

PRESS RELEASE

8084/91 (Presse 151)

1514th Council meeting
- Agriculture -
Brussels, 23 and 24 September 1991

President:

Mr Piet BUKMAN
Minister for Agriculture
Nature Conservation
and Fisheries of the Kingdom
of the Netherlands

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

Belgium:

Mr Paul de KEERSMAEKER State Secretary for European
Affairs and Agriculture

Denmark:

Mr Laurits TOERNAES Minister for Agriculture

Mr Nils BERNSTEIN State Secretary for Agriculture

Germany:

Mr Ignaz KIECHLE Federal Minister for Food,
Agriculture and Forestry

Mr Walter KITTEL State Secretary, Federal
Ministry of Food, Agriculture
and Forestry

Greece:

Mr Sotiris KOUVELAS Minister for Agriculture

Spain:

Mr José BARREIRO Secretary-General for
Agricultural Production and
Markets at the Ministry of
Agriculture

France:

Mr Louis MERMAZ Minister for Agriculture

Ireland:

Mr Michael O'KENNEDY

Minister for Agriculture and
Food

Italy:

Mr Giovanni GORIA

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,
Fisheries and Food

United Kingdom:

Mr John SELWYN GUMMER

Minister for Agriculture

Mr David CURRY

Parliament Secretary,
Agriculture

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For the Commission:

Mr Ray MAC SHARRY

Member

DEVELOPMENT AND FUTURE OF THE COMMON AGRICULTURAL POLICY

Within the framework of a further examination of the Commission communication on the development and future of the CAP, and following the technical discussions held since its last meeting, the Council scrutinized in more detail the problems raised by the proposed reform on the basis of a list of fundamental questions put forward by the Presidency.

In the course of its discussions, the Council examined a series of problems arising out of the proposed reform, with reference to its financial and budgetary implications, the remodelling of the common market organizations in various types of crop and livestock production, and the accompanying measures contemplated to improve agricultural structures. It became clear from the discussions that there was a broad convergence of views on the need for reform in order to restore balance to the agricultural markets and useful guidelines could be evolved for future work. The discussion also brought out a number of problems that the Commission might take into consideration when drafting its proposals, which would be examined more specifically in the course of discussions on those proposals.

Finally, the Commission was asked to submit its different proposals in the very near future so that they could be examined by the Council as soon as possible.

SUPPORT SYSTEM FOR OILSEEDS (SOYA BEANS, RAPESEED, SUNFLOWER SEED)

Pending the Opinion of the European Parliament - requested by the urgent procedure - the Council held an initial exchange of views on the proposal for a Regulation concerning reform of the support system for oilseeds.

This proposal follows an undertaking given by the Commission during the discussions on the fixing of the 1991/1992 prices that it would submit a proposal on this subject soon, in the light of the conclusions of the GATT Soya Panel. The Council had undertaken to take the necessary steps, by 31 October 1991, to bring the Community support system into line with the GATT General Agreement.

During the discussion, the Ministers voiced their views on the proposal, and a number of guidelines emerged for future discussions.

The Council instructed the SCA to seek solutions on this issue on the basis of its discussions; it would state its position on those solutions at its next meeting.

URUGUAY ROUND - AGRICULTURE

The Council took note of current progress in the negotiations on agriculture in the Uruguay Round. It re-affirmed its support for the Commission to continue to defend the Community's position in the negotiations and reiterated its desire to be kept fully informed of developments in the negotiations.

CORN GLUTEN FEED

With reference to the tariff treatment of imports of corn gluten feed mixes, the Council stated its agreement with the proposal outlined by the Commission with a view to finding a satisfactory solution to this problem together with the US authorities.

IMPORTS OF FRESH MEAT INTO THE COMMUNITY (APPROVAL OF
SLAUGHTERHOUSES)

After reinspection of US slaughterhouses, in accordance with the undertakings made in an exchange of letters dated 7 May 1991 with the United States authorities, the Commission submitted to the Standing Veterinary Committee a list of slaughterhouses which could once more be authorized to export fresh beef and veal and pigmeat to the Community.

The Commission had not obtained a favourable opinion from the Veterinary Committee and had therefore submitted this proposal to the Council.

The Council reiterated its concern to settle the dispute with the United States authorities on this issue, whilst guaranteeing an adequate level of health protection for Community consumers, and asked the Commission, in co-operation with the Chief Veterinary Officers, to expedite its consideration of the comparative merits of European and United States legislation to determine to what extent some of their respective provisions could be regarded as equivalent.

