

COUNCIL OF THE EUROPEAN COMMUNITIES
GENERAL SECRETARIAT

PRESS RELEASE

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1489th Council meeting
- Agriculture -
Brussels, 21, 22, 23 and 24 May 1991

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FARM PRICES AND RELATED MEASURES 1991/1992

Following a week of intensive, in-depth negotiation, the Council reached agreement, by a qualified majority, on the prices and related measures for the 1991/1992 farm year with the exception of two proposals regarding the fixing of the prices applicable in the cereal sector and aid in the nut and locust bean sector on which it will take a decision at a later stage once the European Parliament's Opinion, scheduled for June, has been received.

The agreement reached, which also covers a number of other questions on the agenda for this meeting (SLOM 2, ACP sugar, ewe premiums), was achieved on the basis of a compromise submitted by the Presidency and endorsed by the Commission.

The essential features of this compromise, which constitutes amendments to the original Commission proposal, are given below:

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Unless otherwise mentioned, the Commission proposals are accepted ⁽¹⁾

I. CEREALS

1. Co-responsibility levy and land set-aside premium

- The co-responsibility levy is set at 5% and the national contributions to the set-aside premium are optional up to a maximum of the national premium under the existing five-year scheme.

2. Set-aside

- The special land set-aside scheme for 1991/1992 is seen as an interim measure leading to the new arrangements which will be drawn up in the context of the reform of the CAP.

(1) The Council will decide on proposal No 3 (Council Regulation (EEC) No fixing the prices applicable to cereals) and proposal No 52 (Council Regulation amending Regulation (EEC) No 790/89 as regards aid in the nut and locust bean sector) after it receives the European Parliament's Opinion scheduled for its June 1991 part-session. At the same time it will decide on the level of aid for durum wheat.

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- The areas covered by this special land set-aside scheme will therefore be eligible for the new arrangements which will follow thereupon.
- For farmers involved in the five-year scheme, reimbursement of that part of the basic co-responsibility levy which exceeds the rate applied in 1990/1991.
- For regions legally exempt from the five-year scheme, setting of a ceiling of 20% of the area per holding for participation in the land set-aside scheme.
- Two possibilities are open for participation in the land set-aside scheme:
 - (a) either submission of the crop plan before 31 July 1991, subsequently followed by a request for participation in the scheme
 - (b) or submission of the 1991 crop plan at the same time as a request for participation in the scheme before 15 December 1991.

The monitoring procedures (Commission competence) will include, with a view to targeting on-the-spot monitoring, use of remote sensing equipment and/or a plausibility check on the basis of binding administrative documents already available in national administrations.

As a consequence of the change of the date mentioned under (a), the Commission may, for control reasons, exclude certain minor crops from the system.

- To preserve the environment, farmers should be required to maintain vegetative cover. For the farmers who do not wish to accept or do not comply with this condition, the set-aside aid should be abated by 10%. Member States shall also apply other environmental rules appropriate to their individual circumstances.

The environmental requirements that land set aside should have vegetative cover is replaced in regions where, for climatic reasons, this is impracticable, by other more appropriate measures in line with those envisaged for the five-year set-aside scheme under Article 4 of Regulation (EEC) No 1272/88, adapted as appropriate for the conditions of a one-year scheme. The regions concerned shall be determined by the Commission under the Management Committee procedure.

Set-aside in the five new German Länder

Subject to satisfactory verification, land which has been included in the national set-aside scheme in the new German Länder and which has been used for products which are supported by the common organization of the market may be included in the one-year set-aside scheme.

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- Durum wheat

The Commission will study the question of whether this year's exceptional harvest conditions in Greece for durum wheat justify a special measure under Article 8 of Regulation 2727/75.

II. RICE

- Intervention price: retention of the current price
- The STM for Portugal is applicable for the whole season
- Given the transitional problems in Portugal, the Council asked the Commission to submit a proposal providing for the opening of intervention in Portugal as from the beginning of the 1991/1992 marketing year.

III. SUGAR

1. Prices

- The proposed price reduction is cancelled.

- As a consequence, the proposed dismantling amount for the basic price for sugar beet in Spain is set at 2 070 ECT/t in 1991/1992 with no change in the amount originally proposed for the following year.

- Amend Article 8 of the Commission proposal concerning Spain by including in that Article the conditions for calculating the accession compensatory amount during the next two marketing years.

The Commission will further examine the problems confronting the Spanish sugar industry and, if appropriate, will submit proposals to complete or replace the transitional flat-rate element by a suitable structural scheme.

