



Council of the European Union

PRESS
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BACKGROUND¹
Brussels, 12 March 2015

AGRICULTURE and FISHERIES Council

16 March 2015 in Brussels

The Council meeting will address agricultural matters; it will start at 10.00 on Monday 16 March 2015. The Council will be chaired by Mr Jānis DŪKLAVS Latvia's Minister for Agriculture

The ministers will hold a debate on a proposal for a regulation on **organic farming**. The Council will also discuss the **market situation in the milk sector**. Ministers will hold a debate on the implementation and the **simplification of the Common Agricultural Policy (CAP)**.

Finally, the Council will be briefed on **animal welfare of furred animals**.

The Presidency will invite ministers for a lunch on the state of play of **international agricultural trade issues**.

A press conference will be held at the end of the meeting (+/- 18.00).

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Press conferences and public events by video streaming: <http://video.consilium.europa.eu>

Video coverage in broadcast quality (MPEG4) and photo gallery on: www.eucouncil.tv

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¹ This note has been drawn up under the responsibility of the press office.

AGRICULTURE

Organic farming

The Council will hold an orientation debate on the proposal on organic production ([6975/1/15 REV 1](#)).

Following the discussions in the Council and its preparatory bodies, the presidency has made progress in seeking to respond to the concerns expressed by the member states but still needs political guidance on some key issues. For this reason, the presidency has prepared the following questionnaire with a view to structuring the debate in the Council:

1. Can you support the Presidency's compromise proposal regarding the **presence of non-authorised substances** in organic agricultural products (Article 20)? If you believe improvements are needed, please indicate what improvements exactly.
2. How long should the transitional period be in the Presidency proposal be with respect to the **transition to a compliance regime in the import system** (Article 31)? If any further significant improvements are required to the approach, please indicate what they should be.
3. Can you support the Presidency's compromise proposal on the **control system for organic agriculture**? If any significant improvements are required, please indicate what they should be.
4. If you require other improvements to the proposal before you can agree to the **general approach at the May Agriculture Council**, please indicate what specific few improvements would be needed.

The proposal on organic farming aims to review the existing legislation on organic production and labelling of organic products and amend the regulation on official controls (not yet adopted) with the objective of removing obstacles to the development of organic production in the EU, guaranteeing fair competition for farmers and operators and improving consumer confidence in organic products.

Milk market

The Commission will be invited to outline to the ministers the state of play on the dairy market situation and trends, and on current and future EU measures ([6774/15](#)).

For more than three decades since its introduction in 1984, the EU dairy sector has been governed by the milk quota system, which comes to an end this month. Milk quotas have conditioned the activity of an entire generation of dairy farmers, most of whom have never produced in an environment free from quantitative limits.

The decision to abolish the quota system was taken by the Council back in 2003, as part of the market orientation approach. Ever since, there has been a convergence between EU and world dairy commodity prices reflecting the improved competitiveness of the EU dairy sector and allowing for some 11% of EU milk production to be exported without export subsidies. The abolition of milk quotas is happening at a timely moment for the EU dairy sector, allowing it to benefit from the projected 2% annual increase in global demand for dairy products.

In the past decade farmers have been preparing to seize the benefits of the policy change and the demand on the world market, as well as to mitigate the possible risks that market orientation entails. In the context of the newly reformed Common Agricultural Policy (CAP) member states have also decided to target the dairy sector by implementing specific measures in both the first and second pillar.

At the same time, the sector has been subject to significant price volatility and market fluctuations. The 2009 milk market crisis hit EU farmers and triggered a policy response embodied in the 'Milk package', aimed at boosting the position of dairy producers in the dairy supply chain and preparing the sector for a more market-oriented and sustainable future. However, it is too early to evaluate the impact of these measures.

The issues of increasing the resilience of the sector and of better preparing for the end of milk quotas have been a matter of deep interest and debate in the Council and its preparatory bodies. A series of discussions were held throughout 2014 and, more recently, in January, in relation to the market effects of the Russian ban on EU food imports. On those occasions, delegations expressed concerns about the further decline of dairy prices already subject to downward pressure.

The favourable market situation with record high prices in the first half of 2014 due to a strong global demand, led to a strong increase in milk production. A slowdown in global demand, exacerbated by the Russian ban on food imports in August 2014, led to a decrease in prices, which was particularly marked in certain member states and regions. At present, prices of dairy products seem to be starting to bottom out. Raw milk prices in a handful of member states seem to be stabilising, although in other member states they are still on a downward trend.

In order to improve the monitoring of market developments and to respond to the possible worsening of market conditions, the Commission has recently taken a series of additional measures, such as strengthening the activities of the Milk Market Observatory (MMO) and drafting an implementing act allowing farmers to pay the surplus-levy due under the milk quota regime in interest-free instalments over three years.

Implementation and simplification of the CAP

The Council will hold a policy debate on the implementation and the simplification of the Common Agricultural Policy (CAP) ([6809/15](#)).

The Commission indicated in January of this year that the simplification of the CAP would be one of its priorities, and asked ministers to provide ideas and proposals on how to address the issue in the coming months. As implementation and simplification are also key issues for the Council, the presidency has asked the member states to carry out two complementary tasks: to take stock of the implementation of the reformed CAP in the member states and to complete a questionnaire on the main CAP regulation with a view to listing member states' priorities for simplification.

Building on those consultations and the work of the Council's preparatory bodies, the Presidency would like to obtain ministers' views on priority areas for simplification based on the experience of implementation of the reformed CAP. Therefore the debate in Council will be structured around the following two questions:

In the light of your experience with the implementation of the reformed CAP:

1. Could you identify a few practices arising from the implementation of the new CAP which, in your opinion, it would be worth sharing with other Member States?
2. Which in your opinion are the few most important issues to be simplified in each of the three policy areas: direct payments, rural development and common market organisation (CMO)?

ANY OTHER BUSINESS

Greening controls

The Council will take note of the of the request of the Portuguese delegation as regards the greening controls under crop diversification ([7045/15](#)).

In the framework of the reformed CAP, a single control is currently scheduled to check the crop diversification in the context of 'greening'. Portugal advocates that more than one control should be allowed in order to account for the traditional cultivation of autumn/winter crops.

Animal welfare for angora rabbits and furred animals

The Netherlands delegation will brief the Council on the mistreatment of angora rabbits and furred animals in third countries ([6693/15](#)).

Following a broadcast by Dutch TV and the publication of a report by an animal rights organisation, the Netherlands would like to address the issue at Council level to prevent products involving animal welfare malpractices from entering the EU market.

Xylella fastidiosa

The Commission will brief the Council on *Xylella fastidiosa*, a plant bacterium that can cause serious losses to the European agriculture and the entire agri-food chain ([6939/1/15 REV 1](#)).

An outbreak was notified by Italy in October 2013, in the Apulia region, where olive trees were highly affected. It still represents the only confirmed presence of this pest in the EU but as it appears that EU emergency measures have not been implemented correctly, a spread outside the demarcated area of 241 000 hectares in Apulia cannot be excluded.

In this respect, the Commission is reviewing the EU emergency measures. Potential concerns may arise with respect to grapevine and citrus productions
