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WORKING PAPER

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From:	Presidency
To:	Delegations
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 - Possible elements of an overall compromise

Delegations will find in the Annex a Presidency paper on possible elements of an overall compromise.

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Presidency paper on possible elements for an overall compromise

Background

On 2 December 2020, in the context of the first trilogue, it was agreed, inter alia, that the **CMO/Amending Regulation** file would be dealt with in four blocks:

- Block 1 covers market management and related provisions on intervention, exceptional and crisis management measures, market transparency and imports.
- Block 2 covers wine and GIs, including all wine provisions, aromatised wines under Regulation 251/2014 and the horizontal GI Regulation 1151/2012.
- Block 3 covers producer and inter-branch organisations and competition related provisions.
- Block 4 covers marketing standards, the school schemes, POSEI and the smaller Aegean Islands, and transitional and final provisions in a less homogeneous block.

Work done so far in the negotiations of this Regulation with the European Parliament has shown that while the position of the European Parliament and of the Council appeared to be close on the issues relating to wine and geographical indications, it was clear from the onset that the first block on market management and crisis measures would require particular attention as it included a number of amendments put forward by the European Parliament which extend beyond the scope of Commission's proposal set out in the Amending Regulation and the Council's General Approach. They concern, in particular, public intervention and private storage aid, trade, market transparency and exceptional market measures.

State of play/compromise package

Block 1 - Market management and exceptional measures:

Engaging in constructive discussions with the European Parliament on Block 1 amendments proved more challenging as it includes a number of amendments put forward by the European Parliament which extend beyond the scope of Commission's proposal set out in the Amending Regulation and the Council's General Approach.

The trilogue discussions so far have shown that the positions of the Council and of the European Parliament diverge significantly on certain amendments introduced by the European Parliament under block 1 on market management and exceptional measures in particular on the 19 amendments considered as not acceptable by the Council, described below.

Scope and marketing years:

- EP proposal to enlarge the scope to the sugar sector; concerns about market orientation (**Art 1; AM 46**)
- Highlighting certain CAP objectives set out in the TFEU (**Art 1a new; AM 47**)

Public intervention and private storage aid

- Opening and closing public intervention - EP proposed to make public intervention available all year round; concerns about market orientation and budgetary implications (**Art 13, AM 54**)
- Buying-in at a fixed price or tendering - EP proposed to buy only through tendering (**Art 14; AM 55**)
- Defining public intervention price - EP proposed to delete the provision for buying at a fixed price and to remove or constrain the Council's role fixing reference prices (**Art 15; AM 56, 57, 266**)
- General principles applicable to the disposal of public intervention stocks and revealing the identity of beneficiaries (**Art 16; AM 232**)
- New products for private storage aid (table olives); concerns about market orientation and budgetary implications (**Art 17.1(b); AM 59**)
- New products for private storage aid (rice); concerns about market orientation and budgetary implications (**Art 17.1 (ia) new; AM 60**)

Sugar provisions

- Beet and sugar cane added in the title for sugar sector agreements; concerns about market orientation (**Art 125; AM 106**)
- Price reporting in the sugar markets. This could open further discussion on the scope of the sugar sector (**Art 126; AM 107**)
- New products (beet/cane sugar/ethanol) which could provoke further discussion on the scope of the sugar sector; concerns about the market orientation (**Art 126.1; AM 108**)

Trade with third countries

- Additional import duties; market exposure definition (**Art 182.1.3rd subpar new; AM136**)
- Tariff quotas; TRQ management (social/ILO + environmental) (**Art 184.2; AM 137**)

Exceptional market measures

- Measures to stabilize production in periods of severe market disturbances; imposing a levy on production increases; concerns about the market orientation (**Art 219b new; AM 150**)
- EP proposes to widen the derogation from competition rules; concerns about the market orientation (**Title Part V Ch1 Sect 4; AM 151**)
- Preventing market disturbance (POs, IBOs- extension); concerns about the marketorientation (**Art 122; AM 152**)
- Market disturbance monitoring and management plans (**Art 122a new; AM 248**)

In response to Parliament's expectations, the Presidency included in the trilogue that took place on March 3rd a joint approach to the 19 'non-acceptable' amendments, reiterated the reservations that these proposals represented in terms of reversing the CAP's orientation towards the market, budgetary impact and respect for the rules of the WTO and EU international agreements.

