

PRESS RELEASE

433

8696/93 (Presse 147)

1683rd Council meeting

**AGRICULTURE**

Brussels, 21 September 1993

President: Mr André BOURGEOIS,

Minister for Agriculture of the  
Kingdom of Belgium

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, Ministry of 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 Evangelos BASSIAKOS   State Secretary, Ministry of Agriculture

Spain:

Mr Vicente ALBERO SILLA   Minister for Agriculture, Fisheries and Food

France:

Mr Jean PUECH             Minister for Agriculture and Fisheries

Ireland:

Mr Michael DOWLING      Secretary General, Ministry of Agriculture, Food and Forestry

Italy:

Mr Alfredo DIANA          Minister for the co-ordination of agricultural, food and forestry policies

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:

Mrs Gillian SHEPHARD     Minister for Agriculture, Fisheries and Food  
Mr Ian LANG                Secretary of State for Scotland

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Commission

Mr René STEICHEN        Member

**AGRI-MONETARY SECTOR**

The Council adopted the following conclusions:

"The Council discussed in depth the agri-monetary situation following the decision taken on 2 August 1993 by the Ministers for Finance and the governors of the central banks to widen the fluctuation ranges in the EMS.

It took note of all the observations made by the Member States.

In the light of that discussion it invited the Commission to submit, before the next Council meeting on agriculture, a proposal for the agri-monetary system to be applied following the decision of 2 August.

In that context it stressed the need to take account of all relevant factors, including budgetary ones.

Meanwhile the Council noted the Commission's intention of taking appropriate steps to suspend any change in agricultural conversion rates, while ensuring that any deflection of trade was avoided."

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The Council saw no need at this stage to examine the Commission proposal laying down the arrangements for implementing the agri-monetary compensatory aid decided on by the Council in December 1992.

**SUPPLY OF MILK TO SCHOOLCHILDREN**

The Council discussed the Commission proposal concerned which, following discontinuation of the "normal" co-responsibility levy on milk, is designed to reduce the amount of Community aid given for the school milk scheme. The proposal seeks to cut this aid, which up to now has been largely financed from that levy, from 125% to 62,5% of the guide price for milk.

At the close of its debate the Council, acting by a qualified majority (the German and Portuguese delegations wanted to keep the aid at its current level and voted against), agreed to a compromise text alleviating the adverse impact of the original proposal by setting the level of aid at 95% of the guide price for milk. The Community aid is not to be reduced before the end of 1993.

The Commission will make the necessary technical adjustments under the powers vested in it.

The Regulation will be formally adopted shortly, once the relevant texts have been finalized.

**DEVELOPMENT AND FUTURE OF WINE-SECTOR POLICY**

The Council held a wide-ranging exchange of views on the Commission communication concerning the development and future of wine-sector policy. The Commission discussion paper in question sets out guidelines for future wine-sector reform further to the undertaking given by the Commission during discussion of the 1993/1994 prices package to make a thorough analysis of the present situation and likely trends in this sector.

Delegations endorsed the Commission's analysis of the situation and the view that the wine-sector CMO needed a comprehensive overhaul in order to balance this market in the medium term; they gave their opinions on the broad range of measures which the Commission advocated for achieving this goal.

In conclusion, the Presidency asked the Commission to submit its formal proposals in this area at an early date.

**SUPPORT FOR PRODUCERS OF CERTAIN ARABLE CROPS (SET-ASIDE)**

Pending the European Parliament's Opinion, the Council held a preliminary exchange of views on the Commission proposal which seeks to introduce more flexibility into the rules adopted as part of the arable crops reform. The proposal follows up the review of the reform of the arable crops arrangements carried out in the course of fixing the 1993/1994 prices and the Commission's discussion paper on possible changes in its set-aside policy.