With this in view, the Council approved a decision once more authorizing imports from certain slaughterhouses and gave leave to the Commission to authorize imports from certain other slaughterhouses where the United States authorities had given a guarantee that the conditions laid down in the exchange of letters of 7 May 1991 had been fulfilled.

The Council stated that this decision was without prejudice to the outcome of the examination of the comparative merits of the veterinary legislation of the EEC and the United States.

MISCELLANEOUS DECISIONS

Relations with Albania

The Council authorized the Commission to negotiate with Albania a trade and co-operation agreement of the traditional type (first generation), similar to those already concluded with the other countries of Central and Eastern Europe, and defined the relevant directives.

This agreement is a concrete manifestation of the undertaking given by the Twelve in August to strengthen their links with Albania and will enable the process of normalizing bilateral relations between the Community and Albania to be completed. It is designed among other things to further the development and diversification of reciprocal trade and to provide a framework for support for Albania's economy by establishing conditions favourable to economic and industrial co-operation.

Medium-term financial assistance to Algeria

The Council adopted a Decision providing a medium-term loan to Algeria of ECU 400 million for a period of 7 years. This Decision formalizes the conclusions adopted by the ECOFIN Council on 9 September 1991 following the agreement in principle expressed by the European Council meeting in Luxembourg on 28 and 29 June 1991 (see Press Release 7977/91 Presse 139).

Trade policy

- Turkey - Textiles

The Council decided to conclude an Arrangement with the Republic of Turkey voluntarily limiting exports of clothing products to the Community. This constitutes an extension for a period of 2 years of the Arrangement which expired on 31 December 1990.

The Arrangement is the outcome of long negotiations and covers the same categories of products as the previous one, but provides for an increase in the quantities concerned, partly because allowance has been made for the growth in the German market following unification. It also guarantees Turkey increased opportunities to manage its exports within the Community. The quantities relating to outward processing traffic have also been increased.

The Arrangement was negotiated with the Association of Turkish ready-made garments exporters and is supplemented by another Arrangement on textiles exports which will expire at the end of this year.

Turkey is one of the largest suppliers on the Community market both of textiles and of clothing products.

- Extension of trade agreements concluded between Member States and third countries

Pursuant to the Council Decision of 16 December 1969 on the progressive standardization of agreements concerning commercial relations between Member States and third countries and on the

negotiation of Community Agreements, the Council adopted a Decision authorizing, for a period of one year, extension or tacit renewal of certain trade agreements concluded between Member States and third countries.

This is the 3rd 1991 instalment, viz. agreements whose expiry date or notice of termination deadline falls between 1 August 1991 and 31 October 1991.

- Anti-dumping

The Council adopted four Regulations providing, respectively, for:

- (a) the extension for a period of two months of the provisional anti-dumping duty on imports of
 - (i) gas-fuelled, non-refillable pocket flint lighters originating in Japan, the People's Republic of China, the Republic of Korea and Thailand;
 - (ii) oxalic acid originating in India and the People's Republic of China.

This extension, to which the exporters concerned have raised no objections, has become necessary because examination of the facts has not yet been completed.

- (b) the amendment of the definitive anti-dumping duty following a partial review of anti-dumping measures concerning imports of urea originating in Venezuela and the termination of the review of anti-dumping measures concerning imports of urea

originating in Trinidad and Tobago. The anti-dumping measures currently imposed on Trinidad and Tobago have therefore been lifted.

- (c) the definitive collection of the provisional countervailing duty on imports of polyester fibres and polyester yarns originating in Turkey.

Fisheries

The Council adopted a Regulation incorporating into Community legislation a number of technical measures for the conservation of fish stocks in certain areas of the Antarctic.

The Regulation prohibits fishing or limits the TAC in the case of certain species, and introduces a new system of catch reports for the current year. These measures amend Regulation (EEC) No 2245/85.

Environment

The Council authorized the Commission to participate, on behalf of the Community, in the negotiations under the Geneva Convention on Long-Range Transboundary Air Pollution for a Protocol concerning the control of emissions of volatile organic compounds or their transboundary fluxes.