However, and in accordance with the interest reiterated by the Parliament in discussing these amendments, the Presidency expressed its openness to resubmitting to the Council a possible review to the initial categories, based on a rationale to be developed by the European Parliament.

According to this provision the European Parliament prepared non paper (Annex) providing the rationale behind these amendments.

Block 2 - wine and GIs & Block 3 - producer and inter-branch organisations and competition

The technical work and trilogue discussions with the European Parliament and the Commission have allowed to reach provisional agreements in particular on provisions on wine and geographic indications under Block 2 and producers' and inter-branch organisations under Block 3.

In Block 2, progress has been made in the extension of the validity of vine planting authorisations; planting or replanting of areas to preserve genetic resources not subject to planting authorization; wine geographical indications improving relationship with sustainable development, reinforcing protection for trademarks; reinforcing protection of PDO and PGI even if used as an ingredient, and also with regard to goods in transit to the EU or when marketed through means of electronic commerce.

Progress was also made so far on topics such as, for the wine sector, the extension of the planting rights authorizations scheme until 2045, authorized varieties - maintaining the status quo, de-alcoholization of wine, and on extending supply management rules for all PDO/PGI, and also on vertical concerted practices of sustainability, even though some technical work is further required on these subjects.

In the context of negotiations with the European Parliament, the Presidency suggests to approach favourably certain amendments under Block 3, in particular on competition-related issues, where there seems to be room for strengthening producers position and thus support the proposals put forward by the European Parliament:

- Supply management for PDO / PGI - extension of the current rules for cheese and ham to all agricultural products with PDO/PGI denominations (**Art 166a new; AM 124**)
- Vertical concerted practices of sustainability; possibility for the sector to act in derogation from competition rules. The European Parliament's proposal for a new article aims at strengthening the position of producers in the supply chain and increasing their bargaining power. It seeks to establish a derogation from Article 101(1) of the Treaty for IBO initiatives in favor of higher environmental, animal health and animal welfare standards thus making the supply chain more sustainable (**Art 210a new; AM 144**)

However, some of the Parliament's proposals are related to issues that the Council had shown to be reluctant in changing, such as the *milk package* provisions, or competition definitions.

QUESTIONS:

1. In the light of the additional information provided by the European Parliament on its amendments for Block 1 that the Council considered 'Not acceptable', do you consider that there are reasons to change the categorization initially assumed by the Council and, if so, which amendments should be discussed?
2. Discussion on Block 3 proves that on some points it is possible to come closer to the European Parliament amendments. Would you agree that the amendments mentioned above can strengthen the position of producers in the value chain without compromising the market orientation of the CAP and competition rules?
Amongst the European Parliament's amendments contained in block 3, on which should we work as a priority with a view to enhancing producers' bargaining power in the value chain, without prejudicing the CAP market orientation or the EU competition rules?

CMO Trilogues - European Parliament non-paper on the 19 amendments of block 1 classified as ‘not acceptable’ by Council

Of the 43 amendments included in the European Parliament’s mandate on Block 1 (Crisis Management), the Council made a selection which classified 19 of them as ‘not acceptable’. Wishing to have more arguments on these amendments, the Presidency of the Council has asked for this document to explain Parliament’s intentions. It also proposes some first possibilities for compromise based, primarily, on the first text proposals received from the Commission.

