



BACKGROUND¹ AGRICULTURE and FISHERIES COUNCIL Monday 14 April 2014, in Luxembourg

The Council meeting will address agricultural matters; it will start at 11.00 on Monday 14 April 2014. The Council will be chaired by Mr Athanasios Tsaftaris, Minister for Rural Development and Food.

The Council will hold an exchange of views on a report on the **functioning of the fruit and vegetable sector** since the reform of 2007. The report was presented by the Commission at the last Agriculture Council in March.

Finally, ministers will be briefed on the **milk quota system** and the **drought in Cyprus**.

A press conference will take place at the end of the session (+/- 13.00).

The public events and the press conferences can be followed via video streaming: http://video.consiliums.europa.eu

Video coverage of the event will be available for preview and download in broadcast quality (MPEG4) on www.eucouncil.tv

Photos of the event can be found in our photographic library on www.consilium.europa.eu/photo where they can be downloaded in high resolution.

Council of the European Union - Press Office

This note has been drawn up under the responsibility of the Press Office.

Report on the fruit and vegetables sector since the 2007 reform

Ministers will have an exchange of views on a recent report from the Commission on the implementation of the provisions concerning producer organisations, operational funds and operational programmes in the fruit and vegetables sector since the 2007 reform. The report was presented by the Commission at the last Agriculture Council in March (7312/14).

The 2007 reform aimed to strengthen the role of fruit and vegetable producer organisations (POs) by providing a wider range of tools to enable them to prevent and manage market crises. Incentives were created to encourage mergers between POs, associations of POs (APOs) and transnational cooperation.

The report points out that there is persistently little or no organisation in the fruit and vegetables sector, particularly in some southern member states and some member states that joined the EU in 2004 and later. According to the Commission this rules out benefits of specific aid foreseen for the sector; it also weakens the bargaining power of the producers within the supply chain. Further more according to the Commission the very sparse use of crisis prevention and management instruments by the POs shows that they need to be improved.

In March, commissioner Ciolos further indicated that in the light of discussions on the report in the Council and the European Parliament, the Commission would continue to reflect on how best to adjust the existing legal framework in order to improve conditions in the fruit and vegetables sector while ensuring budgetary neutrality.

The debate in the Council will be organised around the following questions prepared by the Presidency (8402/14):

- a) How could the degree of organisation in the fruit and vegetables sector be better encouraged throughout the EU?
 - How could the imbalance of organisation in the fruit and vegetables sector between Member States and/or regions be reduced?
- b) Could the current tools or instruments be improved to meet the challenges identified by the Commission?
 - If so, what modifications and/or additional measures could make a lasting improvement to the competitiveness of EU producers?
- c) How would financial resources be best allocated while maintaining budget neutrality?
- d) Is there a need already at this stage for further improvement of the use of crisis prevention and management instruments?

ANY OTHER BUSINESS

Milk quota system

Following the discussion at the last Agriculture Council in March on the "soft landing" in the milk sector with a view to the abolition of the quota system, the Austrian delegation requests a clarification from the Council Legal Service on the legal basis for the payment of the surplus levy due when quotas are exceeded after March 2015, when the EU milk quota will be abolished (8664/14).

Drought in Cyprus

The Cyprus delegation will brief the ministers about the consequences for agriculture of the drought which affected Cyprus this winter (8054/1/14 REV 1).

Like in much of the rest of the Eastern Mediterranean, the 2013/2014 winter has been exceptionally dry in Cyprus. The drought, combined with the country's ongoing financial and economic difficulties and low financial envelope for rural development risks putting many farmers in a difficult situation.

The Cyprus delegation asks the Commission to propose specific and tangible measures, including possible utilization of the reserve for crises in the agricultural sector established in regulation 1306/2013 on rural development.