Relations with the ACP States

The Council adopted a Decision on the conclusion of an Agreement in the form of an Exchange of Letter between the European Economic Community and the ACP States which are parties to the Protocol on ACP Sugar annexed to the 4th ACP-EEC Convention on guaranteed

prices for cane sugar for the 1989/1990, 1990/1991 and 1991/1992 delivery periods. These prices correspond to those applied to Community producers.

Insurance

Following the agreement in principle reached at its meeting on 18 June 1991 (see Press Release 7018/91 of 18.VI.91), the Council adopted a common position on the Directive laying down harmonized rules for the annual accounts and consolidated accounts of insurance undertakings. This Directive will make comparable the accounts of insurance companies in the different Member States by 1 January 1994 at the latest, thus contributing to the completion of a single market in insurance.

Education

The Council approved the outcome of the negotiations for the conclusion of bilateral agreements between the EEC and the EFTA countries establishing co-operation in the field of education and training within the framework of the ERASMUS programme. This co-operation is scheduled to start in the 1992/1993 academic year. The agreements will be concluded after the European Parliament has given its Opinion, in accordance with the procedure laid down in Article 235 of the EEC Treaty.

The purpose of the agreements is to strengthen the co-operation already initiated with the EFTA countries in the context of the COMETT programme, so as to step up exchanges of experience and knowledge and improve the quality of training and qualifications of European human resources.

The agreements lay down among other things:

- (a) the conditions and rules governing participation by universities in the EFTA countries in the ERASMUS programme;

- (b) the annual financial contributions by the EFTA countries to fund projects to be approved by the Commission under the various activities of the programme;
- (c) the establishment of joint EEC-EFTA committees to guarantee that the agreements are implemented in a suitable manner.

ECSC

The Council gave its assent, under Article 95 of the ECSC Treaty, to the extension of readaptation aid to workers retired on bridging pensions in a sector not covered by the ECSC Treaty who are replaced by workers employed by the same undertaking in sectors covered by the Treaty.

Intellectual property

The Council adopted Decisions on the Community's participation in preparatory work by the World Intellectual Property Organization (WIPO) with a view to the negotiations for a Treaty on the settlement of disputes between States in the field of intellectual property and a possible protocol to the Berne Convention (protection of literary and artistic works) concerning computer programs.

The Commission will take part in these negotiations on behalf of the Community, without prejudice to participation by the Member States, in respect of matters covered by Community law.

Bruxelles, le 19 septembre 1991

NOTE BIO (91) 289 AUX BUREAUX NATIONAUX
CC. AUX MEMBRES DU SERVICE DU PORTE PAROLE

433

CONSEIL AGRICULTURE

Bruxelles, lundi 23 et mardi 24 septembre 1991 (G. Kiely)

Le Conseil des Communautés Européennes tiendra sa 1514^{ème} session - Agriculture - le lundi 23 septembre à partir de 15h et le mardi 24 septembre 1991 au Bâtiment Charlemagne à Bruxelles, sous la présidence de M. Piet Bukman, Ministre de l'Agriculture des Pays-Bas. L'ordre du jour du Conseil comportera les points suivants:

*** Développement et avenir de la PAC (doc COM(91)258)**

La Présidence a décidée de scinder le dossier en 4 parties

1. Produits végétaux

Dans les propositions de la Commission, surtout dans le secteur des produits végétaux, il est prévu comme point central un passage du soutien des prix au soutien direct aux revenus. La question est de savoir dans quelle mesure et à quel rythme un tel passage doit-il avoir lieu. En effet la mesure et le rythme dans lesquels interviendra ce passage constituent des éléments de grande importance aux fins de déterminer la note que jouera l'aide au revenu.

2. Produits animaux

- Lait: la Commission préconise une réduction de prix et une réduction de quotas avec une compensation par une prime directe jusqu'une limite de quotas. Cette combinaison doit-elle être accompagnée d'une compensation sous forme de prime pour les producteurs? C'est un point sur lequel les ministres doivent donner leurs avis.

- Viande bovine: les propositions de la Commission vont dans le sens d'une réduction de prix compensée par un système de primes étendu.

- Viande ovine: la Commission propose des quotas dans l'organisation commune du marché de la viande ovine.

3. Mesures structurelles d'accompagnement

Une question se pose aux ministres : les mesures d'accompagnement proposées par la Commission sont elles souhaitables? Est-il en particulier souhaitable que les primes de pré-retraite et de forestation soient accrues ou étendus et que la réglementation sur la pré-retraite soit prévue de façon obligatoire pour les Etats membres.

