate focused on direct payments and market measures, with the exception of greening, which will be the subject of a separate Council discussion in June 2016 ([8592/16](#)).

The delegations that took the floor welcomed the Commission's efforts to reduce the administrative burden for farmers and national authorities, and explained how, in their view, work could be brought forward.

CAP simplification is part of the EU's overall strategy to streamline and reduce EU legislation wherever possible. In this context, the EU institutions decided to look at what has been agreed in the latest CAP reform and propose improvements achievable in the short and medium term.

The Council adopted conclusions on the issue in May 2015 emphasising that, in implementation of the CAP, greater account should be taken of the subsidiarity and proportionality principles. It also recalled the main principles to be respected in this process:

- preserving the policy objectives and the main elements of the reformed CAP,
- ensuring the sound financial management of EU funds,
- focusing on areas where those implementing the CAP as well as its beneficiaries would benefit most,
- improving the clarity and consistency of legislation.

The Council conclusions maintained that, while in the short-term simplification should focus on the review of delegated and implementing acts only, in the longer term basic acts could also be the subject of a possible examination.

Market situation

The Commission updated the Council on the latest developments concerning those agriculture sectors that are currently facing particular difficulties, notably the dairy, pigmeat, and fruit and vegetables sectors ([8803/16](#)). The Commission also provided information on the implementation of the package of support measures agreed on at the Council meeting in September last year and on 14 March.

Several ministers expressed their concerns about the critical situation endured by European farmers, particularly in the dairy sector, and asked for further initiatives to alleviate the impact of the crisis. The Commission said that many initiatives had already been undertaken in the framework of the September 2015 and March 2016 packages, and stressed the importance of a full implementation and take-up of these measures. The evaluation of their effectiveness, as well as a thorough debate on the need for new measures, is scheduled for the June Council meeting.

On 14 March 2016, ministers discussed the difficulties faced by European farmers in several agricultural sectors and agreed with the Commission to take decisive and timely action to supplement the September 2015 anti-crisis aid package with a set of additional measures.

At the end of the meeting, the President of the Council drew conclusions on the market situation and support measures ([7108/16](#)), and instructed the Special Committee on Agriculture to follow up on the new measures and initiatives in order to facilitate their effective and rapid implementation. Ministers are also keeping developments in the market situation under close scrutiny.

The following "Any other business" items relating to the market situation were also dealt with:

– ***Crisis situation in the dairy market***

The Croatian delegation drew ministers' attention to the difficulties faced by the dairy sector (8789/16) and to the possible need for additional measures within the Common Agricultural Policy. In particular the Croatian delegation called for further temporary exceptional aid to farmers in the livestock sectors similar to that provided for in the September 2015 package.

– ***The situation in the commodity markets (outcome of the meeting of the extended Visegrad group (Prague, 29 April 2016)***

The members of the Visegrad group and Bulgaria, Romania, Slovenia and Austria informed the Council about the outcome of the extended Visegrad group meeting and their joint statement on the situation in the commodities markets ([8676/16](#)). In view of the difficult situation in the dairy and pigmeat sectors, the extended Visegrad group asked for further measures, such as temporary targeted financial aid for the livestock sector, increased private storage aid for dairy products, a higher budget for the school schemes and a broader review of the CAP 2014-2020.

– ***Damage to agriculture due to late frost and snow***

The Austrian, Croatian, Czech, Hungarian, Polish, Slovak and Slovenian delegations informed delegations on the impact of late frost and snow on their agriculture production ([8788/16](#)). They urged the Commission to facilitate the application of state aid schemes in the countries concerned and the need to apply force majeure in the implementation of CAP measures.

Any other business

– ***Dual quality of foodstuffs on the EU common market***

The Czech delegation raised the issue of food sold in the common market of the European Union under the same trademark but presenting differences in its content and quality in individual Member States ([8754/16](#)). It also asked the Commission to consider initiatives that would put an end to these practices. The Commission said it would examine the subject and invited member states to share evidence of such practices.

