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Dear Edward

AGRICULTURE AND FISHERIES COUNCIL: MARCH 6 2017

I am writing to provide you with a report on the outcomes of the EU Agriculture and Fisheries Council meeting, which I attended in Brussels on March 6 2017. The meeting was focused on a mixture of fisheries and agriculture matters, with particular emphasis on the future of the Common Agriculture Policy (CAP) post 2020.

Alongside the discussions in the Council chamber, I had meetings with Commissioner Phil Hogan, and with the Irish Minister, Michael Creed with whom I discussed the Common Agriculture Policy. In addition to my attendance, the UK Government was represented by Mr George Eustice, Minister of State at the Department for Environment, Food and Rural Affairs (DEFRA).

I have attached a brief note summarising the main discussions that took place in the Council for the interest of the Committee. I am copying this letter to the Convener of the European and External Relations Committee for information.

Yours Sincerely

FERGUS EWING
SUMMARY OF KEY OUTCOMES

AGRICULTURE

Common Agricultural Policy post-2020
The principal Council discussion in relation to the agriculture and rural development portfolio was focussed on the Common Agricultural Policy post-2020. The Council had an exchange of views on the future of the Common Agricultural Policy (CAP) with ministers sharing opinions on what the priorities for the future of the CAP should be and whether there should be a rebalancing between the two pillars of direct support and rural development. The majority of ministers saw merit in continuing with the current structure. While some were in favour of placing more emphasis on rural development in the future, other delegations warned against a reduction of direct support to farmers.

In relation to direct payments, a majority of those member states which joined the EU in or after 2004 raised the need for progressive harmonisation of payments across all EU member states, in order to achieve a level playing field. Several delegations also called on the Commission to maintain, and possibly strengthen voluntary coupled support. The need for appropriate levels of funding for the future CAP was a point raised by many delegations while also recognising they will face a variety of challenges including budgetary pressures. Simplification was highlighted as a key area to be included in any future CAP.

In advance of this discussion, I had a pre-meeting with George Eustice, where I advised him of the continuing importance of engaging with the EU on the shaping of the CAP post 2020 and ensured that the UK intervention at Council reflected the devolved nature of agriculture policy.

Any Other Business Items (AOBs)

Voluntary Coupled Support
12 Member States presented a paper highlighting concerns about the implementation of voluntary coupled support. They expressed specific concerns about the Commission scrutiny of national decisions and its impact on the effective implementation of voluntary coupled support measures. A key ask was for more flexibility to target sectors in need according to their national strategy. Commissioner Hogan stated that VCS must be WTO blue box compliant, and that the rules are detailed in the CAP basic acts meaning that it is difficult to offer flexibility to such rules. The Commissioner did however highlight that his services would work with member states to find the best, compliant solution.

Better functioning of the food supply chain
7 delegations presented their non-paper on 'Better functioning of the Food Supply Chain: addressing unfair trade practices' (UTPs) which calls on the Commission to establish an EU legislative framework to regulate UTPs and to define additional tools needed for strengthening the position of farmers in the food supply chain. Several delegations supported the request. Others said they preferred an approach based on voluntary national initiatives, and wanted to wait and fully assess the potential effects of new legislation in the area following a Commission impact assessment before taking concrete steps in this direction.
Lumpy Skin Disease - The Croatian delegation informed ministers about the preventive measures they have taken against Lumpy Skin Disease in cattle.

Dual quality of foodstuffs - The Slovak, Czech and Hungarian raised concerns relating to food products sold in multiple countries under the same brand and packaging but with a different level of quality, taste and ingredients in different countries. One example used was a brand of fish fingers having 7% less fish in eastern European countries than similar branded product found in other parts of Europe. The Commission expressed sympathy for the Slovak, Czech and Hungarian concerns and committed to follow up on the situation.

There were a number of other AOBs which saw ministers informed of the setting up of the EU animal welfare platform, the functioning of the EU solidarity corps, and the difficult market situation in the Polish fruit sector. An overview of recent and upcoming events such as: the G20 agriculture ministers’ conference in Berlin and the forum on the EU rice sector in Milan were also referred to.

FISHERIES

Multi-annual plan for pelagic species in the Adriatic Sea
The Commission presented its proposal to establish a multi-annual plan for small pelagic stocks in the Adriatic Sea which aims to introduce a comprehensive and effective management framework to address the problem of overexploitation of stocks such as sardines and anchovies as well as mackerel and horse mackerel by-catches. Delegations generally welcomed the proposal but highlighted some concerns, in particular about the potential socio-economic impact of the plan on small-scale fisheries and the inclusion of disproportionate control measures. Most delegations called for an approach that took full account of the specificities of the Adriatic Sea, and does not hamper the fishing sector in the area.

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The next Agriculture and Fisheries Council will be held in Luxembourg on the 3 April 2017.