Dans le cadre de l'action agri-environnemental de quelle façon peut-on promouvoir une agriculture davantage respectueuse de l'environnement? Doit-on à cet égard mettre l'accent sur des conditions environnementales étendues ou sur l'octroi de primes, par exemple pour l'extensification.

4. Incidences financières

Toute estimation pluriannuelle concernant les dépenses futures dans le domaine de l'agriculture doit être faite avec prudence. De nombreux éléments imprévisibles, tant internes qu'externes, y compris le taux de conversion ecus/dollars, influenceront les dépenses au cours de la période de réforme. Lorsque les mesures proposées seront pleinement appliquées, quelles en seront les incidences sur le budget Communautaire - voilà une autre question dont les ministres auront à débattre lors des prochains Conseils agricoles.

*** Proposition de règlement du Conseil instaurant un régime de soutien pour les producteurs de graines de soja, de colza et de tournesol (doc. COM(91)318)**

Instauration d'un nouveau régime de soutien en faveur des producteurs de graines de soja, colza et de tournesol récoltées dans la Communauté.

*** URUGUAY ROUND (volet agricole)**

Les Ministres vont procéder à leur tour de table habituel sur l'état des négociations de l'URUGUAY ROUND, au vue notamment de la réunion quadrilatérale qui c'est tenu à Angers, les vendredi 13 et samedi 14 septembre 1991. Les négociations techniques sur le volet agricole de L'URUGUAY ROUND ont repris lundi 16 septembre 1991 à Genève.

*** CORN GLUTEN FEED**

*** DIVERS**

- Organisation des travaux futurs.

Amitiés,

B. DETHOMAS

FROM: MCII SAFE STORE AND FORWARD SERVICE
TO: DELAGATION OF EUROPEAN C
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MESSAGE ID: WRUE0061

INBOUND MESSAGE RECEIVED ON SEP 24 AT 08:50 [ASSIGNED// WRUE0061]
21877 COMEU B
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BRUXELLES, LE 24 SEPTEMBRE 1991

NOTE BIO (91) 289 (SUITE 1) AUX BUREAUX NATIONAUX
CC.: AUX MEMBRES DU SERVICE DU PORTE PAROLE

COUNCIL OF AGRICULTURAL MINISTERS. MONDAY 23 SEPTEMBER 1991
G. KIELY

THE COUNCIL OF AGRICULTURAL MINISTERS DISCUSSED THE REFORM OF THE CAP ON THE BASIS OF A SERIES OF QUESTIONS WHICH HAD BEEN CIRCULATED BY THE PRESIDENCY.

ON MONDAY THE MINISTERS ADDRESSED THE GENERAL BUDGETARY ISSUES SUCH AS THE NECESSITY OF REFORMING THE CAP, THE OBJECTIVES OF REFORM AND THE QUESTION OF A REDUCTION OF PRICE SUPPORT COMBINED WITH DIRECT PAYMENTS TO FARMERS IN THE ARABLE SECTOR.

THE MINISTERS WERE UNANIMOUS IN SUPPORT OF CAP REFORM (EVEN FOR RADICAL REFORM) ON THE BASIS THAT THE PRESENT POLICY WAS CONTRIBUTING TO SURPLUSES, SIGNIFICANT INCREASES IN BUDGETARY EXPENDITURE AND ENVIRONMENTAL DAMAGE WHILE AT THE SAME TIME WAS DOING LITTLE TO HELP FARM PRICES OR FARMERS INCOMES.

MR MAC SHARRY REMINDED MINISTERS THAT THEY HAD ADOPTED A COUNCIL DECLARATION IN NOVEMBER 1990 WHICH ESSENTIALLY CONTAINED THE SAME OBJECTIVES AS THOSE CITED IN THE COMMISSION'S PROPOSALS FOR CAP REFORM. ON THE BUDGETARY QUESTION MANY MINISTERS QUERIED WHETHER THE BASIC ASSUMPTIONS UNDERLYING THE COSTINGS OF THE VARIOUS REFORM MEASURES WERE REALISTIC AND HOW SUCH A SIGNIFICANT BENEFIT

FOR CONSUMERS (10 BILLION ECU PLUS) COULD BE AFFECTED BY SUCH A SMALL INCREASE IN THE AGRICULTURAL BUDGET. IN RESPONSE MR MAC SHARRY POINTED OUT THAT OVER 7 BILLION ECU WOULD BE SPENT ON STOCKS THIS YEAR ALONE AND THAT THE GNP INCREASE ASSUMED UP TO 1997 WAS 2.50/0 (THIS HAS A DIRECT IMPACT ON THE BUDGET GUIDELINE) WHILE THE ACTUAL AVERAGE GNP GROWTH RATE OVER THE LAST 4 YEARS HAS BEEN 2.70/0. HE ALSO EMPHASISED THAT THE STATUS QUO WOULD COST 2 BILLION ECU MORE THAN REFORM.