The proposal provides in particular for measures to:

- introduce greater flexibility in regionalization plans (whilst ensuring that historic average national yields are reflected);
- refashion the set-aside conditions by providing for:
  - = an increase in the compensation from ECU 45 to ECU 57 per tonne;
  - = the possibility of 3-year rotation;
  - = authorization to combine rotational and fixed set-aside, with entitlement to an extra five percentage points;
  - = relaxation of the transfer rules;
  - = extension of the possibilities for using land set aside;
  - = the possibility of granting compensation for set-aside in excess of the compulsory minimum;
- allow, in certain cases, for exceptions to Article 9 in order to cover specific situations (e.g. regrouping) without, however, calling into question the principle behind this Article that land which was under permanent pasture, permanent crops or trees or was used for non-agricultural purposes until 31 December 1991 does not qualify for compensation.

At the close of its debate on this complex technical dossier, the Council instructed the Special Committee on Agriculture to expedite its work on this matter so that the Council would be able to take a decision once it received the European Parliament's Opinion.

**IMPLEMENTATION OF THE MEMORANDUM OF UNDERSTANDING ON OILSEEDS**

Pending the European Parliament's Opinion, the Council held a preliminary exchange of views on the Commission proposal concerned, which follows on from the formal approval by the Council last June of the Memorandum of Understanding on Oilseeds between the Community and the United States concluded on 3 December 1992.

The proposal seeks to adjust current Community oilseeds rules to make them compatible with the European Community/United States agreement. It includes a formula for spreading the penalty if the base area (5 128 000 ha) set for the Community by the Understanding is exceeded. Under the proposal, the penalty would be spread Community-wide if the overall excess were not greater than 5%. In the event of an overshoot exceeding this percentage, the burden would be borne by producers in the Member States with the highest increase in area under oilseeds.

Closing its debate - which revealed a need for more thorough discussion - the Council instructed the Special Committee on Agriculture to continue examining the matter.





## **FURTHER DECISIONS RELATING TO AGRICULTURE**

### **Imports of wine from Hungary**

The Council adopted the Regulation amending Regulation No 3677/89 in regard to the total alcoholic strength by volume of certain quality wines imported from Hungary.

The purpose of the amendment is to extend by one year, until 31 August 1994, the waiver granted for certain Hungarian quality wines with regard to their total alcoholic strength, which is above the 15% total strength by volume normally allowed under Community rules. The extension is being granted pending conclusion of the overall agreement in the wine sector, on which discussions between the Community and Hungary are at an advanced stage.

### **Special report No 4/93 of the Court of Auditors**

The Council took note of Special report No 4/93 of the Court of Auditors on the implementation of the quota system intended to control milk production, accompanied by the Commission's replies.

### **Fees for health inspections and controls of fresh meat**

The Council adopted by a qualified majority (the French delegation having voted against) the Decision deferring until 31 December 1993 the deadline laid down in Decision 88/408/EEC, inter alia for applying the standard fee for poultrymeat to be charged when carrying out health inspections and controls of fresh meat. The extension is intended to enable an in-depth study to be made of all the arrangements relating to fees with a view to a decision on the future regime.

### **Fruit juices and similar products**

Following the European Parliament's approval of its common position, the Council finally adopted the Directive relating to juices and certain similar products. That Directive is a consolidated version of Directive 75/726/EEC and subsequent amendments thereto.

This consolidation is designed to simplify the whole body of Community legislation already in force in this area and to make it more understandable to both consumers and business.

More specifically, the Directive provides that Member States must take all measures necessary to ensure that the products can be marketed only if they conform to the Directive's rules. These rules cover, inter alia, substances, treatments, processes, additives and descriptions authorized in the manufacture of each type of fruit juice.

#### Marketing standards for eggs

Acting by a qualified majority (the United Kingdom delegation having voted against), the Council adopted the Regulation amending Regulation (EEC) No 1907/90 on certain marketing standards for eggs. The aim is to replace the indication of the packaging date by the recommended limit date for consumption and also to provide for the possibility of advertizing on egg packs.

