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From:	Presidency
To:	Special Committee on Agriculture / Council
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Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulations (EU) No 1308/2013 establishing a common organisation of the markets in agricultural products, (EU) No 1151/2012 on quality schemes for agricultural products and foodstuffs, (EU) No 251/2014 on the definition, description, presentation, labelling and the protection of geographical indications of aromatised wine products, (EU) No 228/2013 laying down specific measures for agriculture in the outermost regions of the Union and (EU) No 229/2013 laying down specific measures for agriculture in favour of the smaller Aegean islands - Progress report

Delegations will find in Annex the progress report on the above-mentioned subject, as emerging from the discussions within the Working Party on Agricultural Products.

ANNEX

Progress report on the proposed "Amending" Regulation

On 1 June 2018 the Commission published its proposal for a Regulation amending the current Regulations (EU) No 1308/2013 on CMO, (EU) No 1151/2012 on quality schemes for agricultural products and foodstuffs, (EU) No 251/2014 on aromatised wine products, (EU) No 228/2013 on the outermost regions and (EU) No 229/2013 on the smaller Aegean islands (hereafter referred to as "Amending Regulation"). The CAP reform package includes two other proposals: a regulation on CAP Strategic Plans and a regulation on financing, management and monitoring of the CAP.

The Working Party on Agricultural Products was identified as the preparatory body in charge of examining the proposed Amending Regulation. This report reflects the work done by that Working Party on 4 and 20 July and on 12 September 2018. In particular, it examined:

- amendments to the current CMO (Regulation 1308/2013) arising from the reassignment of sectoral interventions to the CAP Strategic Plan Regulation, the recalculation of aid under the school scheme, the deletion of obsolete provisions applying to the sugar sector and concerning export subsidies, and by changes in the wine sector;

- reduced budget allocations in Regulation 228/2013 on the outermost regions and in Regulation 229/2013 on the smaller Aegean islands;

- the proposed revision and harmonisation of the rules on designations of origin and geographical indications for agricultural products and foodstuffs (amendments to Regulation 1151/2012) and for wines (amendments to Regulation 1308/2013), and incorporation of the provisions on geographical indications for aromatised wine products (amendments to Regulation 251/2014) in Regulation 1151/2012.

The Working Party on Horizontal Agricultural Questions examined the Impact Assessment (covering the three legislative proposals for the reform of the Common Agricultural Policy) in June.

Several delegations entered scrutiny reservations, including parliamentary scrutiny reservations, at the initial meetings of the Working Party on Agricultural Products.

The financial elements of the proposal, such as the proposed recalculation of aid for the supply of fruit and vegetables and of milk and milk products in educational establishments (school scheme) and the budget allocations provided in Regulation 228/2013 on the outermost regions and Regulation 229/2013 on the smaller Aegean islands, form part of the horizontal negotiations on the Multiannual Financial Framework 2021-2027.

Delegations will find below a summary of the key comments made and the questions raised by Member States on the different parts of the proposal examined by the Working Party on Agricultural Products:

CMO (Regulation 1308/2013) (except wine):

- In addition to the proposals in the Amending Regulation, many Member States expressed a clear desire to modernise and adapt the market instruments. An evaluation and update of public intervention have been proposed. More flexible market support elements and a more active role for the European Commission are topics that were addressed, with the European Commission highlighting the flexible application of crisis measures in the past milk crisis.

- Producer organisations and interbranch organisations should be given more latitude and improvements implemented through the "omnibus" regulation should be reviewed. A number of specific questions were asked, especially with respect to Articles 149 and 152 of Regulation 1308/2013, which the European Commission accepted to review and provide a written response to.

- Some Member States fear that reassigning the sector programmes to the CAP Strategic Plan Regulation will increase administrative requirements. Many Member States called for the uninterrupted continuation of the sector programmes running for a period of up to 5 years that have already been approved on the basis of the currently applicable rules. The reassignment to the CAP Strategic Plan Regulation should not disrupt ongoing programmes. An in-depth discussion on this matter was held within the framework of the deliberations of the Working Party on Horizontal Agricultural Questions on the CAP Strategic Plan Regulation.

- A number of Member States were critical of the proposal to empower the European Commission to adopt delegated acts (to amend definitions in the Annex) and called for a limitation of any such powers.

- The funds for the school schemes will be reduced, according to the proposal, from € 250 m to around € 220.8 m due to the withdrawal of the funds hitherto allocated to the United Kingdom. A number of Member States opposed this, calling for the financial framework to be kept as it was with a view to better meeting the objective of promoting a healthy diet.

