SI(2017) xxx

NOTE TO MEMBERS OF THE COMMISSION

Subject: Meeting of the Special Committee on Agriculture (SCA)
Brussels, 06 June 2017 - Summary record

Further to the SCA discussion on 22 May on OMNIBUS, delegations resumed their discussion the EP's amendments made in relation to the Rural Development and Horizontal Regulations.
As preparation for the AGRIFISH Council on 12 June, delegations were updated on the market situation.
SCA took note of the progress report on spirit drinks.
The Commission provided information on this Ministerial Conference “Making Sustainable Agriculture a Future for Youth in Africa” (2 July).
Finally, SCA exchanged views on the European Court of Auditors' Special Report No 34/2016 "Combating Food Waste: an opportunity for the EU to improve the resource-efficiency of the food supply chain".

[signed]

Further information:

1. Adoption of the agenda
   I

2. Summary record of the 1552nd meeting of the SCA
   II

Presidency had asked MS for positions on specific issues on RD and HR regulations. Presidency distributed a draft amendment of Article 52 of the DP Regulation on VCS.

**Rural Development Regulation**: on risk management, a majority of MS was in favour of the EP amendments (HR, LV, FR, SW, LT, CZ, IT). LV, FR, LT however spoke against respecting good agricultural conditions. IE, CY and LUX stated that the amendment would not be an issue for them as they do not apply the measure. ES and FI considered amendments broadly acceptable, but better fit for the post-2020 reform. FI in favour of AM on indexes.

NL is against the reduction of damage from 30 to 20%, the extra contributions to funds and the increased support rate. AU and DE considered amendments went too far (indicating a negative position). PL was against. DK expressed scepticism and considered matter better left for post-2020 reform.

On the prolongation of RDPs a clear majority of Member States expressed themselves favourably (IE, HU, BE, BG, HR, FR, RO, LT, LUX, CZ, PL, FI, CY) albeit certain of them raising concerns of financial implications or form of the text. Some MS were more cautiously positive: SLO, AU. LV and DK were against the EP amendment.

Most MS also gave their position on all or some other EP amendments on the RD regulation: issues where there appears to be a large support is the rejection of amendments 20-26 relating to bargaining organisations and of amendment 5 on the definition of YF.

**On the horizontal regulation** a number of MS expressed themselves generally in favour of the whole pack of amendments (IE, BE, PT but for the AMs on the Certification Body, HR, LV except on 54(3)(b), SLO but for amendments 51, 52 and on financial discipline, FR but for AM 59, ES, DE except for financial discipline, SLK but for financial discipline, RO except on 54(3)(b), LT but for AMs on the Certification Body and restriction on COM documents, LUX while expressing uncertainty on the meaning of some amendments, CZ, FI, DK, CY except 52).

Some MS, while expressing support, questioned the compatibility of certain amendments with budget rules. Several Member States expressed difficulty with taking a position because, in the absence of any explanatory text on the part of the EP, the exact meaning, purpose, scope and implications of amendments were not clear. (BG, SW) PL rejects all amendments but 60 and 63-65. IT expressed sympathy for AMs on materiality threshold, single audit and postponing payment deadlines in RD.
HU and PL raised the question of amending certain notification deadlines which are currently on 1 August 2017. Given that the regulation text will not be finalised by then and it will nonetheless be applicable as of 1/1/2018 MS would not be in a position to make decisions in full knowledge of situation.

The Commission in its replies said that it is aware of concerns and will take them into account when time comes.

In relation to the VCS proposal some MS questioned the meaning of the term 'production limiting'. Commission explained that this is vocabulary take straight out of the WTO blue box text.

4. Market situation

Information from the Commission

As a preparation for the AGRIFISH Council on 12 June, the Presidency invited the Commission to provide an update on the market situation (no table round foreseen).

The Cion reported on the market situation and prospects for the main agricultural products, announcing that more details will be provided by the Commissioner in the upcoming AGRIFISH Council. In particular, the Cion pointed to the market situation for cereals, oilseeds, rice, sugar, olive oil, milk, pig meat, fruit and vegetables and wine. He also briefed on the situation and impact of Avian Influenza in the EU.

