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2419th Council meeting

– **AGRICULTURE** –

Brussels, 18 March 2002

President : **Mr Miguel ARIAS CAÑETE**

Minister for Agriculture, Fisheries and Food of
the Kingdom of Spain

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PARTICIPANTS

The Governments of the Member States and the European Commission were represented as follows:

Belgium :

Ms Vera DUA

Flemish Minister for the Environment and Agriculture

Mr José HAPPART

Minister for Agriculture and Rural Affairs (Walloon Region)

Denmark :

Ms Mariann FISCHER BOEL

Minister for Food, Agriculture and Fisheries

Germany :

Ms Renate KÜNST

Federal Minister for Consumer Protection, Food and Agriculture

Greece :

Mr Georgios DRYG

Minister for Agriculture

Spain :

Mr Miguel ARIAS CAÑETE

Minister for Agriculture, Fisheries and Food

France :

Mr François PATRIAT

Minister for Agriculture and Fisheries

Ireland :

Mr Joe WALSH

Minister for Agriculture, Food and Rural Development

Italy :

Mr Giovanni ALEMANNO

Minister for Agriculture and Forestry Policy

Luxembourg :

Mr Fernand BODEN

Minister for Agriculture, Viticulture and Rural Development

Netherlands :

Mr Laurens-Jan BRINKHORST

Minister for Agriculture, Nature Management and Fisheries

Austria :

Mr Wilhelm MOLTERER

Federal Minister for Agriculture, Forestry, the Environment and Water Management

Portugal :

Mr Jaime SILVA

Agricultural Counsellor at the Permanent Representation of Portugal

Finland :

Mr Raimo TAMMILEHTO

Minister for Agriculture and Forestry

Sweden :

Ms Margareta WINBERG

Minister for Agriculture and Minister for Equal Opportunities

United Kingdom :

Ms Margaret BECKETT

Secretary of State for the Environment, Food and Rural Affairs

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Commission :

Mr David BYRNE

Member

Mr Franz FISCHLER

Member

Mr Günther VERHEUGEN

Member

Participants from the candidate countries of Central and Eastern Europe, Cyprus, Malta and Turkey at the meeting with the EU Agriculture Ministers - Tuesday 19 March 2002 :

Bulgaria:

Mr Mehmed DIKME Minister for Agriculture

Cyprus:

Mr Costas THEMISTOCLEOUS Minister for Agriculture

Czech Republic:

Mr Jan FENCL Minister for Agriculture

Estonia:

Mr Jaanus MARRANDI Minister for Agriculture

Hungary:

Mr András VONZA Minister for Agriculture

Latvia:

Ms Laimdota STRAUJUMA Secretary of State
Mr Aivards LAPINŠ Deputy Secretary of State

Lithuania:

Mr Jeronimas KRAUJELIS Minister for Agriculture

Malta:

Mr Ninu ZAMMIT Minister for Agriculture

Poland:

Mr Jaroslav KALINOWSKI Deputy Prime Minister, Minister for Agriculture and Rural Development

Mr Jerzy PLEWA Deputy Minister

Romania:

Mr Ilie SARBU Minister for Agriculture
Mr Valeriu STERIU Secretary of State for European Integration

Slovak Republic:

Mr Pavel KONCOŠ Minister for Agriculture

Slovenia:

Mr Franci BUT Minister for Agriculture
Mr Iztok JARC Secretary of State

Turkey:

Mr Husnu Yusuf GÖKALP Minister for Agriculture

TOBACCO

After lengthy discussions, the Council reached political agreement by qualified majority, with the Danish and Swedish delegations voting against and the United Kingdom delegation abstaining, on a proposal for a Regulation concerning the tobacco sector (14521/01) as amended on the basis of a Presidency compromise suggestion adopted by the Commission. This compromise was accompanied by a Commission statement for the minutes, which the German, Netherlands and United Kingdom delegations supported ¹.

The Regulation sets premiums and guarantee thresholds for tobacco for the 2002, 2003 and 2004 harvests by variety group and Member State.

The main points of the Presidency compromise suggestion are as follows:

- Inclusion of a reference in Recital (5) to Article 152 of the Treaty – requirement for a high level of public health protection – and of a reference in Recital (6) to the Community Tobacco Fund's activities and financing;
- Community Tobacco Fund: the deduction to finance the Fund is set at 2% of the premium for the 2002 harvest, and 3% for the 2003 harvest; the deduction may be increased to 5% for the 2004 harvest on the basis of a Commission report to be presented by 31 December 2003 on the use of the Fund's appropriations, accompanied if necessary by a proposal to that effect;
- auction system: the scheme may apply to the contracts of producer groups that wish to take part in it;
- national quota reserve: producer Member States will be able to create a national quota reserve.

