



**PRESS RELEASE**

**11188/93 (Presse 235)**

**1720th Council meeting**

**AGRICULTURE**

**Brussels, 14, 15, 16 and 17 December 1993**

**President: Mr André BOURGEOIS,**

**Minister for Agriculture of the  
Kingdom of Belgium**

The Governments of the Member States and the Commission of the European Communities were represented as follows:

Belgium:

Mr André BOURGEOIS            Minister for Agriculture

Denmark:

Mr Bjørn WESTH                Minister for Agriculture and Fisheries

Germany:

Mr Jochen BORCHERT            Federal Minister for Food, Agriculture and Forestry  
Mr Franz-Josef FEITER        State Secretary, Federal Ministry of Food, Agriculture and Forestry

Greece:

Mr Georges MORAITIS        Minister for Agriculture

Spain:

Mr Vicente ALBERO SILLA    Minister for Agriculture, Fisheries and Food

France:

Mr Jean PUECH                Minister for Agriculture and Fisheries

Ireland:

Mr Joe WALSH                 Minister for Agriculture, Food and Forestry

Italy:

Mr Alfredo DIANA             Minister for the co-ordination of agricultural, food and forestry policies

Luxembourg:

Ms Marie-Josée JACOBS      Minister for Agriculture, Viticulture and Rural Development

Netherlands:

Mr Piet BUKMAN              Minister for Agriculture, Nature Conservation and Fisheries

Portugal:

Mr Arlindo CUNHA            Minister for Agriculture

United Kingdom:

Mrs Gillian SHEPHARD        Minister for Agriculture, Fisheries and Food

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Commission

Mr René STEICHEN            Member

After lengthy discussions lasting about a week, the Council reached an overall agreement <sup>(1)</sup> on the basis of a Presidency overall compromise solution which the Commission endorsed in the final phase of discussions.

The various aspects of this compromise, which constitute amendments to the Commission's initial proposals, are set out below.

The following Commission proposals are adopted subject to the adjustments and clarifications indicated:

- Amendment of Regulation (EEC) No 1765/92 (set-aside, regionalization plans, Article 9)
- Agri-monetary questions: amendment of Regulation (EEC) No 3813/93
- Modification of the common organization of the markets in the sugar sector
- Tobacco
- Amendment of Regulations (EEC)
  - = No 805/68 on the CMO in beef and veal:
  - = No 3013/89 on the CMO in sheepmeat and goatmeat and Regulation (EEC) No 3493/90 on granting of the premium
- Imports of New Zealand butter
- Voluntary-restraint agreements - sheepmeat
- Imports of maize into Portugal
- Integrated system: remote sensing
- Oilseeds

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<sup>(1)</sup> The agreement was obtained unanimously, except in the oilseeds sector, where Portugal voted against and the United Kingdom abstained. Portugal explained its vote as follows: "The Portuguese delegation is voting against the new arrangements for oilseeds since it considers that the system of national quotas is causing situations which are not in conformity either with the meaning of the agreement concluded with the United States or with the legitimate expectations of Portuguese farmers."

In addition, the following conclusions are adopted:

- Drought in Portugal
- Cotton

## **I. ARABLE CROPS**

### **1. ARTICLE 2 OF REGULATION (EEC) No 1765/92**

Article 2(6) of Regulation (EEC) No 1765/92 is clarified to avoid the special unpaid set-aside which is provided for in this paragraph being taken into account in calculating possible overshoot of the regional base area in the year in which this form of set-aside is applied.

### **2. ARTICLE 3**

- (a) Assuming that the corrective mechanism described in the proposed Article 3(6) is accepted, Member States which avail themselves of the possibility of distinguishing between yields of maize crops and of crops other than maize may decide themselves whether or not to make the boundaries of the maize base areas coincide with those of the production regions (or "yield regions").
- (b) Where Member States apply a separate yield figure for maize, the principle whereby a separate base area is fixed for "other crops" becomes optional for the Member States, on the understanding that the choice will have to be made before sowing takes place in the farming year concerned (date to be set in accordance with the procedure laid down in Article 12).

However, if a Member State chooses to fix a base area for other crops and if the base area for maize is not attained during the course of a farming year, the balance of hectares can be reallocated for that same farming year to the corresponding base areas for other crops.

Likewise, if a separate base area is used for maize and if the base area for other crops is not reached during the farming year, the balance of hectares can be reallocated for that same farming year to the maize base area concerned, provided that the yield for maize is not more than the average yield for all cereals.

- (c) The obligation to fix a base area relating to "irrigated crops" for the Member States which choose to apply separate yields in the case of irrigated and non-irrigated areas is abolished.

Member States which avail themselves of the possibility currently provided for in Article 1 of Regulation (EEC) No 1113/93 must limit compensatory payments for irrigated areas to a ceiling in hectares equal to the average of the hectares given over to the cultivation of irrigated cereals, oilseeds or high-protein products in 1989-1990-1991, increased where appropriate by newly irrigated hectares given over to the same crops in respect of which it has been established that the investments began to be made before 1 August 1992. If the applications for aid exceed this ceiling, compensatory payments will be reduced by 1,5% for every 1% overshoot during the farming year in question. However, if the overshoot is not less than 10%, the yield to be used is that for non-irrigated crops.

Member States are authorized to restrict eligibility for compensatory payments for irrigated areas to a single oilseed crop in a region. In this case a ceiling for the crop concerned (deducted from the ceiling on all arable crops) must be fixed for that region, and the rules governing ceilings will apply.

- (d) Article 3(6) is amended to clarify the fact that the corrective mechanism does not apply where data relating to the aid applications show that the figure obtained by multiplying the average yield by the total number of hectares of base areas of the Member State concerned has not been exceeded. The text now incorporates an option open to Member States to apply the corrective mechanism at the level of each base area instead of at national level.

The mechanism for correcting the yield provided for in Article 3(6) applies to the compensatory payments to be paid in the farming year following that in which an overshoot of the historic average yield is noted.

The Council notes a statement by the Commission concerning the objectives of the corrective mechanism (see Annex I) and the explanatory note relating to application of the mechanism (see Annex II).

