OUTCOME OF THE COUNCIL MEETING

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President  Rumen Porodzanov
Minister of agriculture, food and forestry of Bulgaria
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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.
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ITEMS DEBATED

Work programme of the Presidency

The Bulgarian presidency presented its work programme and outlined its main priorities in the agriculture and fisheries sectors.

The modernisation and simplification of the Common Agricultural Policy (CAP) after 2020 and the budget for agriculture in the next Multiannual Financial Framework will be the main priority in the area of agriculture, followed by the close monitoring of agricultural markets, particularly as far as sensitive sectors are concerned. The presidency will also look to make progress in combating unfair trade practices and in the negotiations on the proposed regulation on spirit drinks.

Concerning the forestry sector, the presidency will prepare the EU’s participation in the 13th Session of the UN Forestry Forum (UNFF) and continue to consult on ways of renewing the negotiations on a legally binding agreement on forests.

In the veterinary sector, the presidency will focus on sustainable animal health management, with particular emphasis on the role of wild animals in disease management, and animal welfare. The presidency will also endeavour to make progress in the proposed regulations on veterinary medicinal products and medicated feeds. Readiness for emergency response and capacity-building in the area of plant health will also be key during the first half of 2018.

Finally, in the fisheries sector, the presidency will work on various multiannual management plans: namely on Western Atlantic and the Western Mediterranean waters (to be presented by the Commission in the coming months), and in the North and Adriatic Seas. The presidency will start inters institutional trilogues on technical measures and the proposal for a regulation laying down management, conservation and control measures, applicable in the Convention Area of the South Pacific Regional Fisheries Management Organisation (SPRFMO).

Communication from the Commission on "The Future of Food and Farming"

Ministers exchanged views on the communication on "The Future of Food and Farming", which sets out the Commission's vision for the future CAP period after 2020. During a public session, the Council focused in particular on the CAP added value, the EU's key objectives to be maintained and the appropriate level of subsidiarity.
In the ensuing debate ministers emphasised the added value of the CAP for farmers, citizens and society as a whole, and its key role in: providing safe, high-quality food in sufficient quantities, protecting the environment, mitigating climate change and keeping rural areas strong and sustainable, contributing to a fair income for farmers, maintaining agricultural production throughout the EU, including in less favoured areas.

In addition ministers considered that the CAP objectives set out in the Treaty on the Functioning of the European Union (TFEU) were still valid, and stressed the importance of ensuring farmers a fair standard of living. They also emphasised the need for the CAP to ensure equal treatment and fair competition among farmers, as well as with all other actors in the food chain.

Ministers generally welcomed the Commission's suggestion to increase the current level of subsidiarity. At the same time, they stressed the importance of simplification and sufficient flexibility for member states to take into account national and regional specificities. Delegations advocated for reducing the administrative burden for both farmers and public authorities and for preventing delays in payments, building on the lessons learned from the Rural Development Programmes. Several ministers considered that greater subsidiarity should not compromise the "common" character of the CAP, which should thereby remain a truly European policy. Any "re-nationalisation" or fragmentation of the CAP would compromise its added value.

The Commission communication on "The Future of Food and Farming" was adopted on 29 November 2017 and presented to the Council at its meeting on 11 December 2017. The communication puts marked emphasis on new objectives such as fostering a smart and resilient agricultural sector, bolstering environmental care and climate action, and strengthening the social fabric of rural areas. In order to achieve these objectives and unleash the potential of the agricultural sector, the existing two-pillar structure is maintained but major changes are also proposed, such as: an enhanced role for member states in drafting their own strategic plan and the scrapping of greening rules to the benefit of a more targeted, more ambitious yet flexible approach.

**Market situation**

The Commission provided its regular update on the market situation in the main agricultural sectors, with a focus on sugar, milk and pig meat.

Concerning sugar, the Commission considered that current market developments were naturally linked to the end of quotas and that, despite the decrease in sugar prices, no market measures were necessary yet. The situation was described as more positive in the pig meat sector and especially in the dairy market, where higher prices had been steadily recorded in 2017. The Commission warned nonetheless against unduly increasing milk production, as oversupply in the market together with the accumulation of skimmed milk powder (SMP) stocks at EU level could endanger market stability.
Ministers welcomed the generally positive economic situation and outlook in the main agricultural markets, but also restated their commitment to monitor closely future developments, especially in relation to: sanitary and phytosanitary issues, challenging weather conditions and the possible impact of free trade agreements on sensitive agricultural products.

Three "Any other Business" points focusing specifically on EU SMP stocks, the sugar and pig meat markets were also considered jointly with the general market situation (read below).