The overall picture shows a rather stable situation for all markets which invites to moderate optimism. The Commission will continue with its close market monitoring.

Member States reacted as follows:

- PL highlighted a still unstable market situation despite support. In an oversupply situation on the grains market, exports are needed as well as customs protection to prevent excessive imports of cereals. On the pig meat market, huge pressure remains, linked to African Swine Fever (ASF): while no recent outbreak has been reported in pig holdings, new cases in wild boars continue to be detected at the Eastern border despite the large scale eradication campaign put in place by PL. Poultry meat producers are also suffering heavy losses because of Avian Influenza. SMP stocks are a matter for concern and Commission ideas to dispose of them are dearly awaited. Early frost has caused losses in the fruit and vegetables sector: a detailed assessment of the situation in PL will be provided. PL also requested an EU strategy on plant protein.

- LT expressed their worry about SMP stocks. Finding a market for this product is difficult and out of the some 8 000 t recently bought in, 44% has been offered in LT. This is creating important expenses for their national budget. They expect the Commission to look for outlets for the product: via 3rd country buyers participating in the tenders or via humanitarian aid.

- LV referred to the milk market situation and a decrease in demand over the summer. They asked for cautiousness on the management of SMP stocks. The pig meat situation is more stable now but ASF has created significant problems and costs to producers.

The Cion replied in the following terms:
• The Commission will continue monitoring all markets, and particularly those in a more fragile situation.
• It is too early to forecast the cereals' harvest.
• The Commission will continue to be extremely cautious on the release of SMP from stocks. Humanitarian aid is an avenue the Commission is exploring, but it would only absorb a limited portion of the total volume in stocks.
• The Commission has recently set up an EU protein balance sheet.

The Presidency concluded that, in view of the next AGRIFISH Council, the SCA had taken note of the Commission's presentation and delegates' views.

_Technical details:_

_Telephone number:_ Tel: __________

_DG AGRI, Unit G.3_

5. Proposal for a Regulation of the European Parliament and of the Council on the definition, presentation and labelling of spirit drinks, the use of the names of spirit drinks in the presentation and labelling of other foodstuffs and the protection

Progress report

9173/17 AGRI 268 WTO 113 CODEC 803

The MT Presidency presented the progress report of the Working Group for Wine and Spirits concerning the alignment of Regulation (EC) No 110/2008 (Spirit Drinks Regulation).

The two main issues identified in the past 3 working parties are: the unbalance between delegated and implementing powers (DA/IA) and the changes of the procedures for the registration of Spirit GIs. The Presidency also listed other issues raised by MS.

A number of delegations took the floor to reiterate the points of main concern for them and, in some cases, to ask the Presidency to complete the progress report.

The COM commented on the fact that most remarks expressed by the delegations were of technical nature and that they should rather be raised in the context of working parties and that although the Commission proposal is an alignment, MS seem to want to alter its nature to make it an actual reform.

Furthermore, the COM reminded that its objective was to maintain the status quo in terms of empowerments and that in the new context of the Lisbon Treaty a line needed to be drawn between DAs and IAs: this issue deserves some more discussion also in view of the discussions with the EP.

Concerning Spirit GIs, the COM underlined that the main objective was to align its current system with those in force for food, wine and AWP in view of our interests in bilateral trade negotiations and of our obligation to respect WTO/TRIPS requirements. The COM aims at conciliating flexibility with status quo.
The MT Presidency took note of the delegations comments that will be reflected in the draft amended text.

**Reporting:** [DG AGRI, Unit G.2 Tel.: ]


   - Follow-up on the written consultation
   9533/17 AGRI 281 AGRIORG 51 DELACT 86

Further to the expiry of the deadline set on 31 May 2017 (see WK 5719/2017 INIT), the General Secretariat of the Council has noted 2 objections (SI, IT) to the above Commission Delegated Regulation. In view of the above, and following the end of the written consultation, delegations’ level of support for this Delegated Act was assessed.

