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THE EUROPEAN UNION**



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3026th Council meeting

Agriculture and Fisheries

Brussels, 12 July 2010

President

Ms Sabine Laruelle
Minister for SMEs, the Self-employed, Agriculture and
Science Policy of Belgium

P R E S S

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Main results of the Council

The presidency presented its agriculture and fisheries work programme for the next six months in a public session.

*Ministers held an exchange of views on the **report of the high level group on milk***

*The Council also held an exchange of views on a Commission report and a proposal for a Regulation on **aid granted in the framework of the German alcohol monopoly**.*

CONTENTS¹

PARTICIPANTS.....	5
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ITEMS DEBATED

PRESIDENCY WORK PROGRAMME	7
REPORT OF THE HIGH LEVEL GROUP ON MILK	9
GERMAN ALCOHOL MONOPOLY	11
OTHER BUSINESS	12
Advances on direct payments for 2010.....	12

OTHER ITEMS APPROVED*FOREIGN AFFAIRS*

– EU-Macedonia Stabilisation and Association Council	13
– Relations with Moldova - Protocol to the partnership and co-operation agreement.....	13
– Additional resources for the most vulnerable population in Sudan	13
– Arms Trade Treaty - <i>Council conclusions</i>	13

JUSTICE AND HOME AFFAIRS

– Development of the Schengen acquis - Participation of Iceland, Liechtenstein, Norway and Switzerland	14
– Review of the EU measures to combat terrorism	14
– European Investigation Order	14
– Divorce and legal separation - first EU enhanced cooperation.....	15

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- Where declarations, conclusions or resolutions have been formally adopted by the Council, this is indicated in the heading for the item concerned and the text is placed between quotation marks.
- Documents for which references are given in the text are available on the Council's Internet site (<http://www.consilium.europa.eu>).
- Acts adopted with statements for the Council minutes which may be released to the public are indicated by an asterisk; these statements are available on the Council's Internet site or may be obtained from the Press Office.

RESEARCH

- ITER experimental fusion reactor project..... 15
- Baltic Sea research project: "BONUS-169 programme"..... 15

TRANSPORT

- EU/Brazil agreements on air services and aviation safety 16

ENERGY

- EU/Australia agreement on peaceful uses of nuclear energy 16

DECISIONS TAKEN BY THE REPRESENTATIVES OF THE MEMBER STATES

- Appointment of judges to the General Court of the European Union..... 17

PARTICIPANTS

The governments of the member states and the European Commission were represented as follows:

Belgium:

Ms Sabine LARUELLE

Minister for SMEs, the Self-Employed, Agriculture and Science Policy

Mr Kris PEETERS

Minister-President of the Flemish Government and Minister for Institutional Reform, Ports, Agriculture, Sea Fisheries and Rural Policy

Mr Benoît LUTGEN

Walloon Minister for Public Works, Agriculture, Rural Affairs, Nature, Forests and Heritage

Bulgaria:

Mr Miroslaw NAYDENOV

Minister for Agriculture and Food

Czech Republic:

Mr Stanislav KOZÁK

Deputy Minister for Agriculture

Denmark:

Mr Henrik HØEGH

Minister for Food, Agriculture and Fisheries

Germany:

Mr Robert KLOOS

State Secretary

Estonia:

Mr Gert ANTSU

Deputy Permanent Representative

Ireland:

Mr Brendan SMITH

Minister for Agriculture, Fisheries and Food

Greece:

Ms Georgia BAZOTI-MITSONI

Counsellor

Spain:

Ms Elena ESPINOSA

Minister for Agriculture and Fisheries

France:

Mr Bruno LE MAIRE

Minister for Food, Agriculture and Fisheries

Italy

Mr Giancarlo GALAN

Minister for Agriculture

Cyprus:

Mr Demetris ELIADES

Minister for Agriculture, Natural Resources and Environment

Latvia:

Ms Lelde LICE-LICITE

Deputy Permanent Representative

Lithuania:

Mr Mindaugas KUKLIERIUS

Deputy Minister for Agriculture

Luxembourg:

Mr Romain SCHNEIDER

Minister for Agriculture, Viticulture and Rural Development

Hungary:

Mr Sándor FAZEKAS

Minister for Rural Development

Malta:

Ms Theresa CUTAJAR

Deputy Permanent Representative

Netherlands:

Ms Gerda VERBURG

Minister for Agriculture, Nature and Food Quality

Austria:

Mr Nikolaus BERLAKOVICH

Federal Minister for Agriculture, Forestry, the Environment and Water management

Poland:

Mr Marek SAWICKI

Minister for Agriculture and Rural Development

Portugal:

Mr António SERRANO

Minister for Agriculture, Rural Development and Fisheries

Romania:

Mr Mihael DUMITRU

Minister for Agriculture and Rural Development

Slovenia:

Mr Dejan ŽIDAN

Minister for Agriculture, Forestry and Food

Slovakia:

Mr Peter JAVORCÍK

Deputy Permanent Representative

Finland:

Ms Sirkka-Liisa ANTTILA

Minister for Agriculture and Forestry

Sweden:

Mr Magnus KINDBOM

State Secretary, Ministry of Agriculture and Fisheries

United Kingdom:

Mr Jim PAICE

Minister of State for Agriculture and Food

Commission:

Mr Dacian CIOLOȘ

Member

ITEMS DEBATED

PRESIDENCY WORK PROGRAMME

Ms Sabine LARUELLE and Mr Kris PEETERS gave a brief presentation on the Belgian Presidency work programme in the agriculture and fisheries sectors ([11893/10](#)).

The agricultural policy priorities of the Belgian Presidency will focus mainly on the future of the common agricultural policy (CAP) after 2013 and on the dairy sector. The future of the CAP will be the main point on the agenda for the informal meeting of the agriculture ministers to be held in la Hulpe on 21 September 2010 and will be discussed further at the December Council meeting. This will follow the conference on the results of the public consultation on this matter organised by the Commission on 19 and 20 July. As regards the dairy sector, the presidency reminded the ministers that the work of the high level group (HLG) on milk will constitute the basis for an initial discussion at this Council meeting. The discussion on this issue will be taken further during the next Council meeting on 27 September with the aim of reaching a consensus on specific policy points; at the December Council meeting, the Commission will present a package of legislative proposals on this issue. The Belgian presidency also intends to open a debate on a review of Europe's agricultural product quality policy using a legislative initiative from the Commission on this issue at the end of 2010.

In the veterinary, plant health and food safety sectors the emphasis will be on the roadmap on transmissible spongiform encephalopathies (TSE), financing animal health strategy and the framework for genetically modified organisms (GMO). The presidency stressed the importance of the agricultural aspect of the GMO dossier.

The priorities for fisheries policy will focus on the reform of the common fisheries policy (CFP) for which legislative proposals will be tabled for the first half of 2011. On this issue, a conference will be organised by the Commission on 16 November 2010 and the Belgian presidency intends to highlight improved cooperation between science and fisheries by setting up an international symposium on "Improved Science and Fisheries Partnership Agreements as Policy Drivers" on 9 and 10 November 2010. The symposium's findings will be put to ministers at the November Fisheries Council lunch.

Concerning 2011 fishing opportunities, the total allowable catches (TACs) and quotas for 2011 will take up an important part of the autumn meetings. In addition, the technical measures, which formed part of the annual TAC and quota regulation prior to the Treaty of Lisbon, have been moved to a transitional Regulation valid until 30 June 2011. As it has been decided to revise the technical measures as part of the CFP reform, the intention is to make as few substantive changes as possible and to cooperate with the European Parliament in the framework of the co-decision procedure so that this dossier is well advanced by the time it is handed over to the next Presidency. The Belgian presidency will also continue the ongoing work on multiannual management plans.