It is recalled that following a continued crisis affecting several agricultural sectors - notably the dairy, pig meat and fruit and vegetables sectors - the Council endorsed three consecutive packages of support measures for farmers in September 2015, March 2016 and July 2016.

The last Council discussion on developments in the most important agricultural markets took place in October 2017. On that occasion ministers largely agreed with the Commission's assessment that markets were in the process of recovering, but also restated the need to keep a close eye on future developments.

**International trade issues**

The Commission updated ministers on international agricultural trade issues with a focus on most recent events: the WTO ministerial meeting in Buenos Aires of December 2017, and the progress made in the negotiations with Mercosur and Mexico. On the latter negotiations, it also took the opportunity to restate its commitment to conclude balanced and ambitious agreement in the short term. The Commission also informed ministers about the diplomatic offensive carried out by the EU to try and open up new world markets and promote EU agricultural products.

Ministers had the opportunity to share their views in relation to the agricultural aspects of ongoing free trade negotiations. They expressed their concerns in particular about the possible outcome of negotiations with Mexico and Mercosur, notably in relation to sensitive sectors such as beef, ethanol, sugar and poultry. Some asked for a strong protection of geographical indications. While some delegations were openly against further concessions on agricultural issues, others underlined the importance of keeping momentum and finalising the agreements while it was still possible, and especially in the light of stalled multilateral negotiations within the WTO.

The last Council discussion on trade-related agricultural issues took place in November 2017.
ANY OTHER BUSINESS

– **Sugar market**

In the context of the exchange of views on the markets situation, the Polish delegation expressed its concerns about the downwards trend in sugar prices in the EU market. It also took the opportunity to request special protection and monitoring for the EU beet sugar production.

The Polish concerns were shared by a number of delegations that highlighted how the market prices were getting close to the reference prices. The Commission considered nonetheless that no market measures were necessary yet.

– **Pig meat market**

In the context of the exchange of views on the markets situation, the Polish delegation informed the Council about the situation of its domestic pig meat sector, and in particular about the decrease in prices and difficulties linked to African swine fever. Poland encouraged the Commission to take action among others through: aid for private storage, financial support for pig producers and export refunds.

The point was supported by several delegations.

– **Public stocks of skimmed milk powder**

In the context of the exchange of views on the markets situation, the Belgian delegation drew the Council attention to the state of EU public stocks of SMP, that have significantly increased since 2016. The Belgian delegation also encouraged the Commission to find a short and medium term solution to reduce the level of those stocks to avoid a negative impact on dairy prices.

Concerning the possible ways of disposing of EU SMP stocks, the ministerial debate was fed by a French non-paper setting out possible ways forward such as: disposal by auction, use of SMP for animal feed, use to increase the support for the most deprived or combat undernutrition among hospital patients and residents in retirement homes for the dependent elderly.

Delegations generally shared the Belgian and French concerns about the state of EU stocks and their potentially destabilising impact on the dairy market. They invited the Commission to either consider the French proposals or come forward with concrete suggestions on how to dispose of the stocks.
Conclusions of the ministerial conference on Xylella fastidiosa, Paris - 1 December 2017

The French delegation presented the conclusions of the conference that gathered ministers from the European member states mostly affected by the plant disease Xylella fastidiosa in Paris last December.

The participants committed to tackling Xylella by adopting an ambitious road map to strengthen controls for this disease. The key points of the agreement relate to: improving knowledge through support for applied research programmes, strengthening surveillance measures to ensure early detection and rapid eradication of any new outbreaks, and strengthening awareness-raising and information measures.

Several delegations welcomed the conclusions of the event and committed to implement the agreed actions. The Commission asked member states to join forces and keep prioritising the fight against the disease.


The German delegation reported on the outcome of the 10th Global Forum for Food and Agriculture, which took place in Berlin in January 2018 and focused on responsible and sustainable animal husbandry.

The Global Forum for Food and Agriculture (GFFA) is an international conference that focuses on central questions concerning the future of the global agri-food industry. The 10th GFFA took place in the context of the International Green Week, and gave representatives from the worlds of politics, business, science and civil society an opportunity to share ideas on the future of the livestock sector and on possible ways to strike a balance between meeting the growing global need for foodstuffs of animal origin, and making production more environmentally friendly and climate-friendly, while fulfilling consumer expectations for animal welfare.
– **African Swine Fever**

The German delegation presented the outcome of the high level meeting on African swine fever (ASF) that took place on 19 January 2018 at the International Green Week, while the Czech delegation presented a paper on eradicating ASF in the EU through a better use of European research. The latter asked in particular to strengthen European research through a central coordination role for the Commission and more EU funds.