2. ACP sugar (establishment, for the 1989/1990, 1990/1991 and 1991/1992 marketing years, of general rules for marketing preferential sugar in the Community)

In approving the proposal for a Regulation submitted by the Commission (8342/90), the Council confirms its fundamental position, reiterated on several occasions, that compliance must be ensured with the strict parallelism between Community sugar prices and the guaranteed prices for preferential sugar imported into the Community from ACP producer countries and India.

It stresses the exceptional nature of the financing of the structural measures thus adopted and adds that in future it will no longer be able to agree to expenditure of this nature being charged to the EAGGF-Guarantee Section.

IV. OILSEEDS

1. Prices and bonuses

- The proposed price reductions of 3% are reduced to 1,5%
- The double zero bonus is retained at half its current level and the proposed malus is eliminated.

2. Future arrangements

- With a view to reforming the present oilseed arrangements, in particular in order to bring them into line with the GATT Panel's conclusions, the Commission undertakes to submit its proposals before 31 July 1991 and the Council pledges to take a decision by 31 October 1991.

- The Council notes the Commission's commitment to the effect that the interim measures which the Commission will take, if necessary, in the context of the powers for which provision is made in Article 4 of the Regulation amending Regulation No 136/66/EEC (rapeseed and sunflower seed) and Article 4 of the Regulation amending Regulation (EEC) No 1491/85 (soya beans) will be limited to what is strictly necessary to prevent disturbance of the market and that these interim measures will be without prejudice to the Council decisions on the future arrangements.

3. Intervention opening dates for sunflower seed: maintenance of the dates currently applicable, the Commission having specified that the beginning of payments will be calculated as from 1 November.

4. Methods of rapeseed analysis

The Council notes that the Commission intends to update its approach for the analysis of glucosinolates in the light of the most recent available results for analysis methods.

As already announced, the Community reference method will be the HPLC method provided for in Regulation No 1864/90.

However, batches of rapeseed which have been analysed by approved XRF establishments and which achieve a level of 30 micromoles or less will be considered to be of 00 quality; batches that do not achieve this level may be checked again using the HPLC method.

5. Definition of 00 rapeseed

The Council calls on the Commission to make its position clear before 30 July 1991 on the quality rule applicable to 00 rapeseed from 1992/1993.

6. High erucic acid rapeseed

High erucic acid rapeseed grown under contract for industrial use will continue to receive the same aid as single-zero rapeseed.

7. Soya beans

Aid: retention of the present system (deletion of the proposed amendment to Article 2(2) of Regulation No 1491/85 and Article 2(1) of Regulation No 2194/85).

The Council agrees that, within the limits of traditional plantings (i.e. areas planted under contract in 1990), the level of support for soya beans in Spain for 1991/1992 should be the same as in the rest of the Community.

V. PROTEIN CROPS

Peas and field beans

- The proposed price reductions of 3% are reduced to 1,5%
- Retention of the monthly increases for minimum prices

Dried fodder

- The 20% aid reduction is to be made over two years, with a 10% reduction in 1991/1992.
- The Commission will examine the possibility of aligning the Spanish price on the Community price and will, if appropriate, submit a proposal accordingly.

VI. TEXTILES

1. Textile flax and hemp

- No change in aid levels.

2. Cotton

The Council calls on the Commission, in the context of the upcoming revision of the stabilizer for cotton, to see what measures would be appropriate for protecting producers against the very substantial price fluctuations between one season and the next, without thereby jeopardizing the economic effectiveness of the system.

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VII. WINE

1. The amendments made by the Special Committee on Agriculture are confirmed.
2. The "support" distillation price is kept at 82% of the guide price for wine of type AI.
3. Extension until 31 December 1991 of the derogation for the total acidity content of Spanish wines (Commission competence).
4. Eiswein: The Council calls on the Commission to propose the inclusion of wine described as "Eiswein" in the category of wine admitted with a maximum SO₂ content of 400 mg/litre.
5. Examination of the measures appropriate for making the intervention arrangements applicable to Portugal as from 1 September 1991 will be actively pursued in the Management Committee, without prejudice to such definitive arrangements as may be adopted subsequently in the context of the wine sector reform.

In this connection the Commission stated that it intended to introduce simplified management of the wine market in Portugal. The essential measures would involve voluntary distillation at the same price in ecus as had applied during the 1990/1991 marketing year, together with appropriate application of the measures to improve quality.

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6. Grubbing-up arrangements in Portugal

The grubbing-up arrangements for which provision is made in Regulation (EEC) No 1422/88 are extended to Portugal as from the 1991/1992 marketing year, on the understanding that the abandonment premium will be the same as that presently granted in Portugal in accordance with Regulation No 2239/86.

