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Subject:	Regulation on common market organisation (CMO) of agricultural products - Dutch Comments

Delegations will find in Annex comments from the Dutch Delegation.

Comments of Dutch delegation on document WK 4064/2020 INIT - Regulation on common market organisation (CMO) of agricultural products - Drafting suggestions and request for comments

General comments

The Netherlands has no objections to the Presidency's suggested changes to the CMO Regulation. We agree with the Presidency that the suggested changes to Article 149 and other articles containing a reference to the UK are necessary now that Brexit has become a fact. We also agree with the necessity to replace the old references in Article 152(1)(c)(x) to Article 31(2) of the 'old' CMO and Article 36 of Regulation 1305/2013 with references to Articles 39 and 70(3)(b) of the new SPR. Finally we have no objections to accommodate the wishes of some Member States with regard to Annex I and Annex VII.

With regard to Annex I we are contemplating a request for an amendment as well.

Additional comments

The Netherlands would like to take this opportunity to add a few of our earlier comments, notably our written comments dating from 27 July 2018 (WK 9083/2018 ADD 5). We have always regretted the limited scope of the original proposal for the Amending Regulation and the constraints put on the subsequent discussions. However, with the Commission's Communication on the Green Deal and the coming F2F strategy we believe that some of our earlier comments have gained relevance and that a broader discussion now would be timely.

Farmers cooperation

Sustainable production in the economic and ecological sense in agriculture cannot be achieved through CAP support alone, but requires involvement of all actors in the chain. The Netherlands is of the opinion that both producer organisations and interbranch organisations could play an important role, provided they are given the tools to take up that role.

Therefore, the Netherlands proposes to enable interbranch organisations to pursue issues of sustainable production, including the reasonable compensation of the extra costs involved with making products that meet extra-legal requirements with regard to animal welfare, animal health, environment and climate. This requires an amendment to the objectives that may be pursued by interbranch organisations in Article 157(1)(c) CMO.

In addition, the exemption from the competition rules should be clarified in the Regulation itself, i.e. beyond the achievements of the Omnibus Regulation and comfort letters, and explicitly permit agreements in the chain concerning sustainability initiatives in which, for instance, a fair compensation for farmers' costs in this respect is guaranteed. This could be achieved by amending Articles 206, 209(1) and 210 CMO.

Risk and crisis management

Farmers cooperation is also important in the area of risk and crisis management.

The Netherlands is of the opinion that both horizontal and vertical cooperation on risk management should be stimulated. We would like to stimulate interbranch organisations to set up and manage mutual funds as they are better equipped than producer organisations to organise mutual funds that may effectively provide compensation for e.g. costs and economic losses caused by the outbreak of an animal or plant disease or pest infestation. This would require an amendment to the objectives of interbranch organisations in Article 157(1)(c) CMO.

Cooperation should on principle be voluntary. However, in some cases voluntary cooperation may not be enough to achieve an effective risk management, such as in the case of a mutual fund covering economic losses caused by infectious plant or animal diseases. As the risk of infectious diseases and pests in plant breeding and animal husbandry is often linked up with the behaviour of individual producers, it may be difficult to set up a mutual fund if not all the producers who can influence their and other producers' risk of an infectious disease are willing to participate in it. In the interest of the individual farmer and the entire group of farmers in the same agricultural sector it could therefore be expedient to temporarily make participation in the mutual fund compulsory. Therefore, the Netherlands would like to propose to include mutual funds concerning veterinary and phytosanitary risks in Article 164(4)(m) CMO.

With regard to crisis management, voluntary cooperation may not be sufficient to adequately cope with a crisis situation and funding may not always be available to stimulate farmers to take the appropriate actions. Therefore, the Netherlands would like to propose an amendment to Article 222 CMO, empowering Member States to make the agreements and decisions of a temporarily authorized cartel binding on other market operators for the duration of the cartel's authorisation in order to improve its effectiveness as a measure for dealing with a serious market crisis.

EU Promotion Policy

The Netherlands wholeheartedly supports the importance the CAP proposal attributes to healthy and sustainably produced food. For the sake of consistency among the various Union policies, it would have been better if the Amending Regulation had also included amendments to the EU promotion policy, as laid down in Regulation 1144/2014.

The Netherlands are of the opinion that the focus of the EU promotion policy should, more than at present, be directed at the promotion of fruit & vegetables and quality products that have been sustainably produced and no longer be used for the general promotion of products without any specific quality characteristics. We previously suggested the Commission to examine what adjustments would be necessary for the promotion policy to be better aligned with the new objectives of the CAP. If possible, the necessary amendments should be added to the Amending Regulation.