Both initiatives were supported by several delegations that expressed their continued concern about possible developments of the disease and potential repercussions on the pig meat market.

– **FAO lunch**

Ministers had an informal lunch discussion on a possible coordinated EU approach in view of the forthcoming election of a new FAO director-general in 2019. The debate was part of the ongoing reflection on the EU’s medium-term objectives and priorities for the FAO.

During the lunch ministers unanimously agreed on the need for a strategic and coordinated approach for the 2019 Director General election, so as to ensure a positive outcome for the EU and its member states.
OTHER ITEMS APPROVED

AGRICULTURE

Public intervention for skimmed milk powder

The Council decided on a temporary change to the operation of the public intervention mechanism for skimmed milk powder. It did so by slightly amending the so-called Fixing regulation, which determines measures on fixing certain aids and refunds related to the common market organisation of the markets in agricultural products. The Council decided in particular to set the quantitative limitation for buying-in skimmed milk powder at a fixed price at zero tonnes for 2018.

See press release.

European Union reference laboratory for African horse sickness


As a consequence of the United Kingdom's notification in accordance with Article 50 of the Treaty on European Union, the AFRC Institute for Animal Health in Pirbright will have to discontinue its function as the European Union reference laboratory for bluetongue.

In view of the synergies in technical expertise, laboratory capacity and networking with national reference laboratories arising from the genetic and epidemiological relatedness of African horse sickness and bluetongue, the new Commission regulation decided that the current EU reference laboratory for African horse sickness (Laboratorio Central de Veterinaria - Área de Sanidad Animal, Madrid, Spain of the Ministry of Agriculture, Fisheries and Food of Spain) should also assume the responsibilities of the European Union reference laboratory for bluetongue.
European Union reference laboratory for fish and crustacean diseases


As a consequence of the United Kingdom's notification in accordance with Article 50 of the Treaty on European Union, the function of Cefas (Centre for Environment, Fisheries & Aquaculture Science in Weymouth, United Kingdom) as EU reference laboratory for crustacean diseases cannot be continued for a further period starting on 1 July 2018.

In view of the synergies in technical expertise, laboratory capacity and networking with national reference laboratories, the new Commission regulation decided that the current EU reference laboratory for fish diseases (Danmarks Tekniske Universitet, Veterinerinstituttet Afdeling for Diagnostik og Beredskab - Fiskesygdomme, in Lyngby, Danmark) should also take over the tasks and functions of the EU reference laboratory for crustacean diseases from 2018 to 2023.

FOREIGN AFFAIRS

EU-Georgia Association Council

The Council adopted the agenda, the EU position and an orientation note for the Association Council between the EU and Georgia, which will be held on Monday 5 February.

EU-Georgia relations - factsheet

Tunisia: restrictive measures for the misappropriation of state funds

The Council extended until 31 January 2019 a freeze on the assets of 48 persons deemed to be responsible for the misappropriation of state funds in Tunisia and those persons and entities associated with them.

The sanctions were initially introduced on 31 January 2011, targeting former president Zine El Abidine Ben Ali, his wife and 46 other persons. The Council considered that the misappropriation of state funds is depriving the Tunisian people of the benefits of the sustainable development of their economy and society and undermining the development of democracy in the country. Those restrictive asset-freezing measures have been renewed every year since 2011.
Irregular Migration Management Application (IRMA)

The Council endorsed the IRMA return operational data collection and IRMA data encryption scheme. (5202/18) These two guidelines have been developed to further support member states in the implementation of return.

The Irregular Migration Management Application (IRMA) is a secure electronic platform which connects member states and Schengen associated states, the European Commission, the European Border and Coast Guard Agency and the relevant EU funded programmes at operational, practitioner level in order to build synergies and to enable work in a mutually reinforcing way.

Schengen evaluation - Iceland

The Council adopted an implementing decision setting out a recommendation on addressing the serious deficiencies identified in the 2017 evaluation of Iceland on the application of the Schengen acquis in the field of management of the external border (5741/18).

Schengen evaluation - Denmark

The Council adopted an implementing decision setting out a recommendation on addressing the deficiencies identified in the 2017 evaluation of Denmark on the application of the Schengen acquis in the field of management of the external border (5740/18).

