



COUNCIL OF THE EUROPEAN COMMUNITIES  
GENERAL SECRETARIAT



PRESS RELEASE

8634/92 (Presse 160)

1602nd Council meeting

- AGRICULTURE -

Brussels, 21 and 22 September 1992

President: Mr John GUMMER

Minister of Agriculture,  
Fisheries and Food of  
the United Kingdom





Italy:

Mr Giovanni FONTANA

Minister for Agriculture

Luxembourg:

Mr René STEICHEN

Minister for Agriculture and  
Viticulture

Netherlands:

Mr Piet BUKMAN

Minister for Agriculture, Nature  
Conservation and Fisheries

Portugal:

Mr Arlindo CUNHA

Minister for Agriculture

United Kingdom:

Mr John GUMMER

Minister for Agriculture, Fisheries  
and Food

Mr David CURRY

Minister of State, Ministry of  
Agriculture, Fisheries and Food

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Commission:

Mr Ray MAC SHARRY

Member

IDENTIFICATION AND REGISTRATION OF ANIMALS

Pending receipt of the European Parliament's Opinion, the Council made an initial examination of the proposal for a Regulation concerning the identification and registration of animals. The need for an identification system of this type, enabling animals involved in international trade to be traced back to their farm of origin, was highlighted when the Council adopted Directive 90/425/EEC, which abolishes veterinary checks at Member States' borders.

This proposal goes beyond that initial aim in that, in conjunction with the proposal on integrated control, it provides for the system to be extended to all movements of animals, for the purposes of the system for monitoring premiums for cattle, sheep and goats.

The Council's clarification debate focussed mainly on the following three questions:

- procedures for keeping registers;
- the age at which animals have to be marked;
- the dates for bringing in the new identification and registration system.

The Council instructed the Permanent Representatives Committee to continue its discussions on the matter, on the basis of the guidelines worked out that day, so that the issue could be brought to a swift conclusion.

INTEGRATED ADMINISTRATION AND CONTROL SYSTEM FOR CERTAIN COMMUNITY  
AID SCHEMES

Pending receipt of the European Parliament's Opinion, the Council continued its examination of the Commission proposal for establishing an integrated administration and control system for certain Community aid schemes in each Member State, in order to adapt the machinery to the CAP reform, and increase its effectiveness.

To enable the Special Committee on Agriculture to continue its discussions, the Council looked at the following questions in particular:

- the annual statement
- the division of responsibility for laying down implementing rules.

At the close of its deliberations, the Council worked out certain guidelines for the Special Committee on Agriculture's future discussions on the matter.

### ADJUSTMENT OF THE AGRI-MONETARY SYSTEM

Pending receipt of the European Parliament's Opinion, the Council held a preliminary exchange of views on the Commission proposal for adapting the agri-monetary system following the abolition of border controls from 1.1.1993, in the run-up to the single market.

Delegations were able to give their views on the whole of the proposal during the discussion, but the Council turned its attention particularly to the basic principles of the proposed new agri-monetary system.

In conclusion, the Council instructed the Special Committee on Agriculture to continue examining the issue, in the light of the guidelines worked out that day, and report back at its October meeting.

### APPLICATION OF THE MILK QUOTA SYSTEM IN ITALY

The Council took stock of discussions so far. In particular, it heard details from the Italian Minister, Mr FONTANA, of the procedure for parliamentary approval of the bill his Government had put before the Italian Parliament for measures to cope with the problem of applying the milk quota system in Italy.

The Council agreed to return to the question at its next meeting, when it would be in possession of a full report from the Special Committee on Agriculture.

URUGUAY ROUND - AGRICULTURAL ASPECTS

SOYA PANEL

The Council heard a report from Mr MAC SHARRY on developments in the agricultural aspects of the Uruguay Round that had occurred since July. While re-emphasizing the importance he attached to the success of the negotiations, he expressed keen regret at the United States decision to subsidize its cereals exports.

Mr MAC SHARRY briefed the Council on the latest developments regarding the soya panel, in particular the offers which the Community had made in August in respect of compensation. The Council urged the need to work out an even-handed solution that would be acceptable to the parties involved and reiterated its support for the Commission on that basis.

