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CONTRIBUTION

From:	General Secretariat of the Council
To:	Delegations
N° prev. doc.:	14224/20
N° Cion doc.:	9556/18 + REV 1 (en, de, fr) + COR 1
Subject:	Regulation on common market organisation (CMO) of agricultural products - Swedish Comments

Following the meeting of the Special Committee on Agriculture on 11 January 2021, delegations will find in Annex the comments from the Swedish delegation.



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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>

Swedish comments

Block 1. Market management: intervention, exceptional/crisis measures, market transparency, imports (R 1308/2013)**Swedish comments in red and green.****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
					<p>In this amendment, the sugar sector is proposed to be renamed “<i>sugar, sugar beets and sugar cane</i>”. However, in amendment 106 on article 125 the sector is called “<i>sector for sugar beets and sugar cane</i>”.</p> <p>The problem, as the presidency points out, is that such a change may open discussions on the scope of the measures that may be taken in the sector. The Commission should clarify what exactly the effects could be.</p> <p>If the actual effect is limited – the proposal could be acceptable.</p>	<p>Sweden: Retain status quo</p> <p>(May be considered)</p>
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
					These are changes of no substance and can therefore be accepted.	Sweden: To be considered
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
					Retaining marketing years will have no impact on spending or scope and is from Swedish point OK.	Sweden: To be considered

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
					<p>According to the EP proposal the following products shall be added to the list of products that will be eligible for public intervention</p> <p><i>ea) white sugar</i></p> <p><i>eb) KN-nummer 0104 10 30 eller 0204.</i></p> <p><i>ec) KN-nummer 0203.</i></p> <p><i>ed) KN-nummer NC 0207. ”</i></p> <p>The Swedish position is that market orientation should be increased. This is a proposal that goes in the opposite direction.</p>	Sweden: Not acceptable - a priority for SE
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
					According to this proposal EP wants all intervention prices to be determined by tendering. As the presidency points out, it would increase the administrative burden. On the other hand, determining intervention price by tendering usually means reduced budget costs. In addition, it is more market oriented than a fixed price (if it is at all possible to talk about market oriented public intervention).	Sweden: To be considered
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

				<p>This addition concerns determining intervention price by fixed prices. However, in change 56 EP proposed to delete fixed prices.</p> <p>So, if fixed prices are kept the Swedish position is that intervention prices should not be too high. Intervention should not be seen as an alternative market outlet but a last resort when all alternatives have been tried and exhausted. It should also be noted that there is a Council Regulation (EU 2013/xx) where these prices are given. So, the fixing of prices should not be regulated here.</p>	<p>Sweden: Not acceptable - a priority for SE</p>
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1.4. Trade with third countries

	Prop. Art. N°	R. 1308/13 Art. N°	EP Am n°	Art. Title	PCY Observations	PCY Posit.
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
					<p>In the same article as above, EP wants to add a paragraph that sets out that an additional import duty shall also apply when products imported from third countries don't meet EU standards on plant- and animal protection.</p> <p>The WTO-agreement on Agriculture, does not allow for additional import duties on imports not meeting the EU plant- and animal protection requirements. Other types of sanctions on imports not meeting for example the EU plant- and animal protection requirements have to comply with the rules found in the WTO SPS-agreement or in article XX in GATT.</p> <p>The proposed amendment is thus not acceptable. It's given Prio 1 as it's not compatible with WTO rules.</p>	<p>Sweden: Not acceptable - a priority for SE</p>

