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SUMMARY RECORD
SPECIAL COMMITTEE ON AGRICULTURE
1 October 2018

SUMMARY

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1. Adoption of the agenda

The agenda was adopted

Non-discussion items (I)

2. Summary record of the 1578th meeting of the SCA

12534/18

The SCA approved the summary record.

3. Regulation amending Regulation (EC) No 110/2008 as regards nominal quantities for shochu



8164/18

12278/1/18 REV 1

Adoption of the legislative act

The SCA agreed to forward the Regulation to the Council for adoption as an "A" item.

Discussion items (II)

4. Directive on unfair trading practices in the food supply chain



7809/18

Mandate for negotiations with the European Parliament

12262/18

11302/2/18 REV 2

The SCA took note of the qualified majority support for the Presidency's suggested mandate for negotiations with the European Parliament as set out in document 11302/2/18 REV 2, with the modification contained in document 11302/2/18 REV 2 COR 1. The SCA also took note of the pending concerns expressed by several delegations¹ which, nevertheless, could accept the starting of the negotiations with the European Parliament. The SK delegation indicated that it could not support the mandate, presented a statement² and informed that it withdraws its request for a written opinion from the Council Legal Service on the scope of the proposed directive.

¹ See the IT, EL, PT, HR, HU, SI, BG and RO statement in the Annex to this Summary Record.

² See the SK statement in the Annex to this Summary Record.

5. Regulation on CAP Strategic Plans
State of play

1C 9645/18 + COR 1 +
ADD 1
12447/18

The SCA took note of the Presidency's third "state of play" report on the examination of the Commission's proposal for a Regulation on CAP Strategic Plans within the Working Party on Horizontal Agricultural Questions, including the questions therein, and of Member States' and the Commission's reactions.

6. Regulation on spirit drinks
Preparation for the third trilogue

1C 7218/18 + ADD 1
12299/18

The SCA took note of the delegations' and Commission's comments on document 12299/18 with a view to preparing the third trilogue. It also noted the Presidency's intention to reflect on those comments and to inform the delegations about the next steps in due time.

7. Organisation of future work

The Presidency informed the SCA on the next SCA meeting on 8 October 2018.



First reading



Item based on a Commission proposal

4. Directive on unfair trading practices in the food supply chain  7809/18
Mandate for negotiations with the European Parliament 12262/18
11302/2/18 REV 2

(a) Declaration from Italy, Greece, Portugal, Croatia Hungary, Slovenia, Bulgaria and Romania

The delegation from Italy, Greece, Portugal, Croatia, Hungary, Slovenia, Bulgaria and Romania are in favor of giving a mandate to the Austrian Presidency to start the negotiation with the European Parliament on the proposed Directive of the European Parliament and of the Council on unfair trading practices in business-to-business relationships in the food supply chain, except for the Article 1.2 on the scope of the proposed Directive (COM 2018/0082).

In particular, on Article 1.2, we do not agree to limit the scope of such Directive to only agro-food small and medium-sized enterprises.

Unfair trading practices involve all agro-food operators, not just small suppliers, and large buyers regardless of the economic size of both supplier or buyer.

Both have commercial relationships with farmers and in both cases if they are subjected to unfair practices they can pass the consequences on to the farmers.

In the framework of the Directive, unfair trading practices are defined in general terms: therefore, any operator affected by such an UTP should be protected, irrespective of its size.

Furthermore, if the Directive remains unchanged, it could trigger negative consequences. For example, large buyers might prefer supplying themselves from non-SME suppliers, who are excluded from the Directive, thus keep carrying on unfair practices without incurring penalties.

For all these reasons, we believe that Article 1.2 could be raised in the context on the trialogue only for an exploratory talk with the European Parliament.

(b) Declaration of the Slovak Republic on granting a mandate

The **Slovak Republic does not agree to grant a mandate** to the Austrian Presidency to start negotiations with the European Parliament on the Proposal for a Directive of the European Parliament and of the Council on unfair trading practices in business-to-business relationships in the food supply chain. The main reason for this is that the compromise text does not offer a solution to the requirements of a vast majority of Member States (including SK) regarding the extension of scope in Article 1 paragraph 2 of the Directive.

The Slovak Republic does not agree that the **scope of operators in Article 1 paragraph 2** of the Directive should be limited to only protect SMEs on the supplier side against large buyers. Unfair trading practices are a phenomenon, which has a detrimental effect on the food supply chain and as such are applied by buyers of all sizes against all agricultural and food producers/processors. Worry arises from such a limitation, also in relation to discrimination of SMEs in the future against large agricultural and food producers/processors, which are not covered by the Directive.

If we allow large suppliers to pay listings and fees, we are paving the way for an even greater threat to SMEs, as buyers will prioritize the large suppliers.

The Slovak Republic also does not agree with the so-called **“grey UTPs” in Article 3 paragraph 2**, which go against the logic of the Directive. We are requesting a complete ban of the 4 grey UTPs within the Directive, because even if they are agreed in a written supply agreement by both parties, that does not mean that this agreement is consensual, fair, objective or balanced. The grey UTPs listed in the Directive, such as listing, promotion and marketing fees, have an adverse effect on our suppliers.

For all the above reasons the Slovak Republic is not able to grant a mandate to the Austrian Presidency based on the compromise text ST 11302/2018 REV 2 from the 24th September 2018.