IMPLEMENTATION OF CAP REFORM

This item was put on the Council agenda at the express request of one delegation. The Council's exchange of views enabled Ministers to broach various questions relating to implementation of the CAP reform and gave the Commission an opportunity to provide the necessary background information, with details of the implementing measures taken or still to be taken, and to give notice of proposals that were to be submitted to the Council in certain areas.



OTHER AGRICULTURAL DECISIONS

1. Aid for the people of the former Yugoslavia

Following the conclusions of the Lisbon European Council on 26 and 27 June 1992 and the discussions in the General Affairs Council on 20 July 1992 on a programme of emergency aid for the former Yugoslavia, the Council adopted a Regulation on urgent action for the supply of foodstuffs for the victims of the conflict in what was formerly Yugoslavia. Expenditure on the action amounts to ECU 37,5 million, with foodstuffs being taken from intervention stocks or bought on the market.

An initial Regulation for urgent action of this type was already adopted by the Budget Council on 23 July 1992 (See Press release 8132/92 Presse 145).

2. Imports of Hungarian wine

The Council also adopted a Regulation amending Regulation No 3677/89 in regard to the total alcoholic strength by volume of certain quality wines imported from Hungary.

The purpose of the amendment is to put back by a year, until 31 August 1993, the expiry date of the derogation for certain quality wines originating in Hungary in regard to their total alcoholic strength by volume, which exceeds the 15% normally allowed under Community rules. This extension should make it possible to conclude the overall agreement on wine currently under discussion between the Community and Hungary.

MISCELLANEOUS DECISIONS

Financial perspective for 1992 and draft supplementary and amending budget No 3/92 - former Yugoslavia

The Council agreed to the proposal for a Decision concerning the financial perspective for the third stage (1992) of humanitarian assistance to refugees and displaced persons in the former Yugoslavia, amounting to ECU 120 millions.

It also decided not to amend draft supplementary and amending budget No 3/92, as amended by the European Parliament, allowing, amongst other things, the implementation of humanitarian assistance to the former Yugoslavia.

Relations with the EFTA countries

The Council adopted Regulations extending the validity of

- Regulation No 4279/88 concerning the safeguard measure laid down in Article 2 of Decision No 5/88 of the EEC-Iceland Joint Committee amending Protocol 3 (simplified cumulation rules);
- Regulation No 4281/88 concerning the safeguard clause laid down in Article 2 of Decision No 5/88 of the EEC-Sweden Joint Committee amending Protocol 3 (simplified cumulation rules).

The Council went on to approve the draft Decisions of the EEC-EFTA Joint Committees amending Protocol 3 concerning the definition of the concept of "originating products" and methods of administrative co-operation (articles of apparel, clothing accessories and other articles of furskin).

### Relations with Japan

The Council adopted a Regulation abolishing certain quantitative restrictions and amending Annex I to Regulation No 288/82 on common rules for imports.

The Regulation concerns the abolition of certain residual national quantitative restrictions applied by Italy with regard to Japan, following an arrangement reached between the Commission and Japan.

### Antidumping

The Council adopted a Regulation extending the provisional anti-dumping duty on imports of ferrosilicon originating in Poland and Egypt for a period of two months, to enable the examination of the facts of the case to be concluded.

### Mutual recognition

The Council adopted a Decision concerning the negotiation of agreements between the European Economic Council and certain third countries on mutual recognition in the area of conformity evaluation.

### Environment

1. Following the agreement reached at the Environment Council meeting on 26 and 27 May 1992 and after finalization of the texts, the Council adopted a Directive on air pollution by ozone.

The aim of the Directive is to establish a harmonized procedure for monitoring, for the exchange of information, and for informing and warning the population with regard to air pollution by ozone, in order to enable the competent authorities of the Member States and the Commission to obtain wider knowledge of this form of air pollution in the Community, optimize the action needed to reduce ozone formation and guarantee a minimum amount of public information where concentration thresholds for ozone in the air are exceeded.

2. The Council also decided that the Community should sign the Convention on the protection of the marine environment of the North-East Atlantic, should the Community Member States which are currently Contracting Parties to the Paris and Oslo Conventions <sup>(1)</sup> be able to approve or sign the new Convention.