Admission procedures - Ethiopia

The Council approved the admission procedures for the return of Ethiopians from European Union member states, agreed with Ethiopian authorities.
**ECONOMIC AND FINANCIAL AFFAIRS**

Money laundering - Sri Lanka, Trinidad and Tobago and Tunisia

The Council decided not to object to a Commission regulation adding Sri Lanka, Trinidad and Tobago and Tunisia to a list of high-risk countries contained in an annex to directive 2015/849 on money laundering (5264/18 + 15749/17).

The Council originally had until 13 January 2018 to object to the regulation. On 10 January 2018, it decided by written procedure to extend the objection period by one month.

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.

**TRADE POLICY**

Products included in the scheme of generalised tariff preferences

The Council decided not to object to a Commission delegated regulation aiming at amending the list of products included in the general arrangement of GSP, as well as in the special incentive arrangement for sustainable development and good governance (GSP+), in order to align it to the "combined nomenclature" used to declare goods to customs in the EU.

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

Additional custom duties on US products

The Council adopted a codified version of the regulation imposing additional custom duties on imports of certain products from the United States.

The regulation follows up on a decision of the WTO appellate body, finding that the Continued Dumping and Subsidy Offset Act (‘CDSOA’) is incompatible with the United States’ obligations under the WTO agreements and therefore allows the EU to suspend the application of its tariff concessions and related obligations under the General Agreement on Tariffs and Trade (‘GATT’) 1994 to the United States.
EUROPEAN ECONOMIC AREA

EEA Agreement - Incorporation of EU legislation

The Council adopted two decisions establishing the EU position to be taken in the Joint Committee of the European Economic Area (EEA) concerning amendments to annexes XI (Electronic communication, audiovisual services and information society) and XIII (Transport) of the EEA Agreement.

The decisions are aimed at incorporating the following EU acts into the EEA Agreement:

- Regulation (EU) No 910/2014 on electronic identification and trust services for electronic transactions in the internal market;

TRANSPORT

Single European rail traffic management system

The Council adopted conclusions on the European Court of Auditors' Special Report No 13/2017: "A single European rail traffic management system: will the political choice ever become reality?" (5300/18).

Air transport agreement with the USA

The Council adopted a decision on the conclusion of the air transport agreement between the European Community and its member states, of the one part, and the United States of America, of the other part.
HEALTH

Traceability system for tobacco products

The Council decided not to object to a Commission regulation (EU) …/... of 15.12.2017 on elements of data storage contracts concluded as part of a traceability system for tobacco products. The contracts are concluded between manufacturers and importers of tobacco products and third parties (providers of primary repositories) that will host the data related to their tobacco products and recorded under the traceability system (15856/17).

According to the traceability system, all unit packets of tobacco products produced in, destined for or placed on the EU market are to be marked with a unique identifier in order for their movements to be recorded.

ENVIRONMENT

Sectoral reference document on best environmental management practice in agriculture


EMAS is a voluntary eco-management and audit scheme for organisations committed to continuous environmental improvement. Within this framework, the sectoral reference document gives information on best environmental management practices, as well as appropriate sector-specific environmental performance indicators to measure their environmental performance, and benchmarks of excellence. This document describes methods for sustainable farm and land management, including waste management at farms and landscape level biodiversity management, as well as soil quality management including drainage and measures to avoid erosion and compaction. It includes recommended sector-specific key environmental performance indicators.

This Commission decision 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.
INTERNAL MARKET

Type-approval for L-category vehicles

The Council decided not to object to the adoption by the Commission of a regulation (15857/17 and 15857/17 ADD1) amending:

- regulation 44/2014 as regards vehicle construction and general requirements, and

- regulation 134/2014 as regards environmental and propulsion unit performance requirements for the approval of two- or three-wheel vehicles and quadricycles.

The new regulation is aimed at improving and adapting to technical progress the legal framework for the type-approval of L-category vehicles, which covers a wide range of light vehicles such as powered cycles, mopeds, motorcycles and quads.

Type-approval requirements applying to 'L-category vehicles' are set out in regulation 167/2013, which is applicable on a mandatory basis as of 1 January 2016, together with its four delegated and implementing acts.

The new Commission regulation is a delegated act. It can now enter into force unless the European Parliament objects.

APPOINTMENTS

Court of Auditors

The Council appointed the following persons as members of the European Court of Auditors for the period running from 1 March 2018 to 29 February 2024:

Mr Tony MURPHY,

– Ms Eva LINDSTRÖM.

Mr Murphy and Ms Lindström are both new members of the Court of Auditors.

In total, the term of office of nine Court members expires in 2018. The Court member Belgium still needs to be appointed.
The Court of Auditors is made up of 28 members, one from each member state, appointed for a renewable term of six years. The members elect one of their number as president for a renewable term of three years.