MOST MINISTERS COULD COUNTENANCE REFORM WHICH INVOLVED PRICE CUTS AND DIRECT AID FOR PRODUCERS. HOWEVER, WHILE SOME MINISTERS INSISTED ON FULL AND PERMANENT COMPENSATION FOR ALL PRODUCERS, OTHERS ARGUED IN FAVOUR OF LIMITED COMPENSATION I.E. THAT IT

SHOULD BE DIGRESSIVE AND TRANSITIONAL, WHILE THE MULTIFUNCTIONAL ROLE OF FARMERS WAS STRESSED BY MOST MINISTERS AND HENCE THE NEED TO RECOGNISE, BE IT FROM AN ECONOMIC, SOCIAL OR ENVIRONMENTAL POINT OF VIEW, OTHERS BELIEVED THAT ECONOMIC VIABILITY SHOULD BE THE GUIDING FACTOR FOR AGRICULTURAL POLICY.

SOME MINISTERS WERE ALSO INSISTENT ON THE LINK BETWEEN AGRICULTURAL POLICY REFORM AND THE NEED FOR ECONOMIC COHESION.

DURING THE DISCUSSION ON THE ARABLE SECTOR MOST MINISTERS DIRECTLY OR INDIRECTLY INDICATED A WILLINGNESS TO CONSIDER THE COMBINATION OF PRICE CUTS, SET ASIDE AND DIRECT COMPENSATION. THERE WAS HOWEVER A DIFFERENCE OF EMPHASIS BETWEEN MINISTERS I.E. SOME SUPPORTED SUBSTANTIAL PRICE CUTS, OTHERS FAVOURED MORE MODERATE CUTS OR/AND THAT THE CUTS BE MORE GRADUAL THAN PROPOSED. THE POINT IS THAT THERE SHOULD BE AN OBLIGATION ON EACH MEMBER

STATE TO SET-ASIDE AN EQUIVALENT AMOUNT OF THEIR ARABLE LAND.

- 2 -

MANY MENTIONED THE NEED TO MAINTAIN COMMUNITY PREFERENCE. IN RESPONSE MR MAC SHARRY SAID THAT HE HAD FOUND THE MINISTERS' REACTION QUITE POSITIVE AND REALISTIC. HE INSISTED ON THE NEED FOR A SIGNIFICANT CEREALS PRICE CUT IN ORDER TO MAKE COMMUNITY CEREALS MORE COMPETITIVE AND STOP THE EROSION IN THE MARKET FOR COMMUNITY CEREALS (2 M TONNES PER YEAR OF A DECLINE IN CONSUMPTION IN THE COMMUNITY) AND POINTED OUT THAT INDEPENDANT ANALYSTS HAD ESTIMATED THAT THE PROPOSED PRICE CUT WOULD INCREASE COMMUNITY CEREALS CONSUMPTION BY OVER 12 M TONNES (COMMISSION ESTIMATES 8.5 M TONNES). IN THE ABSENCE OF REFORM SURPLUSES WOULD PROBABLY REACH 45 M TONNES ADDING TO THE PRESENT DISASTROUSLY HIGH LEVEL OF STOCKS OF 18M TONNES, WHICH WILL PROBABLY INCREASE TO 30 M TONNES WITHIN A SHORT TIME.

HE ALSO INSISTED ON THE PERMANENT DURATION OF THE DIRECT AID SAYING THAT THEY WOULD HAVE EXACTLY THE SAME STATUS AS ALL THE OTHER MARKET SUPPORT MEASURES.

COUNCIL RESUMES ON TUESDAY MORNING WITH A DISCUSSION ON THE REFORMS AS THEY APPLY TO THE LIVESTOCK SECTOR.