The instrument is designed to adapt the Paris and Oslo Conventions, which entered into force in 1978 and 1974 respectively, in the light of recent developments in the field of marine protection; it contains Annexes on:

- the prevention and elimination of pollution from land-based sources;
- the prevention of pollution from dumping or incineration;
- the prevention and elimination of offshore pollution;
- the assessment of marine environmental quality.

The Convention will be opened for signing in Paris from 22 September 1992 to 30 June 1993.

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(1) Belgium, Denmark, Germany, Spain, France, Ireland, Netherlands, Portugal, United Kingdom.

Fisheries

1. The Council adopted a Decision on the conclusion of the Agreement in the form of an Exchange of Letters concerning the provisional application of the Protocol defining, for the period 21 May 1992 to 20 May 1995, the fishing opportunities and the financial contribution provided for by the Fisheries Agreement between the Community and Madagascar.

The new Protocol, initialled on 14 May 1992, remains limited to tuna fishing in Malagasy waters, with a reference volume of 12.000 t.

The Community's financial participation is set at a flat-rate of at least ECU 1 350 000 for the duration of the Protocol.

2. The Council also adopted an amendment to Regulation No 4028/86 on Community measures to improve and adapt structures in the fisheries and aquaculture sector. The amendment increases the rate of Community aid in the five new Länder of Unified Germany and in Ceuta and Melilla.



Bruxelles, le 18 septembre 1992

NOTE BIO (92) 228 AUX BUREAUX NATIONAUX  
CC.: AUX MEMBRES DU SERVICE DU PORTE-PAROLE

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Conseil agriculture (Bruxelles, 21 et 22 septembre 1992)  
(G. Klely)

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Le Conseil des Communautés Européennes tiendra sa 1602ème session - Agriculture - lundi 21 à partir de 15h00 et mardi 22 septembre 1992 au bâtiment Charlemagne à Bruxelles, sous la présidence de M. John Gummer, Ministre de l'Agriculture du Royaume-Uni.

L'ordre du jour comportera les points suivants:

**Approbation de la liste des points "A"**

**Proposition de règlement du Conseil établissant un système intégré de gestion et de contrôle relatif à certains régimes d'aides communautaires (doc. COM(91)533)**

La Commission a présenté au Conseil en date du 16 décembre 1991, une proposition de règlement qui, en liaison avec la réforme de la PAC, vise à établir un cadre commun pour la mise en place, dans chaque Etat membre, d'un système intégré de gestion et de contrôle relatif à certains régimes d'aides communautaires en vue d'adapter les mécanismes de gestion et de contrôle à la réforme de la PAC et de renforcer leur efficacité.

Lors de sa réunion des 13/14 juillet 1992, le Conseil a eu un débat d'orientation sur cette proposition.

En attendant l'avis du Parlement européen qui devrait être rendu en octobre, le Conseil, les 21 et 22 septembre 1992, doit se prononcer sur l'ensemble des questions encore en suspens:

a) Extension du champ d'application :

L'article 1 prévoit une extension du champ d'application du système intégré à d'autres régimes d'aides communautaires conformément aux règles relatives à la gestion et au contrôle prévus pour ces régimes.

b) Identification des parcelles agricoles :

La proposition de la Commission est fondée sur l'institution par chaque Etat membre d'un système alphanumérique d'identification des parcelles agricoles.

c) Identification et enregistrement des animaux :

Un seul système d'identification des animaux devrait être retenu par la réglementation qui sera finalement adoptée, système qui devrait couvrir à la fois les besoins de contrôle dans le secteur vétérinaire (surtout centré sur les mouvements d'animaux) et les besoins de contrôle de l'attribution des aides (qui nécessitent de connaître le nombre d'animaux à l'intérieur d'une exploitation).

d) Déclaration annuelle :

Chaque exploitant présente chaque année, au plus tard le 31 mars, une déclaration concernant les cultures, le retrait des terres et les animaux, qui feront l'objet d'une demande d'aide.

e) Cofinancement Communautaire :

La Commission propose de participer, pour une période limitée à trois ans et à titre d'aide au démarrage, à certaines dépenses correspondant à la création des systèmes intégrés, à savoir la mise en place des structures informatiques et de contrôle ainsi que l'acquisition des photographies aériennes ou des images spatiales et de leur analyse, à l'exclusion de la mise à jour des plans cadastraux et des cartes géographiques.

f) Modalités d'application :

Elles doivent être décidées par la Commission sous l'égide d'un comité de gestion.

g) Délai de mise en oeuvre des systèmes :

Il est proposé que les systèmes intégrés soient applicables à partir du 1er janvier 1993, pour ce qui concerne la déclaration annuelle et la demande d'aide et à partir du 1er janvier 1994 au plus tard, pour ce qui concerne les autres éléments du système intégré.

