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NOTE

From:	Presidency
To:	Council
No. Cion doc.:	7956/14 - COM(2014) 180 final
Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on organic production and labelling of organic products, amending Regulation (EU) No XXX/XXX of the European Parliament and of the Council [Official controls Regulation] and repealing Council Regulation (EC) No 834/2007 - <i>Orientation debate</i>

Delegations will find below the state of play with regard to the proposal on organic farming.

On 23 March 2014, the European Commission presented a proposal¹, accompanied by an impact assessment², aiming to review the existing legislation on organic production and labelling of organic products and amend the Regulation on official controls (not yet adopted) with the objective of removing obstacles to the development of organic production in the EU, guaranteeing fair competition for farmers and operators and improving consumer confidence in organic products. Simplification and enhancing growth and jobs are the overarching objectives for the proposal.

¹ 7956/14 (and ADD 1)

² 7956/14ADD 2 to ADD5

1. Although almost all delegations welcome, in principle, the objective and good intention of the Commission's proposal, many of them expressed their concerns about the lack of flexibility offered by the Commission's proposal and the possible threat it posed to the development of the agricultural sector due to an additional economic and administrative burden. In their view, the proposal could have a negative impact on the production of, trade in, and access to high-quality organic products leading to higher prices for the consumer. Many delegations also criticised the impact assessment which, in their view, did not justify the direction taken by the Commission with its proposal.

The examination of the Commission's proposal had started under the EL Presidency and had continued under the IT Presidency. In total, fifteen Council working parties were held³ and good progress was made as the whole text, including its annexes, was examined at technical level by the Council working party. Delegations had submitted numerous comments⁴ on the Commission's proposal and filled-in a questionnaire which was submitted by the Presidency in order to have an overview of Member States' positions on the delegation of powers to be conferred to the Commission throughout the text and its annexes.

Nine national parliaments had delivered opinions on the application of the principles of subsidiarity and proportionality⁵.

The Committee on Agriculture and Rural Development (COMAGRI) of the European Parliament, which is in charge of the examination of the proposal, should make its report available by spring 2015. The European Economic and Social Committee has been officially consulted and has delivered its opinion⁶.

³ 10/04;21/05;12/06;3+4/07;15/07;3+4/09;17+18/09;8+9/10;14+15/10;24/11

⁴ 11007/14 (+ ADD1 to 41)

⁵ 10008/14 (AT), 10085/14 (ES); 15625/14(IE), 10922/14(IT Senate), 14245/14(LT); 10086/14(LU); 11705/14 (NL); 09875/14(PT); 16782/14 (RO); 16800/14 (IT Chamber of Deputies)

⁶ 14776/14

The Italian Presidency had initiated a policy debate (through a questionnaire) at the "AGRIFISH" Council meeting on 14 July 2014 on the merits of this proposal and aiming at identifying the ministers' main concerns of. The political debate had continued with the important contribution of the statement by the Visegrad+3 group presented in the "AGRIFISH" Council on 10 November 2014, which had attracted considerable and widespread interest.

In order to make progress on this dossier, the IT PRES had prepared compromise texts on Articles 1 to 19 which were subsequently revised and submitted to the SCA on 3 November⁷ and 17 November⁸, to the WP on 24 November⁹, and finally to the SCA on 9 December 2014¹⁰ with the objective of reaching a partial general approach on these articles¹¹ (including its annexes I, II and III) at the "AGRIFISH" Council on 15 December 2014. Many delegations had also contributed and provided comments on the Presidency compromise text¹².

2. That last version of the compromise text of the Presidency accommodated some important concerns raised by the countries, thus reintroducing many elements of the current legislation. The Presidency takes the view that, after several months of discussions on the Commission's proposal, the following guidelines have reached a high degree of support among the members of the Council and therefore should guide politically future work on this text.
 - Significant reduction of the number and scope of delegated acts;
 - Maintaining the status quo as regards mixed farms;
 - Introduction of the derogations for the use of non-organic seeds, non-organic animals and non-organic juveniles, in line with the existing rules;

⁷ 14760/14

⁸ 15740/14

⁹ 15803/14

¹⁰ 16341/14 - Annex I only

¹¹ Except Articles 2, 3(7), 16, 17, and section 1.7.9 of Annex II, part II which were kept in square brackets for further consideration.