The issue of dual quality of foodstuffs was recently discussed at the meeting of agriculture ministers of the extended Visegrad group countries, held in Prague on 29 April 2016. On that occasion, participants voiced the need to find a solution at European level with the clear objective of protecting consumers.

– ***G7 Agriculture Ministers Meeting (Niigata, Japan, 23-24 April 2016)***

The Commission briefed ministers on the outcome of the meeting of G7 agriculture ministers that took place in April in Japan.

The G7 Summit is attended by Japan, the United States, the United Kingdom, France, Germany, Italy and Canada, as well as the presidents of the European Council and the European Commission.

The April meeting was only the second G7 Agriculture Ministerial, following on from the one held in 2009 under the Italian Presidency, and was organised in response to the food price crisis. The main themes Japan put forward for the meeting were: revitalising rural areas and increasing farmers' income, improving agricultural productivity and food supply capacity, and realising sustainable agriculture, forestry and fisheries.

– ***TTIP and other international trade negotiations***

At the request of the Austrian delegation ([8629/16](#)) the Commission informed ministers about the state of play concerning free trade agreements, in particular the 13th round of TTIP negotiations, the comprehensive economic and trade agreement with Canada (CETA), and the negotiation of the Mercosur agreement.

Ministers reiterated the need to protect European agriculture in the context of these agreements and to pay special attention to protected designations of origin and geographical indications; the Commission committed to raising the ministers' concerns in the respective fora.

As regards TTIP negotiations, the 13th negotiation round took place on 29 April 2016, and another round is to be scheduled before the summer break, most likely in July. Both parties say they aim to conclude the negotiations by the end of 2016.

The Comprehensive Economic and Trade Agreement (CETA) is a freshly negotiated EU-Canada treaty. Its objective is to make business with Canada easier by removing customs duties, ending limitations on access to public contracts, opening up the services market, offering predictable conditions for investors and preventing illegal copying of EU innovations and traditional products.

Negotiations for an inter-regional Association Agreement between the EU and Mercosur were launched in 1999, suspended in October 2004 and re-launched officially at the EU-Mercosur Summit in Madrid on 17 May 2010. On 11 May 2016 the Commission had a new exchange of offers with Mercosur.

The Council discussed this topic at its meeting on 11 April 2016 when a group of delegations voiced their concern about FTA negotiations and asked for greater involvement of agriculture ministers ([7629/16](#)).

– ***Protection of geographical indications in international trade negotiations***

The Greek delegation drew ministers' attention to the need to defend protected designations of origin (PDOs) from unfair competition in the context of international trade negotiations and to involve agriculture ministers more in such negotiations (8790/16).

Greece referred in particular to the case of feta cheese in the context of the agreements with Canada (CETA), the Southern African Development Community (SADC) and Singapore, and requested its protection.

– ***National Emission Ceilings (NEC) directive and the agricultural sector***

In public session, the Polish delegation expressed its concerns regarding the negotiations on the NEC directive (7946/16), focusing in particular on the reduction of ammonia emissions and its possible impact on EU farmers.

Several delegations agreed that the reduction of ammonia emissions could be particularly burdensome for the agriculture sector, especially in the context of the current market situation, and asked for an in-depth analysis of its potential impact.

The proposal for a directive on the reduction of national emissions of certain atmospheric pollutants was submitted to the Council and the European Parliament (EP) on 20 December 2013 ([18167/13](#)). The EP Committee on the Environment, Public Health and Food Safety voted its amendments on 28 October 2015 ([13347/15](#)) and the Environment Council reached a general approach on 16 December 2015 ([15401/15](#)).

Trilogues have been ongoing with a view to reaching a first reading agreement before the end of the Netherlands Presidency.