**Proposition de règlement du Conseil relatif à l'unité de compte et aux taux de conversion à appliquer dans le cadre de la politique agricole commune. (doc. COM(92)275)**

Cette proposition, présentée par la Commission au Conseil le 10 juillet 1992, vise à adapter le régime agrimonétaire à la suppression des contrôles aux frontières nécessaire à la réalisation du marché unique du 1.1.1993.

Il est proposé :

- de conserver un système agrimonétaire avec des modalités de fixation des taux de conversion agricole permettant d'éviter la perception et l'octroi des montants compensatoires monétaires;
- d'abandonner le système de "switch-over" et de supprimer le "facteur de correction" actuellement en vigueur;
- d'ouvrir la possibilité d'octroyer une aide compensatoire pour les pertes de revenus consécutives aux baisses de prix en monnaie nationale lors d'une réévaluation.



### **Application des quotas laitiers en Italie**

Le gouvernement italien a adopté le plan du Ministre de l'Agriculture, M. Giovanni Fontana, visant à réduire la production laitière de 1,6 million de tonnes en trois ans. La baisse devrait être de 300.000 T pour la campagne 1992//93 et de 600.000 T durant les deux campagnes suivantes. Ces mesures supposent une réduction de 10% du cheptel bovin. Actuellement la production italienne s'élève à 11,5 millions de tonnes, à la fin de l'année 1995, elle ne devrait donc plus être que de 9,9 millions de tonnes, ce qui est encore au delà du quota alloué à l'Italie (9 millions de tonnes). Les autorités de Rome espèrent cependant que leurs efforts trouveront un écho à Bruxelles et qu'ils convaincront la Commission européenne de proposer au Conseil une augmentation adéquate des quantités de référence allouées à l'Italie.

Dans ce but, la Présidence a élaboré un questionnaire destiné à éclaircir la situation factuelle.

### **Proposition de règlement du Conseil concernant l'identification et l'enregistrement des animaux (doc. COM(92)148).**

La Commission a, le 5 mai 1992, transmis au Conseil une proposition visant à instaurer, conformément à l'article 3 de la directive 90/425/CEE, une identification et un enregistrement des animaux qui permettra de remonter à l'exploitation d'origine pour des besoins à la fois vétérinaires et commerciaux. La gestion des régimes d'aide communautaire concernant en particulier l'élevage de bovins implique nécessairement de pouvoir recourir à des règles d'identification et d'enregistrement applicables dans toute la Communauté. Ces exigences sont d'une importance majeure en raison de la nouvelle PAC.

### **Mise en oeuvre de la réforme de la PAC.**

A la demande de la délégation française, la Présidence a accepté d'inscrire provisoirement ce point à l'ordre du jour.

**GATT - Agriculture**  
Uruguay Round - volet agricole.

Le Conseil procédera à son tour de table habituel sur les négociations du GATT

### **Panel Soya**

M. Mac Sharry informera les ministres sur l'état des négociations concernant le litige oléagineux.

Amitiés,  
B. Dethomas.





Brussels, 22 September 1992

NOTE BIO(92) 228 (suite 1) AUX BUREAUX NATIONAUX  
CC. AUX MEMBRES DU SERVICE DU PORTE PAROLE

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Council of Agricultural Ministers, 21 September 1992  
(G. Kiely)

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**Proposal on identification and registration of animals:**

Introducing this proposal Mr MacSharry emphasised the need for this proposal to take account of the internal market and the need to control the spread of animal diseases and also for control purposes in the context of CAP reform headage payments. Essentially the proposal requires a system of animal identification, a record of the movement of animals off of the holding.

