



Brussels, 13 December 2006

Draft
BACKGROUND¹

AGRICULTURE and FISHERIES COUNCIL

Brussels, 19-20-21 (possible) December 2006

Council sessions will start, under the chair of Mr. Juha Korkeaoja, Minister for Agriculture and Forestry of Finland, on Tuesday 19 December at 11:00 dealing with fisheries items² and will continue after lunch with agricultural items. Wednesday afternoon (and possibly Thursday), the Council will exclusively discuss on fisheries items.

*The Council will update the total allowable catches (TACs) and **quotas for 2007 on fish stocks** in Community waters, as well as fishing opportunities for Community vessels. It will also discuss on the establishment of a management plan for fisheries exploiting stocks of **plaice and sole in the North Sea**.*

*Tuesday afternoon, under the "agriculture" heading, the Council will endorse a general approach on the **organic production and labelling** of organic products and adopt as A-items the Council Regulation for a reform of the EU **banana** sector and Regulations on **energy crops** and on interim rules for **imports of organic products**. It may also take a decision with regard to two Commission proposals on **prohibition** of the use and sale in **Austria** of **genetically modified maize lines MON 810 and T25**.*

*In **public deliberation**, the Presidency will inform the council on the Thematic Strategy for **sustainable use of pesticides**.*

*Wednesday morning, the Council will be informed by Commissioner Kyprianou on the latest development of the Veterinary negotiation with **Russia** and will be provided with the state of play concerning **Avian Influenza**.*

Over lunch on Tuesday 19, ministers will have the opportunity to exchange views on experiences from the common presidency programming in 2006.

The Presidency will hold conferences : on Tuesday before lunchtime on the first compromise on Tacs and quotas and other fisheries items, on Tuesday afternoon on agriculture items (+/-18:30) and at the end of the session.

Public events that can be followed by video streaming:

<http://www.consilium.europa.eu/videostreaming>

¹ This note has been drawn up under the sole responsibility of the Press Service.

² A draft compromise on TACs and quotas for 2007 may be presented at the start of the session so that delegations dispose of extra time to analyse it.

FISHERIES

TACs and quotas for 2007

The Council will target to reach a political agreement on a regulation establishing the fishing opportunities for 2007, by fishing areas, species and for Community vessels.

The proposal takes account of the latest scientific advice from the independent International Council for the Exploration of the Sea (ICES³) and the Commission's own Scientific, Technical and Economic Committee on Fisheries (STECF), as well as of input from stakeholders. The Commission presented its proposal on 6 December (16050/06).

The most contentious issues likely to be raised during the Council meeting might be:

- recovery of cod, which presents a negative scientific advice with a 25% reduction in fishing outside the North Sea is proposed; and the Celtic Sea cod, where a zero TAC is recommended;
- maintaining of the closure for fishing anchovy until re-evaluation in Spring 2007.

On the other side some species, like the northern hake or the sole in the Bay of Biscay, will allow an increase of their TACs, of 15% and 12% respectively, due to success in previous recovery plans.

The proposal also includes a number of conservation measures in the context of regional fishery organisations.

This year the so-called front-loading of the decisions on TACs and quotas has been divided into three sections: Baltic TACs and deep-sea TACs that have already been agreed by the Council in October and November, and the proposed general TACs remaining for December. In addition, the Commission presented in September, for the first time, a policy statement laying down the principles and criteria intended to be used in the preparation of the proposal.

TACs and quotas are set every year in order to provide for fishing opportunities for the following year by species, fishing areas (as defined by ICES). In addition to authorised catches, regulations provide for a fishing effort consisting of days at sea and other technical measures such as: closed areas during specific seasons, the ban of certain fishing gears, and a ban on fishing during the spawning season, in order to allow for the recovery of endangered stocks.

Approval of the regulation requires qualified majority within the Council. The opinion of the Parliament is not required.

³ <http://www.ices.dk>

Management plan for plaice and sole in the North Sea

The Council will hold an exchange of views, based on a progress report, on a draft regulation aimed at establishing a management plan for fisheries exploiting stocks of plaice and sole in the North Sea, with a view to reaching a political agreement swiftly in 2007.