#### MISCELLANEOUS DECISIONS

##### Importation of Mediterranean products

The Council adopted the Regulations suspending, within the limits of the quota volumes and for the periods indicated, customs duties applicable to imports into the Community of:

- melons originating in Israel: 10 789 tonnes - from 1 November 1993 to 31 May 1994;
- cut flowers and flower buds, fresh, originating in
  - = Morocco: 325.5 tonnes; Jordan: 54.2 tonnes; Israel: 18 445 tonnes - from 1 November 1993 to 31 May 1994;
  - = Cyprus: 70 tonnes - from 1 June 1994 to 31 October 1994.

##### Technology initiative for disabled and elderly people (TIDE) (1993-1994)

The Council adopted the Decision on a Community technology initiative for disabled and elderly people (TIDE) (1993-1994). The initiative is aimed at promoting and applying technology with a view to encouraging the creation of an internal market in rehabilitation technology and assisting the economic and social integration of disabled and elderly people.

The scope of the TIDE initiative comprises four lines of action:

1. **Access to communication and information technology and support for interpersonal communication: access to and interaction with multimedia environments; technology to facilitate personal communications; accessible services and applications.**
2. **Environmental control technologies for daily living: user and system interfaces; robotics systems; mobility and transport control systems.**
3. **Restoration and enhancement of motor and cognitive functions: IT for individualized plans for assessment, rehabilitation and maintenance in the community; technology for rehabilitation and maintenance of motor functions; substitution devices for motor functions.**
4. **Integrated system technologies: smart environments and systems; orientation and navigation system for mobility; working environments for disabled and elderly people.**

The amount deemed necessary for implementing the initiative, including expenditure on staff and administration, is ECU 30 million.

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Bruxelles, le 17 Septembre 1993

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NOTE BIO (93) 214 AUX BUREAUX NATIONAUX  
CC.: AUX MEMBRES DU SERVICE DU PORTE PAROLE

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Conseil Agriculture (Bruxelles, les 20 et 21 septembre 1993)  
(G. Kiely)

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Le Conseil des Communautés Européennes tiendra sa 1683ème session - Agriculture - lundi 20 septembre à l'issue du Conseil conjoint Affaires Générales/Agriculture et mardi 21 septembre 1993 au Bâtiment Charlemagne à Bruxelles, sous la présidence de Mr Bourgeois, Ministre de l'Agriculture de la Belgique. L'ordre du jour comportera les points suivants:

**Approbation de la liste des points "A"**

**Proposition de règlement du Conseil modifiant le règlement (CEE) no 1842/83 établissant les règles générales relatives à la cession de lait et de certains produits laitiers aux élèves dans les établissements scolaires. (doc. COM(93)305)**

La Commission a présenté en date du 2 juillet la proposition de règlement cité en objet qui vise à réduire pour des raisons budgétaires, le montant de l'aide communautaire octroyée pour le régime du lait scolaire.

Cette proposition est liée à la suppression du prélèvement de co-responsabilité "normale" dans le secteur laitier dont les recettes ont été utilisées pour financer une partie importante (75%) des dépenses pour le lait scolaire.

La cession de lait et de certains produits laitiers aux élèves dans les écoles représente un écoulement annuel de 975,000 t.

Les fonds de co-responsabilité "normale" seront épuisés à partir du mois d'octobre 1993.

Dans les grandes lignes les délégations se sont prononcées en faveur du maintien du régime actuel, sans diminution de l'aide et ont estimé que d'autres formes de financement devraient être trouvées pour maintenir le régime sous sa forme actuelle.

**Proposition de règlement du Conseil modifiant le règlement (CEE) no 1907/90 concernant certaines normes de commercialisation applicables aux oeufs (doc. Com(93)254)**

Après des discussions menées avec les Etats membres et les professionnels du secteur des oeufs, il est apparu à l'évidence que si l'on voulait apporter une meilleure information aux consommateurs au sujet de la conservabilité des oeufs, il fallait envisager d'indiquer obligatoirement la date de durabilité minimale sur les emballages d'oeufs conformément à la directive du Conseil 79/112/CEE. Les modifications proposées visent à remplacer l'indication (obligatoire jusqu'ici) de la date d'emballage par la date de durabilité minimale: "à consommer de préférence avant le:" suivie par une indication des conditions d'entreposage en fonction de la catégorie de l'oeuf.