### 3. ARTICLE 7

- (a) With the aim of simplifying the set-aside rules, all forms of non-rotational set-aside (apart from transfers of set-aside) must be carried out at a set-aside level which is 5% higher than the level of rotational set-aside. Producers may opt for a set-aside commitment for a five-year period during which payment of the corresponding compensatory payments is guaranteed. In accordance with the provisions already adopted in Regulation (EEC) No 1541/93 the fixed set-aside level in certain regions is maintained at 18%. In those regions the 18% level is also applied to producers carrying out both rotational and fixed set-aside.

- (b) Total set-aside (compulsory plus voluntary) is restricted to 50% (i.e. the areas set aside may not exceed the area under eligible arable crops which is the subject of an aid application). The option for Member States of setting more restrictive limits for specific reasons is maintained as set out in point 6 of the proposal.
- (c) By way of derogation from point (b), producers who, pursuant to Regulation (EEC) No 2328/91, have set aside an area of land greater than that on which they intend to grow eligible arable crops and who have not begun to cultivate that land again may decide to continue to set aside all the land which they had already set aside under that measure for a further period of 60 months. In return, the payment for the set-aside is fixed at ECU 40/t for the part which exceeds 50%.

However, this option is also open to producers whose obligation to set aside for a five-year period expired in August 1993 and who, in view of the uncertainty of the future rules, cultivated that land again with a view to a harvest in 1994.

However, a Member State may opt not to apply this scheme under the conditions mentioned in point 6 of the proposal.

- (d) The payment for voluntary set-aside will be fixed at ECU 57/t.
- (e) The Council notes that in establishing implementing rules for non-compulsory set-aside, the Commission will adopt appropriate mechanisms to ensure that non-compulsory set-aside has the effect of actually reducing the amount of land used for arable crops.
- (f) The Council notes that a Member State may decide not to make any use whatsoever of the provisions on set-aside transfers.

The 10 km limit is increased to 20 km.

The Council also takes note of a Commission statement that Member States' set-aside transfer plans will not be required to give the option of allowing transfers within a limit of 20 km. Member States will therefore be at liberty to apply only the possibility of allowing transfers in specific areas where, inter alia, environmental objectives are being pursued.

- (g) Where a holding is situated both in a "regadio" region and a "secano" region, the set-aside obligation may be satisfied entirely in the part of the holding situated in the "secano" region provided that the set-aside area is adjusted to take account of the difference in yield between the two regions.
- (h) Coppice trees for biomass: in order to help producers cover the initial costs of planting short-rotation bushes (coppices) for the production of biomass, Member States may, from national funds, grant loans equivalent to the amount of payments granted for set-aside earmarked for the five-year period of non-rotational set-aside. These loans should be reimbursed by producers in five equal instalments when set-aside payments are made.

- (i) The Council asks the Commission to examine the relationship between compliance with the set-aside obligation and the areas withdrawn from production with a view to afforestation and/or for environmental purposes.
- (j) Transfer of set-aside obligations: Article 7(7), penultimate sentence, of Regulation (EEC) No 1765/92 is supplemented by: "but by 3 percentage points in the regions referred to in Regulation (EEC) No 1541/93".

#### 4. ARTICLE 9

- (a) The following two paragraphs are added to the Commission proposal:

"Member States may also derogate from the provisions of the first paragraph under certain specific circumstances linked to one or other form of public intervention where such intervention leads a farmer to cultivate land previously deemed to be ineligible in order to pursue his normal farming activity and if, under the public intervention in question, land initially eligible ceases to be so, in such a way that the total quantity of eligible land is not significantly altered.

Furthermore, Member States may, in certain cases not covered by the previous two paragraphs, depart from the provisions of the first paragraph if they can produce proof in a plan submitted to the Commission that the total amount of eligible land remains unchanged."

- (b) The Council takes note of a Commission statement to the effect that the public intervention referred to in the third paragraph of Article 9 may cover, for example, the restructuring taking place in the new Länder or compulsory purchasing for the construction of roads or other works. Cover in the case of restructuring in the new Länder is limited to 2 500 ha and is applicable from the 1993/1994 farming year.

#### 5. INDIVIDUAL BASE AREA

The Council invites the Commission, with a view to submitting proposals as soon as possible, to examine in detail the question of transition from the regional base area system to the individual base area system, particularly in order to ensure that regional base areas can be allocated equitably among producers, having regard to any particular individual situations, and also that these arrangements can under no circumstances constitute for producers currently subject to regional base area arrangements an inducement to increase areas which are the subject of an aid application under Regulation (EEC) No 1765/92 in order to obtain a higher individual base area in the future.

The Commission is invited to consider in particular the possibility of:

- for producers who have produced during the reference period laid down in Article 2(3) of Regulation No 1765/92 but in respect of whom the area worked during that period cannot be accurately established, the data available for the first year of application of the reform being taken into consideration for the establishment of individual base areas;

- calculation of the set-aside obligations in the Member States which apply the individual base area system being aligned on the calculation applied in Member States which apply the regional base area system;
- the transition problems linked with the special set-aside referred to in Article 2(6) of Regulation No 1765/92 in relation to the regional base area system being resolved;
- a reserve being established without, however, the total of individual base areas plus that reserve exceeding the total of regional base areas previously established.

**6. BASE AREAS OF THE NEW LÄNDER**

The Council notes the Commission's intention to rectify the base areas of the new Länder in Germany to 181 000 ha so as to correct the statistical errors underlying the decision originally determining the base areas of the new Länder.

**7. BASE AREAS OF SCOTLAND**

The Commission states its intention to adopt a transitional measure comparable to that already applied in the five new Länder so as to alleviate the effects of the unexpected overshoot of one of the base areas in Scotland.

**8. STATEMENT FOR ENTRY IN THE COUNCIL MINUTES**

The Council invites the Commission to take, on the basis of Article 16 of Regulation (EEC) No 1765/92, measures which might prove necessary to ease the transition to the arrangements laid down in that Regulation.

**9. AID FOR ARABLE CROPS**

Member States may make the granting of specific aid for arable crops subject to the use of certified seed.

**STATEMENT BY THE COMMISSION****OBJECTIVES OF THE CORRECTIVE MECHANISM**

The objective of the corrective mechanism proposed in Article 3(6) is not to discourage Member States from adopting complex regionalization plans where there are objective reasons for their doing so, nor to penalize producers in those Member States by comparison with producers in Member States with simple plans.