- There was general agreement about the proposed deletions resulting from the end of sugar quotas and export refunds (in compliance with the WTO Nairobi Ministerial Decision). However, a number of additional proposed deletions (financial years, rules on the import of hemp or concerning the standard qualities of sugar beet) were challenged and require clarification as to their impact, including that on references in secondary legislation.

- During the meeting as well as in the written comments submitted by the Member States, additional proposals were made that would need to be discussed at expert level.

Reduction of budget allocations in Regulations 228/2013 and 229/2013

- The 3.9% cut in funds for the outermost regions (Article 4) and the smaller Aegean islands (Article 5) was firmly rejected by the Member States concerned and reference was made to the Memorandum of Madrid. The related funds and the funds for the school programme will be discussed in the negotiations on the multiannual financial framework.

Designations of origin and geographical indications for agricultural products and foodstuffs and aromatised wines (Regulation 1151/2012) and wine (Regulation 1308/2013)

- The enhanced efficiency and harmonisation of the procedures, as sought by the proposed amendments, were expressly commended in principle. The importance of keeping the provisions on the GIs in the food, wine and aromatised wine sectors aligned was mentioned. As procedures frequently take many years, Member States specifically underscored the need for simplification and acceleration in the wine sector.

- The inclusion of aromatised wine products in Regulation 1151/2012 is a step towards harmonisation. The proposed amendments affect only Chapter III - Geographical Indications - of this Regulation, whereas its other parts should be retained since they define aromatised wine products and lay down the rules for their labelling.

- Many Member States pronounced themselves in favour of retaining the obligation to include evidence in the PDO/PGI specifications for food as proof that a product originates in the geographical area.

- There was general support for expanding protection to include goods in transit and electronic commerce. It was suggested to pattern the provision after the customs regulations or the EU Trade Mark Regulation.

- Since the proposed removal of any time limit for an extended transitional period could weaken the protection of geographical indications and confuse consumers, Member States would prefer keeping the examination procedure for the adoption of implementing acts granting a transitional period.

- The response to the concept of Union amendments and standard amendments in Regulation 1151/2012, which was taken from the wine sector, was mainly positive. However, further clarification should be provided for classifying the amendments. Several Member States were critical of the European Commission's empowerment to adopt additional rules for the amendment application process.

- Making human factors an optional PDO component, in order to prevent arbitrary descriptions in cases where human factors are actually not relevant for a product's characteristics, was supported by some Member States and disapproved by others pointing out that human factors were an important element of PDO.

- Opposition was expressed against the option of suspending the procedure at EU level in the case of national procedures against the registration decision.

- For many Member States, the rules for limiting the European Commission's scrutiny to check for manifest errors are not sufficiently clear.

- Concerns were expressed about reducing the opposition period to three months in Regulation 1151/2012, while extension from two to three months in the wine sector was accepted.

- Clarification was asked concerning the proposed definition of PDO wine (changes to Art. 93) regarding the extension of possible varieties and the name identifying the product (exclusively a place, region or country?).

Wine sector rules (Regulation 1308/2013)

- As regards the extension of authorisations for new plantings (1% limit), even if most Member States welcomed the proposal, the initial view of some was negative. It would be useful for Member States to receive some data to be able to better assess the possible impact of the proposed amendment. It was also proposed to provide more flexibility in the management of both authorisations for new plantings and the preservation of production potential.

- The rationale behind the proposed extension of the wine grape varieties eligible for classification in Member States and the proposed inclusion of the six "forbidden varieties" was to offer environmentally friendly solutions to the sector. Nevertheless, concerns were expressed on health and quality risks linked to the use of those “forbidden varieties” and many Member States were in favour of keeping the status quo.

- The proposed introduction of new de-alcoholised grapevine products follows current market trends and consumer health considerations. However, it is necessary to have further discussion at technical level to agree on the correct terminology so as to make sure the consumer is not confused by the proposed terms "de-alcoholised" and "partially de-alcoholised". Furthermore, for the latter category, a maximum level of alcohol should be set. Finally, it was debatable whether the word "wine" could be used for such products.

- The rule on the withdrawal from the market of products that do not comply with the labelling rules was transferred from Regulation (EU) No 1306/2013 into the current proposal. Member States asked for more subsidiarity for such questions.

- Additional proposals such as provisions for a mandatory nutrition declaration and ingredients list or amendments regarding oenological processes have been raised by some Member States.