



COUNCIL OF THE EUROPEAN COMMUNITIES  
GENERAL SECRETARIAT



**PRESS RELEASE**

**6704/93 (Presse 82)**

**1662nd Council meeting**

**AGRICULTURE**

**Brussels, 24, 25, 26 and 27 May 1993**

**President: Mr Bjørn WESTH,**

**Minister for Agriculture and Fisheries of the  
Kingdom of Denmark**

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

Belgium:

Mr André BOURGEOIS Minister for Agriculture

Denmark:

Mr Bjørn WESTH Minister for Agriculture and Fisheries  
Mr Nils BERNSTEIN State Secretary for Agriculture

Germany:

Mr Jochen BORCHERT Federal Minister for Food, Agriculture and Forestry  
Mr Franz-Josef FEITER State Secretary, Federal Ministry of Food, Agriculture and Forestry

Greece:

Mr Christos KOSKINAS Minister for Agriculture

Spain:

Mr Pedro SOLBES MIRA Minister for Agriculture

France:

Mr Jean PUECH Minister for Agriculture and Fisheries

Ireland:

Mr Joe WALSH Minister for Agriculture, Food and Forestry

Italy:

Mr Alfredo DIANA Minister for Agriculture

Luxembourg:

Ms Marie-Josée JACOBS Minister for Agriculture, Viticulture and Rural Development

Netherlands:

Mr Piet BUKMAN Minister for Agriculture, Nature Conservation and Fisheries

Portugal:

Mr Arlindo CUNHA Minister for Agriculture

United Kingdom:

Mr John GUMMER Minister for Agriculture, Fisheries and Food

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Commission:

Mr René STEICHEN Member

**PRICES FOR AGRICULTURAL PRODUCTS AND RELATED MEASURES (1993-1994)**

After long and difficult negotiations, the Council reached political agreement on the prices package for the 1993-1994 marketing year. This agreement was based on an overall compromise from the Presidency, which the Commission endorsed, and includes various aspects to make the reform acceptable to farmers, without affecting its foundations.

The Council thus approved the following Commission proposals:

- Prices for agricultural products and related measures (1993-1994);
- Fixing the non-rotational set-aside rate;
- Amendment of Regulation (EEC) No 1785/81 on the common organization of the market in the sugar sector;
- Milk quotas and prices for milk products, including the proposals for quotas to be granted to Italy, Spain and Greece

subject to the amendments below (pages 4 to 18).

The regulations will be finalized rapidly so that they can be adopted formally by the Council at a forthcoming meeting.

The Council also adopted the Regulations:

- fixing the target price for dried fodder for the marketing years 1993-1994 and 1994-1995;
- fixing the basic prices and buying-in prices for fruit and vegetables for the marketing year 1993-1994.

**COMPROMISE****1. CEREALS**

Monthly increments for cereals to be fixed at 1,425 Ecu/t.

The Commission states that the same derogations as those available in 1992/1993 as regards moisture content and minimum quality of durum wheat will be maintained for the 1993/1994 marketing year. The 1% abatement in the intervention price for barley with a specific weight under 64% will not apply for the 1993/1994 marketing year.

The Commission states that it will adopt provisions under Article 13 of Regulation (EEC) No 1766/92 to ensure the continuation of the whisky refund system from 1 July 1993, under which payments to compensate for the difference between world and Community cereals prices are paid at the production stage. This statement is made without prejudice to the need to make technical changes to respond to comments by the Court of Auditors and without prejudice to the Commission's right, subject to protocol 19 of the 1972 Treaty of Accession, to review the system if the Council were to decide, on the basis of a Commission proposal, to change its existing policy on alcoholic drinks generally.

**Durum wheat**

The Council reiterates the importance it attaches to improving the transparency of the market for durum wheat in order to ensure the continued viability of the processing industry outside the traditional production zones. It notes that the Commission will be taking appropriate measures to this end. It also notes that the Commission will study the price hierarchy of cereals in Portugal and will, if appropriate, bring forward proposals.

## 2. RICE

In the light of a re-examination of transport costs, the target price is increased by 8,27 Ecu/t by comparison with the Commission's proposal.

The proposed amendment to Annex A of Regulation (EEC) No 1418/76 (definition of broken rice) is not adopted but will be the object of further study before a decision is taken.

