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11525/20

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INFORMATION NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee/Council
Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulation (EU) 2018/848 on organic production as regards its date of application and certain other dates referred to in that Regulation – Outcome of the European Parliament's first reading (Brussels, 5 to 8 October 2020)

I. INTRODUCTION

On 28 September 2020, the <u>Special Committee on Agriculture</u> confirmed that should the European Parliament approve the abovementioned Commission's proposal without amendments, the <u>Council</u> would approve the European Parliament's position.

In this context, the Chair of the Committee on Agriculture and Rural Development, Norbert LINS (EPP, DE) tabled the Commission's proposal for a Regulation. No amendments were presented.

11525/20 LuS/kc

II. VOTE

When it voted on 8 October 2020, the <u>Parliament</u> adopted its first-reading position by taking over the Commission proposal. This position is contained in its legislative resolution.

The <u>Council</u> should therefore be in a position to approve the European Parliament's position as set out in the Annex hereto, thus bringing to a close the first reading for both Institutions.

The legislative act would then be adopted in the wording which corresponds to the European Parliament's position.

11525/20 LuS/kc 2

GIP.2

P9 TA(2020)0263

Organic production: date of application and certain other dates ***I

European Parliament legislative resolution of 8 October 2020 on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) 2018/848 on organic production as regards its date of application and certain other dates referred to in that Regulation (COM(2020)0483 – C9-0286/2020 – 2020/0231(COD))

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2020)0483),
- having regard to Article 294(2) and Article 43(2) of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C9-0286/2020),
- having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
- after consulting the European Economic and Social Committee,
- having regard to the undertaking given by the Council representative by letter of 28
 September 2020 to approve Parliament's position, in accordance with Article 294(4) of the Treaty on the Functioning of the European Union,
- having regard to Rules 59 and 163 of its Rules of Procedure,
- 1. Adopts its position at first reading hereinafter set out;
- 2. Calls on the Commission to refer the matter to Parliament again if it replaces, substantially amends or intends to substantially amend its proposal;
- 3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

P9 TC1-COD(2020)0231

Position of the European Parliament adopted at first reading on 8 October 2020 with a view to the adoption of Regulation (EU) 2020/... of the European Parliament and of the Council amending Regulation (EU) 2018/848 on organic production and labelling of organic products as regards its date of application and certain other dates referred to in that Regulation

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 43(2) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

After consulting the European Economic and Social Committee,

Acting in accordance with the ordinary legislative procedure¹,

Position of the European Parliament of 8 October 2020.

Whereas:

- (1) Regulation (EU) 2018/848 of the European Parliament and of the Council², which entered into force on 17 June 2018, establishes a new regulatory framework for organic production. In order to ensure a smooth transition from the old regulatory framework to the new one, that Regulation provides for a date of application of 1 January 2021.
- On 30 January 2020, the World Health Organization declared the COVID-19 outbreak a 'public health emergency of international concern' and, on 11 March 2020, characterised it as a pandemic. The COVID-19 pandemic has led to extraordinary circumstances that require substantial efforts by the organic sector that could not reasonably have been anticipated at the time of adoption of Regulation (EU) 2018/848.
- (3) The COVID-19 pandemic and the related public health crisis present an unprecedented challenge to the Member States and puts a heavy burden on organic operators ("operators"). Operators thus concentrate their efforts on maintaining organic production and trade flows and cannot at the same time prepare themselves for the entry into application of the new regulatory framework under Regulation (EU) 2018/848. Hence, it is highly likely that Member States and operators will not be in a position to ensure the proper implementation and application of that Regulation from 1 January 2021, as originally envisaged.

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Regulation (EU) 2018/848 of the European Parliament and of the Council of 30 May 2018 on organic production and labelling of organic products and repealing Council Regulation (EC) No 834/2007 (OJ L 150, 14.6.2018, p. 1).

- (4) In order to ensure the smooth functioning of the organic sector, to provide legal certainty and to avoid potential market disruption, it is necessary to defer the date of application of Regulation (EU) 2018/848 and certain other dates referred to in that Regulation that are derived from that date.
- (5) Taking into account the scale of the COVID-19 pandemic and the related public health crisis, its epidemiological development, as well as the additional resources required in the Member States and by operators, it is appropriate to defer the date of application of Regulation (EU) 2018/848 by one year.
- (6) Several dates linked to derogations, reports or empowerments granted to the Commission to end or extend derogations, derive directly from the date of application of Regulation (EU) 2018/848. Thus, it is also appropriate to defer those dates by one year. The respective dates were set taking into account the time necessary for operators to adapt to the ending of derogations, or for Member States and the Commission to collect sufficient information on the availability of certain inputs for which derogations were granted, or for the Commission to present a report to the European Parliament and to the Council and to prepare a legislative proposal or delegated acts.