OTHER ITEMS APPROVED**AGRICULTURE****Animal breeding - adoption of the regulation setting new EU conditions**

The Council adopted the regulation on zootechnical and genealogical conditions for the breeding, trade in and entry into the Union of purebred breeding animals, hybrid breeding pigs and their germinal products ("animal breeding regulation") following a first reading agreement with the European Parliament ([*PE-CONS 3/16*](#)).

The new regulation constitutes a more comprehensive single legal framework that takes into account the "state of the art" in animal breeding while preserving valuable animal genetic resources. Breed societies and breeding operations will have to meet specific criteria to obtain recognition and approval of their breeding programmes by national authorities, and will therefore form the backbone of this regulation.

The new legislation aims at improving the functioning of the internal market and trade with third countries. It contains specific rules for promoting endangered breeds and provisions taking into account the specificities of the horse breeding sector.

As animal breeding is not intended to fall within the scope of the official controls proposal currently being discussed between the Council and the European Parliament, the new regulation will include provisions on the performance of official controls which are tailor-made for the animal breeding sector.

The Council and the European Parliament reached a provisional political agreement on this regulation on 18 December 2015.

G20 Agriculture Ministers meeting on 3 June 2016 - EU guidelines

The Council endorsed EU guidelines with a view to the G20 Agriculture Ministers meeting scheduled on 3 June 2016 in China.

China holds the G20 Presidency in 2016 and has planned a meeting of the Ministers for Agriculture on 3 June 2016, in Xi'an, China. The subject of the ministerial meeting is "*Agricultural Innovation and Sustainable Development*".

OECD declaration on a global food system

The Council authorised the Commission to sign, on behalf of the EU, the Organisation for Economic Co-operation and Development (OECD) ministerial [declaration](#) on “Better Policies to achieve a productive, sustainable and resilient global food system”, adopted by the OECD committee for agriculture on 7-8 April 2016.

Geographical indications of spirit drinks

The Council decided not to oppose the adoption of a delegated regulation amending annex III to regulation 110/2008 on the definition, description, presentation, labelling and the protection of geographical indications of spirit drinks ([7303/16](#) + ADD1).

The delegated regulation replaces annex III to regulation 110/2008 with a view to updating the list of established geographical indications for which technical files were submitted to the Commission by 20 February 2015.

Pesticides - maximum residue levels

The Council decided not to oppose the adoption of a series of regulations amending regulation 396/2005 as regards maximum residue levels (MRLs) in or on certain products for:

- ethofumesate, etoxazole, fenamidone, fluoxastrobin and flurtamone ([7610/16](#)),
- AMTT, diquat, dodine, glufosinate and tritosulfuron ([7599/16](#)),
- 1 naphthylacetamide, 1-naphthylacetic acid, chloridazon, fluazifop-P, fuberidazole, mepiquat and tralkoxydim ([7632/16](#)), and
- abamectin, acequinocyl, acetamiprid, benzovindiflupyr, bromoxynil, fludioxonil, fluopicolide, fosetyl, mepiquat, proquinazid, propamocarb, prohexadione and tebuconazole ([7641/16](#)).

Regulation 396/2005 establishes the MRLs permitted in products of animal or vegetable origin intended for human or animal consumption. These MRLs include, on the one hand, levels which are specific to particular foodstuffs intended for human or animal consumption and, on the other, a general limit which applies where no specific level has been set. MRL applications are communicated to the European Food Safety Authority (EFSA) which issue a scientific opinion on each intended new MRL. Based on EFSA's opinion, the Commission proposes regulations to establish new MRLs or to amend or remove existing MRLs, and to modify the annexes of regulation 396/2005 accordingly.

This Commission regulation is subject to the regulatory procedure with scrutiny. This means that now that the Council has given its consent, the Commission may adopt it, unless the European Parliament objects.

FISHERIES

Greenland - fishing opportunities and financial contribution

The Council adopted a decision on the conclusion, on behalf of the EU, of the protocol setting out the fishing opportunities and the financial contribution provided for by the Fisheries Partnership Agreement between the European Community, on the one hand, and the Government of Denmark and the Home Rule Government of Greenland, on the other hand ([11634/15](#); Commission statement: [7926/16 ADD 1](#)).

