Council of the European Union

Brussels, 10 September 2019
(OR. en)

12046/19

Interinstitutional File:
2018/0216(COD)

AGRI 433
AGRILEG 157
AGRIFIN 51
AGRISTR 49
AGRIORG 53
CODEC 1371
CADREFIN 318

NOTE

From:	Presidency
To:	Special Committee on Agriculture
Subject:	Regulation on CAP Strategic Plans *- Sectoral interventions*

Delegations will find in the Annex a Presidency paper on the abovementioned subject for an exchange of views at the Special Committee on Agriculture on 16 September 2019.

ANNEX

Presidency drafting suggestions on sectoral types of interventions

In May 2019, the Romanian Presidency organised a SCA debate on sectoral types of interventions. The debate concentrated on 1) the scope of 'other sectors' under sectoral interventions, 2) mandatory and optional sectoral types of interventions, 3) climate and environmental expenditure under operational programmes, 4) Union financial assistance for the olive oil and table olive sectors, and 5) forms of organisation in 'other sectors'.

The Presidency would like to continue the debate on sectoral types of interventions with a view to clarifying the scope and fine-tuning some of the related Articles in order to find possible landing zones for this issue.

'Other sectors' – scope

During the debate in May, a substantial number of Member States called for a more extensive scope for the sectors that could receive financial support. On the other hand, some Member States proposed that the list of eligible products should be limited and some also urged that the scope should be restricted to unprocessed products. The Romanian Presidency proposed an extension of the scope by taking into account products falling under point (x) of Article 1(2) of the Regulation (EU) No 1308/2013.

The Presidency proposes to introduce a new Annex [x], where an indicative list of products would be set out, and a new wording for Article 39(f):

Article 39(f)

> f) **in the** other sectors ~~referred to~~ **set out** in points (a) to (h), (k), (m), (o) to (t) and (w) **of Article 1(2) of Regulation (EU) No 1308/2013 and sectors covering products** ~~of Article 1(2) of Regulation (EU) No 1308/2013~~ **referred to in point (x) of Article 1(2) of Regulation (EU) No 1308/2013, as illustrated in Annex [x] to this Regulation.**

The Annex [x] has been prepared from Part XXIV of Annex I to the CMO by removing products not farmed in the EU as well as processed products where the process does not take place at farm level. The list has been completed with certain products that are commonly farmed but not explicitly mentioned in the CMO-regulation. Cotton is also included to the list. Annex [x] can be found in the Annex to this document.

The other sectors set out in points (a) to (h), (k), (m), (o) to (t) and (w) of CMO-Article are still covered as stated in the drafting suggestion.

> ***Do Member States agree with the proposed drafting in Article 39(f) and with the new Annex [x]?***
>
> ***Do Member States consider that the list of products in Annex [x] should be indicative or should it be a closed list of products?***

'Other sectors' forms of cooperation

The Romanian Presidency proposed a drafting suggestion whose aim was to reconcile the policy objective of fostering an effective economic organisation of farmers and Member States' situations on the ground. Thus, flexibility was given to Member States in their CAP Strategic Plans to choose suitable forms of cooperation and types of interventions, which would best suit each Member State's needs.

At the same time, some Member States and the Commission have argued that these interventions should be delivered by recognised Producer's Organisations and the scope in terms of forms of cooperation should not be too wide.

The Presidency has kept the idea of the Romanian drafting suggestions and kept the wide possibilities for cooperation. The Presidency is also proposing some technical drafting suggestions to Article 60a in order to make the text clearer. Drafting suggestions are presented below.

Do Member States agree with the Presidency on the need to maintain flexibility for Member States in possible forms of cooperation?

Amount of funds for environmental purposes from operational funds of producer organisations

The Presidency sees this issue as a part of the overall environmental and climate ambition of the CAP and would therefore like to present this issue as a part of a holistic discussion paper on environmental and climate ambition. The Presidency will present the paper at one of the forthcoming meetings of the SCA.

Technical fine-tuning of the Articles

In order to harmonise the structure of the Articles and to make the text clearer, the Presidency proposes the following drafting suggestions for **Articles 41a, 42, 53, 57, 59 and 60a**.