Amendment 46 - Article 1 CMO – Scope "Article 1 Scope 1. This Regulation establishes a common organisation of the markets for agricultural products, which means all the products listed in Annex I to the Treaties with the exception of the fishery and aquaculture products as defined in Union legislative act on the common organisation of the markets in fishery and aquaculture products. <i>This Regulation defines the public standards, market transparency rules and crisis management tools that will allow public authorities, in particular the Commission, to ensure the surveillance, management and regulation of agricultural markets</i> 2. Agricultural products as defined in paragraph 1 shall be divided into the following sectors as listed in the respective parts of Annex I: (a) cereals, Part I; (b) rice, Part II; (c) sugar, <i>sugar beet and sugar cane</i>, Part III; (d) to (x) other products, Part XXIV."	EP : AM 46 aims to clarify the scope of the CMO Regulation on its existing basis. Specifying what ‘common organisation of markets’ means in the Regulation. It also adds precision on the two raw materials from which sugar is produced. Parliament wishes to have more detailed explanations as to the unacceptability of the AM. The wording proposed is the current scope of the CMO. “Supervision” could replace “surveillance” in the EN version. The addition of sugar beet and sugar cane refers to AMs 106, 107 and 108 that propose to increase the transparency on sugar beet, sugar cane and ethanol markets. More transparency is needed because prices for beet and cane are no longer established by public decisions since the end of sugar quotas.
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Amendment 47 - Article 1a - Specific objectives Article 1 a (new) “Article 1a Specific objectives Without prejudice to the application of the general and specific objectives defined in Articles 5 and 6 of Regulation (EU) .../... [CAP Strategic Plans], and pursuant to Article 39 TFEU, the common organisation of the markets in agricultural products referred to in Article 1 shall contribute to the achievement of the following specific objectives: (a) participate in the stabilisation of agricultural markets and enhance their transparency; (b) promote the proper functioning of the agri-food supply chain and ensure a fair income for agricultural producers; (c) improve the position of producers in the value chain and promote the concentration of agricultural supply; (d) contribute to the improvement of economic conditions for the production and marketing of agricultural products and strengthen the quality of European agricultural production.”	EP : AM 47 aims to make explicit the operational objectives pursued by the CMO Regulation on the basis of Article 39 TFEU, which sets out the CAP objectives used since the creation of the policy in 1957 in the Treaty of Rome. Parliament wishes to have detailed reasoning as to the description of ‘not acceptable’, which seems disproportionate here. Stabilisation of markets, fair income for producers, concentration of supply and improvement of quality are all operational objectives associated with the CMO, and recalling them in the first Article of the Regulation is appropriate in order to refresh the scope of this Regulation that is one of the oldest of the EU.
Amendment 54 - Article 13 Opening and closing of public intervention "Article 13 Opening and closing of public intervention 1. During the periods referred to in Article 12, public intervention: (a) shall be open for common wheat, butter and skimmed milk powder; (b) may be opened by the Commission, by means of implementing acts, for common wheat, durum wheat, barley, maize and paddy rice (including specific varieties or types of paddy rice), white sugar, sheep meat, pig meat or chicken if the market situation so	EP : AM 54 seeks to move wheat from the list of products for which intervention is automatic, to the list of those that requires an implementation act. It also proposes to add white sugar, sheepmeat, pigmeat, and poultry meat into the list requiring an implementing act. Parliament wishes to know if the opposition to this change is due to the proposal to change the

requires. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 229(2); (c) may be opened for the beef and veal sector by the Commission, by means of implementing acts adopted without applying the procedure referred to in Article 229(2) or (3), if, over a representative period determined pursuant to point (c) of the first paragraph of Article 20 the average market price in a Member State or in a region of a Member State, recorded on the basis of the Union scale for the classification of carcasses of bovine animals referred to in point A of Annex IV, is below 85 % of the reference threshold laid down in point (d) of Article 7(1)..	status of wheat, or if it is related to the addition of new products. Parliament notes that Art 52 which seeks to add the four new products was classed as ‘to be considered’ by Council. Parliament considers that addition of the four new products as indicated in the AM is the main priority here. These products should also have a safety net like others, with the intervention price being below the level of production cost. This is not a way to question “market orientation”, but is rather a way to have firewalls against systemic risk and irrational exuberance of the markets. For the sugar sector, the safety net is only one tool among others that all seem to be needed in order to avoid the EU becoming net importer including imports with preferential tariffs, as in that case the 400€/t import taxes would have sudden and major effects on the stability of EU markets.
Amendment 55 - Article 14 - Buying-in at a fixed price or tendering Article 14 Buying-in at a fixed price or tendering ‘Where public intervention is open pursuant to Article 13(1), arrangements modalities for fixing buying-in prices for the products referred to in Article 11, as well as, where applicable, measures relating to quantitative limitations when the purchase is made at a fixed price shall be taken by the Council in accordance with Article 43(3) TFEU. ’	EP : AM 55 (along with 56 ad 57) seeks to get rid of buying at a fixed price, and to keep only an adjudication or tendering system, in order to give more latitude to the Commission in guiding the markets, and to avoid detrimental thresholds and cornered situations. In light of the recent experience of sales of SMP by the Commission and the position of the

