



Council of the
European Union

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'I/A' ITEM NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee/Council
Subject:	Special Report No 23/2019: "Farmers' income stabilisation: comprehensive set of tools, but low uptake of instruments and overcompensation need to be tackled" <i>- Approval draft Council conclusions</i>

1. The Permanent Representatives Committee instructed the Working Party on Financial Agricultural Questions (WP AGRIFIN) to examine the above mentioned Special Report in accordance with the rules laid down in the Council conclusions of 8 May 2000 on improving the examination of special reports drawn up by the Court of Auditors (doc. 7515/00 + COR 1).
2. At its meeting on 17 January 2020, WP AGRIFIN discussed the above mentioned Special Report as well as the Commission's replies to that report.
3. In the light of those discussions, the Presidency drew up draft conclusions. From 30 April to 8 May, delegations were consulted during an informal written consultation on these draft Council conclusions (WK 4416/20). From 18 to 22 May, delegations were again consulted on revised draft Council conclusions (WK 5151/20 REV 1).

4. At its meeting on 16 June 2020, WP AGRIFIN reached informal agreement on the draft conclusions related to the Special Report as set out in the Annex to this note.
 5. In accordance with the Council conclusions of 8 May 2000, the Permanent Representatives Committee is hereby invited to suggest to the Council that it approve the draft Council conclusions as set out in the Annex to this note as an 'A' item at a forthcoming session.
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Draft Council conclusions

on Special Report No 23/2019 from the European Court of Auditors entitled:

"Farmers' income stabilisation: comprehensive set of tools, but low uptake of instruments and overcompensation need to be tackled"

THE COUNCIL OF THE EUROPEAN UNION

1. TAKES NOTE of the Court's Special Report No 23/2019 on *"Farmers' income stabilisation: comprehensive set of tools, but low uptake of instruments and overcompensation need to be tackled"* and of the Court's recommendations to the Commission on farmers' preparedness for crises, support for insurance, use of exceptional measures and compensation for withdrawal operations;
2. UNDERLINES that, as risk is inherent in the agricultural sector, strategies are required to address higher price volatility, increasing pressure on income, and risks stemming from climate change, political and trade relations or catastrophic events;
3. ACKNOWLEDGES that the most used EU tools supporting income stabilisation for farmers in the event of significant price volatility still remain direct payments, market intervention and exceptional measures against market disturbances;
4. NOTES that the legislative framework of the Common Agricultural Policy (CAP) in force allows Member States to allocate EU funds to provide financial contributions to insurance premiums, mutual funds and a newly introduced income stabilisation tool to help farmers to prevent, mitigate or cope with agricultural risks;

5. RECALLS that the CAP provides for market interventions and exceptional measures when serious disturbances occur as a result of political or trade relations or other types of events, and which can be quickly activated whenever necessary to stabilise the market in a targeted manner while avoiding the risk of overcompensation;
 6. TAKES NOTE OF the fact that the proposals for the CAP post-2020 period maintain the possibility of using risk management, insurance premia, mutual funds and exceptional measures within the CAP and NOTES the potential of these instruments to increase farmers' resilience;
 7. REMINDS that the Council's position on these instruments is in the process of being formulated as the CAP post-2020 proposals are currently under negotiation by the Council and the European Parliament; AFFIRMS in this context that the Court's observations and recommendations as well as the Commission's replies to the Court's Special Report will be duly taken into account in the Council's deliberations.
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