Its objectives are:

- to ensure that, in total, producers in Member States which have chosen complex plans do not receive more compensatory aid than they would have done had a simple plan been applied, and
- to reduce the risk that the Commission will be obliged to require changes in conformity with existing Article 3(5) where experience shows that complex plans which appeared in theory to respect the average national yield do not do so in practice. (Of course, if a particular plan regularly gave rise to the need for significant corrections under this provision, a change in that plan could well be the most appropriate long term solution and this possibility would remain.)

**ANNEX II****NOTE EXPLAINING THE APPLICATION OF  
ARTICLE 3(6) (COM(93) 417 final)**

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**Principle: when, under a regionalization plan, the demarcation of production regions does not correspond to that of regional base areas, Article 3(6) allows the yields in respect of which payments are made to be reassessed at the level of the yield which would have been established without division into a number of production regions with differing yields. Within a given base area, then, the mechanism is confined to cases of crops shifting from low-yield production regions to high-yield production regions. In this way the historic yield is always kept to.**

**Crop substitution (e.g. cereals/oilseeds) is unaffected by the corrective mechanism introduced by Article 3(6) as long as it is carried out within a production region. Such freedom in crop-rotation options is exactly the same as for regionalization plans where base areas are identical with production regions.**

**1. How is the historic average yield calculated?**

**The historic average yield is arrived at from the historic yield for cereals used in establishing existing regionalization plans, being calculated at national level or, if the Member State so chooses, at individual base area level.**

**2. What is compared with the historic average yield?**

**The actual yield of crops harvested each year does not under any circumstances serve to trigger off the corrective mechanism in Article 3(6).**

**It is always the yields used to calculate compensatory payments, i.e. the cereals yield for all crops, including oilseeds (where the Member State has opted to regionalize aid for oilseeds with the oilseed yield, the yield for all cereals which is used in the region will be the figure taken).**

**3. Where the mechanism does not apply**

**Where the increase in yield is the result of a reduction in aid applications in low-yield production regions, the mechanism does not apply. In that event the quantity in tonnes equal to the average yield multiplied by the total number of hectares of the base areas must not be exceeded.**

**For instance:**

- a reduction in areas in low-yield production regions;**
- a reduction in all production regions, but more markedly in low-yield regions;**
- an increase in areas in high-yield production regions offset, in terms of tonnage counting for the calculation of aid, by a reduction in areas in low-yield regions.**

**II. AGRI-MONETARY MATTERS**

1. The neutral margin is extended to 5 points (from -2 to +3). In case of need the Commission will be able to make the margin more asymmetrical, up to a maximum of 0 to +5. The Commission is requested:
  - (a) to propose the measures necessary to make changes in green rates less frequent;
  - (b) to take any measures that may be required to avoid deflecting trade flows or distorting competition.
2. The option of granting advances from national funds has been withdrawn.

**III. SUGAR**

The farming year for inulin syrup will last for 100 days.

**IV. TOBACCO**

(a) The following adjustments are made to the Annex with respect to guarantee thresholds (1994):

1. SPAIN :	group I	29 000 t
	group II	2 470 t
	group III	10 800 t
	group IV	30 t
2. GREECE:	group I	30 700 t
	group II	12 400 t
	group V	15 700 t
	group VI	26 100 t
	group VII	22 250 t
	group VIII	19 550 t

(b) Guarantee thresholds for Greek tobacco for the 1993 harvest (in tonnes):

	Initial MGQ	Revised MGQ	Difference
I. Virginia	30 000	39 300	+ 9 300
II. Burley	12 400	12 400	-
V. Sun cured	20 650	20 650	-
VI. Basmas	27 500	22 800	- 4 700
VII. Katerini	23 400	20 800	- 2 600
VIII. Kaba-Koulak	20 000	18 000	- 2 000
	<u>133 950</u>	<u>133 950</u>	<u>0</u>

**Statement**

The Commission undertakes to examine if it is possible as a transitional measure to retrospectively reallocate the Greek MGQs as shown above, given the specific problems which arose in Greece following the major expansion of the production of Virginia in 1992.

**(c) Commission statements**

- In order to simplify implementation of the reform and reduce Community tobacco stocks, the Commission is ready to extend export refunds for the 1990, 1991 and 1992 harvests for a further six months and consider, in this connection, reintroduction of export refunds for Greek Virginia.
- In order to enable Member States to distribute the whole of the quota allocated to them, the Commission is prepared to take a measure for the 1994 harvest similar to Regulation (EEC) No 1005/93 enabling Member States to transfer certain quantities between different groups of varieties, should this prove necessary.

## **V. COMMON ORGANIZATION OF THE MARKETS IN BEEF AND VEAL, SHEEPMEAT AND GOATMEAT**

The possibility for Member States to apply appropriate environmental conditions to the payment of premiums for male bovine animals and sheep and goat premiums is introduced into Regulations Nos 805/68 and 3013/89 in accordance with the existing text for suckler cow premiums (Article 4d(7a) of Regulation No 805/68).

Application of the last subparagraph of Article 4d(7) is extended to holdings situated throughout the territory of a Member State if in the Member State concerned the cattle population has a high proportion of suckler cows, representing at least 30% of the total number of cows and at least 30% of male bovine animals slaughtered belong to conformation classes S. and E. Any overshoot of these percentages is established on the basis of the average of the two years preceding that for which the premium is granted.

The Council requests the Commission to examine, with a view to submitting a report before 1 May 1994, the impact of measures to reduce carcass weight on intervention on Member States' production structures, taking into account the specific nature of certain types of breeding and production methods.

## **VI. VOLUNTARY RESTRAINT AGREEMENTS - SHEEPMEAT**

The Council calls on the Commission to continue its contacts with the third countries concerned in order to ensure, in the interests of Community producers and the third countries concerned, that imported chilled sheepmeat is placed on the market in a manner that will not disrupt the Community market for fresh sheepmeat.

## **VII. IMPORTS OF MAIZE INTO PORTUGAL**

Given that the Commission proposal was submitted late during the 1993/1994 farming year, which is the first year of implementation of the import of 500 000 tonnes of maize into Portugal, the Council requests the Commission to adopt, within the framework of the powers at its disposal, any measures for managing the imports that may prove necessary in order to avoid disrupting the Portuguese market.