	Council on its prerogatives under the Treaty, the Parliament could reconsider this position as part of a global agreement.
Amendment 56 & 57 – Article 15 - Public intervention price In Article 15, paragraph 1 is replaced by the following: ‘1. Public intervention price means the maximum price at which products eligible for public intervention may be bought in where this is done by tendering. <i>(a) the price at which products shall be bought in under public intervention where this is done at a fixed price; or</i> (b) the maximum price at which products eligible for public intervention may be bought in where this is done by tendering. 2. The <i>arrangements modalities</i> for fixing the level of the public intervention price, including the amounts of increases and reductions, shall be taken by the Council in accordance with Article 43(3) TFEU. ’	EP : AMs 56 and 57 (like AM 55) seek to get rid of buying at a fixed price, and to keep only an adjudication/tendering system, in order to give more latitude to the Commission in guiding the market, and avoiding detrimental thresholds and cornered situations. In light of the recent experience of sales of SMP by the Commission and the position of the Council on its prerogatives under the Treaty, the Parliament could reconsider this position as part of a global agreement.
Amendment 266 - article 15.2a (new) - Public intervention price <i>‘2a. When fixing the level of the public intervention price, the Council shall use objective and transparent criteria, which shall be in line with the objective of ensuring a fair standard of living for the agricultural community, in accordance with Article 39 TFEU.’</i>	EP : AM 266 takes into account the standard of living for farmers in the establishment of intervention prices. Parliament recalls that intervention prices have not been updated for 20 years for cereals and beefmeat, and almost 15 years for dairy products: public intervention has become a safety net with intervention prices far below the level of production costs. The formulation of this amendment respects the exclusive competence of the Council in respect of prices and aims to provide a guiding principle because even as a safety net, the intervention price could also be

	adjusted without questioning the “market orientation”. Parliament is open to add to its proposal other objectives mentioned in Article 39 TFEU, such as market stabilisation.
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Amendment 232 - Article 16 -General principles on disposal from public intervention "Article 16 General principles on disposal from public intervention 1. Disposal of products bought in under public intervention shall take place in such a way as to: (a) avoid any disturbance of the market, (b) ensure equal access to goods and equal treatment of purchasers, and (c) be in compliance with the commitments resulting from international agreements concluded in accordance with the TFEU. 2. Products bought in under public intervention may be disposed of by making them available for the scheme for food distribution to the most deprived in the Union as set out in the relevant Union legal acts. In such cases, the accounting value of such products shall be at the level of the relevant fixed public intervention price referred to in Article 14(2) of this Regulation. <i>2a. Member States shall notify to the Commission of the identity of companies that have used public intervention as well as buyers of public intervention stocks.</i> 3. Each year the Commission shall publish details of the conditions under which products bought in under public intervention were bought, if applicable, and sold in the previous year. <i>Those details shall include the identity of the companies, the relevant volumes, and the buying and selling prices.</i>	EP : AM 232 aims to increase transparency regarding purchasers and vendors involved in public intervention. It is motivated by suspicions of hidden export subsidies when SMP was sold at prices much lower than the intervention price following the 2015/2016 dairy crisis. At this point, information on the identity of purchasers and vendors is only held at Member State level. In its non-paper on this subject, the Commission rightly indicates that divulging exact identities poses a problem. Parliament can envisage publication of anonymised information on the basis of a typology of buyers/vendors, taking into account the final destination of the product. An alternative could be to modify paragraph 1 by adding that disposal through tenders should not lead to export at dumping prices as an example of c).
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Amendments 59 & 60 - Article 17- Eligible products “Eligible products Aid for private storage may be granted in respect of the following products in accordance with the conditions set out in this Section and any further requirements and conditions to be adopted by the Commission, by means of delegated acts pursuant to Article 18(1) or Article 19 and implementing acts pursuant to Article 18(2) or Article 20: (a) white sugar; (b) olive oil and table olives; (c) flax fibre; (d) fresh or chilled meat of bovine animals aged eight months or more; (e) butter produced from cream obtained directly and exclusively from cow's milk; (f) cheese; (g) skimmed milk powder made from cow's milk; (h) pigmeat; (i) sheepmeat and goatmeat. (i bis) rice Point (f) of the first paragraph is restricted to cheese benefiting from a protected designation of origin or from a protected geographical indication under Regulation (EU) No 1151/2012 that is stored beyond the period of maturation laid down in the product specification for the product referred to in Article 7 of that Regulation and/or a period of maturation that contributes to increasing the value of the cheese.”	EP : AMs 59 and 60 seek to extend the list of products eligible for private storage, adding table olives and rice. These products can be stored, and table olives, unlike rice, are not eligible for public intervention. Parliament considers that the extension of the list of products eligible for private storage is within the context of the wider framework of the revision of the crisis reserve, which is already underway, and in this respect merits discussion.
Amendment 106 - Title - Article 125 – Sugar sector agreements In Article 125, the title is replaced by the following: ‘Sugar beet and <i>sugar cane</i> sector agreements’	EP : AM 106 seeks to amend the title of Article 125 without affecting its scope, as sugar beet and sugar cane are within the Article. For Parliament, this is a minor modification, and so the Parliament would like to know the reasons for it being classed as ‘not acceptable’.