Finally, with regard to external policy, several regional fisheries organisations, including the International Commission for the Conservation of Atlantic Tuna (ICCAT), will hold their annual meetings during the Belgian presidency, such as. A new negotiating mandate is needed for the part of the ICCAT meeting dealing with bluefin tuna. This will be discussed at the October Council meeting.

REPORT OF THE HIGH LEVEL GROUP ON MILK

The Council held an exchange of views on the recommendations of the high level group (HLG) on milk ([11935/10](#) + [11758/10](#)) which had been asked to work out possible perspectives at medium and long term for the dairy sector.

Member states praised the overall work of the HLG, considering that it would provide a solid basis for further discussions on the future of the milk sector. Three of the recommendations proposed by the group were more specifically discussed:

- Contractual relations between milk producers and dairies,
- Reinforcement of bargaining powers of producers which was generally seen as necessary, and,
- Possible role of interbranch organisations in the dairy sector, on the model of what is done in the fruit and vegetable sector.

In addition the need for innovation and research was also considered important, as well as the transparency in the dairy supply chain which could be achieved through better information on prices and volumes in the EU. In general delegations considered the safety net as appropriate, but some delegations indicated that existing measures should be improved and/ or new instruments to reduce income volatility developed.

Finally, the labelling issue was discussed: many member states insisted on the need to clearly label imitation products to avoid any confusion. On origin labelling several ministers were in favour of such a measure on grounds of consumer interest. A few member states rejected the idea of origin labelling arguing that it would affect the functioning of the single market.

On 5 October 2009, in light of the difficult market situation for milk, the Commission set up a HLG on milk with the purpose of discussing the measures needed in the sector in the medium and long term given the expiry of dairy quotas on 1 April 2015. This group published its report mid-June and made a number of recommendations. Since the Group was set up, the market situation has improved, as shown in the Commission's last quarterly report of June 2010 ([11015/10](#)), but it still remains fragile.

Following this initial exchange of views, the Presidency intends to continue the discussion at the Council on 27 September 2010 in order to try to reach consensus on a number of key elements. The Commission has confirmed its intention to submit a legislative package on the contractual relations, the improvement of the collective bargaining power of producers and the possible role of interbranch organisation in the dairy sector before the end of the year. The Commission indicated that origin labelling would be discussed in the context of the review of Europe's agricultural product quality policy at the end of 2010.

GERMAN ALCOHOL MONOPOLY

Ministers held an exchange of views on the basis of a Commission report and proposal for a regulation on an extension of the derogation for the aid granted by Germany in the framework of its alcohol monopoly ([11619/10](#) + [11620/10](#)).

Two delegations supported the proposal and no delegation opposed it. Germany and the Commission would like to see this regulation adopted as soon as possible since it should apply as from 1 January 2011 given that the current derogation will end on 31 December 2010. Under the provisions of the Lisbon Treaty, the ordinary legislative procedure provides that the modifications proposed for this Regulation have to be adopted by the European Parliament. The proposal has already been referred to the European Parliament's Agriculture and Rural Development Committee.

Under the "single CMO regulation" (Council Regulation No1234/2007), the Commission is required to report to the Council and the European Parliament on the application of the derogation granted in respect of the German alcohol monopoly, giving an evaluation of the aids granted in the framework of that monopoly and proposing measures if needed.

This derogation allows Germany to grant aid, through the federal monopoly administration for alcohol (Bundesmonopolverwaltung für Branntwein - BfB), for "ethyl alcohol of agricultural origin". The state aid granted corresponds to the difference between the cost of purchasing raw alcohol from producers (distilleries and farmers) at above market prices and the income generated by selling that alcohol at the market price, taking into account the collection, processing and operational costs borne by the BfB.