7. Storage contract arrangements for wine:

Possibility for the 1990/1991 marketing year of a partial release of the quantity under contract before the end of the nine-month period. With a view to defining the arrangements for long-term storage contracts for the 1991/1992 marketing year, the Commission will re-assess the operation of this derogation.

8. Interspecific varieties (varieties not covered by the species "vitis vinifera"):

In the context of the wine sector reform, the Commission will study the possibility of including interspecific varieties in the list of varieties declared suitable for production of quality wines psr.

VIII. FRUIT AND VEGETABLES

- Inter-trade arrangements: the Council calls on the Commission to submit to it a proposal on inter-trade arrangements in the fruit and vegetables sector before 31 December 1991.

IX. TOBACCO

1. Prices and premiums

The proposed reductions in prices and premiums are reduced by 4 percentage points.

2. Inter-trade arrangements

The Council considers that a system of inter-trade agreements, including in particular the possibility of extension of the rules of these agreements to all operators in the raw tobacco sector, represents an essential factor for ensuring proper management of the tobacco sector.

It calls on the Commission to study this matter with the greatest care with a view to submitting an appropriate proposal to the Council as soon as possible, and no later than 30 September 1991.

X. SEEDS

- Inclusion of "Festulolium" seed on the list of species eligible for Community aid.

XI. PIGMEAT

The Commission is looking at the possibility of introducing arrangements in the pigmeat sector that would allow, on a non-discriminatory basis, more selective application of the private storage aid system when market conditions so justify.

XII. SHEEPMEAT

The Council and the Commission confirm that the definition of eligible ewe will be decided on in the context of the reform of the sheepmeat arrangements which the Commission intends to propose as soon as possible. If the Council is unable to take a decision on the reform proposal by 1 October 1991, the present definition of eligible ewe will continue to apply to the premiums to be paid under the 1992 marketing year.

XIII. MILK

The following suggestions are submitted assuming the quota arrangements are to be extended.

1. SLOM

The Council adopts the Regulation given in the Annex to 6222/91.

2. Reduction in the milk quotas and SLOM

For the 1991/1992 period

- (a) a 2% reduction in the global guaranteed quantities.
- (b) appropriate management at the level of individual reference quantities in order to ensure compliance with the global guaranteed quantities thus reduced and, where necessary, to make provision for reference quantities for SLOM producers.
- (c) Simultaneous introduction of a voluntary buying-up scheme. The quantities bought under this scheme will pass into national reserves. This increase in the national reserves will be available for the purpose of returning in whole or in part to individual producers such quantities as may have been reduced pursuant to subparagraph (b) above, in order to resolve the SLOM problem and, where possible, to help resolve the specific problems of priority producers, in particular producers in the less-favoured areas and small producers.

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- (d) The cost of a quota buying-up scheme up to a level of 3% of the global guaranteed quantities in each Member State would be financed by the Community at a rate of ECU 0,10/kg over a period of 5 years payable as from the 1993 budget (i.e. as from Autumn 1992). Member States which can buy up 3% at a lower rate may set this lower rate and employ the saving to buy up more than 3% and to use the additional quantity to feed their national reserves.
- (e) The compensation of ECU 0,10/kg with Community funding is paid for reductions in individual reference quantities in 1991/1992. In Member States where the full 3% purchase is not reached, the saving may be used to compensate producers whose individual reference quantities remain reduced for a further 4 years.
- (f) The arrangements set out above comprise the Community contribution to the solution of the SLOM problem. If necessary, Member States may at their own expense purchase additional quantities, compensate for additional linear reductions and supplement the ECU 0,10/kg.

The Council noted the Commission's intention of allocating the quantity available for SLOM producers in the Community reserve in accordance with the same proportions as under SLOM I.

For the period after 1991/1992

The Council and the Commission agree that should a reduction of 2% in national quotas prove insufficient fully to re-establish a balanced market, further measures will be adopted in the context of the reform of the CAP.

3. Intervention

Adjustment of the intervention arrangements for butter:

The intervention buying-in price will be fixed by the Commission having regard to the quantities offered and the state of the market. It will not be lower than 90% of the intervention price.

4. Skimmed milk powder in Portugal

The Commission proposal was not adopted; Portuguese prices accordingly remain unchanged.

5. Regulation No 1336/86 will be amended in order to allow the remaining financial resources also to be used to institute a programme under which all the animals in the national dairy and beef herds will be identified for a computer record system as a means of improving quality and veterinary standards in the interests of dairy producers.