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
					<p>According to WTO additional import duties may be imposed only if import prices are below certain levels or certain conditions are fulfilled regarding imported volumes in relation to domestic consumption. It does not open up for changes in production costs.</p> <p>The proposed amendment is not compatible with WTO rules.</p>	Sweden: Not acceptable - a priority for SE
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
					<p>This seems to be a similar amendment as no 133.</p> <p>It would increase the scope of the regulation and it's questionable whether it's compatible with WTO-rules.</p>	Sweden: Not acceptable - a priority for SE
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
					<p>The single CMO seems not to be the right legal basis for introducing such requirements. SE agrees on the importance of global sustainable food systems, but we cannot believe that the EU way is the only way. To promote sustainable food production and to find global solution to global challenges, we need to work together with third countries.</p>	Sweden: Not acceptable - a priority for SE
36	1.1.23	189 deletion	139	Imports of hemp	EP wants to keep this article	Acceptable
					<p>The article sets down rules on the import of hemp. The purpose is to make it more difficult to import hemp in order to grow plants for drug purposes. It's acceptable to keep it.</p>	Sweden: 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
					<p>Several changes are proposed for article 219 and dealt with separately. Opening up for measures to prevent market unbalances would mean a considerable increase of the scope of the article. The change has the potential to open up for a lot of measures that would have considerable impact on budget costs and decrease market orientation.</p> <p>Not acceptable.</p> <p>-----</p> <p>EP proposes to delete the reference to other measures being insufficient.</p> <p>Existing measures have been adopted, by common agreement between MS in the Council, to be the measures to use in case of market disturbances. It therefore goes without saying that these measures have to be evaluated and considered insufficient before further measures can be considered and possibly adopted. The proposed deletion is therefore not acceptable.</p> <p>-----</p> <p>In the present text of article 219 the possibility to <u>introduce export refunds</u> is given.</p> <p>The removal of the possibility to introduce export refunds follows from the WTO agreement on the issue and opening up for the measures in article 39-63 in the Regulation on Strategic Plans is better than using export refunds, also with the addition that import controls may be strengthened. The deletion of the reference to export refunds is therefore acceptable.</p> <p>-----</p>	<p>Sweden: Not acceptable - a priority for SE</p> <p>Sweden: Accetable</p>

					<p>The existing text says that “import duties can be suspended, in whole or in part”.</p> <p>EP wants to add that they can also be adjusted. This change would open up for increasing import duties which could decrease market orientation. It could also mean levels that are too high according to trade agreements. Adjustments that decrease the customs duty level are not problematic. It is therefore not acceptable.</p> <p>-----</p> <p>Finally, EP proposes the possibility to adjust the entry price system for fruit and vegetables after consultation with countries exporting to the EU.</p> <p>The intention of EP is clearly to be able to impose higher duties through the entry price system. However, also here there is a maximum allowed customs duty level. It is not acceptable.</p>	<p>Sweden Acceptable</p> <p>Sweden: Not Acceptable</p>
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
					Support to volume reduction is not acceptable as it drastically moves away from market orientation.	Sweden: Not acceptable - a priority for SE
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
					Levies on production increase is not acceptable as it drastically moves away from market orientation.	Sweden: Not acceptable - a priority for SE
44	1.1.26 m new	220	247	Measures concerning animal diseases and loss of consumer confidence due to	Plant diseases and pests added. EP proposes to extend exceptional measures to plant products.	To be considered

				public, animal or plant health risks		
					<p>First, this article is about <u>support measures</u> to compensate for trade restrictions or other measures taken to deal with animal and plant diseases and plant pathogens.</p> <p>SE may support the amendment as it makes the battle against plant diseases and pests more effective. Lack of compensation for measures and restrictions imposed can reduce the willingness of producers to report suspicions of serious plant diseases and pests. To open for compensation may therefore make the battle against serious diseases and pests more effective and in a long perspective save money. A condition is that the measures are funded in the existing CAP budget and that there is a mechanism holding back expenditure.</p> <p>Point (b) in the existing regulation is already open for compensation to both plant and animal products in cases of - (b) serious market disturbances directly attributed to a loss in consumer confidence due to public, animal or plant health and disease risks.</p>	<p>Sweden: To be considered, under the condition that the measures should be funded within the existing CAP budget.</p>

1.7. Communication and reporting

	Prop. Art. N°	R. 1308/13 Art. N°	EP Am n°	Art. Title	PCY Observations	PCY Posit.
50	1.1.27 a new	225	156	Reporting obligation to the Commission	<p>New report obligations: milk, observatories, etc.</p> <p>Need further explanation from EP on the rationale of having something specific for the milk sector.</p>	To be considered
					<p>This amendment concerns the same article (on reporting obligations for the Commission). Here three additional reports are added to the Commission's tasks. The reports seem unnecessary.</p> <p>(da) can be accepted, but if possible should be avoided</p> <p>(db) concerns a market observatory that we don't want so it's not acceptable.</p> <p>(dc) can be accepted.</p>	<p>Sweden: Partly to be considered</p>

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