Provided that the international agreement is respected, and to ensure its implementation, there will be two parallel systems of importation:

- by the intervention agency
- by traders.

The intervention agency will purchase 350 000 tonnes and sales, at intervention prices, will have to be planned.

**VIII. INTEGRATED SYSTEM - REMOTE SENSING**

1. A third subparagraph is added to Article 1(2):

"However, notwithstanding the first subparagraph, and solely for 1994, the Commission may authorize a part-financing rate higher than 50% on receipt of a duly substantiated request from a Member State, within the budget allocation granted that Member State pursuant to the second subparagraph."

2. A new Article 6 is inserted:

The Commission shall submit a report to the Council on the operation of this Regulation by 1 January 1997. This report will be accompanied by appropriate proposals if necessary.

3. The present Article 6 becomes Article 7.

**IX. OILSEEDS**

- The provisions relating to non-food oilseeds are modified in line with the European Parliament amendments, i.e. as there is no risk of paragraph 7 of the EEC-United States Agreement being restrictive in the near future, the Council will take appropriate decisions in due course, once the Commission has submitted a report and, if necessary, appropriate proposals to the European Parliament and the Council; that report is to be submitted by 31 December 1996.
- Article 5(1)(g) becomes: "the threshold expressed as a percentage referred to in (f) is set at 0%". Application of this provision will form the subject of a report to be submitted by the Commission to the Council by 31 December 1996 accompanied, where necessary, by an appropriate proposal.
- From 1995/1996 the reductions to be applied in a Member State will be made by reference to the adjusted national historic references set out below (see Article 5(1)(f)).
- The relevant national references for 1994 are similarly adjusted in order to reflect the transitional arrangements laid down for sunflower-seed producers in Spain and Portugal.

**1995/1996**

(1 000 ha)

Belgium	6
Denmark	236
Germany	929
Greece	26
France	1 730
Ireland	5
Italy	542
Luxembourg	2
Netherlands	7
United Kingdom	385
Spain	1 168
Portugal	93
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	5 128 (*)

(\*) Difference due to rounded-up figures.

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**Spain**

The Council approves the Commission's intention progressively to strengthen the present support arrangements for producers of crops such as lentils, chick peas and vetch in order to achieve the objective of the medium-term cultivation of an additional 280 000 hectares of such products in Spain. For each year during which that objective is achieved the level of aid will be reduced by the percentage by which the objective is exceeded.

**X. COTTON**

The Commission confirms its intention of giving thought to the specific problems of the cotton sector in a spirit of fair management.

**XI. DROUGHT IN PORTUGAL**

The Council notes that the Commission will very shortly be making a proposal to enable Portugal to use funds provided under Regulation (EEC) No 3311/92 but not yet utilized.

In concrete terms, the remaining sum, which amounts to ECU 28 million, will be carried over from 1993 and used as follows:

- ECU 5 million in the cereals sector,
- ECU 23 million in the livestock sector.

Community financing will be limited to those totals. The maximum amounts to be paid will be those set out below.

**Cereals**

In seriously affected areas:

- ECU 215/ha in the event of a zero harvest
- ECU 170/ha where the yield is below:

1 000 kg/ha for common wheat  
850 kg/ha for barley and triticale  
650 kg/ha for rye.

**Livestock**

(a) In seriously affected areas:

- ECU 145 per suckler cow
- ECU 14,5 per ewe and adult goat
- ECU 75 per dairy cow
- ECU 110 per breeding mare more than twelve months old (national aid).

(b) In other affected areas:

- ECU 60 per suckler cow
- ECU 6 per ewe and adult goat.

**XII. GATT: statement in the context of the conclusion of the multilateral trade negotiations**

In the context of the conclusions of the Uruguay Round the Council recalls the statements it made at its meeting on 5 and 6 November 1990, its conclusions of 20 and 21 September 1993 and of 13 and 15 December 1993, and those of the European Council of 10 and 11 December 1993. It points out that the implementing measures ensuing from the Uruguay Round in the agricultural sector for the European Community must be based on the principles embodied in the abovementioned texts. The consequences of the Uruguay Round will thus have to be shared out fairly in the light, inter alia, of the situation of certain categories of producers and of some of the most affected regions.

It also asks the Commission to make full use of the statutory powers available to it to ensure stability on the Community markets adversely affected by commitments made within the GATT.

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The Council also dealt with the other items on its agenda:

### **ADJUSTMENT OF AGRICULTURAL STRUCTURES**

The Council arrived at a position in favour of the proposal for the adjustment of the measures under Objective 5(a) made necessary further to the reform of the Structural Funds in July 1993.

This adjustment is prompted by the concern to comply with the financial framework and the allocation of appropriations and, while maintaining the general intervention principles in the existing Regulations, is aimed at introducing the simplification and flexibility needed in order to ensure the rapid implementation of intervention during the period 1994-1999.

The Council also agreed that other adjustments to the Regulations relating to Objective 5(a) were necessary to take account in particular of current trends in farming conditions, further to the reform of the CAP, and certain particular situations. To this end, the Commission will submit proposals to it by 30 April 1994 at the latest and the Council will have to take a decision on the matter by 31 July 1994 at the latest.

The Regulation will be formally adopted shortly, once the European Parliament's Opinion has been received.

**IMPORTS OF MAIZE AND SORGHUM INTO SPAIN**

The Council unanimously adopted the Regulation on special arrangements for imports of maize and sorghum into Spain for the year 1993.

The purpose of this Regulation is to extend for 1993 the initial agreement concluded in 1987 between the Community and the United States within the framework of GATT. This involves opening a quota of 2 million tonnes of maize and 300 000 tonnes of sorghum for import into Spain.

**COMMUNITY PLANT VARIETY RIGHTS**

The Council continued to examine the Commission proposal designed to set up a system of Community plant variety rights as a special form of industrial property rights for the development of new varieties.

On the basis of a compromise solution submitted by the Presidency, the President noted that the Council had given its broad support to this solution; he also noted that the Danish delegation upheld a substantive reservation on this issue.