As the report shows that it will take a few more years to phase out the monopoly completely and end the aid, the legislative proposal accompanying the report provides for an extension of the derogation beyond 31 December 2010 and a gradual reduction in the monopoly's production and sales until it closes its doors in 2017. Medium-sized agricultural distilleries would remain in the monopoly until the end of 2013 with specific compensation measures when leaving the system; small-scale locally oriented distilleries producing very small quantities of alcohol from fruit would remain in the monopoly until the end of 2017.

At the request of the Commission, the German authorities have undertaken to amend their national legislation on this monopoly in order to forestall its potential adverse effects on the single market.

OTHER BUSINESS**Advances on direct payments for 2010**

The Lithuanian delegation provided the Council with information on its request to the Commission for advance payment of up to 80% of the 2010 direct farm payments. Exceptional climatic conditions in Lithuania caused great damage to winter crops and farmers were obliged to invest in spring crops. The losses suffered by farmers along with their continued financial and cash flow problems would justify advance payments. Several delegations supported the Lithuanian delegation and indicated they would make similar requests. The Commissioner indicated that his services were prepared to examine the requests, while underlining that exceptional circumstances had to be proven and that the control of the applications had to be finalised ([11884/10](#)).

OTHER ITEMS APPROVED**FOREIGN AFFAIRS****EU-Macedonia Stabilisation and Association Council**

The Council adopted the draft common EU position for the seventh meeting of the Stabilisation and Association Council between the European Union and the former Yugoslav Republic of Macedonia to be held in Brussels on 20 July 2010. It also approved the provisional agenda for this meeting.

Relations with Moldova - Protocol to the partnership and co-operation agreement

The Council adopted a decision on the signing and provisional application of a protocol to the partnership and co-operation agreement between the EU and Moldova on a framework agreement on the general principles for the participation of Moldova in Union programmes. The Council also approved a decision on the conclusion of the protocol.

Additional resources for the most vulnerable population in Sudan

The Council adopted a decision allocating EUR 150 million from the funds decommitted from the ninth and previous European Development Funds (EDF) for the purpose of addressing the needs of the most vulnerable population in Sudan ([10543/10](#)). The funds will be used in particular in the conflict-affected areas, including Darfur, South Sudan, East Sudan and the border regions between North and South Sudan (the Transitional Areas). The government of Sudan's decision not to ratify the revised Cotonou agreement had made it legally impossible for the EU to channel development assistance to Sudan through the tenth EDF. The funding complements ongoing EU development and humanitarian programmes in Sudan, including over EUR 500 million in development assistance committed since 2005 and over EUR 750 million in humanitarian assistance since 2003.

Arms Trade Treaty - Council conclusions

The Council adopted the conclusions set out in document [10047/10](#).

JUSTICE AND HOME AFFAIRS

Development of the Schengen acquis - Participation of Iceland, Liechtenstein, Norway and Switzerland

The Council approved the signing of arrangement with Iceland, Liechtenstein, Norway and Switzerland on the participation by those countries in the committees which assist the European Commission in the exercise of its executive powers as regards the implementation, application and development of the "Schengen *acquis*" ([7762/10](#)).

Review of the EU measures to combat terrorism

After the most recent review, the Council updated the list of persons, groups and entities subject to specific measures to combat terrorism as defined by Common Position 2001/CFSP/931 and Regulation (EC) No 2580/2001. The Council decided that there are no longer grounds for keeping certain entities on the above-mentioned list.

The specific measures include enhanced police and judicial cooperation in criminal matters and the freezing of all funds, other financial assets and economic resources belonging to the persons, groups and entities concerned.

European Investigation Order

The Council took note of an initiative from seven member states for a directive creating a European Investigation Order (EIO) in criminal matters ([9288/10](#) + [ADD 1](#) + [ADD 2](#) + [ADD 3](#)).