The Commission undertakes to examine the effect upon the rice regime of the introduction of the new support system for other arable crops and will make proposals as appropriate. These proposals may, in particular, include an area ceiling.

## 3. POTATO STARCH

The premium for producers of potato starch will continue for three years at the present level provided that production of potato starch does not exceed the average of the last three marketing years (1,5 million tonnes including production in the new Länder).

## 4. SUGAR

The following amendments and clarifications are made to the Commission proposal contained in 4632/93:

The second and third recitals are redrafted as follows:

"Whereas the year 1993/1994 will be the first year of transition towards the full application of the major reform decided by the Council in 1992 for the majority of the major arable crops;

Whereas sugar, although it too is a major arable product, is not included in the reform;

Whereas, in order to allow national authorities and producers to concentrate on the application of the new regime for arable products without being confronted at the same time by the choices to be made for the long term future of the sugar regime;

Whereas the sugar regime as it exists at present is such as to preclude the risk of a sudden change in the area planted and that it is, therefore, possible for it to coexist, at least for a time, with the new regime for other arable products;

Whereas it is, therefore, desirable to provide for the prolongation of the existing price and products regime for 1993/1994 marketing year;"

The current derogation authorizing sugar beet harvested in Portugal to be processed in Spain will apply also to the 1993/1994 season.

The current authorization given to the Federal Republic of Germany to grant aid for the restructuring of the sugar industry in the new Länder is extended to cover 1993/1994 and the limit on the total amount of aid for the four marketing years 1990/1991 to 1993/1994 is set at DM 460 million.

The Commission will, by 1 October 1993, present its proposal for the sugar regime for the period commencing 1 July 1994.

Concerning inulin fructose syrup, the Council wishes the quotas granted on the basis of the criteria referred to in the Commission proposal to be as restrictive as possible, subject to the general provisions of Community law and the jurisprudence of the Court. In particular, it stresses that the production and the capacity to be taken into account should relate to specific installations designed and exclusively used for performing the complete production process from reception of the basic agricultural product to

manufacture of the finished inulin fructose syrup.

#### 5. LINSEED

In proposed Article 17a, the figure of ECU 87 is replaced by ECU 85. Should the area planted for 1993/1994 exceed 266 000 hectares, this figure will be reduced in proportion to that excess. The granting of this aid will not be subject to the condition of the producer participating in the set-aside scheme.

The Commission undertakes to exercise its transitional powers so as to ensure that land planted to linseed for 1993/1994 will be eligible for aid in this year whether or not it conforms to the provisions of Article 9 of Regulation No 1765/92 and that an increase in base areas will be made on account of the inclusion of this crop in the arable products scheme in exactly the same way as base areas were originally calculated.

The Council will determine the rate of the compensatory payment for the 1994/1995 marketing year and subsequent years when it sets other prices for 1994/1995.

To allow for the possibility of adjustments in future years the Commission's proposal is amended so as to add linseed to the products referred to in Article 15(2) of Regulation No 1765/92.

#### 6. FIBRE FLAX

The Council notes the intention of the Commission to propose an amendment to Article 3(2), first indent, of Regulation (EEC) No 619/71 so as to maintain the existing situation under which 25% of the aid is paid to the grower and 75% to the processor. It also notes that the Commission intends to treat the Federal Republic of Germany as a production zone for the purposes of Article 4(2) of Regulation No 1308/70.

7. OLIVE OIL

The Council notes the intention of the Commission to reduce the payment delays for sales into intervention to the same period as applicable to cereals.

The Council invites the Commission to consider the possibility of introducing intervention B in the olive oil regime to enable action to be taken should there be serious market disturbance before normal intervention opens.

The Council decided unanimously to fix the amount of production aid for olive oil in Portugal at the same level as for Spain, i.e. ECU 66,65/100 kg.

8. WINE

The Council takes note of the Commission's intention to propose for the 1993/1994 marketing year a partial release of the quantity under contract before the end of the nine month storage period. Some wine stored under this regime may be delivered for distillation provided that this takes place before 1 July.

The derogations currently accorded to Spain under Articles 90 and 127 of the Act of Accession in respect of the mixing of red and white wine and of acidity are extended for a further season.

