



EUROPEAN COMMISSION
SECRETARIAT-GENERAL

Directorate D
SG-D-3 – Resource Efficiency

Brussels, 15 March 2017

SI(2017) 107

NOTE TO MEMBERS OF THE COMMISSION

**Subject: Meeting of the Special Committee on Agriculture (SCA)
Brussels, 13 March 2017 - Summary record**

The Special Committee for Agriculture had a political exchange of views on the amendment of Delegated Regulation (639/2014) establishing the rules for direct payments, notably as regards the proposal to ban use of pesticides in the Ecological Focus Areas. A number of Member States had problems with this on the following grounds: i) this is the opposite of simplification, as the controls of whether these areas have been treated with pesticides or not are a burdensome exercise; ii) this is not overly positive for the environment, because this will undermine the possibility to plant nitrogen-fixing crops in the Ecological Focus Areas; iii) this is a major change in the middle of the policy cycle, notably for the farmers who took the decision to implement the greening requirements introduced in 2014 through planting of nitrogen-fixing crops. Now this retroactive change undermines their business model. These reasons were sufficient enough for [redacted] to refuse the whole proposal. There was also a number of other MS who would oppose this provision as well, but chose not to do so in order not to lose the benefits of the other measures within the Amendment. [redacted] and [redacted] announced scrutiny reservations.

In reply to the request from the SCA to put forward a proposal for a Council decision on the particular status of the EU in OIV, in view of the next General Assembly of the OIV in June, the Commission indicated that discussions were ongoing, notably on the legal and financial aspects. The Commission also presented the main points of a report on EU apiculture.

[signed]

[redacted]
[redacted]

Further information: [redacted]

1. **Adoption of the agenda**

I

2. **Summary record of the 1544nd meeting of the SCA**
–6901/17 CRS CSA 4

II

3. **Proposal for a Regulation of the European Parliament and of the Council on organic production and labelling of organic products, amending Regulation (EU) No XXX/XXX of the European Parliament and of the Council [Official controls Regulation] and repealing Council Regulation (EC) No 834/2007**
–Debriefing of the last trilogue

The SCA took note of the debriefing provided by the Presidency on the trilogue that took place on 8 March. The Commission reassured its strong willingness to achieve an agreement on this file and reminded what was said already at the "Agriculture and Fisheries" Council last December by the Commission's representative, namely that there should be no red lines. The Commission also pointed out that the issue on seeds is vital for the EP.

The SCA took note of the remarks provided by the Commission and the delegations.

Contact: [REDACTED], DG AGRI, Unit B.4 Tel.: [REDACTED]

4. **Proposal for a Regulation of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union and amending Regulations (EU) No 1296/2013, (EU) No 1299/2013, (EU) 1301/2013, (EU) No 1303/2013, EU No 1304/2013, (EU) No 1305/2013, (EU) No 1306/2013, (EU) No 1307/2013, (EU) No 1308/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014,(EU) No 283/2014, (EU) No 652/2014 of the European Parliament and of the Council and Decision No 541/2014/EU of the European Parliament and of the Council (Omnibus proposal) (First reading)**
– Continued examination of the suggested compromise package

The SCA examined the revised compromise suggestions (document 6574/1/17 REV1) on **Knowledge transfer and information** actions (point 2a) under the Rural Development Regulation, as well as, **Permanent grassland** (point 0) and **Voluntary coupled support** (point 6) under the Direct Payments Regulation. Most MS ([REDACTED]) took the floor focusing on the three questions and asking additional questions on the timetable. As regards **knowledge transfer and information** actions, most MS expressed themselves in favour of the Presidency's compromise proposal. MS' views were more divided on the Presidency's proposal on **permanent grassland**. [REDACTED] and [REDACTED] opposed it citing the need for stability as the reason for this, [REDACTED] and [REDACTED] had reservations, whilst the rest of the MS that took the floor were either in favour of the proposal or suggested that it went in the right direction. Lastly, the proposal on voluntary coupled support gathered

support by a majority of Member States but different views were expressed primarily on the list of sectors to be covered and the possibility to review it annually. The COM maintained its position in that it is not in favour of re-opening the definition of permanent grassland or revisiting the voluntary coupled support provision. The examination of the suggested compromise package will continue at the SCA on 20/03, 27/03 and the Council in Luxembourg on 3 April.

Contact: [REDACTED], DG AGRI, Unit I.5 Tel.: [REDACTED]

5. Commission Delegated Regulation (EU) .../... of 15.2.2017 amending Delegated Regulation (EU) No 639/2014 as regards the control measures relating to the cultivation of hemp, certain provisions on the greening payment, the payment for young farmers in control of a legal person, the calculation of the per unit amount in the framework of voluntary coupled support, the fractions of payment entitlements and certain notification requirements relating to the single area payment scheme and the voluntary coupled support, and amending Annex X to Regulation (EU) No 1307/2013 of the European Parliament and of the Council

– Examination of the Presidency compromise text

A number of MS expressed a strong opposition.