Amendments 107 & 108 - Article 126 – Price reporting Price reporting in the sugar market “The Commission may adopt implementing acts establishing a system for reporting market prices <i>for the sugar beet and cane sugar market on the one hand, and for the sugar and ethanol market on the other</i>, including arrangements for publishing the price levels for this market. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 229(2). The system referred to in the first subparagraph shall be based on information submitted by undertakings producing sugar <i>or ethanol</i> or by other operators involved in the sugar <i>or ethanol</i> trade. This information shall be treated as confidential.”	EP : AMs 107 and 108 are intended to extend to sugar beet, sugar cane and ethanol the Commission’s powers to ensure transparency which are currently only applicable to sugar. Including ethanol in the price notification obligations is of particular importance. Ethanol represents a key market for the balance of the sugar market. Monitoring of sugar markets is currently done through the Sugar Market Observatory: adding monitoring of the ethanol market will bring additional knowledge and transparency to better respond to market signals. The EP is open to any proposal for redrafting that would maintain the spirit of increasing transparency in this sector, in particular with regard to ethanol. The EP could reconsider the issue as part of a global agreement and based on the Council’s concerns on engaging a debate on the scope of the sugar sector, having in view the classification of AM 52.
AM 136 - Article 182 - Additional import duties 1. The Commission may adopt implementing acts determining the products of the cereals, rice, sugar, fruit and vegetables, processed fruit and vegetables, beef and veal, milk and milk products, pigmeat, sheepmeat and goatmeat, eggs, poultry and bananas sectors, as well as of grape juice and grape must, to which, when imported subject to the rate of duty	EP : AM 136 amends Article 182, along with AMs 133, 134, 135, all of which Council has classed as ‘<i>to be considered to the extent that it’s in line with WTO rules</i>’.

laid down in the Common Customs Tariff, an additional import duty shall apply in order to prevent or counteract adverse effects on the Union market which may result from those imports, if:

(a) the imports are made at a price below the level notified by the Union to the WTO (the trigger price); or

(b) the volume of imports in any year exceeds a certain level (the trigger volume).

(ba) the volume of imports in a given year at preferential rates agreed upon between the Union and third countries in the scope of free-trade agreements exceeds a certain level ('market exposure volume'). (AM 133)

(bb) non-compliance with Union standards in terms of plant protection and animal welfare by third countries. (AM 134)

The trigger volume shall be based on market access opportunities defined as imports expressed as a percentage of the corresponding domestic consumption during the three previous years. ***It shall regularly be redefined to take changes in the size of the Union market into account. The trigger price shall regularly be redefined to take developments in global markets and production costs into account.*** (AM 135)

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 229(2).

"The market exposure volume shall be based on imports at preferential rates expressed as a percentage of the total level of market exposure that can be borne by the sectors concerned." (AM 136)

2. Additional import duties shall not be imposed where the imports are unlikely to disturb the Union market, or where the effects would be disproportionate to the intended objective.

3. For the purposes of point (a) of the first subparagraph of paragraph 1, import prices shall be determined on the basis of the c.i.f. import prices of the consignment under consideration. C.i.f. import prices shall be checked against the representative prices for the product on the world market or on the Union import market for that product.

4. The Commission may adopt implementing acts laying down the measures necessary for the application of this Article. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 229(2).

