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European Union

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NOTE

From: General Secretariat of the Council
To: Delegations
Subject: Market situation and support measures

Delegations will find in Annex the conclusions drawn by the President of the Council at the end of the debate on the above subject, at the meeting of the Council (Agriculture and Fisheries) on 14 March 2016.

Council (Agriculture and Fisheries) 14 March 2016

Market situation and support measures

Presidency Conclusions

Recognising the depth and duration of the global crisis in agricultural markets and its impact in Europe, particularly in the dairy, pig meat and fruit and vegetables sectors, we agree on the need for a further response from the Union to include a comprehensive set of specific measures. We took note in this respect of the many suggestions recorded in doc. 6877/16.

We reaffirm the market orientation of the Common Agricultural Policy with the objective of providing the most effective support for a more competitive and sustainable agricultural sector in the EU. We also reaffirm that actions should be based on solidarity and should respect the principles of the internal market. We call upon all relevant market operators in the dairy and pigmeat sectors to take their business decisions in the light of these considerations and to act responsibly and contribute to restoring balance between supply and demand.

Specifically, we urge the European Commission to

- activate all appropriate measures available, including the exceptional measures available under Regulation (EU) No 1308/2013 of the European Parliament and of the Council ("the CMO Regulation"), to alleviate the current market situation;
- enable production of milk to be regulated on a voluntary basis for a limited period, subject to demands from the sector under article 222 and 219 of the CMO Regulation, for recognised Producer Organisations, their associations, Interbranch Organisations¹ and cooperatives;
- keep the situation of the pig meat sector under close review and consider the provision of further support for the pig meat sector in the form of a new scheme for Private Storage Aid (PSA), to be introduced in 2016 at the time most beneficial for the sector;

¹ which, under Article 157 of the CMO regulation, may include private companies.

- propose a temporary doubling of the quantitative ceilings set out in Article 3 of Council Regulation (EU) No 1370/2013 for SMP and butter, above which a tendering system is applied;
- extend the current monitoring system for the dairy sector (Milk Market Observatory) to the beef and pig meat sectors;
- convene, in a High Level format, Member States' representatives to meet with the Agricultural Markets Task Force to consider structural issues in the dairy sector and put forward appropriate recommendations;
- use the additional amount destined for market disturbances under promotion rules to increase the dedicated promotion funding for dairy and pig meat;
- continue the diplomatic initiative to identify new third country markets for EU agricultural exports;
- prioritise engagement with the EIB, with a view to developing appropriate financial instruments to assist farmers and processors to invest in their enterprises to improve the competitiveness of those enterprises or make any necessary structural adjustments;
- work with the EIB and the Member States to examine the feasibility of an EU export credit tool, that is complementary to Member States' schemes;
- intensify efforts to regularise trade between the EU and Russia, in close cooperation with the Presidency of the Council, particularly to facilitate a resumption of trade in those products covered by the SPS ban;
- consider prolonging by one year from 30 June 2016 the exceptional measures for fruit and vegetables arising from the import ban by Russia;
- consider how to improve the functioning of the withdrawal system for fruit and vegetables if appropriate, in line with the principles formulated above;
- use the review of the Milk Package to assess proposals for strengthening the position of producers in the food chain;
- ensure that the interests of European producers are adequately protected in forthcoming FTA negotiations, including TTIP and Mercosur, particularly for sensitive EU sectors;

In addition we call on the Commission to

- consider the possibility for Member States to grant temporary support of up to € 15 000 per farmer per year in line with para. 30 of the Guidelines on State Aid, including the possibility for the Member States to give temporary liquidity support;
- review the *de minimis* ceiling, with a view to raising it from €15,000 to € 30 000;
- consider greater flexibility in the conditions applying to existing schemes for PSA with a view to increasing their attractiveness to operators;
- consider the possibility of allowing MS to make advances of CAP payments, as was done in 2015;
- following the completion of the work of the Agricultural Markets Task Force, to consider proposals for appropriate tools to deal with risk management, futures markets, fixed-price contracts etc.;
- work together with Member States on how Rural Development Programmes can be adjusted to make them more responsive to the current crisis.

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We all endeavour to ensure expeditious implementation of the above measures noting that they will have to be financed within the current budget. In order to facilitate an effective and rapid implementation of the above measures and initiatives we will task the SCA with their follow-up. The SCA will also keep under review and discuss the market situation, to which the Council will return for an update at its coming sessions.

We intend to keep developments in the market situation under close review, will return to this item at the June Council, or earlier if the market situation urges us to do so, and in that perspective, call:

- on the Commission to consider the availability of additional resources, including the possible activation of the crisis reserve as a last resort, to support market measures (including the above market measures) at the appropriate time.
- on the EIB to come forward with concrete initiatives, including as regards an EU export tool.