[REDACTED] considered that the Commission has no mandate to propose in context of a DA a ban of use of PPP. In their view this is completely outside of the Commission competence (based on Article 290 of Treaty). Also, the proposal is in contradiction with the EU priorities on protein crops. While [REDACTED] has chosen to support NFC in Voluntary coupled scheme and has confirmed this option in 2016 as foreseen by the regulatory framework, the Commission decision in the current DA will be an obstacle to further development of the protein crop.

[REDACTED] and [REDACTED] have supported the [REDACTED] position. [REDACTED] argued on the fact that absence of PPP will be counterproductive, raising some environmental issue due to the pest development.

The Commission reminded the objectives of greening review after one year: first for administrative simplification purpose, secondly for the improvement of environmental effectiveness (in the context of the REFIT exercise). COMM underlined that the objective of the green direct payment is to enhance the environmental performance of the CAP through payments for practices beneficial for the environment and climate change (and not the development of the protein crop sector for which other more appropriate policy instruments exist). In some MS, including [REDACTED] the % of EFA declared is largely above the 5% (close to 9 %). There is still a possibility to use other area and to fulfil the EFA obligation.

Council legal service confirmed that through the secondary legislation, the Commission has the empowerment to propose such a provision. Nevertheless, possible discussion can

concern the meaning of essential or not essential provision, but not yet any court case of this matter.

█ expressed a concern as regards the list of species to be used as short rotation coppices, the non-indigenous concept being too restrictive.

█ has exposed its concerns as regards under-sowing catch crops and the controllability of the area concerned in the context of the ban of use of PPP after harvesting the main crops. █ requested some confirmation in order to have flexibility for the organisation of the control. █ expected to have some guidelines from the Commission on the controllability aspect in the next expert group foreseen on 23 March 2017. For this reason █ has still reservation.

█ need to have further clarification on the controllability of the ban of use of PPP and consider that there are still issue to be addressed such as minimum duration for catch crops in █ █ █ and █ explained also that their position is not yet established.

█ and █ explained that their minister will gave a positive opinion on the proposal despite on the complexity of the ban of use of PPP.

COM confirmed that the Commission foresees an expert group on the 23 March, with an explanatory note to be issued in order to better clarify the scope of the ban of use of PPP.

The Presidency noted that █ and █ are against and █ █ █ and █ have a scrutiny reservation.

The █ presidency concluded that there was no qualified majority in favour of rejecting the DA.

Contact: █, DG AGRI, Unit I.5 Tel.: █

6. OIV special status

–Procedure to be followed

The Council invited the Commission to present rapidly a proposal for a Council decision on the particular status of the EU in OIV, in view of the next General Assembly of the OIV in June. The proposal should also include the amount of the EU financial participation to OIV. The Presidency added that all MS are in favour of the particular status for the EU, although they all agree that a Council Decision is the direction to be followed.

COM replied that the most appropriate approach is the Communication from the Commission on the particular status, such as presented in the WP of December, and a Commission decision as regards the financial aspects. COM added that further discussions between the two institutions were needed on legal aspects and that all possibilities to come to an agreement should be explored.

The [redacted] delegation reacted, requesting the Commission to include a reference to them in the Communication adopted by the Commission on 25 November 2016 ([redacted] being a member of the OIV).

The SCA took note of the views expressed by the Commission and invited the Commission to submit as soon as possible a Council decision and to include a reference to the financial contribution of the EU.

Reporting: [redacted], DG AGRI, Unit I.5 Tel.: [redacted]

7. Report from the Commission to the European Parliament and the Council on the implementation of the measures concerning the apiculture sector of Regulation (EU) No 1308/2013 of the European Parliament and of the Council establishing a common organisation of the markets in agricultural products
– Information from the Commission

COM presented the main points of this report, stressing the importance of bee keeping for agriculture and explaining the challenges faced by the European beekeeping sector.

COM also mentioned that next report is due in three years and will include the analysis of the impact of the reform of the CAP on national apiculture programmes.

HU commented that the MS budget allocation should be based on the number of bee families (holdings) rather than on the number of beehives. Further, it advocated the system of origin labelling of honey with obligatory mentioning of individual MS, as opposed to the current system which allows for indication "blend of EU honeys". Finally, it drew the attention to the recently issued JRC report according to which 20% of honey sold in the EU contains added sugar.

[redacted] acknowledged successful implementation of the national apiculture programmes. For the future, it asked for another redistribution of budget funds.

The SCA has taken note of the information provided by the Commission as well as the views expressed by the delegates.

Reporting: [redacted], DG AGRI, Unit I.5 Tel.: [redacted]

8. Organisation of future work

The next SCA will take place on 20 March. The indicative agenda includes the Omnibus point which will also be discussed during the SCA meeting of 27 March with the aim for submission in the AGRIFISH Council (only for points where political guidance would still be needed) and transmission to COREPER for a mandate in early May 2017. The PRES also mentioned that the compromise text agreed within the SCA would not be

changed and that the Financial Regulation (debated in COMBUD) is currently on track in line with the Roadmap agreed.

The next AGRIFISH Council will take place on 3 April in Luxembourg.

Reporting: [REDACTED], *DG AGRI, Unit I.5 Tel.:* [REDACTED]
