

4. Trade-related agricultural issues

In view of the preparation of the "Agriculture and Fisheries" Council
- Information from the Commission

The PRES informed the delegations on the state of play regarding the ongoing trade negotiations of relevance to agriculture (in particular WTO, Mercosur, JP and Mexico).

The main issues raised by the delegations were the following:

- relevance of significant number of sensitive sectors such as beef, ethanol or sugar, especially in the context of the Mercosur negotiations (PL, HU, PT, SI, AT, FI, SK)
- need to focus on prevention of anti-biotoxic resistance in negotiations (SE, FI)
- State of play (incl. transparency) of the Japan bilateral trade agreement (DE, PL, SI)
- WTO Buenos Aires round state of play (HU, EL, AT)

In its reply, the Commission made it clear that the agricultural sector needs to be supported and that the agricultural sensitivities will be taken into account during the trade negotiations so as not to cause major disruptions in the EU markets.

PRES concluded by saying that discussion on this issue will continue in the Agrifish Council of 6 Nov. and invited COM to regularly update the MS on the developments in international agricultural trade negotiations. The PRES also took note of the Commission's explanations on the state of play and encouraged delegations to (better) coordinate their positions with their TRADE colleagues.

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5. Milk Powder stocks management

- Information from the Commission (WK 10892/2017)

The SCA had an exchange of views on the idea suggested at the last AGRIFISH Council in Luxembourg to set at zero the ceiling for buying-in skimmed milk powder (SMP) at fixed price in 2018. The Commission provided all the necessary clarifications. The delegates expressed the following views:

- **17 MS** expressed their readiness to **support the Commission proposal**: FR, SK, SI, NL, FI, RO, HR, ES, CZ, SE, DE, LU, IT, BE, DK, UK, AT;
- **3 MS** were **more reluctant** to go down that road: LT, PT, PL;
- **4 MS** announced **scrutiny reserves** as the proposal is still being considered: HU, LV, IE, EL;
- **11 MS** invited the Commission to **explore all possible avenues to dispose of existing stocks** without negative market impact (most deprived, feed, source of protein for MS stricken by drought, etc.): FR, PT, RO, CZ, PL, SE, BE, DK, UK, IE, AT.

The Council Presidency concluded that the delegates **support the Commission proposal** to adjust Regulation 1370/2013 for 2018 and that existing stocks should be disposed of, using all possibilities, including innovative ones.

As the majority was in favour (despite some MS were not being fully supportive), the **SCA called on the Commission to continue working on a proposal which it looks forward to having it tabled before the end of the year 2017.**

The Commission also provided further details following comments made by MS during the tour de table: existing stocks correspond to some **3.8 million tonnes milk**; all avenues are explored for disposing of them, including the **most deprived scheme and feed uses**, without negatively impacting the market or substituting fresh product. The present rules for the most deprived require that the selling price be above the intervention price as **only the proceeds can be used to the benefit of the most deprived**. The basic act does not provide for other ways than **either selling at fixed price or by tender**. Activating a tender guarantees that the safety net remains available but is operated depending on prevailing market conditions. The Commission is constantly monitoring the market, with a great degree of realism, as well as vigilance to avoid market disturbance.

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6. Sustainable soil management

In view of the preparation of the "Agriculture and Fisheries" Council

– Exchange of views

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In view of the Council debate of 6 Nov 2017, the SCA had an exchange of views based on the PRES background document and questions therein. The Commission presented its view on the questions. The PRES also pointed out that the conclusions referred to in the paper are Presidency conclusions (and not "common conclusions").

The SCA took note of the Presidency conclusions, of the presentation made by the Commission, and of the contributions made by the Member States.

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4. Organisation of future work

The next **SCA** meeting will take place on **20 Nov**. The meeting will include the proposal for a Regulation of the European Parliament and of the Council on **organic production** and labelling of organic products (vote) and a presentation on the Proposal for a Council Regulation fixing the production levies and the coefficient for calculating the additional levy in the sugar sector for the marketing year 1999/2000 and fixing the production levies in the sugar sector for the marketing year 2000/2001.

Upon the DE request regarding the state of play of the **Omnibus timetable**, the PRES informed confirmed there is no firm position yet as of today. Given that the part related to the Financial Regulation is not finished yet, the PRES confirmed it is considering the option to remove the agricultural part from the whole package in order to overcome the concerns that the new rules will not be applicable as of 1 Jan 2018. The PRES announced the delegates it will keep them informed of the next steps.

Finally, the **next AGRIFISH meeting** will take place on **6 Nov**. The agricultural points on the agenda are the following: International trade in agricultural products, and an

exchange of views on Sustainable soil management (following the high-level conference in Tallinn on 4-6 October 2017).

The HU delegations also requested **two AOBs** for the AGRIFISH meeting of 6 Nov.: (1) Joint Declaration of the Agricultural Ministers of Visegrad Group as well as Bulgaria, Romania on the Renewable Energy Directive after 2020; (2) Joint Declaration of the Agricultural Ministers of Visegrad Group as well as Bulgaria, Croatia, Romania and Slovenia on the Central Eastern European Initiative for Knowledge-based Agriculture, Aquaculture and Forestry in the Bio-economy “BIOEAST”.

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