



**COUNCIL OF  
THE EUROPEAN UNION**

**Brussels, 13 September 2011**

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**Interinstitutional File:  
2008/0183 (COD)**

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**13900/1/11  
REV 1**

**AGRI 577  
AGRIORG 148  
CODEC 1425**

**NOTE**

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from: Presidency  
to: Council

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Subject: Amended proposal for a Regulation of the European Parliament and of the Council amending Council Regulations (EC) No 1290/2005 and (EC) No 1234/2007, as regards distribution of food products to the most deprived persons in the Union  
- *Policy debate*

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Delegations will find attached a note from the Presidency containing questions to structure the debate at the Council at its session on 20 September 2011.

**I. INTRODUCTION**

Since 1987, the programme of distribution of food products to the most deprived persons has enabled vital assistance to be given to the neediest groups of the EU's population by allowing Member States to release intervention stocks for use as food aid. Since then, the situation on the EU's agricultural markets has changed. Stocks are at an all-time low, the number of needy people has increased and food prices have recently risen sharply. This is why the Commission, the European Parliament and a majority of Member States believe it is vital to increase spending on the scheme and to allow food purchases on the open market on a permanent basis, all the more so at a time of financial and economic crisis, which hits the poor and the most vulnerable the hardest.

**II. PROCEEDINGS IN THE COUNCIL**

To this end, the Commission presented a legislative proposal<sup>1</sup> in 2008. A blocking minority against the proposal emerged in Council in 2008. In 2010, the Commission submitted an amended proposal<sup>2</sup> to the Council and to the European Parliament with the aim of aligning the programme with the Lisbon Treaty and introducing two substantive changes<sup>3</sup>. Again, a blocking minority against the amended proposal emerged.

**III. FUTURE OF THE PROGRAMME**

On 23 December 2008, Germany brought an action<sup>4</sup> against the Commission before the Court of First Instance seeking partial annulment of the Commission Regulation on implementing the programme in 2009<sup>5</sup>. On 13 April 2011, a ruling by the General Court annulled those provisions of the Commission Regulation allowing market purchases.<sup>6</sup> Such purchases accounted for 90% of the resources allocated for the 2009 programme.

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<sup>1</sup> 13195/08.

<sup>2</sup> 13435/10.

<sup>3</sup> Higher EU co-financing rate and a €500 million ceiling for the EU financial contribution.

<sup>4</sup> Case T-576/08.

<sup>5</sup> Commission Regulation (EC) No 983/2008 of 3 October 2008 adopting the plan allocating to the Member States resources to be charged to the 2009 budget year for the supply of food from intervention stocks for the benefit of the most deprived persons in the Community (OJ L 268, 9.10.2008, p. 3–7).

<sup>6</sup> The ruling annulled Article 2 of and Annex II to that Commission Regulation as they infringed Article 27 of Council Regulation (EC) No 1237/2007, on which they were based.

On 10 June 2011, the Commission adopted a Regulation on implementing the programme in 2012<sup>7</sup>. That Regulation provides for a cut of over €360 million from the 2012 programme - from €480 million to €113.5 million - to take account of the ruling. The 2012 scheme will thus be based exclusively on existing intervention stocks (just over 162 000 tonnes of cereals and less than 54 000 tonnes of skimmed milk powder), with Member States getting less than a quarter of what they received in earlier years. Furthermore, given the market prospects, it is unlikely that there will be any intervention stocks in the market year 2011-2012. Therefore, the programme could not be run in 2013.

For the new multiannual financial framework<sup>8</sup> the Commission has proposed a transfer of the funding of the food aid programme from Heading 2 Sustainable Growth: Natural resources to Heading 1 "Smart & Inclusive Growth", where the Commission considers it fits more appropriately with the poverty reduction target of the Europe 2020 strategy. A new legislative proposal for the period starting in 2014 will be submitted by the Commission in due course.

However, the Presidency firmly believes that at the current time of high unemployment and widespread exclusion in Europe, it is essential to show solidarity with those in greatest need and to secure the effective continuation of the programme in 2012 and 2013. The Presidency would therefore like to invite Ministers to hold a policy debate by addressing the following questions:

**1. Do you agree to guarantee the effective functioning of the programme, including purchases on the market, until the end of 2013, without prejudice to the future of the programme beyond that date?**

**2. If so, what elements of the Commission's amended proposal (13435/10) should be modified, e.g. the introduction of an expiry date (31.12.2013)?**

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<sup>7</sup> Commission Implementing Regulation (EU) No 562/2011 of 10 June 2011 adopting the plan allocating to the Member States resources to be charged to the 2012 budget year for the supply of food from intervention stocks for the benefit of the most deprived persons in the European Union and derogating from certain provisions of Regulation (EU) No 807/2010 (OJ L 152, 11.6.2011, p. 24).

<sup>8</sup> 12475/11 + ADD 1.