ECONOMIC AND FINANCIAL AFFAIRS

Market manipulation

On 17 May 2016, the Council adopted new rules aimed at ensuring **greater accuracy and integrity** of benchmarks in financial instruments.

The regulation sets out to **restore trust** in indices used as financial benchmarks, following manipulation scandals in recent years. The aim is to enhance the robustness and reliability of benchmarks, thereby strengthening confidence in financial markets.

See [press release](#)

Market infrastructure

The Council decided not to object to a Commission regulation amending regulation 153/2013 on requirements for central counterparties for the clearing of financial derivative contracts ([8169/16](#) + [7651/16](#)).

The regulation adjusts the time horizons for the liquidation period to be considered for different classes of financial instruments.

The regulation is a delegated act pursuant to article 290 of the Treaty on the Functioning of the European Union. It can now enter into force, unless the European Parliament objects.

BUDGETS**Revised regulation on the making available of EU revenue - Adoption**

The Council adopted a regulation amending regulation 609/2014 on making available the EU's own resources ([7945/16](#)).

Own resources constitute EU revenue. There are three types of own resources: traditional own resources (mainly customs duties and sugar levies) as well as VAT and GNI-based own resources.

The new regulation provides in particular for

- **revised rules for calculating the interest that member states have to pay** on own resources made available belatedly; the fixed increase to the basic rate applied by central banks is raised from 2.0 to 2.5 percentage points; in addition to this, the increase of 0.25 of a percentage point for each month of delay remains applicable; however, the new regulation introduces a ceiling of 16% for the increase to the basic rate applied by central banks
- **a new procedure for adjusting the VAT and GNI-based own resources;** to prevent unreasonably heavy budgetary constraints on member states just before the year-end, more time is given to them between the formal notification of the adjustments and their entry into the EU budget
- new rules ensuring **that negative interest** applied to Commission own resources accounts opened by member states **is compensated** by them **to prevent losses for the EU budget**
- the possibility for the Commission to ask member states **to bring forward up to an additional half of one twelfth** of VAT and GNI-based own resources for paying expenditure of the European structural and investment funds; this is to further reduce the risk of payment delays due to temporary shortages of cash resources; the current rules already allow the Commission to ask member states to bring forward up to two additional twelfths for paying expenditure of the European agricultural guarantee fund

The main provisions of the new regulation will apply retroactively from 1 January 2014 once the new own resources decision has been ratified by all member states.

JUSTICE

Protection of the European Communities' financial interests

The Council adopted a decision ([7771/16](#)) concerning the accession of Croatia to the Convention, drawn up on the basis of Article K.3 of the Treaty on European Union, on the protection of the European Communities' financial interests and to the Protocol of 27 September 1996, the Protocol of 29 November 1996 and the Second Protocol of 19 June 1997 thereto.

TELECOMMUNICATIONS

Network and information security

The Council adopted new rules to strengthen cybersecurity across the EU. The network and information security (NIS) directive will increase cooperation between member states and lay down security obligations for operators of essential services and digital service providers.

This adoption by the Council of its position at first reading paves the way for final approval by the European Parliament at second reading.

[EU-wide cybersecurity rules adopted by the Council - press release](#)
[Network and information security - Council position at first reading](#)
[Network and information security - Statement of Council's reasons](#)

TRANSPORT

Convention concerning international carriage by rail - EU position

The Council adopted a decision establishing the position to be taken by the EU at the 54th session of the OTIF (Intergovernmental Organisation for International Carriage by Rail) Committee of Experts on the Transport of Dangerous Goods. The meeting is due to take place on 25 May 2016.

The position relates to certain amendments to appendix C to the Convention concerning international carriage by rail (COTIF) as applicable from 1 January 2017.