Overall, Parliament defends the idea that Article 182, if modified, would constitute the appropriate legal basis to apply safeguard clauses for agricultural products that are parts of each bilateral trade agreement. Parliament defends the "Single Pocket" approach which aims for co-ordinated guidance of safeguard measures through the market observatory (as referred to in AM 146), and to be better able to propose activating certain safeguard clauses according the prices in the European market.

Parliament is open to a reformulation of AM 136 which, as it is, could give rise to confusion as the 'market exposure volume' refers to a maximum importable amount with the aim of market stabilisation, and it could only be implemented case by case in light of the anticipated evolution of the market and not once for all.

Amendment 137 - Article 184 -Tariff quotas 1. Tariff quotas for the import of agricultural products for release into free circulation in the Union or a part thereof, or tariff quotas for imports of Union agricultural products into third countries, which are to be partly or fully administered by the Union, resulting from international agreements concluded in accordance with the TFEU or any other act adopted in accordance with Article 43(2) or Article 207 TFEU, shall be opened and/or administered by the Commission by means of delegated acts pursuant to Article 186 of this Regulation and implementing acts pursuant to Articles 187 and 188 of this Regulation. 2. Tariff quotas shall be administered in a manner which avoids any discrimination between the operators concerned, by applying one of the following methods or a combination of them or another appropriate method: (a) a method based on the chronological order of the submission of applications ("first come, first served" principle); (b) a method of distribution in proportion to the quantities requested when the applications were submitted (the "simultaneous examination method"); (c) a method based on taking traditional trade patterns into account (the "traditional/newcomers method"). (d) a method enabling distribution to a diversity of operators, including by taking into account relevant social and environmental standards, such as the fundamental ILO Conventions, and multilateral environmental agreements to which the Union is a party".	EP : AM 137 introduces a new way of sharing TRQs between operators within a country benefiting from preferential rates for those TRQs. Parliament defends the idea that access to the European market should, in return, lead to higher standards of production in the places of origin of those imports. Parliament is well aware that, with the current trade laws under the WTO, modes of production cannot be taken into account only if they have an impact on the intrinsic characteristics of the product (for example pesticide residues) or if they have an impact on the environment (Article XX). Nevertheless, Parliament considers that the principle of neutrality evoked in Article 1 of the agreement on import licences maintains a logic of dumping which is incompatible with the European Green Deal and the SDGs. Therefore, in order to develop the European position towards a way out of the crisis of multilateralism, Parliament wishes to discuss the aims of this amendment, i.e. certification concerning environmental and social standards in the distribution of TRQs between operators in the same country.

Amendment 150 - Article 219b (new) - Measures to stabilise production in periods of severe market disturbances

1. Where the Commission has adopted delegated acts pursuant Article 219a, in the event that the severe market imbalances are likely to continue or to deteriorate, the Commission is empowered to adopt delegated acts in accordance with Article 227 supplementing this Regulation with a view to supplementing the measures pursuant to Article 219a by imposing a levy on all producers in a sector referred to in Article 1(2), who, increase their delivery in comparison to the same period of the previous year:

(a) over the same period defined under Article 219a on duly justified imperative grounds;

(b) over a new period of reduction, if the participation of producers under Article 219a has not been sufficient to rebalance the market.

2. When triggering the measure referred to in paragraph 1, the Commission shall take into account the development of the production costs, particularly the costs of inputs.

3. In order to ensure that the scheme is implemented effectively and appropriately, the Commission is empowered to adopt, in accordance with Article 227, delegated acts supplementing this Regulation by establishing:

(a) the amount and conditions governing the levy imposed on producers who increase their volumes or quantity during the reduction period;

(b) the specific conditions for the implementation and complementary of this scheme with the volume production reduction scheme referred in Article 219a.

4. Those measures may be accompanied if necessary by other measures under this Regulation particularly those provided for in Article 222.

EP : AM 150 complements AM 149 which was classified 'to be considered' by the Council. AM 149 foresees support for voluntary reduced production, while AM 150 gives the possibility to impose a levy on producers who have increased their production where previously activated voluntary measures have not been sufficient.

AM 149 is the transcription of rules on support for voluntary reduction in production, which were successfully applied in the milk sector in 2016. This measure had been adopted on the basis of Article 219 which was brought in during the 2013 reform. AM 150 proposes a stronger version of a tool that could be taken on the basis of existing Article 219.