This is the first proposal from the Commission (5403/06) containing a concrete long-term maximum sustainable yield target for fishing mortality. It was presented in January 2006 and the Council had a preliminary exchange of views last April, that reflected the concerns of some delegations as regards mainly, the fishing mortality rates proposed, the proposed rate of reduction of the fishing mortality rates, the fishing effort and the issue of landings. The proposal foresees the setting of variable TAC +/-15% for plaice and sole depending on either the mortality reduction of the past year or a TAC that would reach the target of mortality rate (0.3 for plaice and 0.2 for sole).

In previous discussions beam trawlers were identified as the predominant fishing vessels for sole and plaice and a few delegations expressed doubts on the adequacy of targeting just this particular fleet in order to reduce the fishing effort. In a revised document the Commission will propose to broaden the scope of the fleets to be covered. In this context there is also the link of this plan to the cod recovery plan in terms of effort management.

An important issue is the interaction between plaice and sole, and the possible application of selective fishing methods, as well as the interaction of these species with cod.

Some delegations also asked for a higher margin of tolerance permitted in estimation of quantities in kilograms live weight, up to 10% of the quantities, instead of the 8% margin of tolerance suggested in the draft regulation.

The proposal is a practical application of article 6 of the framework regulation adopted under the reform of the Common Fisheries Policy in December 2002 (regulation 2371/2002). It is based in evaluations carried out by the International Council for the Exploration of the Sea and the Scientific, Technical and Economic Committee for Fisheries.

The European Parliament delivered its opinion on 28 September.

Legal basis is article 37 of the EC treaty. The adoption requires qualified majority within the Council.

AGRICULTURE

Organic products

The Council aims to reach a general approach on the Presidency overall compromise text (15824/06 and a new document) on a proposal for a Council Regulation on organic production and labelling of organic products (*doc. 5101/06*).

The main political outstanding issue is the presence of GMOs in organic products, but other items may be raised such as the inclusion of mass catering in the scope.

The proposal presented by the Commission in December 2005 in the follow-up of the Council conclusions on the European Action Plan for Organic Food and Farming aim at simplifying the current legal framework and assure overall coherency by reducing the level of detail in the current Regulation and its implementing rules. The new legislation will define the objectives and principles of organic production but allow certain amount of flexibility to take account of regional differences in climate and conditions. In the Presidency compromise submitted for general approach, producers shall use the EU organic logo but the national logos could be maintained simultaneously..

It is also needed to take on board certain provisions of Regulation (EC) No 882/2004 on Official food and feed controls which apply to organic production controls.

A policy debate on the main issues of this file was held by the Council on October 2006 (*press*).

Legal basis: Article 37 of the Treaty: qualified majority and consultation procedure.

(Possibly) Genetically Modified Maize

The Council will be invited to adopt or to reject, by qualified majority, two proposed decisions requesting Austria to repeal the prohibition of use and sale in its territory of two genetically modified maize.

In case of absence of qualified majority, it will be up to the Commission to take the decision. In case of a qualified majority against the Commission proposals, the Council will have to motivate such decision

Although the Commission is of the opinion that Austria should repeal the safeguard measures concerning *Zea mays* L. line MON 810 and *Zea mays* L. line T 25, it seems that there is a chance that such requests could be rejected by the Council. The point will be first tackled in the Environnement session on 18 December 2006. The Council shall act before 9 January 2007.

OTHER BUSINESS

(a) Common Organisation of Agricultural Markets

Commissioner Fischer-Boel will make a presentation of a proposal for a Council Regulation establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products. The proposal intends to simplify and replace the existing 35 Common Market Organisation specific rules.

(b) Implementation of the sugar restructuring scheme

Request by the Austrian and German delegations

(c) Plant Protection Products

(i) Proposal for a Regulation of the European Parliament and of the Council concerning the placing of plant protection products on the market
- Progress report

(ii) Thematic Strategy on the sustainable use of pesticides

The Presidency will inform the Council and invites it to a public deliberation on this subject.

