



Council of the
European Union

Brussels, 25 January 2023
(OR. en)

5669/23

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CODEC 65

NOTE

From: General Secretariat of the Council
To: Council
Subject: Agricultural aspects of the revision of the Industrial Emission Directive
- *Information from the Presidency*

Delegations will find in the Annex a background document on the above subject.

Agricultural aspects of the revision of the Industrial Emission Directive

On 5 April 2022, the Commission published its **proposals** for a directive and a regulation on industrial emissions. The proposed directive aims at amending the current Industrial Emissions Directive (IED – Directive 2010/75/EU), while the proposed regulation aims at establishing an Industrial Emissions Portal. The proposed revisions extend the scope of the directive by including special provisions for the rearing of poultry, pigs and cattle under which:

- the threshold above which pig and poultry installations are included within the scope of the IED is lowered (to 150 livestock units);
- cattle farming is added to the scope of the IED, alongside pig and poultry installations (with a threshold of 150 livestock units).

According to the **impact assessment**, “such increased scope will enhance the IED coverage of emissions of ammonia from the rearing of cattle, pigs and poultry from 18 to 60% and those of methane from 3% to 43%.”

In the Council, the Environment *filière* is in the lead for handling this dossier (preparatory bodies: Environment Working Party/Coreper). To complement the discussions within those bodies, during the CZ Presidency, the agriculture-related aspects of the proposal were presented to the Special Committee on Agriculture on 12 September 2022 and to the “Agriculture and Fisheries” Council on 26 September 2022. On those occasions, delegations showed a strong interest in the revision of the IED, pointing to associated challenges and to the negative reaction by the EU agricultural sector to the current provisions of the proposal.

The CZ Presidency prepared a **progress report** (doc. 16017/22) based on the results of the relevant discussions in the Council's Environment Working Party and the Environment Council, to be used as a basis for further discussions by these bodies during the SE Presidency. In relation to the agriculture-related aspects, the report mentions that: “The Working Party for the Environment discussed in detail the provisions dealing with new simplified rules for permitting and operating regulated agricultural activities, as well as their extension. The discussion focused on the introduction of a simplified system of requirements and on the change in the scope in Annex I and directly associated definitions”.

The CZ Presidency proposal introduces further clarifications in relation to the permit and registration procedures and elaborates in greater detail the process of developing operating rules, including their adoption via an implementing act. The CZ Presidency did not, for the purpose of its note, propose introducing any changes to the threshold for agricultural activities, but noted the general concern regarding the extension of the scope in this area. The CZ Presidency was of the opinion that further work was necessary.

Parallel discussions are ongoing in the **European Parliament** for the adoption of a report on the Commission proposal. In his initial draft report, Mr Radan Kanev (EPP, Bulgaria), rapporteur on the proposal in ENVI, the lead EP Committee, proposes to remove from the scope the rearing of cattle, pigs or poultry carried out in the context of small-scale family farming and organic farming and to raise to 300 livestock units the threshold beyond which livestock farms are regulated by the directive.

Based on this development, the SE Presidency organised a targeted exchange of views in the SCA on 16 January 2023 with the aim of identifying possible ways forward concerning the provisions of the proposal in relation to agriculture. During the discussion, all delegations in principle accepted that the agricultural sector should contribute to the reduction of emissions but underlined the need for the provisions of the current proposal to be revised in order to address their concerns having in mind the importance of agriculture and food security and the current challenges that the EU agricultural sector, in particular the animal husbandry part, is facing.

In this respect, a number of proposals were made focussing on the revision of the specific livestock unit threshold for pigs and poultry and the extension of the scope to cattle. As examples, they noted the need to take into account the particularities of the different regions of the Union, exempt small and medium-sized farms and farms applying sustainable production practices, provide adequate transitional periods, identify possibilities for further financing to compensate affected farmers and avoid disproportionate additional administrative burden and costs that farmers could face in increasing their contribution to emission reductions. Particular attention was paid to the need to revise upwards the threshold beyond which livestock farms would be regulated by the directive, in line with similar proposals currently being discussed in Parliament.

In this connection, they expressed their willingness to work together with their Environment colleagues to find specific solutions to address these concerns before the adoption of a general approach by the Council on this file. During the Council meeting on 30 January, ministers are invited to take note of this information and, should they wish to do so, to refer to the most politically important point in their view that needs to be addressed in the ongoing legislative process.
