



Brussels, 19 April 2006

## **BACKGROUND <sup>1</sup>**

### ***AGRICULTURE AND FISHERIES COUNCIL***

**Luxembourg, 25 April 2006**

*The Council will start on Tuesday 25th of April at 10:00 with the items directly related to the avian influenza virus H5N1 and its economic consequences on the poultry sector with the expected **adoption** of a draft Regulation extending the scope of application of exceptional market measures in the poultry and eggs sector, to include the cases of market difficulties following loss of consumers' confidence directly linked with animal or public health problems, and with a monthly written update on the latest avian influenza cases in the European Union and elsewhere.*

*Later, the Council will deal with fisheries issues and will hold an exchange of views on two Communications, on improving the economic situation in the fishing industry and on the Action Plan for simplifying and improving the Common Fisheries Policy and a policy debate on the draft Regulation establishing a management plan for fisheries exploiting stocks of plaice and sole in the North Sea.*

*The meeting will be chaired by Mr Josef PRÖLL, Federal Minister for Agriculture, Forestry, the Environment and Water Management of Austria.*

*A press conference will be held at the end of the meeting (+/-14h15).*

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<sup>1</sup> This note has been drawn up under the sole responsibility of the Press Service.

## **AGRICULTURE**

### **MARKET SITUATION AND MEASURES FOR SUPPORTING THE POULTRY SECTOR (7933/06, 7934/06)**

The Council will adopt a Regulation amending Regulations (EEC) N°2771/75 (Common market organisation on eggs) and (EEC) N°2777/75 (Common market organisation for poultry meat) as regards the application of exceptional market support measures.

At its session on 20 March 2006, Commissioner Fischer Boel announced to the Council that her Institution would soon present a proposal amending these regulations. This proposal was adopted by the Commission on 29 March. On 10 April, the Special Committee on Agriculture held a discussion on the proposal.

Since October 2005, Italy, France and Greece supported by many delegations, have regularly drawn the attention of the Agriculture and Fisheries Council and of the Commission to the particularly critical situation on the market of poultry meat and the economic damages of the Avian influenza on the poultry sector. These delegations have stressed the urgent need to consider what market measures need to be put in place as rapidly as possible to cope with this situation.

Some of these delegations have expressed concerns regarding certain aspects of the proposal (co-financing rate of the measures, retroactivity of the provisions in particular)

The only market support measures provided for in the Regulations are export refunds. The Regulations do not currently include the possibility to provide EU financial support to farmers affected by a drastic drop in consumption. The proposal would extend the scope of Article 14 of both Regulations. This article allows for a 50 percent co-financing from the EU budget of veterinary measures (such as slaughtering of chickens) and a 50 percent co-financing of compensation for animal movement restrictions resulting from an outbreak of animal disease on a farm on the territory of the EU. The new text would allow “exceptional market measures” to be taken at the request of Member States, to take account of: “serious market disturbances directly attributed to a loss in consumer confidence due to public health, or animal health risks.” Once Member States submitted their proposed measures, the Commission would have to approve them through the Management Committee procedure.

When comparing the legislative text (7934/06) with the proposal (7933/06), one shall note that an additional paragraph has been inserted which explicitly mentions the co-financing rate (50%) to be provided by Community funding for the expenditure borne by Member States when applying the exceptional measures abovementioned.

Given that the legal basis for the adoption of the Regulation is Article 37 of the Treaty, a qualified majority is required, and the Opinion of the European Parliament - issued on 6th of April - is not legally binding.

## FISHERIES

### Improving the economic situation in the fishing industry (7217/06)

The Council *will hold an exchange of views* on a Communication from the Commission on improving the economic situation in the fishing industry.

Considerable increases in fuel costs over the past few years are eroding the profit margins of the fishing sector. This problem has been brought up as AOB before Council on several occasions and most recently by Belgium and France in June and September 2005 respectively. During the 2005 December Fisheries Council, Commissioner Borg announced a Commission Communication that would give guidance to Member States for defining national restructuring plans to secure the long-term viability of the sector.

The Commission adopted its Communication on 9 March 2006. It provides a broad review and interpretation of existing support measures that could benefit the fishing sector both in the short and the long term. The Commission proposes that Member States use the Community financial instruments for fisheries (Financial Instrument for Fisheries Guidance and the future European Fisheries Fund from 2007) throughout the adjustment process to accompany the necessary changes. The Commission will exceptionally accept requests already made by some Member States outside the period fixed for the submission of modifications to modify their 2005 FIFG programmes, with the aim to address the situation described in the Communication.

The Communication was presented to the Working Party on Internal Fisheries Policy on 16 March 2006. Several delegations expressed their disappointment with the modest measures proposed in the Communication and reiterated the need to change the *de minimis* rules which are still discussed internally in the Commission..