## **Evolution et avenir de la politique viti-vinicole (doc. COM(93)380)**

La Commission présentera sa communication sur laquelle les Ministres sont invités à donner leurs premières réactions.

Cette communication analyse les déséquilibres structurels du marché, le mauvais fonctionnement de l'OCM et de l'inadéquation des mesures de réforme prises dans le passé.

La Commission estime que l'objectif à atteindre est de rétablir l'équilibre du marché d'ici la fin du siècle. Elle envisage trois types de mesures:

- Adaptation du potentiel de production principalement par le biais de programmes d'adaptation de la viticulture notamment par une meilleure maîtrise des rendements et une adaptation des superficies viticoles
- Mesures additionnelles pour réduire les rendements visant les pratiques oenologiques et l'enrichissement
- Réforme approfondie du régime de distillation

**Proposition de règlement du Conseil modifiant le règlement (CEE) No 1765/92 instituant un régime de soutien aux producteurs de certaines cultures arables (doc. COM(93)417)**

Cette proposition de règlement fait suite au document de réflexion de la Commission concernant les développements possibles dans la politique de gel des terres arables (doc. COM(93)226)

Elle traite des plans de régionalisation concernant les rendements en fonction de l'irrigation et de la qualité des sols, des paiements compensatoires de l'obligation de gel des terres et dont le taux équivalent par tonne de céréales passerait de 45 ecus initialement prévu à 57 ecu (+ paiement compensatoire pour gel supplémentaire).

**Proposition de règlement du Conseil modifiant le règlement (CEE) No 1765/92 instituant un régime de soutien aux producteurs de certaines cultures arables: oléagineux. (doc. COM(93) 389)**

Le Conseil aura une première discussion sur la base d'un échange de vues préliminaires au CSA. Certaines délégations demandent que le dépassement éventuel des surfaces garanties soit pénalisé au niveau national, d'autres souhaitent une formule communautaire.

### **Secteur agrimonétaire**

#### **- contexte général agrimonétaire**

**proposition de règlement du Conseil relatif à l'octroi d'une aide agri-monétaire (doc. COM(93)297)**

Suite aux événements monétaires du 2 août 1993, la délégation allemande a insisté sur la nécessité pour le Conseil de prendre une décision politique permettant de maintenir le système du "switch-over" conformément au règlement 3813/92 et instaurant la faculté pour les Etats membres d'octroyer aux agriculteurs des aides agrimonétaires dans les deux cas suivants:

Art. 8: réduction des prix dans les pays à monnaie flottante.

Art. 9: adaptation des prix communs en Ecus suite aux réalignements des monnaies fixes

Le Conseil aura une première discussion sur l'octroi d'une aide agri-monétaire.

Amitiés,

B.Dethomas





Brussels, 22 September 1993

NOTE BIO (93) 214 (suite 1 et fin) AUX BUREAUX NATIONAUX  
CC.: AUX MEMBRES DU SERVICE DU PORTE PAROLE

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Council of Agricultural Ministers, 20 September 1993  
(G. Kiely)

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### School milk

The Council agreed to an adjustment in the level of aid for school milk reducing it from 125% of the target price to 95% (c.f. IP(93)778)

### Agrimonetaire:

Two delegations are requesting a continuation of the switch over mechanism, which was linked to the narrow band currencies and no longer applies given the introduction of the 5% fluctuation bands on August 2.