9. FRUIT AND VEGETABLES

The Council notes that the Commission is undertaking a review of the market organization for fruit and vegetables and will report on its conclusions. In this context it requests the Commission to study whether there could be an adjustment of the seasonality of the Community import regime and internal support in this sector, without prejudice to its position in the GATT.



The Council notes the intention of the Commission to propose, for application from the 1993/1994 marketing year and following the market study which it undertook to make last year, a system of aid for processing satsumas, mandarins and clementines into segments and juices.

#### 10. COTTON

The change in the cotton butoir will be delayed until 1994/1995. In the context of the price fixing proposal for that year, the Commission will report on the latest market situation.

#### 11. TOBACCO

The Commission undertakes to re-examine, on the basis of the most up-to-date statistics, the guarantee threshold quantities for tobacco as fixed for the 1994 harvest by Regulation (EEC) No 2076/92. If necessary it will propose to the Council during the second half of 1993 the amendments to be made to the 1994 guarantee thresholds for the different variety groups within the total tobacco quantity allocated to each Member State.

As far as Greece is concerned it will examine in particular the possibility of increasing, whilst respecting budgetary neutrality, the threshold quantity fixed for flue-cured varieties by means of a transfer of quantities allocated to other variety groups.

#### 12. APPLICATION OF ARTICLE 9 OF REGULATION (EEC) No 1765/92

In the light of the developments in the new Länder arising from the application of the CAP, the Commission will investigate the possibility of enabling some interchange to take place between land which was previously used for arable purposes and land which was not.

It will, at the same time, examine the possibility of similar flexibility with regard to changes in land utilization in Portugal arising for similar reasons, and more generally

in the context of land restructuring schemes.

### **13. MANIFEST ERRORS IN APPLICATIONS FOR CAP REFORM AIDS**

The Commission recognizes that producers may have made errors in the applications in the first year of reform. Although the applications made by the 15 May deadline should be final, producers who discover manifest errors in the applications after having submitted them and report these to their authorities should not be penalized on this account. Detailed guidance for the application of these principles will be drawn up by the Commission and distributed to the EAGGF Committee.

### **14. MILK**

Further to the decision taken by the Council in May 1992, the intervention price for butter will be reduced as follows:

- 3% on 1 July 1993
- 2% on 1 July 1994

The indicative price for milk and the threshold prices for milk products are adjusted accordingly.

Without prejudice to subsidiarity, the Council requests the Commission to present a proposal amending Regulation (EEC) No 804/68 to include a legal basis authorizing Member States to apply a particular levy to their own production in order to provide the funds needed, for example, to continue the kind of promotion schemes which are currently financed by the co-responsibility levy.

The Council takes note of the Commission's intention to amend milk quota

Regulation (EEC) No 3950/92 as follows:

- For Portugal, the global quantity for direct sales is reduced by 51 000 t and the global quantity for deliveries is increased by the same amount.
  
- For the Federal Republic of Germany, the global quantity for direct sales in the new Länder is reduced by 50 000 t and the global quantity for deliveries is increased by the same amount.

As far as SLOM III is concerned, the Council undertakes to take a final decision on the basis of the proposal of the Commission as set out in the annex to 6743/93 and as amended in the light of the most recent judgment of the Court of Justice (C 81/91 of 19 May 1993), once the Opinion of the European Parliament is available.

In order to help Member States to fulfil their obligations resulting from this regulation, and to take account of other problems raised during the discussions in the Council - including the concerns raised in some Member States by the termination, with effect from 1 April 1992, of the compensation for suspended quantities - the global guaranteed quantities for deliveries set out in the Commission proposal (6127/93) are increased by 0,6% <sup>(1)</sup> with the exception of the global guaranteed quantities of Spain, Greece and Italy which, for the 1993/1994 marketing year, are increased in conformity with the Commission proposal (6127/93).

The Council notes that the Commission will closely monitor the implementation of the milk quota scheme in Greece, Spain and Italy in order to verify compliance with the detailed undertakings on which the agreement on quotas for these three countries was based. The Commission will submit a report to the Council in March 1994 accompanied by proposals on whether the increased quotas should be continued in 1994/1995 and subsequent years.

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<sup>(1)</sup> This additional quantity will be put into the national reserve.

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A Community contribution of ECU 40 million from the Guarantee Fund will be made available to Member States to finance quota restructuring measures contained in Article 8 of Regulation (EEC) No 3950/92. The total financial allocation per Member State is set out in the attached table.