6. The specific buying-in price for Ireland and Northern Ireland for butter will be removed and Regulation No 1079/77 will be amended to allow the resulting savings to be used to finance a milk quality scheme in these regions.

7. Member States may permit quota leasing commencing before 31 December 1991 for the eighth quota period.

8. Problem of the co-responsibility levy in the five new German Länder

Producers in areas which the German Government proposes be considered as less favoured areas should provisionally be exempt from the milk co-responsibility levy, it being understood that if some of these areas are not finally designated as less favoured areas, the levy will be collected for the whole period concerned from those producers whose provisional exemption is not confirmed.

9. SLOM quotas: fat content

The Commission undertakes to re-examine and amend the last indent of Article 12(1) of Commission Regulation (EEC) No 1546/88 so as to ensure that the SLOM category of producers is not unduly privileged - as regards the fat content of milk supplied or bought regarded as representative - compared with producers who have not suspended milk production.

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With respect to the fresh milk situation in Greece, the Commission stated that it was impossible to contemplate a further quota allocation as requested, although it was prepared to draw up a report and come back to the Council before the end of October 1991 with appropriate proposals if need be.

XIV. BEEF AND VEAL

1. Adjustment of the intervention system

Normal tenders for intervention will be triggered at 84% (weighted Community market price) and 80% (regional market price).

When the Community weighted market prices for bulls or steers fall under 78% of the intervention price, safety net intervention will be opened by tender procedure and all eligible offers will be accepted when:

- in at least three Member States (or regions) representing 60% of total Community production for bulls or steers, prices fall under 75% of the intervention price,
- or when in one Member State (or region) the market price for bulls or steers falls under 72% of the intervention price.

For tender procedures (normal or safety net), offers which exceed the price paid to farmers (regional market price) by more than a reasonable margin will be regarded as ineligible. This margin will be set by the Commission on the basis of objective criteria within the framework of the Management Committee procedure.

2. Premiums

The Council considers that measures designed to encourage extensification and to reduce production are indispensable to bring about a better balance on the beef market.

The Commission undertakes to present, in the context of the reform of the CAP, before 31 July 1991 a proposal with the aim of revising the present premium system along such lines and the Council undertakes to take a decision in good time in order to allow for the application of the new premium system from the 1992/1993 marketing year.

XV. AGRIMONETARY MEASURES

The amendments to the Commission proposals are as follows:

- For the United Kingdom: elimination of the entire monetary gap
For Greece : Dismantling of 3/4 of the monetary gap remaining after the last application of the automatic dismantling
Alignment of the various green rates on the highest rate
For Spain : While retaining the 1993 target (full dismantling), reduction of the real monetary gaps and smaller reduction for milk, beef and veal and cereals.
For Germany and the Netherlands : Total elimination of the monetary gap as provided for in the Commission proposal.

XVI. EXPORT POLICY

The Council and the Commission state that the Community will pursue an active export policy within the framework of a more liberal trade system, which includes the opening of new markets established through the Uruguay Round, the European Economic Space and negotiations with Eastern European countries.

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XVII. NON-FOOD USE OF AGRICULTURAL PRODUCTS

The use of agricultural products in the non-food sector may help, with other measures, to restore market balance. The measures decided upon or envisaged up to now at Community level must be supplemented in order to provide the necessary incentives for farmers to grow non-food plants and for industry to use agricultural products. The Council therefore calls upon the Commission to submit in the context of the CAP reform other proposals which will enable outlets for agricultural products to be created in the non-food sector.

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With respect to the budgetary and financial implications, the Commission stated that the Council decision on the package of prices and related measures for 1991/1992 could be financed within the budget guideline for 1991.

Account being taken of developments in the economic situation and of the management savings being made, the guideline for 1992 would be observed. The Commission accordingly considered that there was no need to hold a special Council meeting of Agriculture Ministers and Ministers for Economic Affairs and Finance.

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Pending entry into force of the measures adopted, the Council extended once again the current marketing years for milk and milk products and for beef and veal until 16 June 1991.

It also adopted Regulations

- fixing the basic price and the buying-in price for cauliflower for the period 27 May to 16 June 1991;

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- fixing the basic price and the buying-in price for tomatoes for the period 11 to 16 June 1991;
- fixing the guide price for dried fodder products for the period from 27 May to 16 June 1991;
- fixing the basic price and the buying-in price for apricots, peaches, nectarines and lemons, for the period from 1 to 16 June 1991.

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URUGUAY ROUND - AGRICULTURE

The Council heard a report from the Commission on progress to date with the Uruguay Round.