For Parliament, in the face of an over-production crisis, it is more efficient and less costly to reduce overcapacity, rather than let an entire sector collapse in crisis. This situation is all the more likely in the livestock sector, where the reaction to a drop in prices, in terms of supply, is very slow, taking into account high fixed costs and a high level of specialisation. Of course this means crisis tools are to be used only as a last resort, and the reinforcement of Producer Organisations is a prerequisite for better co-ordination in placing goods on the market.

Amendment 151 – In Section title 4 - Chapter 1 – Party V (26l) In Section 4, the title is replaced by the following: Agreements and decisions to prevent market disturbances and to deal with severe imbalance in markets	EP : AM 151 introduces the notion of prevention into the title , for better coherence with AM 248 where Parliament introduces, via Article 222a (see below), a performance framework for the Commission to manage crises.
Amendment 152 - Article 222 Application of Article 101(1) TFEU 1. <i>During To prevent market disturbances periods and to deal with</i> severe imbalance in markets, <i>in accordance with Article 219</i>, the Commission may adopt implementing acts to the effect that Article 101(1) TFEU is not to apply to agreements and decisions of farmers, farmers' associations, or associations of such associations, or recognised producer organisations, associations of recognised producer organisations and recognised interbranch organisations in any of the sectors referred to in Article 1(2) of this Regulation, provided that such agreements and decisions do not undermine the proper functioning of the internal market, strictly aim to stabilise the sector concerned and fall under one or more of the following categories, (a) market withdrawal or free distribution of their products; (b) transformation and processing; (c) storage by private operators; (d) joint promotion measures; (e) agreements on quality requirements; (f) joint purchasing of inputs necessary to combat the spread of pests and diseases in animals and plants in the Union or of inputs necessary to address the effects of natural disasters in the Union; (g) temporary planning of production taking into account the specific nature of the production cycle. The Commission shall specify in implementing acts the substantive and geographic scope of this derogation and, subject to paragraph 3, the period for which the derogation	EP : AM 152 brings two modifications to Article 222 (crisis cartels). The first brings in the idea of prevention and the second specifies that if this type of measure is taken at the level of interbranch organisations, they may be imposed on the whole sector by extension of rules. Parliament recognises that the logic of prevention might not be suitable for measures authorising constitution of a temporary cartel in times of crisis. On the other hand, Parliament would like to know the position of the Council on the second addition which is, above all, a way to achieve efficiency and to limit free-riding. This AM needs to be considered in parallel with Parliament proposal in line 184dx under block 3.

applies. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 229(2). <i>1a. The agreements and decisions adopted in accordance with paragraph 1 by recognised producer organisations or recognised associations of producer organisations or recognised inter branch organisations may be extended in accordance with Article 164, and under the conditions set by the Member State. The extension of rules may not exceed the timeframe referred to in paragraph 3.</i> 3. The agreements and decisions referred to in paragraph 1 shall only be valid for a period of up to six months. However, the Commission may adopt implementing acts authorising such agreements and decisions for a further period of up to six-months. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 229(2). "	
Amendment 248 - Article 222a new <i>Article 222a</i> <i>Market disturbance monitoring and management plans</i> <i>1. With a view to achieving the CAP objectives set out in Article 39 TFEU, in particular the specific objective of market stabilisation referred to in point (b) of Article 1a of this Regulation, the Commission shall establish plans for the monitoring and the management of market disturbances defining its intervention strategy for each agricultural product referred to in Article 1 of this Regulation.</i> <i>2. The Commission shall base its intervention strategy on the work of the EU Observatory of agricultural markets referred to in Article 218a, including on the early warning mechanism provided for in Article 218b.</i> <i>3. In the event of market disturbances, the Commission shall mobilise in a timely and efficient way the exceptional measures provided for in Chapter I of Part V, where applicable in addition to the market intervention measures provided for in Title I of Part II in view of with the aim of rapidly restoring balance on the concerned market while providing the most appropriate responses for each sector affected.</i>	EP : AM 248 gives the Commission a performance framework in which to place its action on crisis management. All authorities which manage European funds have their own performance framework, as this is one of the European practices for ensuring good management of public actions. As the Commission is considered as the managing authority when it comes to crisis management for EAGF, it should also be able to avail itself of such a performance framework because if a crisis can not be forecast, we can anticipate what could be done in face of different kind of crisis. An ex-ante strategy would be established on the basis of previous experiences and on the specificities of the main products and their markets. Appropriate indicators would justify