The proposed change in Article **41a(d)** aims to specify that "research" is linked to "sustainable production methods". In addition, the Presidency would like to add the word "health" under the point (e)(iii).

Article 41a (d) and (e)(iii)

> **(d) research into, and development of, sustainable production methods, including pest resilience, innovative practices and production techniques boosting economic competitiveness and bolstering market developments; those objectives relate to the specific objectives set out in points (a), (c) and (i) of Article 6;**
>
> **(e)(iii) animal health and welfare standards going beyond minimum requirements established under Union and national law;**

The proposed changes in Article **42** aim to make the text more clear and to avoid overlap with Articles 95(1)(d) and 99, where it is already said that interventions should be specified in the CAP Strategic Plan.

Article 42

> The ~~following~~ objectives **set out in points (a) to (j) of Article 41a** shall be pursued in the fruit and vegetables sector~~:~~ **referred to in point (a) of Article 39. The objectives set out in points (g) and (h) of Articles 41a shall cover the products whether in a fresh or processed form, while the objectives set out in the other points of that Article shall cover only products in fresh form.**
>
> **Member States shall ensure that ~~specify in their CAP Strategic Plans~~ the interventions correspond~~ing~~ to the types of intervention chosen in accordance with ~~paragraphs 1 and 2 of~~ Article 41b.**

The proposed changes in Article **53(6)** aim to make the text more clear.

Article 53(6)

6. The Union financial assistance for information actions and promotion referred to in points (g) and (h) of Article 52(1) shall not exceed **[**50%**]** of eligible expenditure. **In addition, Member States may grant national payments up to 30% of eligible expenditure, but Union financial assistance and Member State payments shall together not exceed 80% of eligible expenditure.**

The proposed changes in Article **57** aim to make the text more clear and ensure consistency with the Article 60a.

Article 57

1. To pursue the objectives referred to in Article 56, the Member States referred to in Article 82(4) shall choose in their CAP Strategic Plans **either:**

(a) where they decide to implement the interventions through an approved operational program of producer organisations or associations of producer organisations recognised under Regulation (EU) No 1308/2013, one or more of the types of interventions referred to in Article 41b, **or**

(b) **in other cases, one or more of** the types of interventions set out in paragraph **2 of this Article.**

Within the chosen types of intervention**s**, they shall specify the interventions.

For the purpose of point (a), Articles 44(2) and (3) to (6) and Article 45 of this Regulation shall apply.

2. The types of interventions referred to in point (b) of paragraph **1 shall be the following:**

(a) planting, restructuring and conversion of olive orchards, including replanting of olive trees where that is necessary following mandatory grubbing up for health or phytosanitary reasons on the instruction of the Member State competent authority;

(b) tangible and intangible investments in processing facilities and olive oil mill infrastructure, as well as machineries, marketing structures and tools;

(c) tangible and intangible investments in innovation consisting of development of innovative products and by-products of olive oil sector, processes and technologies, other investments adding value at any stage of the supply chain, including for knowledge exchange;

(d) agri-environmental-climate commitments as well as measures to promote or maintain traditional systems, as defined by Member States, in terms of density of plantation, multiple crops, presence of terracing, reduction of external energy inputs and high landscape value.

The proposed changes in Articles **59 and 60a** aim at ensuring consistency with Articles 56–57 as much as possible and clarify the relation between sectors and objectives.

Article 59

~~The~~ Member States shall ~~pursue one or more of the following objectives in the other sectors referred to in point (f) of Article 39:~~ **choose in their CAP Strategic Plans those sectors referred to in point (f) of Article 39 in which they implement the types of interventions laid down in Article 41b. For each sector, they should pursue one or more of the objectives set out in Article 41a. Member States shall substantiate their choice of sectors and objectives.**

Article 60a

Types of interventions and their implementation in other sectors

1. In each sector selected from the other sectors referred to in point (f) of Article 39, Member States **shall choose either:**

(a) **where they decide to implement the interventions through** forms of cooperation between producers **referred to in paragraph 2 of this Article, one or more of the types of interventions referred to in Article 41b, or**

(b) **in other cases, one or more of** the types of interventions set out in paragraph **3 of this Article.**

Member States shall substantiate their choice of types of interventions.

