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NOTE

From:	General Secretariat of the Council
To:	Special Committee on Agriculture
No. Cion doc.:	9556/18 + REV 1 (en, de, fr) + COR 1
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 <i>- Exchange of views</i>

The first trilogue on the CMO Regulation took place on 2 December 2020. It was decided then by the three (3) institutions that the work would be organised on the basis of four (4) negotiating blocks with a view to reaching an agreement in spring 2021:

- Market management and related provisions on intervention, exceptional/crisis management measures, market transparency and imports;
- wine and GIs (including all wine provisions, aromatised wines Reg. 251/2014 and horizontal GI Reg. 1151/2012);

- Producer / Interbranch Organisations and competition related provisions; and
- Marketing standards / school schemes / POSEI and Aegean Islands (Reg. 228 and 229/2013) and transitional/final provisions in a fourth less homogeneous block.

An emphasis will be required on market management/crisis measures, where the General Approach does not provide a mandate to engage in negotiations on some of the European Parliament's amendments, in order to respond to concerns expressed by the latter.

For the purposes of consulting delegations and seeking a mandate to negotiate with the European Parliament, in the Annex to this note the incoming Presidency has divided the amendments to be examined under the 1st block into three (3) categories:

- Acceptable: Council is ready to address the issue as envisaged in the EP amendment.
- To be considered: Council could discuss the issue, but not necessarily as envisaged in the EP amendment and on the understanding that we should not put into question any of the basic principles of the CAP, particularly its market orientation.
- Not acceptable: The issue goes against the market orientation of the CAP.

This block is divided in 7 parts:

- 1.1. Scope and marketing year
- 1.2. Public intervention (PI) and private storage aid (PSA)
- 1.3. Sugar provisions
- 1.4. Trade with third countries
- 1.5. Market transparency and early warning (new)
- 1.6. Exceptional market measures
- 1.7. Communication and reporting

The purpose of this document is to permit a discussion in the Special Committee on Agriculture (SCA) on 11 January 2021.

Block 1. Market management: intervention, exceptional/crisis measures, market transparency, imports (R 1308/2013)

1.1 Scope and marketing year

	Prop. Art. N°	R. 1308/13 Art. N°	EP Am n°	Art. Title	PCY Observations	PCY Posit.
1	1.1-1c new	1	46	Scope	Although some wording changes can be accepted, however, the EP proposal to enlarge the scope to the sugar sector is unacceptable.	Not acceptable
2	1.1-1d new	1a new	47	Specific objectives	CAP objectives are already set out in the TFEU. EP takes over few of them and highlighting. It's not the correct way to expose.	Not acceptable
3	1.1-1e new	2	48	General common agricultural policy (CAP) provisions	Wording updating, changing the name of the future Horizontal Regulation. OK, just drafting	Acceptable
4	1.1 (b)	3	CON*	Definitions	Council limits COM empowerment on definitions	
5	1.1 3	6 (deletion)	50	Marketing years	COM proposed to delete because "marketing years" is obsolete and is no longer used, no need to keep them. EP against deletion.	Not acceptable
6	1.1.3a new	6 (modification)	51	Marketing years	Same reason as previous.	Not acceptable
7	1.1.28a new	Annex I – I (a) and (d)	CON*	List of products referred to in Article 1(2)	Remove sweetcorn, sweet potatoes, jerusalem artichocks	
8	1.1.28a new	Annex I – IX	CON*		Add to f&v products removed from Part I	
9	1.1.28a new	Annex I - IX table 1 Row 9a	157*		Other peppers/vegetarian pepper added	
10	1.1.28a new	Annex I – X	CON*		Exclusions for preserved sweetcorn are deleted	
11	1.1.28b new	Annex I - XIIIa new	250*		Animal Genetic Products	

* - Council already addressed this article, so no new mandate needed.

