22 January 2014

Dear Rob,

AGRICULTURE AND FISHERIES COUNCIL: 16-17 December 2013

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 the 16-17 December 2013. The Council’s main focus was to decide the EU fishing opportunities for 2014.

I am copying this letter to the Convener of the European and External Relations Committee, for information.

RICHARD LOCHHEAD
AGRICULTURE AND FISHERIES COUNCIL REPORT: 16-17 DECEMBER 2013

SUMMARY

1. In a surprisingly short December Council, and the last under the Lithuanian Presidency, political agreement was reached on EU fishing opportunities for 2014. All the top Scottish Government priorities were secured in a deal coherent with the reform of the Common Fisheries Policy. An agreement was also reached on Black Sea fishing opportunities. Under agriculture, the Council formally adopts both the Common Agricultural Policy (CAP) and the Cohesion Policy packages. The Commission presented its EUR 200 million plan for promotion of agricultural products.

2. A long list of AOB includes: an update from the Commission on the mackerel dispute with the Faroes and Iceland; a progress report on the Smarter Rules for Safer Food package; an Italian paper on concerns about the UK voluntary nutrition labelling system and a Presidency update on the negotiations with the European Parliament on the European Maritime and Fisheries Fund (EMFF).

KEY OUTCOMES

Fishing Opportunities 2014

3. The Council’s main focus was on agreeing the total allowable catches (TACs) and quotas for 2014. However, several factors were at play to make this an unusually short December Council. The negotiations were restricted to internal EU stocks only with the annual discussions with Norway on other key stocks such as mackerel, haddock and Atlanto-Scandian herring postponed until mid-January 2014.

4. By working collaboratively, Scotland achieved its main negotiating objective of ensuring a freeze of the number of days fishermen are able to spend at sea (‘an effort freeze’) in 2014. We also managed to secure an increase in TACs for hake and mitigated the proposed cuts in TACs for key fisheries including nephrops, Celtic Sea haddock, and west of Scotland monkfish. Increased flexibility in the monkfish TAC was another important Scottish achievement at the Council.

Black Sea Fishing Opportunities 2014

5. These negotiations, which only involve Romania and Bulgaria involving two stocks, were settled quickly. The main element is a rollover in the total allowable catches in the Black Sea for turbot and sprat along with reinforcement of control monitoring and data collection measures.

CAP

Promotion of Agricultural Products

7. The Commission presented its proposal for a new regulation on promotion of agricultural products. The key elements of the proposal include: a greater focus on third countries; removal of Member State co-financing and more than tripling the budget to EUR 200 million. Member States generally welcomed the proposal and the increased focus on exports, however, a large number of them also wanted to maintain Member State funding and control. The proposal will be discussed and scrutinised further through working groups in the new year.

ANY OTHER BUSINESS

European Maritime and Fisheries Fund

8. The Presidency provided an update on the continuing negotiations with the European Parliament on the EMFF. The Council agreed a mandate on the EMFF proposal in July and the European Parliament voted on its position in October. Since November the Presidency has been engaged in trilogue negotiations with the European Parliament and the Commission with the hope of reaching political agreement as soon as possible.

North East Atlantic Mackerel Management and Coastal State Negotiations

9. Commission Damanaki reported on her last visit to the Faroe Islands in continued efforts to resolve the mackerel dispute. The Commission had put an improved offer on the table however, after some consideration the Faroes rejected this offer requesting an even higher share. The Commissioner also mentioned the difficult discussions with Norway on this issue and on the basis of these negotiations she had postponed the usual EU-Norway consultations on shared stocks. Discussions on mackerel will continue in January 2014.

Emission Ceilings Directive

10. At the request of Germany and with the support of Denmark and Luxembourg the Commission were asked to provide a report on the progress of its proposal to revise the National Emissions Ceilings Directive. Germany highlighted concerns regarding the potential impact of ammonia emission ceiling reductions on Europe's agriculture industry, as the farming sector accounts for more than 90% of such emissions. The Commission (Cioloș) commented that it would be for the rotating Presidency of the Council to set future Council agendas but he would ensure that the impacts on agriculture were fully considered within the Commission.

Organic Farming

11. The Commission presented the results of its consultation on the future of organic agriculture regulation. The findings showed that a majority of respondents were in favour of harmonisation and removing derogations from the legislation.
12. Commissioner Ciolos presented the main outcomes of the conference on the dairy sector which took place in Brussels in September. The conference explored the future of the sector in preparation for the end of the milk quota system in 2015. Some Member States considered that further targeted measures to address volatility in the market would be helpful, whereas others including the UK, Ireland and Sweden rejected a move back towards market management. The Commission will prepare a report by 30 June 2014. This will help evaluate whether additional actions for the milk sector will be necessary.

Local Farming

13. Council Ministers noted a report presented by the Commission on farm labelling concluding that there could be a case for a new local farming labelling scheme to assist producers in marketing and selling their produce locally. This issue will be scheduled for continued discussion at another Council under the Greek Presidency.

Rice Market

14. The Italian delegation presented its paper highlighting the problems faced by the EU rice sector due to the significantly increased duty free imports of milled rice to the EU, particularly from Cambodia and Burma. Italy suggested that it might be time to consider some protection measures. Whilst noting the concerns, the Commission advised that it would be premature to consider safeguarding measures but it would continue to closely monitor the market situation.

Nutrition Labelling

15. Italy introduced a paper expressing concerns about the UK voluntary nutrition labelling “traffic lights” system, citing that it could mislead consumers by providing inaccurate health information and has the potential to stigmatise traditional regional foods. A number of Member States supported Italy’s concerns. The UK clarified the voluntary nature of the scheme and that experience over 8 years had shown that there had not been disruption to the internal market. The Commission recalled that the Food Information Regulations allow for a voluntary nutrition labelling system but that it would monitor the operation of the scheme.

Animal Health, Plant Health and Control Package: Smarter Rules for Safer Food

16. The Council took note of the Presidency’s progress report on the package of measures aimed at simplifying and strengthening the agri-food chain. The package comprises five proposals for regulations: Plant Health; Plant Reproductive Material; Animal Health; Official Controls; and the Common Financial Framework for Food and Feed. Several Member States intervened raising concerns over the introduction of fees in the control package and other specific aspects of the package. The Lithuanians had made significant progress with the management of expenditure proposal and reached political agreement with the European Parliament on the 17 December. The incoming Greek Presidency will continue technical examination of the other parts of the package in the hope to produce a Council mandate by the end of June 2014, to enable the Italian Presidency to begin negotiations with the European Parliament.
Market Access to Russia

17. The Commission updated the Council on negotiations with Russia on the export of plants and plant products from the EU. Russia had had phytosanitary concerns and had blocked imports of some EU plant products, including seed potatoes from Scotland. However, the Commission had been working closely with the Russian authorities and were cautiously optimistic that the ban would be lifted in the near future.

18. The next Council will be held in Brussels on the 17-18 February. This will be the first Agriculture and Fisheries Council under the Greek Presidency.