4. <i>The Commission shall establish a performance framework allowing for reporting, monitoring and evaluation of the market disruption monitoring and management plans during its implementation.</i> 5. <i>By 30 November each year, the Commission shall publish an annual report on the implementation of the plans for the monitoring and management of market disturbances and the improvements in its intervention strategy. The annual report shall be presented annually to the European Parliament and the Council and shall aim to evaluate the performance of the plan with regard to impact, effectiveness, efficiency, and coherence of the tools provided for in this Regulation, and evaluate the use by the Commission of its prerogatives, and the budget, with regard to the monitoring, prevention and management of market disturbances.”</i>	appropriate decision making. Annual reporting to Parliament and Council would then follow in response of the accountability principle, in order to put in place a virtuous circle of progress. Parliament considers that the Commission should have sufficient latitude to act fully as sectoral regulator for the agriculture sector, as a parallel to ACER for energy. Regulation 596/2014 (Market Abuse Regulation) and Directive 2014/65/EU (Market Abuse Directive) establish the role of the Commission as agricultural sectoral regulator. More latitude would require a full performance framework for accountability for actions taken in terms of crisis management. Moreover, in their own national strategic plans, Member States would not be able to establish their objectives in relation to economic indicators, such as agricultural income, without basing themselves on the Commission’s objectives in the area of crisis management.
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Reg.	Article	EP Am.	Council Am	Description
1308/2013	148	269		Contractual relations - milk/milk products
1308/2013	149	110	CON	Contractual negotiations - milk/milk products
1308/2013	150	111		Cheese regulation of supply (PDO/PGI)
1308/2013	151	112		Compulsory declarations - milk/milk products
1308/2013	152	113	CON	Producers Organisations (PO) - objectives
1308/2013	153	238		POs statutes (single membership/direct sales)
1308/2013	154	115		Recognition of POs (marginal productions)
1308/2013	156	116		Associations of POs (2 nd level of association of producer organisations - AOPs)
1308/2013	157	239		Interbranch Organisations (IBOs) objectives + deleting specific milk paragraph
1308/2013	158	240		Recognition of IBOs (balanced representation)
1308/2013	158 a new	118		Associations of IBOs
1308/2013	158 b new	119		Transnational POs, PO Associations, IBOs
1308/2013	160	120		POs in F&V sector (derogations to sales via PO)
1308/2013	163	121		IBO withdrawal recognition in milk/milk product
1308/2013	163a new	241		IBO recognition in wine sector
1308/2013	164	242		Extension of rules
1308/2013	165	123		Non member financial contributions
1308/2013	166a new	124		PDO/PGI supply regulation (other than cheese, wine, ham)
1308/2013	167	243		Marketing rules wine (reference to IBO Art 163a)
1308/2013	167a new	125		Rules to improve/stabilise olive oil market
1308/2013	168	126		Contractual relations (payable price)
1308/2013	172.2	127		2/3 pig producers to agree PDO ham rules
1308/2013	172a new	244		Value sharing for IBOs
1308/2013	172b new	245		Value sharing for IBOs on PDO/PGI products
1308/2013	173.1b	130		Empowerment % derogation from selling via PO
1308/2013	206	140		COM guidelines competition rules/agriculture
1308/2013	206a new	246		Resale at loss
1308/2013	207	141		Relevant market definition (prod substit by customer)
1308/2013	208	142		Dominant position definition (add against suppliers)
1308/2013	210	143		Agreements/concerted practices recognised IBOs
1308/2013	210a new	144		Vertical initiatives for sustainability

1308/2013	212 deletion		CON	Deletion of state aid condition for wine program
1308/2013	214		CON	Finland paymt on sugar delete "marketing" (year)
1308/2013	214a	145		Transitory national payments Finland
1308/2013	218.2		CON	Nuts national payments: UK is deleted
1308/2013	Anx X – II Part2		CON	Price sugar beet (std. beet quality from Anx III)
1308/2013	Anx X – II Part5		CON	Term "marketing" (year) is deleted
1308/2013	Anx X XI 1	174		Conciliation/mediation in sugar Agreements
1308/2013	Anx X XI 4a new	175		Sugar undertaking/beet sellers value sharing
228/2013	22a new	212		IBOs extension of rules