Mr MAC SHARRY in particular reported to the Council on his recent talks in Washington with Mr MADIGAN, the new United States' Agriculture Secretary, and Ambassador Carla HILLS, and on the agreement they had reached to accelerate the technical proceedings currently underway in Geneva so that talks could then resume at political level.

During the discussion which followed the Commission's report, the Council confirmed its wish to contribute to the search for a solution based on an overall approach and respecting the need to uphold the fundamental principles of the common agricultural policy on the basis of the offer established by the Community.

The Council agreed to discuss this item further at its next meeting.

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PLANT PROTECTION PRODUCTS

The Council conducted a lengthy examination of the proposal for a Directive concerning the placing of EEC-accepted plant protection products on the market.

This proposal, which appears in the Commission White Paper on the completion of the Internal Market, is intended to set up a harmonized procedure for the authorization of plant protection products to be used for the protection of plants and plant products against harmful organisms and weeds.

Although substantial progress has been made on this dossier, no agreement could be reached at the meeting.

The Council will resume its examination of this item at its next meeting in June.

MISCELLANEOUS DECISIONS

Other decision regarding agricultural policy

The Council adopted the Directive amending Directive 72/461/EEC on health problems affecting intra-Community trade in fresh meat and Directive 72/462/EEC on health and veterinary inspection problems upon importation of bovine, ovine and caprine animals, and swine and fresh meat or meat products from third countries.

The purpose of these amendments is to incorporate into the text of these Directives provisions on the authorization of certain imports originally covered by Directive 87/64/EEC of 30 December 1986 which was declared void in a judgement handed down by the Court of Justice.

Fisheries

The Council adopted a Regulation on the submission of data on the landings of fishery products in the Member States.

Iraq/Kuwait embargo

The Representatives of the Governments of the Member States of the ECSC, meeting within the Council, adopted a Decision amending Decision 90/414/ECSC preventing trade as regards Iraq and Kuwait.

This amendment incorporates in the ECSC sphere the changes made by the United Nations Security Council in Resolution 687 of 3 April to the prohibition

on the sale or supply to Iraq of commodities or products and on the import of commodities or products originating in Iraq.

In the EEC sphere, this adjustment was made on 27 March 1991.

Environment

The Council adopted a Directive concerning municipal waste water treatment (see Press Release 5199/91 Presse 34 of the Environment Council of 18/19.III.91).

Action programme on equal opportunities for women and men

The Council adopted a Resolution on the third medium-term action programme on equal opportunities for women and men (1991-1995).

This programme, which follows on from the first two (1982-1985 and 1986-1990), has as its main aim to promote the full participation of women in the labour market and to upgrade their contribution to economic and social life.

In its Resolution, the Council invites the Member States to implement the measures provided for in the programme in order to achieve the following objectives:

- ensure the implementation and, if necessary, improvement of existing legal provisions; raise the level of awareness about legal rights and obligations;
- increase the participation of women in the labour market by applying national laws and practices in an improved manner to women, by developing specific measures for equal opportunities for women and men, and by promoting women's entrepreneurship and local employment initiatives;
- improve the quality of women's employment by maximizing their potential, particularly through stepping up action relating to education, vocational training, better staff management and the use of positive action in enterprises;
- reduce barriers to women's access to, and participation in, employment, also through measures designed to reconcile the family and occupational responsibilities of both women and men;
- continue, and develop, awareness-raising initiatives which are related to the specific objectives of this programme, and improve and disseminate information on equal opportunity and equal treatment issues;
- continue to encourage an improvement in the participation of women at all levels in the media sector and to develop innovatory programmes which present a full, realistic picture of women in society;
- encourage measures designed to promote the participation of women in the decision-making process in public, economic and social life.

THE COUNCIL ALSO INVITES

THE MEMBER STATES TO:

- adopt, as required, within the framework of this programme, national, regional or local equality plans or other relevant policy measures establishing objectives that match national circumstances;
- draw up assessment reports,

BOTH SIDES OF INDUSTRY TO:

- make equal opportunities and equal treatment an element in collective bargaining, in particular by endeavouring to implement positive action programmes in undertakings and in occupational branches and sectors as part of a cohesive policy of staff management and to elicit a real commitment to in-service training and jobs for women;
- pursue and intensify the social dialogue on the issues of reconciling occupational and family responsibilities and protecting the dignity of women and men at work;
- include in collective bargaining the issues of equal remuneration (equal pay for equal work or work of equal value) and the elimination of discrimination on the basis of sex in job assessment and/or classification;
- take all necessary measures actively to promote women's representation in decision-making bodies.