

Rùnaire a' Chaibineit airson Cùisean Dùthchail agus na h-Àrainneachd
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AGRICULTURE AND FISHERIES COUNCIL: 24 March 2014

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 24 March 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: 24 MARCH 2014

SUMMARY

1. Ministers discussed the Commission's proposal for **promotion of agricultural products** and reached an agreed position to begin trilogue negotiations with the European Parliament. The Commission presented to Council its proposal for a regulation **organic production and labeling**. The Commission also presented their report on implementation of **provisions concerning producer organisations, operational funds and operational programmes in the fruit and vegetables sector since the 2007 reform** and their report on **mandatory indication of country of origin for meat used as an ingredient**.
2. Under AOB, the Slovenian delegation sought to promote their Honey Breakfast Initiative on an EU level; the Hungarian delegation presented the results of the Global Forum on Family Farming held in Budapest on the 4-6 March, and a number of delegations led by Germany, and including Ireland, Poland, Denmark, and the Netherlands, raised the issue of the phase out of quotas in the dairy sector, seeking a correction to the fat coefficient to allow higher production before the end of quota.
3. In the margins of Council, Mr Lochhead met with UK Minister Mr Eustice to discuss a number of fisheries and agriculture related issues.
4. Council was chaired by the Greek Presidency Minister for Rural Development and Food, Athanasios Tsiftaris.

KEY OUTCOMES

Promotion Measures for Agriculture Products

5. The Council agreed its political approach to national co-financing and selection of programme proposals for promotion of agricultural produce. It set the rate for European Union funding in line with UK lobbying, although Mr Lochhead expressed Scotland's more flexible position on retaining an option for national co-financing during the UK pre-brief. The text on information provision by the Commission on programmes – rather than national pre-selection – was agreed with little noise.

Fruit and Vegetables Sector since 2007 reform

6. The Commission presented its report on the EU fruit and vegetable production sector. Consumption was down, but organisation of producer organisations was up. The Commission would bring forward specific proposals later in the year, with a focus on improving the long-term competitiveness of the sector. No discussion took place but the Presidency confirmed that it would be on the agenda at a future Council.

Regulation on Organic Production

7. The Commission reported on its organic production proposal which it had adopted shortly before Council. It aimed to support the increased demand for such products while taking account of consumer standards, the risk of fraud and the need for transparency. It would also encourage spending of both pillar 1 and pillar 2 funds on

research and innovation in this area. There was no discussion, and the Presidency confirmed that the proposal would now go to working group.

Mandatory indication of country of origin on meat products

8. The Member States at Council were divided on indications of the country of origin or place of provenance for meat used as an ingredient. A nearly full table round established three broad camps. The UK and Germany led the charge in favour of the current voluntary approach to country of origin labelling for processed meat products. France led a group in favour of mandatory labelling despite the business burden and additional costs for consumers. The third group, including Italy and Spain thought further discussion would help to find a way forward. The Presidency concluded that there were divergent views and that they would convene a working party to examine the report and Member State positions further.

Management of Sandeel – establishment of a Total Allowable Catch (TAC) for 2014

9. The Council adopted by qualified majority a Council Regulation setting up TACs in 2014 for sandeels and blue whiting, which will allow EU fishing vessels to prosecute these stocks. The UK abstained in the vote as the Council Regulation, which only issued last week, has not yet cleared UK parliamentary scrutiny.

Coastal States Consultations on mackerel and EU/Norway bilateral consultations

10. The Commission (Damanaki) briefed on the outcome of the negotiations. The deal on mackerel was a big achievement, demonstrating commitment to sustainability of the stock. She expressed her disappointment that Iceland could not agree to the deal. The Commission will continue dialogue with both Iceland and Greenland. Commissioner Damanaki also looked forward to a new start in relations with the Faroes that could lead to a more sustainable approach to the Atlanto-Scandian herring stock - and so bring an end to the current EU trade measures.
11. The deals received wide support from member states. Ireland welcomed some parts of the mackerel deal, but overall they could not support it due to the increased and what they perceive as over-generous shares given to the Faroes and set aside for Iceland.
12. On the Norway/EU bilateral agreement some Member States expressed concerns about the extension of the Fully Documented Fisheries (FDF) scheme to plaice. The UK welcomed the deal and countered the comments on extension of the FDF scheme. These pilot projects are essential preparation for the coming into force of the Common Fisheries Policy reform's discard ban. The Commission, in a final intervention that defended the mackerel deal particularly from the comments made by Ireland, supported the UK position on FDF.

13. ANY OTHER BUSINESS

European Honey Breakfast Initiative

14. Slovenia explained its 'Honey Breakfast' initiative which aimed to educate children on the importance of bees. A number of Ministers intervened to agree that bees were important.

Global Forum and Expo on Family Farming

15. Hungary reported on the convention it had hosted to celebrate the international year of family farming. The Commission noted that it would run a conference on the same topic in Bucharest next month.

Situation in the Dairy Sector

16. Council repeated almost verbatim its discussion from last month on the situation in the dairy sector. The Commission and Presidency again noted the lack of a qualified majority in favour of the so-called "soft-landing" on quotas and that the Commission would report in June. Austria called for this item to be added to the agenda for Council in April.

Problematics of the rice sector

17. Italy (supported by Bulgaria, Greece, Portugal and Spain) stated that their rice sector was under pressure from imports from Cambodia. The Commission noted that the import tariffs imposed on developing countries had been zero-rated to encourage development, and it would keep the situation under review.

Illegal, unreported and unregulated fishing

18. Spain requested this discussion, they have technical concerns, supported by several Member States, with the current state of implementation of the IUU Regulation (1005/2008). In response the Commission said they will review the Regulation next year but for now the focus is on implementation.

19. The next Agriculture and Fisheries Council will be held in Luxembourg on the 14-15 April.