



EUROPEAN COMMISSION
SECRETARIAT-GENERAL

Directorate D
SG-D-3 – Resource Efficiency

Brussels, 21 November 2017

SI(2017) 563

NOTE TO MEMBERS OF THE COMMISSION

**Subject: Meeting of the Special Committee on Agriculture (SCA)
Brussels, 20 November 2017 - Summary record**

As an end of a long inter-institutional story that started in November 2015 with the 1st trilogue (with in total 18 trilogues during 3 years), today' SCA confirmed with qualified majority the agreement on organic production reached at the trilogue of 28 June. 6 delegations voted against (SK, AT, LT, CY, CZ and FI) and 3 abstained (HU, BE and DE). According to procedure, the Presidency will inform the EP that, should the EP adopt its position at first reading, the Council would approve it. Following a judgement from February 2017, the Commission presented its proposal aimed at rectifying the sugar production levies for the years 1999/2000 and 2000/2001. This item will also be discussed at the AGRIFIN and come back to the SCA under BG Presidency.

[signed]

Further information:

1. **Adoption of the agenda**
2. **Summary record of the 1561th meeting of the SCA**
14034/17 CRS CSA 21
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**
– *Confirmation of the final compromise text with a view to agreement*
13868/17 AGRILEG 200 CODEC 1719

The PRES invited the Delegations to confirm the final compromise text (in document 13868/17) with a view to agreement and to authorise the Presidency to send the offer letter to the EP.

In the ensuing vote, **AT, CZ, CY, FI, LT and SK** did not support the final compromise text. **DE, BE** and **HU** abstained their position. The rest of the delegations approved the text tacitly (as PRES announced beforehand that silence would mean in favour of the proposal). No discussion on substance took place.

In its conclusion, the Presidency noted the support from the SCA on the final compromise text and announced it would sign the offer letter instantly for transmission to the chair of the Committee on Agriculture and Rural Development (COMAGRI).

4. Proposal for a Council Regulation fixing the production levies and the coefficient for calculating the additional levy in the sugar sector for the 1999/2000 marketing year and fixing the production levies in the sugar sector for the 2000/2001 marketing year

– Presentation by the Commission

13659/17 AGRI 575 AGRIORG 104 AGRIFIN 111 + ADD 1

The chair opened with a brief intro, recalling the historical precedent "Jülich II". He informed the point will be treated by the forthcoming **AGRIFIN** meeting on the **29th of November** and announced a Sugar **Working Party** that will be held on the **8th of December** upon the request of several delegations.

The COM (Mr Moegele) introduce the context and reasoning of the proposal for a Council Regulation setting sugar levies retroactively for marketing years 1999/2000 and 2000/2001. The Court Judgment invalidating two Commission Regulations (No 2267/2000 and No 1993/2001) has created a legal void that should be filled as soon as possible. Given the structure of the CMO, the proposal falls under of Art 43(3) of the TFUE.

The Court concluded that, for these marketing years, sugar levies have been overestimated so the sugar producer (and the beet growers) paid an unduly high level of fees as already identified in "Jülich II" case, Therefore the Commission proposal by analogy follows the approach used for the previous case, namely refixing, ex-post, the correct amount of sugar levies. By fixing the corrected level of production levies, operators that paid production levies for the years in question are entitled to claim back the difference unduly paid subject to the application of national procedural rules for such cases.

The COM specified the maximum potential amount of reimbursement (116 million € plus interest, roughly equivalent): the repayment of the principal will be treated under EU "own resources" while the interests will be paid by EAGF. Mr Moegele explained the deadline of 30/09 for repayments in order to close it within 2018 budget and to avoid another year of cumulated interest.

The chair and BG (as future presidency) confirmed the importance of a quick closing of the exercise, if possible in January.

A long list of MS took the floor to comment the proposal, while none of them opposed to the broad approach to implement the Court judgement. The main points raised were:

- difficulty to handle by national administrations and to retrieve data after 20 years, need for guidance from COM (amounts per MS, interest, etc.) and deadline for reimbursement is too short (IE, DE, AT, SE, EL, FI, DK). For simplification, SE asked for collective reimbursement to producers' organisations and not to individual undertakings/farmers. FR queried if recital (14) restrict reimbursement only to operators that already lodged claims and proposes also to introduce the same derogation already used in the "Jülich II" case as regards the date for establishment.

- Most MS not involved at that time simply called for a quick solution and asked for clarification on impact on contributions by different MS to EU own resources and EU budget (SL, HU, LV, RO, SK, PL, CZ). LV requested the opinion of the Council LS on why financial contributions of MS that were not EU members at that time are affected.

The COM underlined that implementing the judgement was an EU obligation and must be financed by the EU (no alternatives). COM also admitted difficulty to retrieve data by MS but the amounts were unduly paid by precise entities, so only those entities have the right to reclaim back unduly paid levies in case duly supported by data. COM justified again the deadline of 30/09/2018 for reimbursement on need to keep impact within 2018 budget. COM explained financial mechanism: principal amount from own resources and interest from EU budgeted within EAGF. Whereas (14) only state the obvious applicability of procedural rules set by national legislation.

PRES concluded that the SCA took note of the information provided by the Commission and confirmed the proposal will be put on the agenda of the AGRIFIN of 29/11 and a separate Sugar WP on 8/12 with the aim to come back to CSA in January 2018 under BG presidency. PRES asked for written comments from delegations by 30/11 to make progress in the WP.

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5. Organisation of future work

SCA meeting of 4 December

- **Commission Communication on future CAP:** first exchange of views in preparation of next Agrifish meeting
- **Skimmed Milk Powder (SMP):** to be inscribed as an "I" item on the agenda of the meeting (written procedure)
- **GI for spirit drinks (next steps):** last working party on 22/11; text subsequently to be sent for Council approval; aim is to reach a preliminary Council position in Jan. 2018; currently awaiting compromise agreement (amendments) from EP

AGRIFISH meeting of 11&12 December

- **Commission Communication on future CAP:** preliminary discussion, based on questions (point to be taken by VP Katainen, Hogan being absent)
- AOB points requested by **PL:** "**Pig meat market**" and "**update of sugar market situation**"
- AOB point requested by **SK:** "**Uncompetitive practices and food chain**" (note requesting support from MS to follow)

OMNIBUS (information)

- Coreper II agreement 15/12; letter sent to COMAGRI chair; on course to achieve objective.

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