The solution concerns the agricultural aspects of the proposal, i.e. the fundamental right, including "farmer's privilege" (farm saved seed).

The Council agreed that discussions on the other aspects of the dossier would continue with a view to proceeding with the formal adoption of the proposal as a whole at another Council meeting.

### **BOVINE SOMATOTROPHIN (BST)**

The Council unanimously agreed on an approach in favour of extending the ban on the use and marketing of Bovine Somatotrophin (BST) for a period of one year (until 31 December 1994).

In the meantime the Council will be able to review the situation, taking into account all the points which emerged subsequently, including the aspects concerning control of the markets and the consequences with regard to international trade.

This Decision will be adopted definitively in the near future following receipt of the European Parliament's Opinion.

### **ANIMAL WELFARE**

#### **- PROTECTION OF ANIMALS AT THE TIME OF SLAUGHTER**

The Council signified its agreement to the Directive on the protection of animals at the time of slaughter or killing.

The purpose of this text is to update Directive 74/577/EEC on stunning before slaughter, in the light of the recent proceedings in the context of the European Convention for the Protection of Animals for Slaughter and recent scientific research. This Directive lays down, in particular, the requirements applicable to the movement and lairaging of animals in slaughterhouses and the requirements for their slaughter. The objective of the measures laid down is to spare animals any avoidable pain or suffering at the time of their killing.

The Directive will be formally adopted shortly, after finalization of the text.

**- TRANSPORT OF ANIMALS**

The Council examined the outcome of proceedings held on the Commission proposal over the last six months.

The Council was unable to close the gap between delegations' divergent positions on the measures to be taken to improve animal welfare during transport. Several delegations continued to consider that only a limit on maximum journey times would be likely to attain such an objective. Other delegations were not prepared to accept the justification for such an approach, which was not based on any scientific requirements and which went further than the Council of Europe recommendations.

The Council therefore referred this matter back to its subordinate technical bodies for further examination with a view to its further discussion within the Council once the European Parliament's Opinion had been received.

**FINANCING OF VETERINARY INSPECTIONS AND CONTROLS OF ANIMAL PRODUCTS**

The Council signified its agreement to the Directive amending Directive 85/73/EEC on the financing of health inspections and controls of fresh meat of the bovine species, pigs, sheep and goats, meat of solipeds and poultrymeat.

The purpose of this Directive is to extend the principle of the charging of a health fee to all products of animal origin covered by Directive 89/662/EEC and placed on the market, whether of Community origin or imported from third countries.

Initially, the text takes over the relevant provisions of Directive 85/73/EEC and of Decision 88/408/EEC, while adjusting them to take into account the experience acquired by the Member States as regards the charging of fees. In particular, the current standard amounts and the possibility of charging higher amounts up to the limit of the actual costs were confirmed, with the possibility of a reduction to take into account salary costs and production capacities being limited to 55%.

The text also sets the fee to be charged to cover the costs of inspection at the external frontier at ECU 5 per tonne imported.

The need for a uniform rate was acknowledged with a view to the internal market, in order to avoid deflections of trade in imported products.

Until 1 July 1994 reductions of up to 55% of this amount may be maintained so as to enable the third countries concerned to conclude agreements with the Community on the guarantees they are able to provide regarding compliance with Community rules.

Subsequently, the Council, acting on a proposal from the Commission, will fix the level of the fees to be charged and the principles and arrangements for charging them for certain other products of animal origin, taking into account the specific nature of the veterinary controls.

The Directive will be adopted formally in the near future after finalization of the texts.

**OTHER DECISIONS CONCERNING AGRICULTURE**

(Adopted unanimously, without debate, unless otherwise indicated)

**Fruit and vegetables**

The Council adopted the Regulation on the free distribution outside the Community of fruit and vegetables withdrawn from the market during the 1993/1994 season. The Regulation makes it possible for table apples and oranges withdrawn from the market to be made available, during that marketing year, to charitable organizations approved by the Member States with a view to their free distribution to the victims of the conflict in the former Yugoslavia.

**Pure fructose**

The Council adopted the Regulation opening and providing for the administration of a Community quota for chemically pure fructose originating in third countries not bound to the Community by a preferential trade agreement (1994). This involves a quota of 4 504 tonnes at a customs duty of 20%, exempt from the variable component.

**Pig carcasses**

The Council adopted the Regulation amending Regulation No 3220/84 determining the Community scale for grading pig carcasses. This essentially involves adjusting the rules to the present situation in the light of the technical developments under way.

**Animal nutrition**

The Council adopted, by a qualified majority,

- the Directive concerning the use and marketing of enzymes, micro-organisms and their preparations in animal nutrition (with the German and United Kingdom delegations abstaining);
- the Directive amending Directive 70/524/EEC concerning additives in feedingstuffs (with the United Kingdom delegation abstaining).

This involves, on the one hand, establishing a common legal framework enabling the Member States to allow provisionally within their territory the use of enzymes and micro-organisms in animal nutrition and, on the other hand, adapting the labelling rules in Directive 70/524/EEC in order to cover new additives and premixtures and the feedingstuffs into which they are incorporated.

Ref: BIO/93/311

DATE DOCUMENT : 93/12/10

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COUNCIL OF AGRICULTURAL MINISTERS, 13/14/15 DECEMBER 1993

Discussions relating to the Council will start on Sunday with the Presidency and Mr Rene Steichen holding bilaterals with Ministers. These bilaterals will continue on Monday and the formal session is expected to start at 17.00 hours. While the meeting is scheduled for three days it cannot be excluded that it will not continue beyond Wednesday.

The main points are:

**Agri-monetary:**

Two delegations request an extension of the switch-over mechanism to cover fluctuation in floating currencies, to avoid the danger of price cuts to farmers should some currencies revalue.

The Commission has been opposed to this extension because firstly the switch-over mechanism was linked to the narrow band currencies only (before the August decision to allow a 15% fluctuation band) and secondly because currency revaluations would lead to an increase in budgetary expenditure, increase prices in contradiction to CAP Reform and threaten CAP Reform/GATT compatibility. Furthermore the Commission has made a proposal to enlarge the franchise i.e. -2 - +3 which would reduce the likelihood of a green rate adjustment and should an adjustment be necessary the farmers concerned would be fully compensated with direct aid.