1.2. Public intervention (PI) and private storage aid (PSA)

	Prop. Art. N°	R. 1308/13 Art. N°	EP Am n°	Art. Title	PCY Observations	PCY Posit.
12	1.1.3b new	11	52	Products eligible for public intervention	EP adds products for which there was never support measures in the past, against market orientation.	Not acceptable
13	1.1.3c new	12	53	Public intervention periods	EP wants PI available all year around. Against market orientation.	Not acceptable
14	1.1.3d new	13	54	Opening and closing of public intervention	Conditions of opening and closing public intervention. Same reason as above.	Not acceptable
15	1.1.3e new	14	55	Buying-in at a fixed price or tendering	Same as above. Against market orientation.	Not acceptable
16	1.1.3f new	15.1	56	Public intervention price (Definition public intervention price)	EP proposal to delete possibility to have PI by fixed price. PI intervention at fixed price is a Council only competence. If delete, then always by tender procedure. Two aspects: 1) Removing buying in at fixed price puts an end to Council competence to fix intervention prices. 2) If always buying in by tender, and EP proposal to have PI all year long, COM would need to open a tender every month of the year.	Not acceptable
17	1.1.3g new	15.2	57	Public intervention price (Arrangements for fixing level PI price)	Undermines Council competence, by removing reference fixing prices under article 43(3) do TFEU.	Not acceptable
18	1.1.3h new	15.2a new	266	Public intervention price (Objective criteria for fixing PI price)	PE wants criteria for pricing. This amendment is contradictory to the previous one, if we move to a tendering system, there is no point in fixing intervention prices for each product. It's difficult to define completely "fair standard of living". It's too vague.	Not acceptable
19	1.1.3i new	16	232	General principles applicable to the disposal of public intervention stocks	Disposal from PI (identity of beneficiary)	To be considered
20	1.1.3j new	17.1 b	59	PSA - Eligible products	Private Storage Aid (PSA): Table Olives added. Against market orientation.	Not acceptable
21	1.1.3k new	17.1 ia new	60	PSA - Eligible products	PSA: Rice added. Against market orientation.	Not acceptable

1.3. Sugar provisions

	Prop. Art. N°	R. 1308/13 Art. N°	EP Am n°	Art. Title	PCY Observations	PCY Posit.
22	1.1.21 ba new	125 title	106	Sugar sector agreements	Beet and sugar cane added. Unacceptable and unnecessary. This would open further discussion on the scope to the sugar sector.	Not acceptable
23	1.1.21 aa new	125	CON*	Sugar sector agreements	Agreements within the trade (wording) (no EP Amendment)	-
24	1.1.21 bb new	126 title	107	Price reporting in the sugar market	Markets (not only sugar). This would open further discussion on the scope to the sugar sector.	Not acceptable
25	1.1.21 bc new	126.1	108	Price reporting in the sugar market	Price reporting beet/cane sugar/ethanol added. This would open further discussion on the scope to the sugar sector.	Not acceptable
26	1.1.33c new	Annex XI (deletion)	176	Purchase terms for beet during (...)	Annex XI deleted (related to old sugar quotas)	Acceptable
27	1.1.33d new	Annex XII (deletion)	177	National and regional quotas for production of sugar (...)	Annex XII deleted (related to old sugar quotas)	Acceptable
28	1.1.33e new	Annex XIII (deletion)	178	Detailed rules on transfers of sugar (...)	Annex XI deleted (related to old sugar quotas)	Acceptable

* - Council already addressed this article, so no new mandate needed.

