



EUROPEAN COMMISSION
SECRETARIAT-GENERAL

Directorate D
SG-D-3 – Resource Efficiency

Brussels, 6 September 2017

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NOTE TO MEMBERS OF THE COMMISSION

**Subject: Meeting of the Special Committee on Agriculture (SCA)
Tallinn, 4 September 2017 - Summary record**

The focus of the meeting was the Omnibus proposal. The exchange of views based on the Presidency questions enabled the Presidency to propose a revised negotiating mandate for agreement at the following SCA meeting on 18 September 2017.

[signed]

Further information:

1. **Adoption of the agenda**
2. **Summary record of the 1555th meeting of the SCA**
1411184/17 CRS CSA 15
3. **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 Regulation (EC) No 2012/2002, Regulations (EU) No 1296/2013, (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)**
Exchange of views

The SCA exchanged views on the draft EP amendments to the provisions of the Omnibus proposal concerning the Regulation (EU) 1305/2013 (Rural Development), Regulation (EU) 1307/2013 (Direct Payments), and Regulation (EU) 1308/2013 (Common Market Organisation) with view of a renewed mandate. A summary table (doc. WK. 8515/17 ADD 26) was distributed beforehand.

The discussion was based on four questions:

- 1) Agreement (Y/N) to reduce the **income loss threshold** (*Rural Development*) triggering the use of all tools to 20% (instead of 30%) as proposed in EP amendments 33, 37 and 38
- 2) On **greening** (*Direct payments*), agreement (Y/N) to make any changes to the regime through the Omnibus proposal and, if so, which?
- 3) On **VCS** (*Direct payments*), agreement (Y/N) to add an amendment prepared by the PRES to the Council mandate and for submission to the next trilogue?
- 4) On **CMO regulation**:
 - a. To which extent would the proposed changes to the framework for **producer organisations** lead to simplification and harmonisation of the rules applicable to producer organisations and negotiations?
 - b. On regulation of **contractual relationships** and **value-sharing** as well **unfair trading practices**: based on existing practices concerning contracts and value-sharing, how important would you assess the impact of the extension of those provisions to be for other agricultural sectors?
 - c. On improving and simplification the **derogation from the competition rules** in general and at times of crisis: for crisis management purposes, the EP proposes to provide for the possibility of **supply management measures** and a **voluntary production reduction**: considering current practices and the fact that a sector-specific income stabilisation tool has been proposed under the Rural Development regulation, in your opinion could the above-mentioned amendments effectively complement that tool?
 - d. Can you agree to the concept of strengthening producer organisations in the following manner?
 - Producer organisations that pursue and integrate an economic activity could be recognised *without the need to meet any significance criteria* (e.g., as foreseen in the current Articles 169 to 171 of the CMO Regulation).
 - Thus, irrespective of the significance of their economic activity, recognised producer organisations in any sector *would be able to plan production, decide upon the marketing, and market their members' production notwithstanding the competition rules* within the meaning of Article 101 TFEU.

Summary of discussion

- Reduction of threshold (Q1): different reactions from delegations to reduce the income loss threshold to 20%, but in general the position is that this is not supported by the delegations; the Cion also clarified that any changes would need to be financed by existing funds
- Greening (Q2): limited support regarding EP amendments proposed. MS stressed the need for stability and for maintaining the environmental ambition of greening. Nevertheless, certain amendments may be acceptable, if they are leading to simplification and, more generally, MS showed flexibility to come to a compromise with the EP.
- VCS (Q3): very broad support for inclusion of PRES amendment on Art 52(5) and 55(6)

- On CMO (Q4):
 - discussion confirmed that the delegations do not support the concept of bargaining organisations
 - support for strengthening the farmer's position through contractual relationships, value-sharing and derogations from competition rules, but mixed positions whether this should be done in the Omnibus or in the context of the discussions on the future CAP/FSC initiative
 - additional questions raised regarding strengthening of the PO while at the same time simplifying the existing rules (especially concerns regarding negotiating organisations);
 - clarification by Commission that no recognition criteria (cfr Question 4d) would be dropped following misunderstanding by some delegations

Conclusion

The exchange of views on the questions enabled the Presidency to propose a revised negotiating mandate for agreement at the following SCA meeting on 18 September 2017.

Next steps:

- A new four column table will be prepared by 8 September.
- Attachés meeting on **12 Sept** in Brussels.
- New mandate to be voted during SCA meeting of **18 Sept.**
- Trilogue of 7 Sept will be based in CS position of April 2017 (pointing out where the Council is willing to make compromises)

4. Organisation of future work

The next SCA meeting will take place on 18 September 2017. The main agenda item will be the Omnibus file and will include a de-briefing of the Trilogue meeting of 7 September and a renewal of the negotiating mandate.

In preparation of this, an attachés meeting will take place on 12 September in Brussels.