**Oilseeds:**

Council has not yet been in a position to reach an agreement on the implementation of the EC/US accord on oilseeds. The Commission has proposed that in the unlikely event of an overshoot of the 5.128m ha of oilseeds benefitting from crop specific aid, that the penalty should be applied to all producers up to 5% and above this level on those countries responsible for the overshoot. However, some delegations believe that the penalty should be applied totally on a horizontal basis i.e. no franchise, others that it should apply only in those countries where the base area has been exceeded, while others could support the Commission line, possibly with a smaller franchise. During the last Council the Presidency suggested implementing the Commission's approach for one year, but it was still not possible to reach an agreement.

**Set-aside:**

The Commission has made a proposal to introduce flexibility into the set aside regime and the application of regionalisation plans in line with a Council request in May.

Essentially the proposal is to allow non rotational set-aside,

- the transfer of a producers's set-aside obligation
- to increase the compensation for set-aside from 45 ECU/tonne to 57 ECU/tonne equivalent
- to allow Member States to present complex regionalisation plans to take better account of local conditions e.g. variation in yields, irrigation etc.
- to have a correction mechanism to ensure that the use of complex regionalisation plans does not lead to production and aid receipt increases.

The principal issues to be resolved on this dossier are the application of the correcting mechanism and the requirement of 5% points more set-aside if a producer is making use of the flexibility offered i.e. transfer of obligation, mixed set-aside etc.

#### Sugar:

The Commission has proposed a roll-over of 1 year of the existing arrangements together with the inclusion in the regime of inulin which is a substitute sweetener, made from chicory. Some delegations believe that the regime should be rolled over for a longer period - 2-5 years, while accepting the roll-over.

The inulin producing countries dispute the conversion coefficient for inulin used to calculate the levies and suggest a lower coefficient, while some non-producing countries claim that the inulin quota should not be supplementary to existing sugar and isoglucose quotas.

#### B.S.T.:

The present moratorium on the marketing and use of BST in the Community expires at the end of December 1993. It is hoped to have an opinion from the European Parliament so that Council can decide on the Commission's proposal to extend the ban for the duration of the existing arrangements on the milk quota regime.

#### Animal Transport:

The Commission has proposed an amendment to the Directive on the protection of animals during transport, which would facilitate national authorities in the inspection controls.

The proposal establishes, among other requirements, minimum space requirements per animal and maximum duration between maturing and feeding intervals.

#### New Zealand Butter imports:

The present arrangements on New Zealand butter imports expires at the end of December and hence the Commission has proposed to extend them

unchanged for 1 more year i.e. 51,830 tonnes with a special levy of 33.84 ECU/100 kg. Unanimity is required for this decision.

**Sheepmeat imports:**

The Council is asked to decide on the renewal of the voluntary restraint arrangements applying to lamb and sheepmeat imports from third countries.

**Beef:**

There may be a discussion on the beef market situation report prepared by Council and it is possible that some delegations may use the opportunity to express their reservations on the limits on carcass weights eligible for intervention which is set at 380 kgs at present and will be reduced to 360 kgs in January and 340 kgs in July 1994. It should be noted that the annual increase in average carcass weights add 60,000 tonnes to beef production each year.

There is also a proposal to impose a Community obligation on Member States to adopt appropriate environmental obligations if they consider such measures to be necessary - this relates to the male beef premium and the ewe premium. This obligation already exists generally in the case of the suckler cow premiums.

**Hormone Ban:**

The Commission's proposal to tighten the controls applying in the case of hormone abuse is on the agenda, but as the Parliament has not yet given an opinion on this it will not be possible for Council to take a decision.

**Maize and sorghum:**

Council may decide on the roll over of the existing arrangements for the import of 2 m tonnes of sorghum into Spain and 500,000 tonnes of maize into Portugal for 1993.

**GATT:**

This point features on each Agricultural Council agenda so that Mr Steichen can update agricultural Ministers on the situation. The content of this particular discussion will depend on when it is taken for discussion i.e. early in the Council or towards the end of the meeting.

Note: There are thirty points on the agenda - only the more important ones are dealt with in this note.

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Brussels, 14 December 1993

NOTE BIO (93) 311 (suite 1) AUX BUREAUX NATIONAUX  
CC.: AUX MEMBRES DU SERVICE DU PORTE PAROLE

COUNCIL OF AGRICULTURE MINISTERS, 14 December 1993  
(Gerard Kiely)

Structures.-

Council discussed and politically agreed a proposal from the Commission on the adjustment of the agriculture structures measures in Objective 5A regions to bring the existing legislation into line with the July 1993 decision on the reform of the Structural Funds. A number of delegations requested changes including abolishing the obligation on Member States to grant investment aid, more flexibility, tighter environmental criteria etc. Commissioner Steichen agreed to examine these requests in the context of a more general review of the regulations which will be proposed before the end of April 1994.

Aid on skim milk powder:

The Commission's proposal aims to limit the aid on SMP imported for use as animal feed to the amount of the import levy and also to delete the derogation which allows the payment of the aid in the consigning country rather than in the country where the SMP is denatured or incorporated.

Mr Steichen said that the changes are necessary to ensure better control on agricultural expenditure and to avoid fraud and pointed out that aid of 592 ecu/tonne of SMP is paid as a subsidy for its use in animal feed. He also pointed out that the Court of Auditors have queried the elements of the regime which the Commission wants to change. A number of Member States had reservations on the suppression of the derogation to allow the aid to be paid in the country of SMP production rather than use. The Council may come back to this point later.

Teledetection:

Mr Steichen outlined the Commission's proposal which is aimed at strengthening the use of teledetection for the administration of CAP Reform and he expressed the view that with this proposal teledetection could be in widespread use for the next marketing year. The cost of the proposal to the Commission would be ECU 15m in 1994 ECU 20 million per year in 95- 98 and 3m thereafter - on the basis of 50% cofinancing from the Commission

Delegation's positions varied on the level of Community financing with some requesting 100% which would be degressive while others believe that 50% should be the maximum and should be for a limited period i.e. 3-5 years. All accept that remote sensing can have an important complementary role, but a number of Ministers pointed to the national responsibility in applying and controlling EC legislation and expenditure

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Responding Mr Steichen pointed out that cost to Community would be 15 MECU while expenditure under EAGGF on arabia aid is 15 BECU and that he expected further technological developments in this area in the near future which must further technological developments in this area in the near future which would make the system more efficient. Presidency and Commission will attempt to find a compromise.