The Regulation will be formally adopted without debate at a forthcoming Council.

¹ The Commission gives a reminder that within the framework of its Communication "A Sustainable Europe for a Better World: A European Union Strategy for Sustainable Development" (COM(2001) 264 final) it proposes, among other things, to adapt the raw tobacco regime at the end of its review in 2002 so as to allow for the phasing out of tobacco subsidies while putting in place measures to develop alternative sources of income and economic activity for tobacco growers and workers, and decide on an early date accordingly.

NUTS AND LOCUST BEANS

The Council adopted, by a qualified majority with the Swedish delegation abstaining, a Regulation extending the financing of quality and marketing improvement plans for certain nuts and locust beans along with a joint Council and Commission statement and a statement by the Portuguese delegation, both entered in the minutes.

The Regulation:

- allows producer organisations whose plans expire in 2001 to apply for continued financing of nut crops for a maximum of one year; such aid must not exceed EUR 241 per hectare and must concern areas already receiving aid under the last year of the plan, with a 75% ceiling set for the Community contribution;
- provides for the granting of specific aid for hazelnuts of EUR 15 per 100 kg, for a period of one marketing year, to producer organisations not benefiting from the first measure.

AGRICULTURAL INSURANCE

The Council expressed its interest in the presentation of the Presidency memorandum (6270/02) on agricultural insurance and risk management in arable and livestock farming and instructed its subordinate bodies to refine its content and to examine any suggestions that the Member States and the Commission might submit to it. The Memorandum emphasises the presence of uncontrollable natural risks in agriculture as well as economic and environmental risks, and points out in particular that there is at present no common and harmonised system of agricultural insurance in the organisation and operation of risk management.

It agreed to come back to the subject at a future meeting, after the International Conference on Agricultural Risks which is to take place in Madrid (13 and 14 May 2002).

**ENLARGEMENT AND AGRICULTURE: PREPARATION FOR THE MEETING OF
EU AGRICULTURE MINISTERS WITH MINISTERS FROM THE CANDIDATE
COUNTRIES**

The Council noted the information provided by the Presidency on the informal meeting between the Agriculture Ministers of the Community and those of the candidate countries to be held on 19 March 2002.

It heard a presentation by Commissioners Verheugen, Fischler and Byrne of the essentials of the Commission discussion paper "Enlargement and Agriculture: Successfully integrating the new Member States into the CAP" (5638/02) and of a report analysing the impact of the enlargement of the Union on agricultural markets and incomes.

The Council discussed the content of these documents in detail, focusing mainly on direct payments, production quotas and other supply management instruments, and on aid for restructuring the agricultural sector in the candidate countries.

OTHER BUSINESS**– CAP – MID-TERM REVIEW OF AGENDA 2000 – *Presentation of the German position***

The Council heard the German delegation's presentation of its position of principle, set out in 6817/02, on the policy to be followed over the medium and long term in the various areas of agriculture.

– FROST DAMAGE TO OLIVE GROVES IN NORTH-EAST SPAIN

The Council was asked by the Spanish delegation to look into the matter of the significant damage to olive trees in Spain following the low temperatures in the second half of December 2001 in north-east Spain, in the regions of Aragon and Catalonia. The result of this bad weather was a significant fall in olive oil production and the death or partial desiccation of some olive trees.

The Spanish delegation hoped the Commission would be able to examine possible solutions that could allow cultivation of this crop, which is the only viable option for producers in those largely agricultural areas, to continue.

Commissioner Fischler mentioned the possibility of adjusting the regional development programmes, if necessary, to remedy the situation.

– ***THIRD-COUNTRY GUARANTEES REGARDING RESIDUE CHECKS ON FOODSTUFFS***

The German delegation, supported by the French delegation, drew the attention of the Council and the Commission to the need to re-examine as soon as possible the criteria used in the EU to assess the effectiveness of the systems of residue checks applied by third countries, in the light of the alarming increase in cases of imported foodstuffs, from the Far East in particular, containing residues harmful to health.

It emphasised the difficulties in ensuring third-country compliance with guarantees regarding checks and wanted an alignment of standards for Community products and imported products.