OTHER ITEMS FOR DISCUSSION:-

REFORM OF OILSEEDS REGIME
EEC/US CORN GLUTEN ISSUE
GATT (IF DISCUSSION HAS NOT BEEN COMPLETED OVER DINNER ON MONDAY
NIGHT)
IMPORTS OF SOFT FRUIT FROM EASTERN EUROPE
BEEF MARKET SITUATION
RELISTING OF US SLAUGHTER HOUSES
SUPPORT FOR FOOD AID DISTRIBUTION IN USSR
EWE PREMIUM REDUCTION
SET-ASIDE

PRESS REACTIONS

IRELAND:

. AGRICULTURE MINISTER O'KENNEDY ACCEPTS THAT SOME REFORM OF CAP
IS INEVITABLE BUT URGES EC TO ADOPT A MUCH MORE GRADUAL AND LESS
SEVERE APPROACH. (TIMES)

. JIM MURRAY HEAD OF BEUC (BUREAU EUROPEEN D'UNION DES
CONSUMATEURS) SAYS THAT THE EUROPEAN CONSUMERS WILL SUPPORT MR
MAC SHARRY'S PROPOSALS AND THAT THE REFORM WILL PUT MORE MONEY
IN THEIR POCKETS. (PRESS)

SPAIN

SPAIN BACKS EC'S PROPOSALS FOR AN URGENT REFORM IN THE OILSEED
SECTOR (ABC)

UK

. NO PERMANENT GRANTS TO FARMERS (TIMES)
. AFTER A YEAR IN WHICH DISCUSSION OF EC FARM REFORM HAS
GENERATED MORE HEAT THAN LIGHT, THE AGRICULTURAL MINISTERS

YESTERDAY QUERIED THE DETAIL RATHER THAN THE PRINCIPAL OF
REFORMING THE CAP ALONG THE LINES PROPOSED BY THE EC COMMISSION.
(FT)

- 3 -

GERMANY

AGRICULTURE MINISTER KIECHLE IS WAITING FOR THE GERMAN CABINET TO
PUT FORWARD THEIR DECISION ON THIS MATTER (S.Z)

PORTUGAL

CAP REFORM IS GOING TO 'FREEZE' THE CHRONIC STATE OF
UNDERDEVELOPMENT OF THE PORTUGUESE AGRICULTURE. (PUBLICO)

LUXEMBOURG

EUROPEAN AGRICULTURE IS AT A TURNING POINT AND NO ONE CAN PROJECT
WHAT WILL BECOME OF IT (REP. LOR)

ITALY

CAP REFORM IS 'USELESS AND VERY EXPENSIVE' AGRICULTURE MINISTER
GORIA TOLD IL 'MESSAGGERO' .

REUTERS

EC FARM MINISTERS AGREED ON MONDAY THAT THE BLOC'S AGRICULTURE
POLICY MUST BE REFORMED. BUT WERE FAR FROM AGREEING ON HOW.

AMITIES.

B. DETHOMAS

SENT BY SPP AT : TUE SEP 24 14:02:03 CES 1991

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FROM: MCII SAFE STORE AND FORWARD SERVICE
TO: DELAGATION OF EUROPEAN C
2024291766

MESSAGE ID: WRUE0069

INBOUND MESSAGE RECEIVED ON SEP 25 AT 13:33 [ASSIGNED// WRUE0069]
21877 COMEU B
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FROM : C.E.C. - G.P.P.
TO : C.E. WASHINGTON - WASHINGTON
REF : 1268066496 - 25-09-1991 19:16

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BRUSSELS, 25 SEPTEMBER 1991

NOTE BIO (91) 289 (SUITE 2 ET FIN) AUX BUREAUX NATIONAUX
CC.: AUX MEMBRES DU SERVICE DU PORTE PAROLE

CONSEIL AGRICULTURE,
MARDI 24 SEPTEMBRE 1991 (G. KIELY)

CAP REFORM:-

THE MINISTERS OF AGRICULTURE CONTINUED (TUESDAY 24 SEPTEMBER)
THEIR DISCUSSIONS ON CAP REFORM, ESPECIALLY ON THE LIVESTOCK
SECTOR AND ACCOMPANYING MEASURES.

IN THE SHEEPMET SECTOR THERE IS NO MAJOR OBSTACLE TO AN
AGREEMENT ON THE COMMISSION'S PROPOSALS IN THE CASE OF THE VAST
MAJORITY OF MINISTERS. TWO MINISTERS ARE OPPOSED TO THE PROPOSED
CEILINGS ON THE NUMBER OF EWES ELIGIBLE FOR PREMIA.