Mr MacSharry insisted that the farm register and identification should apply from 1 January 1993 in the case of bovine animals while being prepared to show some flexibility in the case of sheep, pigs and goats. He also expressed the view that the rules should apply to all farms i.e. including hobby farms.

**Ministers were asked to focus on three points:**

1. Arrangements for the keeping of a register in particular should it apply to all farms with livestock and to all livestock.
2. When should the rules come into effect
3. When should an animal be marked in relation to its birth or importation into the Community

There is general support for the need for an animal register and identification system. Most Ministers can accept the introduction of the system on 1 January 1993 for bovines and 1 January 1994 for sheep, goats and pigs, with a majority supporting the idea of identification by herd rather than individually for the latter.

Most delegations could accept that animals be registered within 30 days of birth and 15 days after importation although some delegations suggested a longer period. Views were also mixed on the extent to which the rules apply to farms i.e. should "hobby" farms be included or excluded - from a disease control point of view, many felt that all farms should be included, while from an administrative viewpoint some Ministers urged flexibility and a de minimis approach. The proposal will be discussed further at Coreper level.

**Integrated Management and Control System:-**

This proposal put forward by the Commission is linked to CAP reform and is aimed at introducing a system which facilitates effective controls to ensure that fraud is avoided. Ministers were asked to focus only on two points i.e.:

- the need for an annual declaration detailing the extent of the farm enterprises, numbers of animals etc.

- competence i.e. at what level should decisions be taken, for example should the definition of a "land parcel" be determined at national or Community level and at what level should the implementing regulations be decided - Commission wants FEOGA to decide them.

Addressing these two points, Mr MacSharry insisted that the annual declaration is a key element in the integrated control system and that the system must be simple and workable. By submitting a single annual declaration the amount of paperwork for the farmer would be reduced.

On the question of competence Mr MacSharry said that there are some issues which should be determined at Community level to ensure equal treatment of farmers throughout the Community. In general while Ministers supported the need for strengthened controls views differed on how this should be done. Some Ministers expressed concern about the obligatory nature of an annual statement - they could accept that it be optional or submitted every few years. Some Ministers also want these controls to be introduced on a phased basis.

On the question of competence many Ministers felt that it should be sufficient for the Community to set out certain criteria and leave Member States a degree of flexibility on the detailed implementation aspects.

A number of Ministers also insisted on the need for initial and/or ongoing co-financing from the Community to help Member States set up and operate this system.

Responding Mr MacSharry said that he would accept that the annual declaration would be considered as an aid application, but that it would have to be submitted early enough to allow control and verification i.e. prior to harvest etc.

It is not in anyone's interest that Member States arrive at different criteria and therefore certain issues must be determined at Commission level.

#### **Italian Milk Quota**

Italy has requested an increase in its milk quota to redress the problem caused by underestimating their quota in 1983. At present an expert group are studying the matter in Council which should complete its work in October after which the matter will go forward to CSA and Council.

Mr Mac Sharry said that he would like to find a solution to this problem soon and believed that his ideas outlined in July would form the basis of a final solution.

The Italian Minister outlined his proposals before the Government at present which involve

- the allocation of quotas to individual producers

- producers will be financially responsible individually for overruns on production
- overall production would be reduced over 2 years by 1.6 m tonnes through buy-out programmes.

The Ministers expect this legislation to be approved by Government within a month.

The matter will be taken up again as soon as the CSA has discussed the matter.

**GATT:-**

Mr MacSharry updated Ministers on the state of the negotiations, pointing out that many issues are still outstanding i.e. rebalancing, CAP compensatory payments in the green box, peace clause, and the level of commitment in volume terms of subsidized exports. So far he said it has not been possible to find mutually acceptable solutions to these very difficult issues.

The Commission he said will continue to seek a successful conclusion to the Uruguay Round, but not at any price. Ministers who intervened in the discussion expressed full confidence in Mr MacSharry, urged Mr MacSharry to continue to maintain the line he has pursued to date. Many wondered whether the US is interested in a GATT agreement at present, especially considering that they have just announced an export enhancement programme which will increase US exports from 17 to 30m tonnes (in spite of a commitment for a standstill and roll back on export subsidies). Ministers also insisted on various points which they consider to be crucial which are broadly in line with those outlined by Mr MacSharry (above).