### Simplifying improving the Common Fisheries Policy (15613/05)

The Council *will hold an exchange of views* on the Communication from the Commission on the Action Plan for simplifying and improving the CFP. The discussion will also allow the Commission to inform the Council on progress to date on the simplification initiatives for the CFP established in the 2006-08 Action Plan.

Since the beginning of the year, the Commission has been consulting with various stakeholders<sup>2</sup> in order to progress on the simplification initiatives established in the said Plan. **Seven initiatives** for 2006-2008 suggest improving the CFP acquis within the areas of: a) conservation policy; and b) the monitoring of fishing activities<sup>3</sup> by establishing measures and programming for improvements.

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<sup>2</sup> Regional Advisory Committees (RACs), Management Committee for Fisheries and Aquaculture and Organizations of European Fisheries Industry.

<sup>3</sup> a) Conservation policy: Tacs/Quotas, fishing effort; Technical measures for juveniles; management of data.

b) Monitoring: legislative revision of amended basic Regulations; electronic recording; reporting obligations, fishing outside the Community waters.

## Plaice and Sole in the North Sea (5403/06)

The Council ***will hold a policy debate*** on the draft proposal establishing a management plan for fisheries exploiting stocks of plaice and sole in the North Sea, on the basis of the following questionnaire drawn up by the Presidency. These questions entail the concerns expressed by the interested delegations, namely the fishing mortality rates proposed, the proposed rate of reduction of the fishing mortality rates, the fishing effort, and the issue of landings.

(i) *Do you agree with the fishing mortality targets proposed?* In the proposal, the mortality rate as proposed by the Scientific Technical and Economic Committee for Fisheries (STECF) would be 0.2 for sole and 0.3 for plaice in the North Sea.

(ii) *Do you agree with the proposed progressive reduction in the fishing mortality rates? Do you agree with the proposed boundaries for inter annual TAC fluctuations?* the draft proposal foresees the setting of variable TAC +/-15% for plaice and sole depending on either the mortality reduction of the past year or a TAC which would reach the target of mortality rate(0.3 for plaice and 0.2 for sole).

(iii) *Do you believe that fleet segments others than the one deploying beam trawl gear of mesh size equal to or greater than 80 mm should also contribute to the adjustment of effort?* The system of fishing effort limitation based on the geographical areas and groupings of fishing gear, and the associated conditions for the use of the fishing opportunities are set out in Annex IVa to Council Regulation (EC) No 27/2005.

(iv) *Do you agree with the proposed margin of tolerance? Could there be other effective alternatives to the proposed measure on the weighing of landings?*

The proposal foresees that (a)all quantities of plaice and sole landed by any Community fishing vessel carrying on board any quantity of plaice exceeding 500 kg or of sole exceeding 300 kg are weighed; (b) the weighing of plaice and sole is carried out in the presence of controllers and before transportation from the point of landing and before first sale; (c) weighing is undertaken using scales that have been certified as accurate within a reasonable margin of tolerance by the competent authorities of the Member State.

The proposal is a practical application of Article 6 of the Framework Regulation adopted under the reform of the Common Fisheries Policy in December 2002 (Council Regulation N° 2371/2002) <sup>4</sup>.

The European Parliament has not yet delivered its opinion on this proposal and it is not expected to do so until mid-June.

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<sup>4</sup> OJ L 358, 31.12.2002, p. 59

## **OTHER BUSINESS**

### **Avian Influenza (H5N1)**

**The representative of the Commission will provide a written update to the Council on the latest developments concerning the identified cases of avian influenza H5N1 strain in the world and in the European Union.**

**At present the virus H5N1** had been found in wild birds in 13 Member States (Greece, Slovenia, Italy, Austria, Hungary, Slovakia, Germany, France, Sweden, Denmark, Poland, Czech Republic and the United Kingdom), and in commercial flocks in three Member States (France, Sweden and Germany) .

### **WTO Negotiations**

Commissioner Fischer-Boel will update the Council on the latest state of play of the negotiations at the WTO. The deadline set in Hong-Kong last December to reach an agreement by the 30th of April on the modalities setting custom duties on Non-Agricultural Market Access (NAMA) as well as on Agricultural Market Access (AMA) remains a target. This week will be crucial to this regard, since meetings are scheduled both in Agriculture and in NAMA under the heading "Agriculture week" and "NAMA week"<sup>5</sup>.

Since last March, a new US Trade Representative (USTR) Mrs Susan Schwab, previously deputy of the former USTR Rob Portman, has been appointed by President Bush on 18 April. This appointment must still be confirmed by the US Congress.

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<sup>5</sup> [http://www.wto.org/english/news\\_e/meets.pdf](http://www.wto.org/english/news_e/meets.pdf)