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NOTE

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

Delegations will find in the Annex a discussion paper from the Presidency on the abovementioned subject for an exchange of views at the Special Committee on Agriculture on 6 May 2019.

DISCUSSION PAPER OF THE RO PRES ON SECTORAL TYPES OF INTERVENTIONS

PRES RO organized debates on most of problematic concepts underlying the different types of intervention proposed by the COM in the new reform. Interventions such as the redistributive payment, coupled support, investments, payments for areas with natural or other area-specific constraints were debated, giving the possibility to Member States to express their opinions and drafting suggestions in the "categorization table" (WK 2298/2019) prepared by the Presidency. Most of the debates focused on direct payments and rural development and the Presidency would also like to clarify some issues in relation to market interventions.

Extending the scope of "other sectors" under sectoral interventions (Art 39 (f))

Some Member States requested to add further products to the Commission's proposal, like leguminous and protein crops (for grain or fodder), oil seeds (soya, sun flower, rapeseed), potatoes and other products not included in the revised draft like breeding animals, minor livestock productions or even cotton which is a Non-Annex I product. However, such an extension might lead to a mix between sectors and specific products, or even only part of those products depending on their usage – for grains or for fodder. On the other hand, extending the list to all products listed in point (x) of Article 1(2) of Regulation 1308/2013 would entail covering also some products that are mentioned there for trade purposes only, and are either processed products not produced by farmers or products simply not produced within the EU for which the intervention would not be pertinent.

In this respect, two main elements need to be clarified:

1. How extensive should the coverage of this provision for agricultural primary products be?
 2. How can such a scope be expressed in a sound manner to make a clear distinction between sectors (points (a) to (h), (k), (m), (o) to (t) and (w) of Art 1(2) of CMO regulation) and products identified among those covered by point (x) of the same article?
- *The Romanian Presidency would like to kindly ask Member States to express their points of view in relation to this issue.*

Mandatory and optional sectoral types of interventions (art. 40.1)

By limiting the requirement in the Fruits & Vegetables sector only to those Member States that have Producer Organisations (POs) recognized under Regulation 1308/2013, the text foresees two possibilities:

1. The application of this scheme becomes voluntary for Member States not having recognized POs and
 2. If a PO is recognized during the programming period, such a PO would not be entitled to benefit from the scheme under reference unless the Member State concerned introduces a change in its CAP Strategic Plan.
- *The Romanian Presidency would like Member States to share their views on this and express their agreement or disagreement towards this matter.*

Operational programs under F&V (art. 44.7)

The Commission's proposal foresees that Member States should ensure that at least 20% of expenditure covers interventions linked to the objectives related to environment and climate change mitigation and adaptation. The Austrian Presidency proposed to reduce the percentage to 15%, but some Member States requested a further decrease to 10%.

- *Would Member States agree with the further decrease of the abovementioned percentage?*

Union financial assistance for Olive oil and table olives sector (art. 58.2)

The Romanian Presidency considers that at Article 58.2 the brackets were misplaced as it is an internal condition and it is not connected to MFF. The provision is the same as in Article 63(2) where it is not bracketed. The Romanian Presidency proposes to remove the bracketing.

- *Would MS agree to propose the debracketing?*

Additional clarification on art 60a

In the current Presidency draft of Article 60a, the implementation of sectoral interventions in "other sectors" is open, in addition to Producer Organisations and Associations of Producer Organisations, to interbranch organizations recognized under Regulation 1308/2013 and association of producer groups. Interbranch organizations and association of producer groups do not benefit in the current programming period of an operational fund. Moreover, the risk of excluding them from the competition rules should also be taken into account. Also, the associations of producer groups are not included in the Article 63 - Union financial assistance. The Presidency is therefore proposing to review the draft in view of reconciling the policy aim of fostering an effective economic organization of farmers and Member States' situation on the ground.

- *Do Member States agree with the present draft of the Article or would they prefer it to be redrafted?*