Concluding, Mr MacSharry said that any agreement must be politically saleable, especially when one considers the problems in some Member States arising from CAP reform. Under no circumstances can CAP reform be called into question by GATT.

On the US export enhancement programme he said the announcement has already reduced world market prices by over \$ 20 per tonne and pointed out that at present the USA is selling at \$ 10-15/tonne less than the Community on the world market.

**USA/EC oilseed dispute:**

Mr MacSharry updated the Council on the state of the negotiations, pointing out that to date it has not been possible to find a mutually acceptable solution. US demands he said are unreasonable and in effect would amount to a halving of Community production. The reality he said is that the USA has lost its market share to imports from other destinations such as Brazil and Argentina - a situation for which the Community cannot be blamed.

The negotiations he said will continue and he hoped that the US will refrain from taking unilateral retaliation measures. However if the US takes action the Commission he said would have no choice but to respond.

**CAP Reform:-**

Mr MacSharry outlined the state of play on the implementing regulation for CAP reform, pointing out that many decisions have been taken in the arable sector.

Mr MacSharry outlined a proposal to allow the suckler cow premium to be paid to milk producers in less favoured areas who have a milk quota of less than 120,000 kgs. (present ceiling is 60,000 kgs).

It is also proposed to limit the deseasonalisation premium to steers to cater for steer beef producers in areas where bull beef production is predominant. The proposal will also aim at resolving a problem which exists in the new German Lander in relation to the breed of animal which would be eligible for the suckler cow premium.

Many Ministers raised very specific issues relating to specific problems they were encountering on the implementing regulations.

Responding Mr MacSharry said that he was prepared to be flexible in relation to practical suggestions but that he is not prepared to reopen fundamental aspects of reform.

The meeting then adjourned for dinner where Ministers discussed the agrimonetary implications of the recent currency fluctuations.

The meeting resumes on Tuesday at 9.30 on 1993 Agrimonetary System and A.O.B.

Amitiés,

B. DETHOMAS

**Brussels, 22 September 1992**

**NOTE BIO(92) 228 (suite 2) AUX BUREAUX NATIONAUX  
CC.: AUX MEMBRES DU SERVICE DU PORTE PAROLE**

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**Council of Agricultural Ministers, 22 September 1992  
(G. Kiely)**

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The Council meeting resumed on Tuesday with a discussion on the Commission's proposal to adopt the agrimonetary system to take account of the abolition of border controls. In summary this proposal would:

- maintain an agri-monetary system, but this system would not lead to the creation of monetary compensatory amounts (MCA's)
- abandon the switch-over system
- open the possibility of granting aid to compensate farmers for a loss of income due to currency revaluations.

The Presidency or the Commissioner did not want a Council discussion on this matter as they felt it needed further technical evaluation at CSA level. Nevertheless a number of Ministers made some initial observations. Basically their position focused on the need to fully compensate farmers for all the impact of a currency realignment, that this compensation should be fully financed by the Community and that it should not be temporary and digressive.

**A.O.B.**

**Green Rate Realignment:-**

The Italian Minister indicated that he wished to have a green rate devaluation and Mr MacSharry responded that he was open to discussing this matter with the Minister on a bilateral basis.

**Tomatoes for processing:-**

The Portuguese Minister urged action on aid for processing tomatoes to which Mr MacSharry responded that proposals would be presented by the Commission before the end of October.

**Rice Imports from Overseas Countries and Territories:-**

A number of Ministers expressed the view that the levy free access of OCT's rice to the Community was resulting in trade diversion i.e. other third country rice entering the Community through OCT's and some suggested that the application of the safeguard clause was necessary. Mr MacSharry said that any formal requests would be taken seriously by the Commission.

This concluded the work of the Council.

**CORRIGENDUM: See BIO(92)228 suite 1**

**Please read paragraph 2 on page 4 as follows:**

**Mr MacSharry outlined a proposal to allow the suckler cow premium to be paid to milk producers who have a milk quota of less than 120,000 kgs (present ceiling is 60,000 kgs) without any limit on the number eligible per farm (present limit is 10).**

**Amitiés,**

**B. DETHOMAS**