- The COVID-19 pandemic and the related public health crisis also present an unprecedented challenge to third countries and for operators based in third countries. Consequently, for third countries that have been recognised as equivalent under Article 33(2) of Council Regulation (EC) No 834/2007³, it is appropriate to extend the date of expiry of their recognition by one year to 31 December 2026 so that such third countries have enough time to change their status, either by concluding a trade agreement with the Union or through full compliance by their operators with Regulation (EU) 2018/848, without unnecessary trade disruptions for organic products.
- (8) Similarly, the date of expiry of the recognition of control authorities and control bodies in third countries granted under Article 33(3) of Regulation (EC) No 834/2007 should be extended by one year to 31 December 2024 to give those control authorities and control bodies and their certified operators in third countries sufficient time to overcome the impact of the COVID-19 pandemic and to prepare for the new regulatory framework established by Regulation (EU) 2018/848.
- (9) Since the objectives of this Regulation, in particular to ensure the smooth functioning of the organic sector, to provide legal certainty and to avoid potential market disruption due to the extraordinary circumstances caused by the COVID-19 pandemic, cannot be sufficiently achieved by the Member States but can rather, by reason of the effects of the action, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union (TEU). In accordance with the principle of proportionality as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives.

Council Regulation (EC) No 834/2007 of 28 June 2007 on organic production and labelling of organic products and repealing Regulation (EEC) No 2092/91 (OJ L 189, 20.7.2007, p. 1).

- In view of the COVID-19 pandemic which has led to extraordinary circumstances with respect to organic production which require immediate action, it is considered to be appropriate to provide for an exception to the eight-week period referred to in Article 4 of Protocol No 1 on the role of national Parliaments in the European Union, annexed to the TEU, to the Treaty on the Functioning of the European Union and to the Treaty establishing the European Atomic Energy Community.
- (11) In view of the overriding need to immediately ensure legal certainty for the organic sector in the current circumstances, this Regulation should enter into force as a matter of urgency on the day following that of its publication in the *Official Journal of the European Union*,

HAVE ADOPTED THIS REGULATION:

Article 1

Regulation (EU) 2018/848 is amended as follows:

- in Article 29(4), the date '31 December 2024' is replaced by '31 December 2025';
- in the second subparagraph of Article 48(1), the date '31 December 2025' is replaced by '31 December 2026';
- in Article 49, the date '31 December 2021' is replaced by '31 December 2022';
- (4) Article 53 is amended as follows:
 - (a) in paragraph 1, the date '31 December 2035' is replaced by '31 December 2036';
 - (b) paragraph 2 is amended as follows:
 - (i) in the introductory part, the date '1 January 2028' is replaced by '1 January 2029';
 - (ii) in point (a), the date '31 December 2035' is replaced by '31 December 2036';

- (c) in paragraph 3, the date '1 January 2026' is replaced by '1 January 2027';
- (d) in paragraph 4, the date '1 January 2025' is replaced by '1 January 2026' and the date '31 December 2025' is replaced by '31 December 2026';
- (e) in the introductory part of paragraph 7, the date '31 December 2025' is replaced by '31 December 2026';
- in Article 57(1), the date '31 December 2023' is replaced by '31 December 2024';
- in Article 60, the date '1 January 2021' is replaced by '1 January 2022';
- (7) the second paragraph of Article 61 is replaced by the following:

'It shall apply from 1 January 2022.';

- (8) Annex II is amended as follows:
 - (a) in Part I, point 1.5 is amended as follows:
 - (i) in the second paragraph, the date '31 December 2030' is replaced by '31 December 2031';
 - (ii) in the third paragraph, the date '31 December 2025' is replaced by '31 December 2026';

- (b) Part II is amended as follows:
 - (i) in point (a) of point 1.9.1.1, the date '1 January 2023' is replaced by '1 January 2024';
 - (ii) in point (a) of point 1.9.2.1, the date '1 January 2023' is replaced by '1 January 2024';
 - (iii) in the introductory part of point (c) of point 1.9.3.1, the date '31 December 2025' is replaced by '31 December 2026';
 - (iv) in the introductory part of point (c) of point 1.9.4.2, the date '31 December 2025' is replaced by '31 December 2026';
- (c) in Part III, in the second paragraph of point 3.1.2.1, the date '1 January 2021' is replaced by '1 January 2022';
- (d) in Part VII, in point 1.1, the date '31 December 2023' is replaced by '31 December 2024'.

Article 2

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at ...,

For the European Parliament
The President

For the Council
The President