AS REGARDS THE MILK SECTOR, A SUBSTANTIAL MAJORITY SUPPORT THE
COMMISSION'S PROPOSAL FOR A QUOTA REDUCTION (ONE MINISTER
SUGGESTED A 50/0 QUOTA REDUCTION) WITH COMPENSATION, ALTHOUGH A
SMALL NUMBER OF MINISTERS POINTED TO THEIR FRESH MILK DEFICIT
SITUATION.

A NUMBER OF MINISTERS ALSO HIGHLIGHTED THE DIFFICULT MARKET
SITUATION FOR BUTTER AND WOULD THEREFORE SUPPORT A PRICE
REDUCTION.

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MANY MINISTERS HAD RESERVATIONS ON THE DAIRY PREMIA FOR VARIOUS REASONS, FOR EXAMPLE THEY ARE NOT NEEDED, PAYMENTS ARE TOO LOW, NUMBERS ELIGIBLE SHOULD BE INCREASED AND THAT THE STOCKING RATE REQUIREMENTS SHOULD BE RELAXED.

THE DISCUSSION ON THE BEEF REGIME INDICATED A WIDE DIVERGENCE OF VIEWS WITH MINISTERS ARGUING FOR THE ABOLITION OF INTERVENTION, OTHERS AGAINST THE INTERVENTION PRICE REDUCTION WHILE MANY FAVOUR AN INCREASE IN THE DIRECT PREMIUM AND THAT IT SHOULD BE PAID ON ALL ANIMALS. THE BEEF SECTOR WOULD SEEM TO POSE MANY PROBLEMS FOR MINISTERS IN TERMS OF REACHING A COMMON POSITION, WHICH HAS THE DESIRED RESULTS IN TERMS OF REDRESSING MARKET

IMBALANCE AND AT THE SAME TIME RESPECTING CERTAIN BUDGETARY

MINISTERS' REACTIONS ON THE ACCOMPANYING MEASURES I.E. EARLY RETIREMENT, AFFORESTATION AND ENVIRONMENTAL MEASURES, WERE GENERALLY POSITIVE. CERTAIN RESERVATIONS ON THE COMPULSORY NATURE OF THE MEASURES WERE EXPRESSED BY SOME MINISTERS.

OILSEEDS:-

THE DISCUSSION ON THE REFORM OF THE OILSEED REGIME WAS DOMINATED BY MINISTERS' CONCERNS THAT IT COULD PREJUDICE THE OUTCOME OF CAP REFORM IN THAT THE PROPOSALS ARE ALONG SIMILAR LINES. MR MAC SHARRY INSISTED HOWEVER, THAT THE PROPOSAL WAS FOR A TRANSITIONAL REGIME.

MANY MINISTERS QUESTIONED THE REASONING BEHIND USING CEREAL YIELDS RATHER THAN OILSEED YIELDS FOR REGIONALISATION OF DIRECT AID PURPOSES.

SOME MINISTERS ALSO QUESTIONED WHETHER SUCH A MAJOR REFORM WAS REALLY NECESSARY TO MEET OUR OBLIGATIONS UNDER THE SOYA PANEL FINDINGS.

- 2 -

OVERALL, ABOUT HALF OF THE MINISTERS COULD CONSIDER THE GENERAL THRUST OF THE COMMISSION'S PROPOSALS WHILE THE OTHERS HAVE RESERVATIONS ON POINTS OF PRINCIPLE OR DETAIL.

CORN GLUTEN:-

MR MAC SHARRY INFORMED THE COUNCIL OF THE BACKGROUND TO THE PROBLEM OF CORN GERM MEAL BEING IMPORTED AS PART OF CONSIGNMENTS OF CORN GLUTEN FROM THE USA AND OF HIS CONCERN TO RESOLVE THE MATTER IN A MUTUALLY ACCEPTABLE AND EFFECTIVE MANNER. HIS PROPOSAL TO ESTABLISH LIMITS ON FAT AND STARCH CONTENT OF 4.50/0 AND 280/0 RESPECTIVELY AS MEASURABLE CRITERIA WHICH WOULD EFFECTIVELY LIMIT THE AMOUNT OF CORN GERM MEAL THAT COULD BE IMPORTED LEVY FREE (WHEN MIXED WITH CORN GLUTEN).