Inward processing

Inward processing shall be permitted for the 1993/1994 marketing year in the milk sector. The Council agrees that, should this lead to market disturbance, it will agree to a proposal from the Commission to reintroduce the ban on inward processing in 1994/1995.

**FINANCIAL ALLOCATION PER MEMBER STATE****AMOUNTS IN ECUS**

B	1 106 613
DK	1 678 207
D	10 460 461
EL	235 842
E	1 959 115
F	8 854 814
IRL	1 970 627
I	3 470 719
L	101 007
NL	4 133 772
P	679 994
UK	5 348 829

**15. BEEF AND SHEEPMEAT**

The Council requests the Commission to consider:

- (a) means by which, in the interests of simplification, the ewe premium headage limits could be subsumed into the system of individual limits decided in the context of the reform, and
- (b) a facility for Member States to apply appropriate environmental conditions to the payment of ewe premiums and male bovine premiums in line with the system already decided for suckler cow premiums

and to make appropriate proposals.

- (c) the possibility of financing, on the same basis as that set out in Article 4d(7), last subparagraph, of Regulation (EEC) No 805/68, the national complementary share of the suckler cow premium in the case of Member States having a large, highly specialized breeding herd whose products, because of their high classification, are not eligible for intervention support.

The Council asks the Commission to examine the market prospects for beef and the intervention system. The Commission will, by 30 November 1993, submit a report, if necessary accompanied by appropriate proposals.

The Council requests the Commission to submit, by 30 November 1993, a report on the market situation for sheepmeat accompanied, if appropriate, by proposals.

**Applications for the beef special premium: slaughter model**

The Council notes the intention of the Commission to amend the application model so as

to extend the 30-day application period to 6 months.

Suckler cows

The Commission will propose that the suckler cow premium agreed in December 1992 for Luxembourg be adjusted so as to give a total amount of 3 000.

16. PIGMEAT

The basic price for pigmeat remains at the level fixed for 1992/1993.

17. DROUGHT IN SPAIN AND PORTUGAL

In the light of the drought in Portugal, the Council requests the Commission to make proposals to utilize funds provided for Portugal under Regulation (EEC) No 3311/92 but not yet utilized.

The Commission will continue its examination, in consultation with the Spanish authorities, of the effects of the persistent drought on its regionalization plan, in particular as regards the irrigated areas, with a view to making adjustments which will bring it closer to what is feasible in terms of the actual availability of water supplies.

18. PORTUGAL: TECHNICAL ADAPTATIONS

P.M. Following the adoption by the Council of Regulations integrating Portuguese agriculture into the single market, there will be an adaptation of the Regulations concerning Portugal (5832/1/93, page 8).

**19. PROPOSED COUNCIL REGULATION ON THE EAGGF (INTEREST RATES)**

Without prejudice to the Opinion of the European Parliament and taking account of the amendments on page 3 of 6752/93, the Commission proposal is approved.

**20. AGRIMONETARY MATTERS**

The Council note that the Commission will propose application rules for Article 9 of Regulation (EEC) No 3813/92 as soon as possible and undertakes to decide on that proposal before 31 July 1993.

It also recognizes that certain markets, in particular that for sheepmeat, may have been disturbed by recent exceptional exchange developments and would be prepared to consider requests for authorization for national aid to help to deal with such exceptional problems, under Articles 92 and 993 of the Treaty.

**21. SET-ASIDE**

In nitrate-sensitive areas established under Directive 91/676/EEC and where there are compulsory schemes which have been notified to the Commission requiring a significant reduction in the use of fertilizers, the Commission considers that, in approved cases, the rate applicable to non-rotation may exceed the general rate by only 3 percentage points. It will make a proposal to the Council to this effect by 31 July 1993 with a view to a decision being taken by 31 October 1993. The effect of this concession will be the subject of a report on its effect on production accompanied, if necessary by appropriate proposals, after two years of experience.