The EIO is designed to be a judicial decision issued by a competent authority of a member state in order to have one or several specific investigative measure(s) carried out in another member state. The goal is to gather evidence within the framework of various types of proceedings, including criminal proceedings. Member states which receive an EIO are expected to execute it on the basis of the principle of mutual recognition.

Divorce and legal separation - first EU enhanced cooperation

The Council adopted a decision authorising the first enhanced cooperation in the history of the EU. It concerns the law applicable to divorce and legal separation (Rome III) ([9898/2/10](#)). 14 member states will participate in the enhanced cooperation (Spain, Italy, Hungary, Luxembourg, Austria, Romania, Slovenia, Bulgaria, France, Germany, Belgium, Latvia, Malta and Portugal). Other EU member states who are not yet ready but wish to join this pioneer group at a later stage will be able to do so.

The content of the legislation will be specified in a separate legal text, a regulation implementing the enhanced cooperation. Its goal is to set clear rules on how international couples can seek divorce or legal separation in the participating countries.

The regulation will need to be adopted unanimously by the participating countries. At their latest meeting on 4 June 2010, justice ministers agreed on a general approach on key elements ([10153/10](#)).

RESEARCH

ITER experimental fusion reactor project

The Council approved guidance for the Commission with a view to a meeting of the council of the ITER International Fusion Energy Organization that will take place in Cadarache (France) on 27 and 28 July.

Baltic Sea research project: "BONUS-169 programme"

The Council adopted a decision approving Community participation in a research project in the Baltic Sea ("BONUS-169 programme") undertaken by several EU countries ([21/10](#) and [11705/10 ADD1](#)). The decision follows a first reading agreement with the European Parliament.

BONUS-169 is a joint research programme undertaken by eight EU Baltic Sea member states (Denmark, Estonia, Finland, Germany, Latvia, Lithuania, Poland and Sweden) in support of sustainable development of the Baltic Sea region.

The EU will contribute up to EUR 50 million for the whole duration of the project.

Its main objective is to provide an effective response to key challenges in the region in relation to environmental protection and sustainable development, tourism, aquaculture, food safety, maritime transport and socio-economic issues.

BONUS-169, which is in line with the objectives of the European strategy for maritime research and the Union's strategy for the Baltic Sea region, is to be considered as a pilot for other similar regional initiatives.

TRANSPORT

EU/Brazil agreements on air services and aviation safety

The Council adopted decisions approving the signing of agreements with Brazil on certain aspects of air services (*12922/5/09*) and on civil aviation safety (*10844/10*).

Both agreements are to be signed at the EU-Brazil Summit in Brasilia on 14 July.

ENERGY

EU/Australia agreement on peaceful uses of nuclear energy

The Council adopted a decision authorising the negotiation by the Commission of an agreement with Australia on cooperation in the peaceful uses of atomic energy.

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DECISIONS TAKEN BY THE REPRESENTATIVES OF THE MEMBER STATES**Appointment of judges to the General Court of the European Union**

On 8 July, the representatives of the governments of the member states appointed the following two members of the General Court of the European Union (the former Court of First Instance) for a further term of office from 1 September 2010 to 31 August 2016:

Mr Ottó CZÚCZ

Mr Marc van der WOUDE.

This follows a decision of the representatives of the governments of the member states taken on 23 June 2010 to reappoint the following ten members of the General Court of the European Union for the same period:

Mr Josef AZIZI

Mr Franklin DEHOUSSE

Mr Sten FRIMODT NIELSEN

Mr Marc JAEGER

Ms Küllike JÜRIMÄE

Mr Heikki KANNINEN

Ms Eugénia MARTINS DE NAZARÉ RIBEIRO

Mr Savvas S. PAPASAVVAS

Mr Juraj SCHWARCZ

Ms Irena WISZNIEWSKA-BIAŁECKA.

The General Court is made up of at least one judge from each member state. They are appointed for a term of office of six years, which is renewable. They appoint their president, for a period of three years, from amongst themselves.