ENERGY**Network Code on demand connection**

The Council decided not to oppose the adoption of a Commission regulation establishing a network code on demand connection ([7394/16](#)) of

- transmission-connected demand facilities;
- transmission-connected distribution facilities;
- distribution systems, including closed distribution systems;
- demand units.

The regulation lays down the obligations for ensuring that system operators make appropriate use of the demand facilities' and distribution systems' capabilities in a transparent and non-discriminatory manner.

It also aims to ensure fair conditions of competition in the internal electricity market, to strengthen system security and the integration of renewable electricity sources, and to facilitate Union-wide trade in electricity .

The Commission act is subject to what is known as the regulatory procedure with scrutiny¹. This means that now that the Council has given its consent, the Commission may adopt it, unless the European Parliament objects.

¹ Council decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission (OJ L 184, 17.7.1999, p. 23), as amended by decision 2006/512/EC (OJ L 200, 22.7.2006, p. 11)

Network code on high voltage direct current systems

The Council decided not to oppose the adoption of a Commission regulation establishing a network code on requirements for grid connection of high voltage direct current systems and direct current-connected power park modules ([7383/16](#) + ADD1).

The regulation lays down the obligations for ensuring that system operators make appropriate use of HVDC systems and DC-connected power park modules capabilities in a transparent and non-discriminatory manner.

It also aims to establish fair conditions of competition in the internal electricity market, to ensure system security and the integration of renewable electricity sources, and to facilitate Union-wide trade in electricity.

The Commission act is subject to what is known as the regulatory procedure with scrutiny¹. This means that now that the Council has given its consent, the Commission may adopt it, unless the European Parliament objects.

ENVIRONMENT

Classification of substances

The Council decided not to oppose to a Commission decision ([7253/16](#)+[ADD1](#)) concerning the classification of substances. It amends four existing decisions to take into account new developments in the classification of substances.

The Commission decision is subject to what is known as the regulatory procedure with scrutiny. This means that now that the Council has given its consent, the Commission may adopt it, unless the European Parliament objects.

¹ Council decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission (OJ L 184, 17.7.1999, p. 23), as amended by decision 2006/512/EC (OJ L 200, 22.7.2006, p. 11)

EU Ecolabel for computers, furniture and footwear

The Council decided not to oppose the adoption of the three following Commission decisions:

- a decision establishing the ecological criteria for the award of the EU Ecolabel for personal, notebook and tablet computers ([7477/16](#))
- a decision establishing the ecological criteria for the award of the EU Ecolabel for furniture ([7478/16](#))
- a decision establishing the ecological criteria for the award of the EU Ecolabel for footwear ([7479/16](#))

The Commission decisions are subject to what is known as the regulatory procedure with scrutiny. This means that now that the Council has given its consent, the Commission may adopt them, unless the European Parliament objects.

HEALTH

Standards for blood establishments

The Council decided not to oppose the adoption of a Commission directive amending directive 2005/62/EC as regards quality system standards and specifications for blood establishments ([7566/16](#)).

The Commission directive is subject to what is known as the regulatory procedure with scrutiny. This means that now that the Council has given its consent, the Commission may adopt it, unless the European Parliament objects.

STATISTICS

Statistics on external trade with non-EU countries

The Council reached a political agreement with a view to amending [regulation 471/2009](#) on statistics relating to external trade with non-EU countries ([7105/16](#)).

The amendments will mainly adapt the delegated and implementing powers to be conferred to the Commission for the adoption of measures relating to changes in the Customs Code or provisions deriving from international conventions, and to changes needed for methodological reasons to improve the system for the collection of data.

A final agreement between the Council and the European Parliament is still pending confirmation. The European Parliament adopted its first reading position on 12 March 2014.

The statistical information on EU member states' trade flows with non-member countries is of essential importance for the EU's economic and trade policies and for analysing market developments concerning goods.

External trade statistics are based on data obtained from customs declarations.