2. For the purpose of point (a) of paragraph 1, Member States shall designate in their CAP Strategic Plans the forms of cooperation to be used:

(a) Member States may decide that the types of interventions in one or more sectors shall be implemented through approved operational programs of producer organisations or associations of producer organisations recognised under Regulation (EU) No 1308/2013. For this purpose, Articles 44(2) and (3) to (6) of this Regulation shall apply;

(b) Support for interventions relating to the objectives set out in points (a), (b) and (j) of Article 41a shall only be granted to producer organisations or associations of producer organisations recognised under Regulation (EU) No 1308/2013;

(c) Support for interventions referred to in points (b), (c), (f), (h) and (i) of paragraph 1 of Article 41b may also be granted to interbranch organisations recognised under Regulation (EU) No 1308/2013;

(d) Support for interventions by associations of producer groups or by associations of producer organisations shall not cover the same interventions as those by their member organisations. Member States shall consider interventions by associations of producer groups or by associations of producer organisations together with interventions of member organisations.

To that end Member States shall ensure that:

(i) the interventions of an association of producer groups or of an association of producer organisations are entirely financed by contributions of those member organisations of that association;

(ii) there is no duplication of funding;

(e) Member States shall ensure that the support for the interventions referred to in points (e), (f) and (g) of paragraph 2 of Article 41b does not exceed one third of the total expenditure of the chosen sector(s) as set out in their CAP Strategic Plan.

3. The types of interventions referred to in point (b) of paragraph 1 shall be the following:

(a) tangible and intangible investments in processing facilities and sectorial infrastructure, as well as machineries, marketing structures and tools;

(b) tangible and intangible investments in innovation consisting of development of innovative products and by-products of sector, processes and technologies, other investments adding value at any stage of the supply chain, including for knowledge exchange;

(c) promotion carried out in third countries, consisting of one or more of the following:

(i) public relations, promotion or advertisement actions, in particular highlighting the high standards of the Union products, especially in terms of quality, food safety or the environment;

(ii) participation at events, fairs or exhibitions of international importance;

(iii) information campaigns, in particular on the Union quality schemes concerning designations of origin, geographical indications and organic production;

(iv) studies of new markets, necessary for the expansion of market outlets;

(v) studies to evaluate the results of the information and promotion measures;

(vi) preparation of technical files, including laboratory tests and assessments, phytosanitary and hygiene rules, as well as other third country requirements for import of products of the sector, to facilitate access to third country markets.

Question for the delegations:

Do Member States agree with the proposed technical drafting suggestions?

ANNEX [X]

List of other products referred to in Article 39 (f) of this Regulation

"Other products" means all agricultural products within the scope of Regulation (EU) No 1308/2013 of the European Parliament and of the Council, other than those listed in Parts I to XXIII of Annex I to the same regulation, including those listed in this annex and cotton of heading CN 5201.

CN code //	Description
ex 0101	Live horses, asses, mules and hinnies:
	– Horses
0101 21 00	– – Pure-bred breeding animals (a):
0101 29	– – Other:
0101 29 10	– – – For slaughter[1]
0101 29 90	– – – Other
0101 30 00	– Asses
0101 90 00	– Other
ex 0103	Live swine:
0103 10 00	– Pure-bred breeding animals (b)
ex 0106	Other live animals:

[1] Entry under this subheading is subject to conditions laid down in the relevant Union provisions (see Articles 291 to 300 of Regulation (EEC) No 2454/93).

0106 14 10	– Domestics rabbits
ex 0106 19 00	– – Other: reindeers and deers
0106 33 00	– – Ostriches; emus (*Dromaius novaehollandiae*)
0106 39 10	– – – Pigeons
0106 39 80	– – – Other birds
ex 0205 00	Meat of horses, fresh, chilled or frozen
ex 0208	Other meat and edible meat offal, fresh, chilled or frozen:
ex 0208 10 10	– – Meat of domestic rabbits
ex 0208 90 10	– – Meat of domestic pigeons
ex 0208 90 30	– – Met of game other than rabbits or hares
ex 0208 90 60	– – Meat of reindeers
ex 0407	Birds' eggs, in shell, fresh, preserved or cooked:
0407 19 90	– Fertilised, other than of poultry
0407 29 90	– Other fresh eggs, other than of poultry
0407 90 90	– Other eggs, other than of poultry
0701	Potatoes, fresh or chilled