US ABATTOIRS:-

MR MAC SHARRY PROPOSED THAT 10 US ABATTOIRS WHO HAD MET THE

MINIMUM SANITARY CRITERIA AS ESTABLISHED BY THE EEC SHOULD BE RELISTED SO AS TO ALLOW THEM TO RECOMMENCE EXPORTS OF MEAT (OFFAL MAINLY) TO THE COMMUNITY.

THIS PROPOSAL WAS ACCEPTED BY COUNCIL SUBJECT TO FIRM ASSURANCES FROM THE US AUTHORITIES REGARDING, CONTROLS, CERTIFICATION, POST MORTEM INSPECTIONS ETC.

ONCE THESE ASSURANCES HAVE BEEN RECEIVED THESE PLANTS WILL BE ALLOWED EXPORT TO THE COMMUNITY AND WILL BRING TO 14 THE TOTAL NUMBER OF PLANTS RELISTED (OUT OF 25 PLANTS WHICH WERE DEBITED IN 1990).

BEEF MARKET:-

THE DIFFICULT SITUATION ON THE BEEF MARKET WAS RAISED BY THE BELGIAN MINISTER, SUPPORTED BY A NUMBER OF OTHER MINISTERS. ALL RECOGNISED THE IMPORTANT EFFORTS BEING MADE BY THE COMMISSION AND URGED THAT AN ACTIVE MARKET MANAGEMENT POLICY BE CONTINUED. ONE MINISTER URGED THE IMMEDIATE INTRODUCTION OF SOME ASPECTS OF THE CAP REFORM FOR BEEF.

IN RESPONSE MR MAC SHARRY POINTED OUT THAT EXPENDITURE ON BEEF SUPPORT IS UP BY 1000/0 THIS YEAR OVER 1990, 700,000 TONNES HAVE BEEN BOUGHT INTO INTERVENTION TO DATE, EXPORTS ARE 200,000 TONNES HIGHER THAN LAST YEAR AT 841,000 TONNES (TO DATE) AND ALSO EMPHASISED THAT OVER 800 M ECU WILL BE PAID OUT IN THE FORM OF DIRECT PREMIA TO BEEF PRODUCERS THIS YEAR - A FACT WHICH IS SELDOM RECOGNISED.

ON THE EARLY INTRODUCTION OF SOME ASPECTS OF THE BEEF REGIME REFORM, HE SAID THAT ALL THE LEGAL TEXTS WOULD BE AVAILABLE SOON AND THE COUNCIL COULD THEN TAKE AN EARLY DECISION ON THE PACKAGE AS A WHOLE BUT NOT ON INDIVIDUAL ASPECTS OF THE PACKAGE.

BORDER CONTROLS WITHIN THE COMMUNITY:-

IN RESPONSE TO COMMENTS REGARDING CHECKS AT THE FRENCH BORDER ON LIVE ANIMALS, MEAT AND LIVESTOCK PRODUCTS, MR MAC SHARRY SAID THAT INFORMATION HAS BEEN SOUGHT FROM THE FRENCH AUTHORITIES AND

ON THE BASIS OF THIS, THE COMMISSION WILL TAKE ANY NECESSARY ACTION AND HE REQUESTED THAT THE FRENCH AUTHORITIES SUSPEND THIS ACTION. SYSTEMATIC CONTROLS CONTRAVENE EEC LEGISLATION, HE SAID.

- 3 -

SOFT FRUIT IMPORTS:-

AS THE SAFEGUARD CLAUSE ON IMPORTS OF SOFT FRUIT FROM YUGOSLAVIA HAVE EXPIRED THE COMMISSION WAS REQUESTED TO KEEP THE SITUATION UNDER REVIEW AND INFORMED THAT SHOULD THE NEED ARISE A REQUEST FOR FURTHER CONTROL/SURVEILLANCE MAY BE REQUESTED - BUT NO PROBLEMS AT PRESENT.

FOOD AID:-

RCV BY:EC/WAS

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MR. MAC SHARRY INFORMED THE COUNCIL OF THE VARIOUS REQUESTS FOR
FOOD AID RECEIVED BY THE COMMISSION AND DETAILED THE STATE OF
PLAY REGARDING DELIVERIES, ETC.

REGARDS.

B. DETHOMAS
SENT BY SPP AT : WED SEP 25 18:40:49 CES 1991

+++ END OF TEXT +++