In view of the conflicting evidence on the effect of rotation on yields a large experiment will be made in the following manner. Countries where, in view of the very high proportion of the base area put into set-aside, a very large sample will be available,



will be permitted to allow non-rotational set-aside with an additional rate of 3 percentage points. The Commission will arrange a two year statistical survey in such countries with a view to establishing the effects of rotation on yields in order to determine whether this percentage gives a sufficient guarantee that rotation and non-rotation are equally effective in terms of the control of production. If that study reveals that 3 percentage points are not adequate for this purpose, the necessary upward adjustment up to the level applicable in the rest of the Community will be made by the Commission acting through the management committee procedure. The countries eligible to participate in this experiment are ones where the percentage of the base area as fixed in Regulation No 845/93 estimated to be entered into set-aside in the first year of the scheme exceeded 13% as shown in the 1994 preliminary draft budget.

The Council takes note of the Commission reflection paper on other set-aside issues and invites the Commission to make appropriate proposals on this basis before 31 July 1993 so as to allow decisions to be taken before 31 October 1993.

The Council invites the Commission to consider making a proposal to amend the criteria for regionalization plans so as to allow greater flexibility to Member States, whilst fully respecting past average yields. It is understood that whilst this proposal is under consideration, existing transitional arrangements will continue.

The Council requests the Commission to propose an increase in the reference rates of compensation for set-side by 12 Ecu/t applicable with respect to set-aside which relates to the 1994/1995 marketing years onwards and undertakes to take a decision on the basis of this proposal before the 1994/1995 set-aside season begins (15 December 1993).

The Council notes that the Commission will propose that the growing of sugar beet for industrial purposes on set-aside land, without any compensatory payment, be allowed.

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**OTHER ITEMS ON THE AGENDA****URUGUAY ROUND - AGRICULTURAL ASPECTS**

The Council took note of the outcome of the Commission's talks on 15 May 1993 with the United States Secretary of State for Agriculture, Mr Espy, and held a short exchange of views on the progress of negotiations in the Uruguay Round. Various delegations stated their positions, in particular the French delegation, which commented on the memorandum submitted by the French Government.

The Council will examine this dossier further at its next meeting.

**POTATOES**

The Council again examined the Commission proposal to introduce a common market organization for potatoes.

The differing views of delegations which were apparent at the last Council meeting as regards the principle of introducing such an organization and its scope remained. Some delegations wanted a more wide-ranging organization, including more binding market management instruments; some could accept the Commission approach (a "light-weight" organization); others considered a market organization unnecessary.

The Council instructed the Special Committee on Agriculture to continue its discussions.

### **STANDARD QUALITIES FOR CEREALS**

Pending the Opinion of the European Parliament, the Council continued its discussions on the Commission proposal to fix standard qualities in accordance with the provisions of the new common market organization decided on by the Council as part of the reform. In general, the present rules will be maintained.

Since some technical questions still required clarification, the Council instructed the Special Committee on Agriculture to continue its discussions so that the Regulation could be adopted once the European Parliament's Opinion was received.

### **IMPORTS OF CONIFER WOOD**

On the basis of a compromise, the Council adopted Decisions extending for 4 months (from 1 June 1993 to 30 September 1993) the derogations allowing entry into the Community for certain conifer wood from the United States which has been subject to phytosanitary inspection instead of the heat treatment normally used to combat the pine-wood nematode and its vectors.

### **SITUATION OF THE APPLE MARKET**

During the meeting, the Council received a Commission proposal concerning the situation of the apple market and decided to adopt it by the written procedure.

**OTHER DECISION ON AGRICULTURE**

The Council adopted a Decision authorizing the Commission to participate, on behalf of the Community, in the second Ministerial Conference on the Protection of Forests in Europe (Helsinki, 16 and 17 June 1993). This Decision is part of the follow-up to the Rio Conference on the Environment and Development (June 1992).

**MISCELLANEOUS DECISIONS****FISHERIES**

The Council adopted, with the French delegation abstaining, a Regulation opening and providing for the administration of autonomous Community tariff quotas for certain fishery products (1993).

The Regulation provides for suspension of the customs duties applicable to imports of the following products. The periods, rates and Community tariff quotas are set out below.