Commenting on the request, Mr Steichen made the following points so that Council could have an informal political debate:

- a Commission proposal exists which would neutralise the effects for farmers of a revaluation of green rates
- the Commission has always been opposed to the switch over mechanism for some time, given its implication for reform i.e. it has the effect of increasing prices, encouraging production and making Community exports more expensive
- it can also create problems for a GATT agreement
- the Council of Finance Ministers have not yet agreed on the financing of the cost of monetary realignments as agreed in the Edinburgh summit - in the absence of which savings of Ecu 1500 b will have to be found in the 1994 budget
- for a 1% revaluation of the DM and Florin the cost of the proposal at present on the table would be 870m ecu over the period 1994-1998 whereas the switchover would cost 1.40b ECU over the same period.

Germany circulated a draft Council statement requesting the Commission to submit a proposal to avoid price reductions, for a Council decision at the October Council meeting and meanwhile to continue the freeze in green rates.

In commenting on the subject, while most Ministers sympathised with the difficulties for countries with revaluing currencies, most drew attention to the implications of the German request, in particular - budgetary cost, contradiction with CAP reform, problems for CAP reform compatibility and the danger that it may limit scope and flexibility in the reform of non-reformed sectors.

All Ministers indicated a willingness to seek a solution.

They invited the Commission to submit a proposal for the agri-monetary system to be applied following the decision of August and noted the Commission intention of taking appropriate steps to suspend any change in Agricultural conversion rates while ensuring that any deflection of trade was involved.

**Wine reform:**

Commissioner Steichen outlined the Commission's reflection document pointing out that the wine sector has a structural surplus due to a drop in consumption, largely static production and increasing imports.

The objective is market balance by the end of the century, by controlling production and improving quality. It will be necessary to reduce production in all Member states on the basis of production in the last four years, while leaving a large degree of flexibility to Member States i.e. partnership arrangements. On quality the Commission suggests the limitation to two of the number of zones, restricting sugaring and eliminating aid for enrichment.

Obligatory distillation would continue on the basis of qualities fixed nationally - it would be for the Member States to divide this volume among its producers.

Reform he said has required a great deal of effort and imagination.

All Ministers welcomed the Commission's suggestions and endorsed the objectives.

A number of Ministers questioned the basis for establishing the reference amounts as they felt it penalised countries who tried to cut production. Views differed between the North and South on the question of enrichment. Many Ministers insisted on the need for effective control measures and indeed there were suggestions of sanctions if obligations were not adhered to.

A number of Ministers also questioned the inclusion of quality wines in the calculation of distillation obligations.

**Flexibility on set-aside and regionalization plans:**

Commissioner Steichen introduced this proposal, pointing out that it was a result of a political orientation in Council earlier this year. The objective he pointed out is to introduce a certain degree of flexibility into the set-aside regime and regionalization plans and to increase the compensation for set-aside - thereby making reform generally more attractive and acceptable.

This was the first discussion on this proposal and Ministers used the opportunity to raise some technical points to which it required clarification such as: including grubbed up land in the base area; the advisability of paying the full set-aside premium on set-aside above 15%; the minimum rate of 20% set-aside for those mixing rotation and nonrotation and the 3 year rotation etc. The CSA was asked to work on it further in preparation for a Council decision.

**Implementation of oilseeds agreement:**

Only a very preliminary brief discussion was held on this matter and of those Ministers who intervened, views were mixed between those who wanted a national solution only i.e. division of base area by Member State and those who wanted a total Community solution (Commission proposal was for a 5% franchise after which the penalty would apply in the Member State responsible for the overshoot).

Amitiés,

B. DETHOMAS



Brussels, 21 September 1993

NOTE BIO (93) 216 AUX BUREAUX NATIONAUX  
CC : MEMBRES DU SERVICE PORTE-PAROLE

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**JUMBO COUNCIL, 20 September 1993 (Peter Guilford)**

This is a resumé of the press conference held at 04.00 on September 21 by Willy Claes, president of the Council, René Steichen, and Sir Leon Brittan.