¹² 14760/14 (+ADD1 to ADD4); 16538/14

- Elimination of the obligation to put in place an environmental management system;
- Introduction of the possibility of using non-organic ingredients for the preparation of food and feed;
- Exclusion of some categories of retailers from the control system;
- Providing the possibility and the ability to label in-conversion products;
- Maintaining of the vendor declaration confirming the absence of GMOs in the organic product;
- Maintaining the possibility of using biodynamic preparations;
- Maintaining the status quo regarding the use of in-conversion feed.
- Maintaining existing conversion rules.

Furthermore, as requested by the delegations, the number of delegated acts was significantly reduced in the compromise text, thus increasing the number of implementing acts. The general requirements of the production rules foreseen in annex II are considered essential elements. The proportion, in particular in the annexes, of essential elements - only modifiable by codecision - was also increased. Many detailed technical provisions will therefore be defined by implementing acts, without placing an excessive burden on the basic text. As a consequence the specific technical requirements concerning, in particular, plants and plant products, livestock species, different species of aquaculture animals and seaweed, the oenological practices, processes and treatments for wine were withdrawn from the annexes. This resulted in a substantial change in the structure of the proposal.

3. The qualified majority was not reached at the SCA on 9 December and a number of delegations argued that it was still premature to get a partial general approach on the text. They considered that the Presidency compromise text should be further examined at the technical level.

The complexity of the proposal did not enable the Presidency to finalise its work on the entire proposal. At the SCA on 9 December, the Presidency also submitted, for information only, the result of its preliminary work on Articles 20 to 45¹³ (excluding Art. 44), as a simple contribution to the further work that the Council will continue under the future Presidencies. It foresees in particular:

- The reintroduction, concerning labelling, of some paragraph of art.24 of Regulation (EC) No 834/2007,
- New rules for stocks of organic products produced in accordance with Regulation(EC) No 834/2007.
- Significant reduction of the number of delegated acts

For the future, the most complex aspects requiring further debate at both the political and technical level are the:

- scope of the proposal (categories versus positive list of products)
- production rules for other products
- adoption of exceptional production rules
- group of operators
- provisions on control in connection with the proposal for a Regulation on official controls still under discussion;
- limits that can be applied on the residues of substances not allowed in organic farming;
- rules for imports of organic products.

The Presidency invites the Council to endorse the guidelines, above mentioned in the point 2, and reported in the Annex 1, as political guidance for the future work.

¹³ 16341/14 (Annex II)

The Council takes the view that, after several months of discussions on the Commission's proposal, which overarching objectives are also simplification and enhancing growth and jobs, the following political guidelines, with reference to the articles 1 to 19, have reached a high degree of support among the members of the Council.

1. Significant reduction of the number and scope of delegates acts;
2. Maintaining the status quo as regards mixed farms;
3. Introduction of the derogations for the use of non-organic seeds, non-organic animals and non-organic juveniles, in line with the existing rules;
4. Elimination of the obligation to put in place an environmental management system;
5. Introduction of the possibility of using non-organic ingredients for the preparation of food and feed;
6. Exclusion of some categories of retailers from the control system;
7. Providing the possibility and the ability to label in-conversion products;
8. Maintaining the vendor declaration confirming the absence of GMOs in the organic products;
9. Maintaining the possibility of using biodynamic preparations;
10. Maintaining the status quo regarding the use of in-conversion feed.
11. Maintaining existing conversion rules.

The Council holds the view that these guidelines should steer the future work on this part of the proposal, but also considers that this work and discussion can only be completed when the entire proposal has been thoroughly reviewed.