Commissioner Byrne reported, concerning the cases mentioned by the German delegation in its statement (imports into the Community of foodstuffs from China, Vietnam and Indonesia containing residue traces), that a list of third countries that complied with guarantees regarding checks had been updated since 1999 by the Commission. He noted that Community checks on residues had three components, namely:

- checks at points of entry into the Community: he asked Member States to strengthen existing controls, especially for foodstuffs from South-east Asia;
- residue check plans submitted by third countries; and
- inspections by the Community's Food and Veterinary Office.

– ***GRAIN MARKET SITUATION***

The French delegation drew the attention of the Council and the Commission to the deterioration in the grain market in France and the Community, with particular reference to the major rise in wheat imports, the significant fall in the price of wheat on the French market and the drop in exports. With the new crop expected to be large, the French delegation stressed that the situation looked set to deteriorate further.

Commissioner Fischler highlighted the development of the market situation in the sector, particularly with regard to imports in the light of WTO rules, as well as the sizeable increase in supply from Central and Eastern European countries, resulting in particular from low transport costs. He also recalled that half a million tonnes of grain had been imported from the United States.

He said that lessons should be drawn from the situation and that the problem of the grain sector would be raised in the context of the coming mid-term review of the CAP.

**MEETING OF EU AGRICULTURE MINISTERS WITH MINISTERS FROM THE
CANDIDATE COUNTRIES (19 March 2002)**

The EU's Agriculture Ministers held an exchange of views with the ten candidate countries directly concerned by the Commission discussion paper "Enlargement and Agriculture: Successfully integrating the new Member States into the CAP " (5638/02) and heard statements from the three other candidate countries.

Observations and comments mainly concerned:

- the length of the transitional period provided – 2004 to 2013 – for the gradual introduction of direct aid;
- difficulties in incorporating the *acquis communautaire*, particularly with regard to Community rules on food safety;
- the period (1995-1999) chosen by the Commission for establishing production quotas for milk and sugar in particular and other supply management instruments and the pre-defined periods for establishing reference yields by sector;
- the option given to the future Member States of supplementing, subject to conditions, the direct aid paid under Community arrangements with national aid.

Ministers also noted statements by Commissioners FISCHLER, VERHEUGEN AND BYRNE, who stressed in particular that:

- the restructuring of the agricultural sector in the candidate countries was the most important theme in the enlargement context;
- a recent impact study by the Commission showed that the immediate introduction of all direct aid in those States would have a negative effect on the restructuring of the sector;
- the agricultural chapter should be seen in the broader context of the overall package of negotiations on enlargement;

- the transitional measures allowed the greater flexibility needed in order to adapt the economies of the candidate countries;
- it was essential to ensure strict compliance with Community rules on food safety.

The Presidency was pleased that the meeting had taken place, and noted that it had given all participants the opportunity to give their views on the agricultural section of the accession negotiations. It noted that the Ministers' contributions would be an important aspect to be borne in mind when drawing up the draft common positions expected shortly.

ITEMS APPROVED WITHOUT DEBATE

The documents whose references are given are available on the Council's Internet site <http://ue.eu.int>. Acts adopted that include statements in the minutes which may be released to the public are indicated by an asterisk; these statements may be obtained by following the procedure indicated above or from the Press Office.

AGRICULTURE

Veterinary and phytosanitary agreements with third countries – Council conclusions (7170/02)

"The Council held a discussion on veterinary and phytosanitary agreements with third countries, in the light of experience with agreements negotiated and signed since 1995 and information provided by the Commission on negotiations currently in progress, with Chile in particular.

Several delegations expressed the view that these agreements were essential instruments for facilitating trade between the Community and its trading partners while ensuring that the high level of human, animal and plant health protection applied by the Community was maintained. Some of them however felt that an agreement with Chile should serve as a reference for agreements to be concluded with the Mercosur countries and that in the framework of the negotiations and exploratory discussions in progress with those countries, aiming at the conclusion of bilateral agreements, benefit should be drawn from the experience gained from the existing agreements as well as certain weaknesses noted in them, so as to ensure that the new agreements could become effective and operational rapidly.

Finally, delegations stressed the urgency of concluding negotiations with Chile, with the signing of an Association Agreement in the offing. They noted that the Commission intended to involve national veterinary and phytosanitary authorities closely in the negotiation and management of the Agreement.