Mr Claes said that the agreement included the unanimous backing for the need for a multilateral agreement by December 15. The Commission, he said, had the full confidence of the Council in the considerable work that lay ahead. He said that the Community had lifted a "mortgage" which was weighing heavily upon the EC and the Uruguay Round, and which had been weakening the EC's negotiating Commission. The question of trade instruments would be handled by Foreign ministers on October 4 and 5.

Sir Leon said the agreement had "cleared the air", leaving no excuse for other trading partners to delay their own GATT offers. The road is clear for a conclusion, although there are still difficult things to negotiate. He said that the Commission had received Council support for its determination to achieve the necessary changes, and that the Commission would safeguard the essential interests of the Community.

On market access in goods and services, Sir Leon said there was strong support for the Commission's view, and other partners were urged to make additional tariff offers, for example the US on textiles.

On agriculture, Sir Leon said that the Council had taken note of the Commission's replies to the question of compability with CAP reform, taking note too of the fact that a number of points were raised relating to certain delegations, notably safeguards, corn gluten feed, aggregation and stocks. Certain general indications were given to the Commission in view of Sir Leon's second round of exploratory talks with the US Administration next Monday in Washington. Those indications, he said, referred to the Commission's GATT offer on market access in agricultural products, and to products as yet untouched by CAP reforms, as well as to the importance of obtaining tariffication from the EC's trading partners in order to ensure a real opening of their markets. The final text of the Jumbo Council also assured that what was agreed in the Uruguay Round would not call into question the CAP, nor Community preference, nor the ambitions of the Community to continue exporting in the normal way.

Regarding Washington, Sir Leon said he would continue the process already begun by exploring further "interpretations, amplifications and additions" to the Blair House agreement. The Council wisely discussed these issues, but did not tie the Commission's hand, he said, assuring that he would negotiate toughly in all sectors. Asked about how he would keep the Council informed of his contacts with Washington, Sir

Leon said he always reported to the Council, and was determined to continue to do so on this occasion, adding: "I hope we can now avoid the atmosphere of drama and crisis, returning the GATT to the humdrum plain of normal negotiations. The atmosphere of the OK Corral has disappeared". Neither the US nor the EC have anything to fear from this exploratory process, he assured.

Mr Steichen said the progress on agriculture would help stop other GATT partners "hiding behind agriculture", and that as such it had cleared the air. The outcome, he said, showed the Council's determination to affirm the CAP, Community preference and the EC's "vocation exportatrice". The Council had raised some of the unreformed sectors, and certain assurances were offered to Mediterranean countries. This had been a "useful exercise". Defending the hypotheses upon which the EC had based its belief that Blair House was compatible with CAP reform, Mr Steichen said he believed the EC's "reforms are on track".

Amitiés

A handwritten signature in black ink, appearing to read 'B. Dethomas', with a long horizontal flourish extending to the right.

Bruno Dethomas

Brussels, 21 September 1993

NOTE BIO (93) 216 suite 1 AUX BUREAUX NATIONAUX  
CC : MEMBRES DU SERVICE PORTE-PAROLE

FOR THE ATTENTION OF DELEGATIONS HANDLING GATT ISSUES (Peter Guilford)

Here are several bull-points which summarise the Commission's press line, following the outcome of the Jumbo Council on September 21.

- The agreement at the Council has cleared the air. The EC's trading partners no longer have the excuse to delay the tabling of their own GATT offers in whatever sectors because of EC deliberations over agriculture.
- The Council has put its unanimous backing behind December 15 as a very real deadline for completion of the Uruguay Round.
- As agreed with Mr. Kantor on 13 September, Sir Leon Brittan will go to Washington for talks with the Administration on September 27. This constitutes the continuation of a process which has already begun, and will cover agriculture as well as all other aspects of the Round.
- The Commission has not been given a new mandate but orientations. The Council wisely discussed the concerns of France and other member states, but the EC negotiator retains the Council's competence to pursue its talks with its GATT partners.
- The Commission will negotiate firmly but flexibly in defence of the the EC's interests in all sectors.

Amitiés



Bruno Dethomas