The Commission stressed (as already done during several occasions) that the conditions for allowing labelling of variety ‘Teran’ in certain Croatian wines are fully fulfilled and that thereby, on reasons of equal treatment between MS, the Croatian request needed to be accepted. The Commission also stressed that the delegated act does not affect the Slovenian producers of the PDO ‘Teran’, which will keep the exclusive rights under the PDO.

7. **AU EU Agriculture Ministerial Conference “Making Sustainable Agriculture a Future for Youth in Africa” (Rome, 2 July 201)**

   - Information from the Commission

The Commission provided information on this Ministerial Conference “Making Sustainable Agriculture a Future for Youth in Africa”, in particular as regards the four themes that will be discussed in the roundtable dialogues during this Ministerial Conference which will be held on 2 July, on the eve of the FAO Conference (Rome, 03-08 July). This event will be co-hosted by the European Commission, the African Union Commission and the Estonian Presidency. The Commission confirmed the organisation is well on track, that ‘save the date’ invitations had been sent out on 12 May and the formal ones were being sent this week. The Commission called for the delegations to join forces with the Commission to deliver collectively on proposals for further action. This event aims at building up political engagement in view of the Africa EU Summit at the end of the year.

**Reporting:** [DG AGRI, Unit I.5 Tel.: ]
8. European Court of Auditors' Special Report No 34/2016 "Combating Food Waste: an opportunity for the EU to improve the resource-efficiency of the food supply chain"

– Exchange of views

The point on ECA report on food waste was requested by the NL delegation. NL explained that some recommendations of ECA report on food waste are linked to the CAP. They expressed their support for the Council conclusions on food waste and the Commission Communication on the Circular Economy. NL also called for an integrated Agriculture and Food Policy at EU level, including food waste prevention. They informed the Ministers that they would organise together with the JRC, Maltese and Slovak a "Symposium on the Future of Food in the EU” looking at food waste, which will take place on 27th June.

The Commission stressed its full commitment to fight food losses and waste and to make progress towards achieving the Sustainable Development Goal of halving food waste by 2030 and reducing food losses along the food production and supply chains. The Commission explained that it was ready to consider food losses and food waste in the framework of the CAP post 2020 policy. Nevertheless, it stressed that agriculture primary production only generated limited food losses and that the rural development policy had already provided a set of measures for tackling food waste and food losses. Moreover, the Commission explained that investments under rural development programmes already supported the prevention of food waste in the processing sector. The Commission also informed that it was developing, in cooperation with Member States and stakeholders, guidelines on food donation which would clarify relevant provisions in EU legislation. It underlined that the support of Member States to fully integrate food waste prevention in relevant policy areas is essential. Finally, the Commission promised to look at food waste in the context of the impact assessment of the post 2020 CAP.

LU supported the work of the Commission and mentioned that LU was organising awareness campaigns on food waste targeted at consumers and actors in the food chain. LU highlighted the importance of differentiating between food losses and food waste, with the EU being more concerned with food waste at the retail and consumer levels of the food supply chain. LU stressed that no measures on food waste are necessary in the wider context of CAP and was pleased that the Commission did not accept ECA's recommendation 2a which called on the Commission to include food waste in the CAP review.

Reporting: DG SANTE, Unit 0.1 Tel.

9. Any other business

– Information from the Presidency on the Commission delegated regulation on greening
The Presidency informed the delegations of the recent vote within the European Parliament’s Agriculture Committee.

10. **Organisation of future work**

The Presidency provided information on the AGRIFISH Council to be held in Luxembourg on 12 June. The following items are foreseen: organic, WTO, Mercosur, Market situation, EU-AU, EU Soya declaration.

Delegations were also informed by the forthcoming EE presidency about the next SCA meeting scheduled for 10 July which will include the following items: Presidency programme, debriefing 5 July trilogue on Omnibus, information Commission on EU-Africa Union Conference, AGRIFISH preparation.

Finally, the 1st AGRIFISH Council under the EE Presidency is foreseen for 17 July. The following items are currently foreseen (tbc): Trade – agricultural related issues, simplification following May 2015 Council conclusions, results of 7 July Conference on the modernisation of CAP, Teran (B-point).

Reporting: DG AGRI, Unit I.5 Tel.: