



Brussels, 15 March 2006

BACKGROUND ¹

AGRICULTURE AND FISHERIES COUNCIL

Brussels, 20 March 2006

*The Council will start on Monday 20 March at 11:00 with the items directly related to the avian influenza virus H5N1, its economic consequences on the poultry sector jointly dealt with by Commissioners Kyprianou first - state of play of the situation and **update** on the latest avian influenza cases in the European Union and elsewhere- and Fischer-Boel then - **presentation** of the market situation in the poultry sector and of measures taken- followed up by the successful **adoption** under false B point after intensive work under the Austrian Presidency, of two draft Regulations on the protected denominations of origin (PDOs), protected geographical indications (PGIs) and Traditional Specialities Guaranteed (TSGs) which were presented to the Council on 23rd January 2006.*

*In the afternoon (+/-15h00) the Council is expected **to hold a policy debate** on the basis of a questionnaire on the review of the EU sustainable development strategy (EU SDS) as the other configurations of the Council are invited to do so. The Council will then **discuss** the presentation by the French delegation and several other Member States of a memorandum on the implementation and the future of the reformed Common Agriculture Policy (CAP), and will finally be **updated** by Commissioner Fischer-Boel of the latest developments concerning the negotiations at the World Trade Organisation (WTO).*

The meeting will be chaired by Mr Josef PRÖLL, Federal Minister for Agriculture, Forestry, the Environment and Water Management of Austria.

A press conference will be held before lunch (+/-13h15).

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

AGRICULTURE

MARKET SITUATION AND MEASURES FOR SUPPORTING THE POULTRY SECTOR

Commissioner Fischer-Boel *will inform* the Council on the market situation and may remind to the delegations the measures taken until now for supporting the poultry sector. Since the appearance of several cases of the H5N1 strain in wild birds, consumption of poultry and prices have considerably dropped in some Member States of the EU creating a great disarray among the poultry producers.

At the last Council she reiterated that the Commission would continue to use export refunds within the common market organisation for poultry as the only management tool of the CMO. She reminded delegations that export refunds had been increased by EUR 6/100 kilo of chicken in two steps at past meetings of the management committee, in January (EUR 2/100 kilo) and February (EUR 4/100 kilo) from EUR 24/100 kilo to EUR 30/100 kilo. At the last management committee on 8 March export refunds were raised for whole frozen chicken were increased by 10 €/100kg (from 30 to 40 €/100kg) and for cuts (from 10 to 20 €/100kg). Regarding the possible withdrawal of existing stocks, she pointed out that the industry should be able to reduce output more rapidly than in other sectors (beef) due to the short production cycle in the poultry sector. On the possibility of Member States granting state aid to producers, she also said that the Commission would examine the Member States' request in the light of their respective situations, adopting a positive approach.

The measures envisaged in particular several delegations at the last Council included:

- withdrawing of the existing stocks and finding additional outlets for their disposal, with the payment of equivalent compensation to producers;
- expansion of export destinations (including the Balkan Countries) with the payment of export refunds;
- funding of information campaigns on the safety of poultry industry products as well as other issues, for the benefit of European consumers;
- general economic and other support measures for those affected by the crisis.

Other aids such as the *de minimis aid* - 3000€ per producer- have been envisaged in the past discussions as well as restructuring aid to be granted to producers during a time period. Until now a few Member States have granted national aids to their producers (€ 52 millions in France for example²).

MEMORANDUM ON THE IMPLEMENTATION OF THE REFORMED CAP, AND ITS FUTURE

The French delegation, supported by several other Member States, will present to the Council a memorandum on the Common Agriculture Policy in the light of the new challenges at Community and global levels. By the time of the Special Committee on Agriculture on Monday 13 March, the memorandum was supported by eleven Member States according to the French delegation. This document aims at putting forward proposals to complete the restructuring of the CAP, such as simplifying the current administrative requirements of the cross-compliance rules and the existing framework for State aids, setting a more comprehensive Community database in order to improve the Community management of the safeguard clauses in the Common Market Organisations (CMOs), establishing an optional insurance scheme or introducing a greater flexibility and efficiency in organising the controls.

² http://www.grippeaviaire.gouv.fr/article.php3?id_article=324

FOODSTUFFS QUALITY (5099/1/06, 5098/06, 6726/06, 6728/06)

The Council *will adopt under "false B" item* the two Regulations on the protection of geographical indications (GIs) and designations of origin (DOs) for agricultural products and foodstuffs and replacing Council Regulation (EEC) n°2081/92³ and on agricultural products and foodstuffs as traditional specialities guaranteed (TSG) and replacing Council Regulation (EEC) n°2082/92. As the Opinion of the European Parliament (EP) has not been issued by that time, Commissioner Fischer-Boel will inform the Council on the amendments suggested by the EP.

Both of these draft Regulations had been presented before the Council on 23rd January 2006.

The original Community legislative framework for organic production, TSG's, GI's, DO's was set up in the early nineties. In the meantime, following legislative changes, enlargement and in particular legal claims lodged by third countries (Australia and the United-States) at the World Trade Organisation as well as technical problems when implementing these Regulations have showed the need for an overall change.

Since its presentation to the Council last January, the working party on foodstuffs quality has met several times and proceeded to an in-depth and intensive examination of the content of the proposal. A very large agreement - gathering nearly all the delegations - on the two proposals was reached at the Special Committee on Agriculture on 6 March, following several meetings under the auspices of the Austrian Presidency.

Most of the changes brought to the Commission proposals usually consist of coming back to the initial wording of EEC Regulation 2081/92 in the case of the definition of GIs and its criteria (Article 2 paragraph 1b), of the right of objection (Article 7) where any Member State or a third country (new provision) has the right to object to the registration 6 months after the publication of this registration to the Official Journal (instead of 4 months initially), or amending the deadlines proposed for the implementation by Member States of the provisions (no later than one year after the entry into force of the Regulation instead of no initial deadline), for the scrutiny period during which the Commission examines the application for registering a product (12 months instead of no initial deadline). The initial draft on compulsory Community symbols associated with GIs or Dos on the labelling of a product have also been replaced by an alternative choice between a Community symbol or the indication GIs/DOs and by the postponement of this provision in 2009 (rather than 2007). An additional article (Articles 9(4) and 11(3) in the two regulations) granting a temporary derogation to the requirements under strict conditions and information to the commission for registering a PGI/PDO for producers' organisation to continue using the PGI/PDO indication when it results from the imposition of obligatory sanitary or phytosanitary measures by the public authorities such as in the case of avian influenza. Finally the regulatory committee currently in charge of the management of this Regulation remains the sole committee, as the proposal scheduled a management committee *and* a regulatory committee.

When comparing the two proposals on GI's-DO's and TSG's with Council Regulations (EEC) n°2082/92 and 2081/92, the main changes were:

- the introduction of a single document (Article 5(3)c doc 5099/1/06) for applications containing the name, a brief description of the product, specific rules concerning packaging and labelling, a definition of the geographical area from which comes the agricultural product or foodstuff; and proof of the link between the product and its geographical origin; this single document aims at ensuring key information to be officially published before registration in order to allow any operator to use its right of objection, and the authorities to

³ See press release:
<http://europa.eu.int/rapid/pressReleasesAction.do?reference=IP/06/2&format=HTML&aged=0&language=EN&guiLanguage=fr>

guarantee protection for the names registered in each Member State. It will also ensure a greater homogeneity and equal treatment for applications; On TSG's, only the restricted product specification (Article 6 doc 5098/06) shall be transmitted to the Commission;

- the possibility for third countries operators to submit registration application directly through the Commission (Article 5(9) doc 5099/1/06 and Article 7(7) of doc 5098/06) ;
- in order to bring the Community legislation into line, all provisions related to equivalence and reciprocity for products from third countries are deleted (former Articles 12 to 12d) in order to allow all names corresponding to geographical areas in third countries to have access to the Community scheme for the protection of GI's; in the same spirit the draft proposal allows third countries as well as Member States or operators to object directly to a registration proposed by groups of producers (Article 7 doc 5099/1/06)

These two proposals are being dealt with under the consultation procedure (Article 37 of the Treaty) and therefore the Opinion of the European Parliament is not legally binding. The European Parliament formally adopted its Opinion on both of these proposals on 15 March 2006 with minor changes. These proposals do not have a financial impact on the Community budget.

EU Sustainable Development Strategy (EU SDS)

The Council will *hold a policy debate* on the basis of a questionnaire drawn up by the Presidency on the

In June 2005, the European Council adopted a Declaration on Guiding Principles for Sustainable Development. Subsequently, in December 2005 the European Council noted the presentation of the Commission's Communication on a renewed EU SDS for the next 5 years. The Commission's "SDS Review Package"⁴ consists of:

- the Communication itself proposing six priority issues, the integration of the external dimension into internal policy making as well as an effective monitoring procedure and follow-up process
- Guiding Principles for SD adopted in June 2005 by the European Council (Annex 1)
- Objectives, Targets, Policies and Actions (Annex 2)
- a Commission Communication adopted in February 2005, taking stock of progress and proposing first orientations (Annex 3).

Given the horizontal nature of sustainable development and the need to ensure coherence across sectors, the Presidency established a Group of the Friends-of-the- Presidency on the Review of the EU SDS (FoP) to steer the SDS review process.

This Group established questions to guide policy debates in the different Council formations directly concerned by the SDS review. The Environment Council already held a policy debate on 9 March (6762/06).

The aim of the Presidency on the basis of the Commission's SDS Review package and the debates in the different Council formations, is to prepare a draft for a reviewed EU SDS to be adopted by the European Council at its June 2006 meeting.

The questions to be addressed by all Council formations are :

Do you consider the objectives, targets, key actions and the implied mix of policy instruments proposed in the SDS Review package, in particular Annex 2,2 are appropriate and sufficient to meet the challenges of Sustainable Development and to efficiently address unsustainable trends in your policy area? Are greater prioritisation and/or stronger efforts necessary to achieve this?

How can your Council formation best contribute to deliver visible results and measurable progress in implementing the EU SDS? What should be done to enhance synergies and coherence across policies and processes, including the Lisbon agenda?

How can an ambitious EU SDS ensure coherence between EU internal policies and its international commitments and contribute to sustainable development at both EU and global level, in particular in your specific policy area?

OTHER BUSINESS

WTO Negotiations

Commissioner Fischer-Boel will update the Council on the latest state of play of the negotiations at the WTO. Commissioner Fischer-Boel came back from New-Zealand on 9 March after a meeting with New-Zealand Trade Minister where the question of export subsidies among other issues was discussed. On 10th March a 2-day meeting of Trade Ministers from the G6(EU, USA, Brazil, India, Australia and Japan) was held in London chaired by EU Trade Commissioner Peter Mandelson⁵ mostly to discuss over Non-Agricultural Market Access (NAMA) and agriculture.

Avian Influenza (H5N1)

Commissioner Kyprianou will provide his monthly update to the Council on the latest developments concerning the identified cases of avian influenza H5N1 strain in the world and in the European Union.

At the last meeting of the Chief Veterinary Officers in Brussels on 10 March, the Commission representative informed the delegations on the outcome of the informal Health Ministers Conference in Vienna (24 February)⁶ on the impact of avian influenza on public health. To this regard he stressed the need to use a balanced language both at Community and national levels as regard the messages sent to the public opinion. He noted that until now, the virus H5N1 had been found in 10 Member States (Greece, Slovenia, Italy, Austria, Hungary, Slovakia, Germany, France, Sweden and Poland) and reminded the delegations that the measures taken by a Decision of the Commission and being applied by the Member States where the virus had been identified, are the establishment of a high risk area (a 3 km protection zone) around the area where the infected animals have been found, and a surrounding surveillance zone of 10 km. In the protection zone, poultry must be kept indoors, movement of poultry is banned except directly to the slaughterhouse and the dispatch of meat outside the zone is forbidden except where products have undergone the controls provided for in EU food controls legislation (i.e meat sourced from healthy animals in registered farms, subject to ante and post mortem checks by vets in the slaughterhouse). In both the protection zone and the surveillance zone, on-farm biosecurity measures must be strengthened, hunting of wild birds is banned and disease awareness of poultry owners and their families must be carried out.

³ Doc. 15796/05 (COM(2005) 658 final)

⁵ Commissioner Mandelson will provide an update to the Council (General Affairs and external Relations) on the latest developments of the negotiations at the WTO.

⁶ http://www.eu2006.at/en/News/Press_Releases/February/2002AvianFLuMinisterialMeeting.html

Concerning the cases of other animals than poultry infected by the virus (cats and a stone marten mainly on the island of Rügen in North Germany. He expressed his concerns regarding the situation in Africa (Egypt, Nigeria mainly) where his assessment of the situation was not positive, following a recent visit of Commissioner Kyprianou in this continent.