1.4. Trade with third countries

	Prop. Art. N°	R. 1308/13 Art. N°	EP Am n°	Art. Title	PCY Observations	PCY Posit.
29	1.1.22z new	176.3	131	General rules [Import and export licences]	Import / export licences' notifications	To be considered
30	1.1.22 aa new	182.1.1 ba new	133	Additional import duties	[EP] <i>Special safeguard: import volumes in FTAs</i>	Not acceptable
31	1.1.22 ab new	182.1.1 bb new	134	Additional import duties	[EP] <i>Special safeguard: noncompliance EU standards</i>	Not acceptable
32	1.1.22 ac new	182.1.2 nd subpar	135	Additional import duties	[EP] <i>Special safeguard: trigger volume/price up-date</i>	Not acceptable
33	1.1.22 ad new	182.1.3 rd subpar new	136	Additional import duties	[EP] <i>Special safeguard: market exposure definition</i>	Not acceptable
34	1.1.22 ae new	184.2	137	Tariff quotas	[EP] <i>TRQs management (social/ILO + environment)</i>	Not acceptable
35	1.1.22 af new	188a new	138	Import of agriculture and agri-food products from third countries	[EP] <i>Imports to meet EU environmental/health standards (IAs)</i>	Not acceptable
36	1.1.23	189 deletion	139	Imports of hemp	Council e EP wants to keep this article	Acceptable
37	1.1 (8) new	90a (0b)	CON*			
38	1.1.25	193a new	CON*			

* - Council already addressed this article, so no new mandate needed.

1.5. Market transparency and early warning (new)

	Prop. Art. N°	R. 1308/13 Art. N°	EP Am n°	Art. Title	PCY Observations	PCY Posit.
39	1.1.26 h new	218a new	146	Transparency of the agricultural products market (Observatory agricultural product markets)	Maybe, can be discussed with an indication that as long as it does not affect observatories that are already functioning well. Eventually, opening more market sector observatories.	To be considered
40	1.1.26 i new	218b new	147	Early warning mechanism for market disturbances and alert threshold	Maybe, can be discussed with an indication that as long as it does not affect the market orientation. + Overarching reservation. Council could accept <u>to discuss the issue</u> on the understanding that we didn't put the market orientation of the CAP into question. Indeed, that goes for all the amendments categorised as "To be considered".	To be considered

1.6. Exceptional market measures

	Prop. Art. N°	R. 1308/13 Art. N°	EP Am n°	Art. Title	PCY Observations	PCY Posit.
41	1.1.26 j new	219	148	Measures against market disturbance	EP suggest deleting the test that before being able to take measures, it should be proved that the safety net is not sufficient.	To be considered
42	1.1.26 k new	219a new	149	Volume reduction scheme	Support to a volume reduction scheme is already a possibility but doesn't need to be specified as a specific measure and for a particular sector.	Not acceptable
43	1.1.26 l new	219b new	150	Measures to stabilise production in periods of severe market disturbances	Production stabilisation (imposing a levy on production increase). Against market orientation.	Not acceptable
44	1.1.26 m new	220	247	Measures concerning animal diseases and loss of consumer confidence due to public, animal or plant health risks	Plant diseases and pests added. EP proposes to extend exceptional measures to plant products.	To be considered
45	1.1.26 n new	Title Part V Ch1 Sect 4	151	-	EP proposes to change the title: From: Agreement and decisions during periods of severe imbalance in markets To: Agreement and decisions to prevent market disturbances and to deal with severe imbalance in markets. Derogation on competition rules must not act to prevent, only to tackle existing problems.	Not acceptable
46	1.1.26 o new	222	152	Application of Article 101 (1) TFUE	Market disturb prevention (POs, IBOs- extension) Same as previous	Not acceptable
47	1.1.26 p new	222a new	248	Market disturbance monitoring and management plans	Goes beyond the EC competencies.	Not acceptable

1.7. Communication and reporting

	Prop. Art. N°	R. 1308/13 Art. N°	EP Am n°	Art. Title	PCY Observations	PCY Posit.
48	1.1.26 q new	223	249	Communication requirements	Market transparency/supervision and control of derivatives financial instruments.	To be considered
49	1.1.27	225 a - d deletion	155	Reporting obligation to the Commission	COM proposal is to delete obsolete reporting obligations. EP want to keep specific notification obligations for the milk sector.	To be considered
50	1.1.27 a new	225	156	Reporting obligation to the Commission	New report obligations: milk, observatories, etc. Need further explanation from EP on the rationale of having something specific for the milk sector.	To be considered

(Recital Amendments: 1,2,3,4,5,6, 35,36,38, 39)