Description	Quota period	Amount of quota (in tonnes)	Quota duty (%)
Cod and fish of the genus <i>Boreogadus saida</i> , excluding livers, roes, presented fresh, chilled or frozen, for processing	from 1.7.1993 to 31.12.1993	27 500	3,7
Coalfish, excluding livers, roes, presented fresh, chilled or frozen, for processing	from 1.7.1993 to 31.12.1993	17 500	3,7
Cod and fish of the species <i>Boreogadus saida</i> , salted or in brine, but not dried or smoked	from the date of entry into force of the Regulation <sup>(1)</sup> until 31.12.1993	60 000	4,0
Cod and fish of the species <i>Boreogadus saida</i> , dried, unsalted, not smoked	from the date of entry into force of the Regulation (1) until 31.12.1993	500	7,0
Fish fillets, salted or in brine, of cod and of fish of the species <i>Boreogadus saida</i>	from the date of entry into force of the Regulation (1) until 31.12.1993	3 000	8,0
Fillets of coalfish salted, for processing	from the date of entry into force of the Regulation (1) until 31.12.1993	2 000	10,0
Lesser or Greenland halibut, fresh, chilled or frozen, for processing	from 1.7.1993 to 31.12.1993	3 900	4,0

<sup>(1)</sup> Three days after publication in the Official Journal.

The Commission pointed out in a statement that the figures adopted meet only the processing industry's supply needs and that, as a result, the opening of these quotas is subject to compliance with an end-use clause and with the reference prices.

The Commission also stated that it will keep a close watch on market developments and will intervene without delay should it note a deterioration in the situation requiring it to react.

### ECSC

The Council gave its assent, pursuant to Article 55 of the ECSC Treaty, to the draft Commission Decisions on:

- granting financial aid of ECU 58 million for 57 steel research projects and 16 steel pilot/demonstration projects in 1993;
- granting financial aid of ECU 44,9 million for 127 coal research projects in 1993.

Brussels, 25 May 1993

433

NOTE BIO (93) 143 AUX BUREAUX NATIONAUX  
CC.: AUX MEMBRES DU SERVICE DU PORTE PAROLE

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COUNCIL OF AGRICULTURAL MINISTERS, 24 May 1993  
(G. Kiely)

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The Presidency informed Ministers of his wish that a decision be taken on the price package and some other points during this Council and indicated that a compromise paper may be put forward on Tuesday in the light of a discussion over dinner on Monday night.

**Set aside:**

Mr Steichen outlined the contents of the Commission's proposal for non-rotational set-aside and the reflection document dealing with other aspects of flexibility on set-aside. He emphasised the overriding objective of set-aside is to control production and everything else is secondary. If the efficacy of set-aside can be maintained, then the Commission would be flexible regarding its implementation. A decision on the % to be set-aside under non-rotational set aside he said is urgent, - the other aspects of flexibility demand debate and consultation. The figure of 20% for non-rotational set-aside he pointed out is based on the Dutch Institutes conclusions who coordinated the studies in different Member States. Ministers in general welcomed both documents and all emphasised the need to preserve the efficacy of set-aside. Views were mixed on the 20% set-aside rate proposed - some believed that it was too high while others felt it should be a minimum. Views on other aspects of flexibility were mixed - in general Ministers could support many of the seven points dealt with in the reflections documents but some are concerned that it may lead to a greater administrative burden.

Responding, Mr Steichen emphasised that the 20% figure is not negotiable, it is a minimum figure. He reminded Ministers that when non-rotational set-aside was discussed during the reform discussions figures of 25-30% were being considered. It is crucial he said that ministers do not reduce the efficacy of set-aside, otherwise more draconian measures will have to be taken in a year or two.

**Potatoes:**

The discussion on this dossier did not advance the proposal towards a decision. The position in the Council remains that while some Member States want a regime with many market support instruments, others do not want any regime. The Commission has proposed a very light regime, i.e. producer groups and common marketing standards.

The subject has been sent back to the CSA for further discussion.

**Apples:**

Mr Steichen pointed out that the market for apples remain very depressed, largely due to an abundant harvest in 1992 (10.5m tonne compared to 5.5 m tonnes in 1991). For this reason he has proposed to extend the period for withdrawal of apples from the market by one month i.e. until the end of June, as an exceptional measure in response to requests from certain Member States, especially France. While most countries supported the proposal, some Member States queried the budgetary impact. Due to procedural reasons, unanimity was needed and therefore could not be adopted. The point may be looked at again during the meeting.