ex 0713	Dried leguminous vegetables, shelled, whether or not skinned or split:
ex 0713 10	– Peas (*Pisum sativum*):
0713 10 90	– – Other than for sowing
ex 0713 20 00	– Chickpeas (garbanzos):
	– – Other than for sowing
	– Beans (*Vigna* spp., *Phaseolus* spp.):
ex 0713 31 00	– – Beans of the species *Vigna mungo* (L) Hepper or *Vigna radiata* (L) Wilczek:
	– – – Other than for sowing
ex 0713 32 00	– – Small red (Adzuki) beans (*Phaseolus* or *Vigna angularis*):
	– – – Other than for sowing
ex 0713 33	– – Kidney beans, including white pea beans *(Phaseolus vulgaris):*
0713 33 90	– – – Other than for sowing
ex 0713 34 00	– – Bambara beans *(Vigna subterranea or Voandzeia subterranea)*
	– – – Other than for sowing
ex 0713 35 00	– – Cow peas *(Vigna unguiculata):*
	– – – Other than for sowing
ex 0713 39 00	– – Other:
	– – – Other than for sowing

ex 0713 40 00	– Lentils:
	– – Other than for sowing
ex 0713 50 00	– Broad beans *(Vicia faba var. major)* and horse beans *(Vicia faba var. equina and Vicia faba var. minor):*
	– – Other than for sowing
ex 0713 60 00	– Pigeon peas (*Cajanus cajan*):
	– – Other than for sowing
ex 0713 90 00	– Other:
	– – Other than for sowing
1201 90 00	Soya beans, whether or not broken, other than seed
1202 41 00	Groundnuts, not roasted or otherwise cooked, in shell, other than seed
1202 42 00	Ground-nuts, not roasted or otherwise cooked, shelled, whether or not broken, other than seed
1203 00 00	Copra
1204 00 90	Linseed, whether or not broken, other than for sowing
1205 10 90	Low euricic acid rape or colza seeds, whether or not broken, other than for sowing
1205 90 00	Other rape or colza seeds, whether or not broken, other than for sowing

1206 00 91	Sunflower seeds, shelled; in grey and white striped shellwhether or not broken, other than for sowing
1206 00 99	Other sunflower seeds, whether or not broken, other than for sowing
1207 29 00	Cotton seeds, whether or not broken, other than for sowing
1207 40 90	Sesamum seeds, whether or not broken, other than for sowing
1207 50 90	Mustard seeds, whether or not broken, other than for sowing
1207 91 90	Poppy seeds, whether or not broken, other than for sowing
1207 99 91	Hemp seeds, whether or not broken, other than for sowing
ex 1207 99 96	Other oilseeds and oleaginous fruits, whether or not broken, other than for sowing
ex 1211	Plants and parts of plants (including seeds and fruits) of a kind used primarily in perfumery, in pharmacy or for insecticidal, fungicidal or similar purposes, fresh or dried, whether or not cut, crushed or powdered excluding the products listed under CN code ex 1211 90 86 in Part IX;
1212 94 00	Chicory roots
ex 1214	Swedes, mangolds, fodder roots, hay, lucerne (alfalfa), clover, sainfoin, forage kale, lupines, vetches and similar forage products, whether or not in the form of pellets:
ex 1214 10 00	– Lucerne (alfalfa) meal and pellets:
	– – – excluding of lucerne artificially heat-dried or of lucerne otherwise dried and ground

ex 1214 90	– Other:
1214 90 10	– – Mangolds, swedes and other fodder roots
ex 1214 90 90	– – Other, excluding:
	– – – Sainfoin, clover, lupines, vetches and similar fodder products artificially heat- dried, except hay and fodder kale and products containing hay
	– – – Sainfoin, clover, lupines, vetches, honey lotus, chickling pea and birdsfoot, otherwise dried and ground
ex 2206	Other fermented beverages (for example, cider, perry, mead); mixtures of fermented beverages and mixtures of fermented beverages and non-alcoholic beverages, not elsewhere specified or included:
ex 2206 00 31 to ex 2206 00 89	– Fermented beverages other than piquette
5201	Cotton, not carded or combed