#### New Zealand Butter

Mr Steichen in announcing the Commission's proposal for a roll-over of existing arrangements on imports in 51,830 tonnes at 33.34 ECU/100 kgs pointed out that it should be seen in the context of the situation in the GATT negotiations. He also pointed out that under a GATT agreement New Zealand will be able to export 70,667 tonnes at 85.88 ECU/100kgs and cooperation with New Zealand on the world market is important. He also said that even though intervention prices have been reduced, the levy is being maintained at present levels.

A number of countries expressed reservations on those imports given the situation on the Community's market.

#### Sheep meat - Voluntary Restraint arrangements on imports

These apply to New Zealand, Australia, Argentina, Uruguay on the one hand and Bulgaria, the Czech Republic, Slovakia, Hungary and Poland on the other.

Mr Steichen pointed out that the volume would not change. In 1994, although there is a small increase in the possibilities to export chilled meat to New Zealand + 1.500 tonnes, Uruguay + 200 tonnes, Australia + 500 tonnes, Argentina + 200 tonnes. He also told Council that in the absence of an extension of URA we revert back to the old system which would involve a greater potential level of imports. Ministers raised issues such as the danger of imports during sensitive periods, the need for price surveillance. Some Ministers also said that the quantity of chilled meat should not be increased. Mr Steichen responded that the demands for a simple roll over would not be possible without renegotiation and said that in the absence of URA there would be no obligation to limit chilled meat imports. Chilled meat imports he said represent only 2% of Community production. Main suppliers he said have given assurances to export in a responsible way so as to avoid disrupting the Community market. Furthermore the Commission has established a good price monitoring system

#### GATT:

Only the banana aspect of this dossier was discussed with Mr Steichen outlining the Commission's suggestion to increase the quota for Latin American bananas to 2.1m tonnes in 1994 and 2.2m tonnes in 1995 and afterwards. The Latin American countries could divide up the global

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quota into national quotas. Commenting on the proposal, some Ministers wanted to use this opportunity to look at the regime again and suggested also that the licence share out should be on the basis of 90:10 rather than 66.5:30:3.5 as at present. Others expressed concern about the implications for ACP and Community producers. Mr Steichen pointed out that there was no reason to change the operation or internal aspects of the regime - the only necessity is to solve the difficulties in GATT and render the regime acceptable to GATT.

Maize and sorghum imports into Spain and Portugal:

The proposal is to roll over the present arrangements for 1993. Council has not yet accepted this proposal and will come back to it.

Amitiés,

X. PRATS.

Ref: BIO/93/311/2

DATE DOCUMENT : 93/12/15

COUNCIL OF AGRICULTURE MINISTERS, 15 DECEMBER 1993

Community Plant Variety rights:

This is an internal market measure establishing a special form of industrial property rights for the development of new varieties of plants. National systems could continue alongside the Community system.

The main issues remaining from the last Council were the question of the definition of a small farmer, the payment by the farmer and the transitional period. It should be noted that a bit of .... has been drawn up for which no payment will be necessary, including, cereals, fodder plants and potatoes. The .... of small farmer suggested is along the lines of the CAP Reform before i.e.? surface area less than that required for the production of 92 tonnes of cereals. The transitional period would be 4 years in general and six years in the case of trees and vines i.e. no remuneration as on farm saved seed for varieties which have been on the market longer than the above mentioned period. The level of payment will not be established by the Council, but it should be sensibly lower than the amount charged for licensed production of propagating national of the same variety in the same area.

Council will return to this issue.

Directive concerning the placing on the market of plant protection products:

The aim of adding an annex to the 1991 Directive is to adopt uniform principles to govern the evaluation and authorization of chemical plant protection products by Member States.

The main issue relates to water protection as the Commission proposal takes into consideration Community legislation on water protection, in particular water intended for human consumption. However, as the water directives are to be reviewed a number of delegations believe that the criteria contained therein should not be used as a determinant for authorisation of a plant protection product, but rather use a more stable scientific basis. Another difficulty is whether the same standards and criteria should apply to ground water as to drinking water.

Mr Steichen said that he could not accept the Presiding compromise as it had departed too far from the Commission's proposal, therefore he would have to consult colleagues in the Commission.

Given that many Ministers had difficulty accepting the text and felt that it did not give sufficient protection to water purity, it was decided to send the proposal back to Coreper for further discussion.

## Protection of animals at time of slaughter:

This proposal is on the table since November 1991 and seeks to update the stunning/killing methods referred to in the Directive to regulate specific problems which have arisen in the application of the Directive e.g. slaughter of animals for disease control, and to widen the scope of the Directive to cover the same species as the European Convention, which has been approved by Council but not ratified, because the UK, Belgium and France has not ratified it. The Commission proposal however is wider in scope than the Convention. Presidency concluded that in general text is accepted subject to further text scrutiny.

## Bovine Somatotrophin:

As Parliament has not given an opinion and views differ in Coreper the Presidency suggest that the ban be extended for one year. Meanwhile the 6m will examine how its use could be monitored, the consequences of a ban given a GATT agreement and the reaction of the consumer.

Some Ministers regretted that it was not possible to agree the Commission proposal, while one Minister pointed to the fact that since the US has allowed these products we will have final hand evidence of consumer reaction and also that on scientific basis only should be used.

Council agreed unanimously to extend the ban for one year.

## Hormone Ban:

The Commission has proposed the tightening up of controls on hormone abuse.

Mr Steichen emphasised the importance of this proposal and the need to allay consumer concerns. He regretted that Parliament had not given an opinion but nevertheless urged Coreper to continue its work.

Those Ministers who spoke referred to the need to differentiate between use of hormone for fattening and use for therapeutic purposes, but nevertheless agree with the Commission that tighter controls are necessary.

## A.O.B.:

### Grubbing up of apple trees: NL, FR, Port:

Requested a grubbing up programme for apple orchards to help ease the surplus situation.