The Commission was therefore urged, in conjunction with the Working Party of Chief Veterinary Officers and the Working Party of Chief Plant Health Officers (within the Potsdam Group for veterinary questions), actively to continue negotiating and reporting to the Council. The latter agreed to return to this subject in the light of the results of forthcoming contacts with the Chilean authorities, on the basis of the negotiating directives adopted by the Council in 1995 and of additional negotiating directives if appropriate.

Alongside these new negotiations, it asked the Commission rapidly to resolve the outstanding questions raised in the framework of the existing agreements, i.e. to do everything necessary for the New Zealand Agreement to be applied speedily and for the obligations concerning health status contracted by the US when the Agreement was signed to have rapid effect."

Forests*(PE-CONS 3601/02 – 3604/02)*

In accordance with the codecision procedure, the Council adopted two Regulations on the protection of the Community's forests, one against atmospheric pollution and the other against fire, incorporating the European Parliament's amendments at first reading.

The Regulations extend the Community measures in these sectors for a period of one year in order to pursue and improve knowledge of forest health and of forest fires, prevention and monitoring. They provide that before 30 June 2002 the Commission should submit to the European Parliament and to the Council a report on the application of these Regulations and a proposal for revision covering in particular the ecological, economic and social aspects and the results of a cost-benefit analysis; the financial implications envisaged for these two measures are EUR 7,5 million and EUR 10,5 million respectively in 2002, representing an increase of EUR 2 million compared with the initial proposal (EUR 6,65 million and EUR 9,35 million) and reflecting the overall figure set out in the 2002 budget.

EXTERNAL RELATIONS**UNRWA – Community contribution to the budget for 2002-2005***(6962/02)*

The Council adopted the Decision authorising the Commission to negotiate a convention between the EC and UNRWA concerning the Community contribution to the UNRWA budget for 2002-2005.

Relations with the Mediterranean region - Preparation of the 4th Conference of Ministers for Industry*(6966/1/02)*

The Council approved the EU common position with a view to the conclusions to be adopted at the 4th Euro-Mediterranean Conference of Ministers for Industry to be held in Malaga on 9 and 10 April 2002. The text will be forwarded to the Mediterranean partner countries and finalised after negotiations with them.

FOREIGN TRADE**Polyethylene terephthalate - Amending a definitive anti-dumping duty**
(6691/02)

Following a review procedure conducted by the Commission, the Council amended the definitive anti-dumping duty on imports into the Community from the Indian company Futura Polymers Ltd., the new rate being EUR 161,2/t.

By Regulation (EC) No 2604/2000 ¹ the Council had imposed a definitive anti-dumping duty on imports of certain polyethylene terephthalate under CN code 3907 60 20 and originating, inter alia, in India, with the exception of imports from several Indian companies specifically mentioned, which were subject to different rates of duty.

Personal fax machines— Repealing a definitive anti-dumping duty
(6752/02)

Following a review procedure conducted by the Commission, the Council decided to repeal the Regulation imposing a definitive anti-dumping duty and to close the anti-dumping proceeding in respect of imports of these products.

By Regulation (EC) No 904/98 of 27 April 1998 ², the Council had imposed a definitive anti-dumping duty on imports of personal fax machines under code ex 8517 21 00 and originating in the People's Republic of China, Japan, the Republic of Korea, Malaysia, Singapore, Taiwan and Thailand.

¹ OJ L 301, 30.11.2000, p. 21.

² OJ L 128, 30. 4.1998, p. 1.

INTERNAL MARKET**Insurance mediation***(5462/02)*

The Council adopted a common position on the draft Directive on insurance mediation, in accordance with the agreement reached at its meeting on 26 November 2001. The text will be forwarded to the European Parliament for a second reading under the codecision procedure.

The Directive is intended to establish a regulatory framework aimed at ensuring a high level of professionalism and competence among insurance intermediaries, with a single system of registration of intermediaries in order to facilitate the cross-border exercise of their activities and a high level of protection of policyholders' interests.

TRANSPARENCY**Public access to Council documents***(5809/1/02 – 6269/02)*

The Council adopted a reply to the confirmatory application made by Ms Celia Hampton for access to Council documents. The Danish, Spanish, French, Portuguese, Finnish and Swedish delegations voted against.

The Council also adopted a reply to the draft recommendation by the European Ombudsman, Mr Jacob Söderman, concerning the complaint by Mr Raphaël Vuitton (1542/2000/(PB)SM). The Danish, Netherlands, Finnish and Swedish delegations voted against.