(d) Avian Influenza (H5N1)

Commissioner Kyprianou will provide the Council with an update on the most recent facts about the avian flu and will require continuous awareness on this subject.

(e) Veterinary and Phytosanitary Negotiations between EC and the Russian Federation.

Commissioner Kyprianou will inform the Council about the latest development on this difficult issue. The Chief Veterinary Officer of Russia came in Brussels on 12 December 2006. The threat of a new embargo on products from EU as from 1st January 2007 is still serious, the Russian authorities requiring increasing guarantees from the Community with regard to products originating in Bulgaria and Romania.

(f) Implementation of Regulation(EC) No 1/2005 on the protection of animals during transport and related operations

Czech Republic will ask some clarification before the entry into application of the regulation foreseen on 5 January 2007.

(g) Organisation of future work.

OTHER ITEMS TO BE APPROVED AS "A" POINTS:

EC/Greenland fisheries partnership agreement. The Council will adopt a decision approving the provisional application of a fisheries agreement with Greenland as from 1 January 2007, pending its definitive entry into force.

Organic products. interim imports rules. The Council will adopt a Regulation amending Regulation (EC) No. 2092/91 on organic production of agricultural products and indications referring thereto in agricultural products and foodstuffs.

Certain import provisions in the current legislation expire on 31 December 2006. In order not to disrupt international trade, it is proposed to extend the possibility for Member States to continue to grant import authorisations for individual products until the new regime has been put in place. The proposal also includes new rules on imports ('direct access' and 'equivalency'), in the same form as in the main proposal on organic production and labelling of organic products.

Energy Crops. The Council will adopt Regulation amending and correcting Regulation (EC) No 1782/2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers and amending Regulation (EC) No 1698/2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) (*13217/06 + ADD1*).

The aim of this proposal is to make a number of urgent amendments, to be applied from 2007, to horizontal regulation 1782/2003 for which the Commission does not want to wait until its general review during the 2008 CAP "health check".

The draft regulation provides for a possibility for new Member States applying Single Area Payment Scheme (SAPS) to benefit from the energy crop scheme and at the same time to increase the maximum guaranteed area for the whole Community from 1,5 million ha to 2,0 million ha. The proposal contains a number of amendments to the direct payments scheme, in particular the extension until 2010 of the SAPS for new Member States, the simplification of the eligibility rules for olive groves and the introduction of formal direct payment rules for the sugar sector.

The draft regulation takes account of accession of Bulgaria and Romania in 2007.

The opinion of the European Parliament was adopted on 11 December 2006.

Banana sector reform. The Council will adopt a Regulation amending Regulations (EEC) No 404/93, (EC) No 1782/2003 and (EC) No 247/2006 as regards the banana sector (*13000/06+ADD1, ADD2*).

The draft Regulation replaces the aid scheme in the banana common market organisation (CMO) with an increase in the POSEI budget (concerned outermost regions). It includes "non-POSEI" areas under banana cultivation in the Single Payment Scheme (as of 2007 for Greece and Portugal, and in the following years for Cyprus), similarly with an appropriate budget transfer.

The financial envelope included in the proposal is based on the average aid allocated to bananas producers for the period 2000-2002. The proposal provides for the total envelope of EUR 280 million for the producing Member States (Greece, Spain, France and Portugal) except Cyprus, including margin of assurance of 8,5%. For Cyprus, where banana producers are currently supported under the single area payment scheme, an additional budget of EUR 3.4 million is foreseen.

Adaptation of sugar regime as a consequence of Accession of Bulgaria and Romania. The Council will adopt a Regulation adapting Regulation (EC) No 1782/2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers, Regulation (EC) No 318/2006 on the common organization of the markets in the sugar sector and Regulation (EC) No 320/2006 establishing a temporary scheme for the restructuring of the sugar industry in the Community, by reason of the accession of Bulgaria and Romania to the European Union.