**GATT:**

Mr Steichen informed the Council of his discussion with the US Secretary of Agriculture Mr Espy, and pointed out that the US administration has no intention of reopening the Blair House agreement. He did point out however, that divergences still exist on technical aspects of market access. He also informed Council of the US concern about the delay on the Community's part regarding the implementation of the oilseed and corn gluten agreements.

**A.O.B:**

**Animal Welfare:**

Denmark requested the Commission to come forward with proposals as soon as possible on animal welfare during transport, standards for battery cages and welfare conditions for poultry at slaughter. Supported by UK, Germany, Mr Steichen pointed out that the question is very complex, given that one must take account of subsidiarity. He indicated that the Council should have a proposal on animal welfare in the next few weeks.

**Integrated Control System (UK):**

In response to the Minister on how the Commission will control the application of the system, Mr Steichen said that all Member States will be visited in June and July to assess the system at farm level. He emphasised that the Commission's objective is to see that CAP Reform works and a certain amount of flexibility will be necessary to ensure this. All queries from Member States have already been responded to and the replies circulated to all Member States. There will also be a meeting of the FEOGA Committee in June to discuss the problems encountered.

**Export refunds on cereals used in making whiskey:**

As the regulation covering export refunds on cereals used in spirituous beverages expires at the end of June, the UK and Ireland asked the Commissioner about what the future approach would be. Mr Steichen said that there was no question of abolishing this particular refund system, but that the Commission would have to take account of the serious budgetary situation when it was devising the new legislation.

Both Ministers pointed out that this arrangement formed part of the accession arrangements and hence must continue.



**Export refunds on beef to West Africa: (NL)**

The Dutch Minister raised the question of export refunds on beef to West Africa and the damage these exports do to local production.

Responding Mr Steichen said that the Commission delegations had been asked to look into the matter in terms of local production and demand. As soon as the situation has been assessed, then the Commission will decide what action is necessary, but emphasised that the Commission has no wish to undermine the potential for production in these countries.

**Asparagus market:**

The Spanish Minister complained about the level of imports of asparagus into the Community and its impact on the market.

Responding Mr Steichen said that imported asparagus is subject to import certificates and that much of the market problems are due to an increase in Community production.

**Difficulties for Spanish exporters to export to France (Sp):**

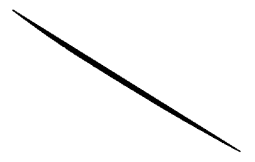
The Spanish Minister complained about action being taken by farmers against Spanish exports, especially strawberries and the fact that France has demanded the T.2 transit document.

The French Minister deplored this action by individuals and has asked the police to ensure the free circulation of goods.

Mr Steichen said that the respective Governments must ensure free circulation. On the T.2 document Mr Steichen said that the document is still valid, although it does not have to be shown at customs.

Regards,

B. DETHOMAS



ussels, 26 May 1993

NOTE BIO (93) 143 (suite 1) AUX BUREAUX NATIONAUX  
CC.: AUX MEMBRES DU SERVICE DU PORTE PAROLE

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COUNCIL OF AGRICULTURAL MINISTERS, 26 MAY 1993  
(G. Kiely)

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The Council resumed its discussions at 15.00h with the distribution of a new Presidency compromise.

**Main points:**

1. Non-rotational set-aside would be fixed at 20% except in clearly defined nitrate sensitive zones where the level could be set at 18%
2. Compensation for set-aside would be increased by 12 ECU/tonne, based on regional average yields per hectare.
3. Butter intervention prices would be reduced by 3% in 1993 and 2% in 1994.
4. Commission to make further proposals on set-aside based on the reflection paper before 31 July 1993.
5. Potato starch refunds will continue at present levels for 3 years
6. Rate of aid for linseed for 1994/95 to be set at 78 ECU/tonne
7. The higher cut-off for the cotton stabiliser impact will not take place until 1994/95
8. The guarantee threshold for tobacco for the 1994 harvest will be re-examined.
9. Errors in area aid application forms can be corrected after May 15 without penalty
10. Milk quotas for 9 countries would be increased by 0.6% to take account of SLOM III.
11. Basic price for pig meat remains unchanged at 1992/93 levels.

Commenting on the compromise Mr Steichen said that it went to the limit of what could be accepted from a budgetary point of view and that there was no more room for manoeuvre. The Council is expected to resume its discussions and continue until an agreement is reached.

Regards,

B. DETHOMAS

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