Mr Steichen said that this is really a matter for the fruit and vegetable reform and pointed out that a grubbing up programme has just expired, took 27,000 ha (19,000 ha in New Laander) out of production equivalent to 660,000 tonnes of apples at a cost of ECU 120m.

## Foot and mouth restrictions on animals from Eastern Europe:

Italy requested an easing of the restrictions at present applying. Replying, Mr Steichen said that there is a possibility to ease the serological testing requirement provided plan are submitted and meet the Community's requirements.

Limits of nitrates in lettuce and vegetables - UK:

Are concerned about the limits proposed by the Commission for lettuce and vegetables and the Minister fears that the measure could have a serious impact on glass house production in the UK. A scientific analysis of the measures now? requested.

Responding, Mr Steichen said that there is as yet no proposal and the Scientific Committee - food has been asked to update its opinion of 1990 on nitrate in food and when this is done the Commission will look at the question of limits of nitrates in food.

Directive on financing health inspection and controls of fresh meat and poultrymeat.

Council agreed this proposal which extends the health inspection charge to other products, which are not yet covered by the Directive.

Charges will be :

- 4.75 ECU/animal - beef
- 4.4 ECU for solipeds
- 1.3 ECU animal for pigs
- 0.175 ECU/animal for sheep and goats of less than 12 kgs
- 0.35 ECU/animal for sheep and goats of 12-18 kgs
- 0..5 ECU/animal for sheep and goats of more than 18 kgs

These fees can be set at higher levels to cover actual inspection costs.

Council reconvenes at 14.00 hours on Wednesday, as agricultural Ministers for the GATT discussion.

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Brussels, 16 December 1993

NOTE BIO (93) 311 (suite 3) AUX BUREAUX NATIONAUX  
CC.: AUX MEMBRES DU SERVICE DU PORTE PAROLE

Council of Agriculture Ministers, 15 December 1993  
(Gerard Kiely)

The Presidency put forward a compromise package including in particular the arable crops sector and agrimonetary, with a view to narrowing differences between Member States.

The main element of the compromise are:

- a 50% limit on voluntary set aside and 45 ECU/tonne equivalent compensation
- limit on transfer of set-aside obligation extended to 15kms
- clarification on the operation of the correction mechanism which is designed to ensure that producers do not get a global increase in aid due to complex regionalisation plans
- opening the possibility of land set-aside under the 5 year scheme to be included in the CAP Reform set aside, provided it has not been cultivated
- consideration to be given to the introduction of individual base areas
- a change in the franchise relating to agri-monetary i.e. -1 to +4 instead of -2 - +3
- roll-over the present sugar marketing arrangements for two years
- an increase in tobacco quotas for certain groups of varieties.

The reaction of Ministers to the Compromise was generally negative and all tended to reiterate their numerous demands, already put forward on previous occasions, not alone relating to the proposals on the table, but others also.

Reacting to the Ministers' comments, Mr Steichen said that the compromise was just about bearable from a budgetary point of view and that he felt some demands were an attempt to weaken the impact and requirements of reform. On oilseeds, which was referred to by some Ministers (although not at present in the compromise) he said that Council was failing to fulfill obligations entered into with the US and should there be reprisals it would not be the fault of the Commission.

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This was followed by a session of bilaterals focused mainly on an attempt to find a solution on the implementation of the EC/US oilseeds agreement. When the Council resumed the Presidency announced that despite the efforts of the Presidency and the Commission it was not yet possible to agree on the oilseed dossier and he suspended the Council at 2 o'clock this morning. The Commission and the Presidency will hold further discussions this morning and the Council will resume at 2.30 this afternoon.

Amitiés,

B. DETHOMPS

Ref: BIO/93/311/4

DATE DOCUMENT : 93/12/17

COUNCIL OF AGRICULTURE MINISTERS, 17 DECEMBER 1993

The Council concluded this morning at 6.50 am having agreed the Commissions proposal on (previous BIOs for details).

- the import of New Zealand butter
- the voluntary restraint agreements on imported sheep meat
- the proposal to introduce environmental considerations in the payment of sheep and beef premiums
- the imports of maize and sorghum into Portugal and Spain
- the Community financing of the integrated control system
- the aid for drought in Portugal
- an increase in tobacco quotas
- a roll-over of the sugar regime for one year, with the inclusion of inulin in the regime.

Arable crops

Set-aside

- Council agreed that in certain regions 18% set-aside is applied to producers carrying out both rotational and non rotational set-aside
- a 50% ceiling will apply to the combination of voluntary and compulsory set-aside
- payment for voluntary set-aside is to be set at 57 ECU/tonne equivalent: same level as for compulsory.
- the limit on transferring set-aside will be increased to 20 km
- coppice trees for biomass may be grown on set-aside with the assistance of reimbursable aid
- the base area of the New Laander of Germany will be increased to take account of a statistical error, by 181,00 hectares
- the penalties which would otherwise apply in Scotland because of an overshoot of base area will be reduced in line with the procedure already used for the new German Laander i.e. progressive application of the levy

Agri-monetary:

- the neutral margin may be made more assymetrical up to the limit of 0 to 5
- otherwise the Commission's proposal applies indirect compensation to producers should a currency revalue beyond the 5 point margin and

lead to an income reduction.

Tobacco:

Quotas are increased by varietal groups and in 1994 the Commission will take measures to enable Member States to distribute the whole of the quota available to them.

Oilseeds:

Council adopted the measures to implement the EC/US oilseed agreement - penalties will be applied on a national basis should the SBA agreed with the US be exceeded.

Beef:

Commission will submit a report on the impact of the carcass weight limitation by 1 May 1994

GATT:

A statement was adopted to the effect that the consequences of the Uruguay Round will be shared out fairly in the light, inter alia, of the situation of certain categories of producers and some of the most affected regions.

Reacting to the outcome Mr Steichen said that he was very pleased with the decisions taken in that many practical problems relating to agricultural policy had been resolved and at the same time the requirements of CAP Reform had been fully respected.

Mr Steichen said that he was satisfied that the decisions on agrimonetary safeguarded the income situation of farmers while at the same time avoided all the negative aspects of the switch-over mechanism.

He also welcomed the fact that the Community had decided on the implementation of the EU/US oilseed agreement, which he said removes a final element of uncertainty between the EU and the US.

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