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FINAL MINUTES

Meeting of the Civil Dialogue Group

ARABLE CROPS –RICE SECTOR

28 June 2019

Chair:

Organisations present: All Organisations were present, except BeeLife, CEPM, EBB, ECVC, Fertilizers Europe, IFOAM EU, SACAR

1. Approval of the agenda

2. Nature of the meeting

The meeting was non-public.

3. List of points discussed [Name of each point, one by one]

1. Approval of the agenda and minutes

The minutes were approved. Regarding the agenda, FERM/FoodDrinkEurope asked to introduce the issue of plant protection products as an AOB item.

The agenda was approved.

2. Market situation:

a. Exchange of views on the situation of the rice market and in particular on imports

A Commission's representative gave a presentation on this item. His presentation started with an overview of the rice world market and international prices. Regarding the EU rice trade, imports from September 2018 until May 2019 increased by 16% (reaching 1,1 million tonnes) compared to the same period the previous year. Imports of small packaged (< 20kg) of milled rice also increased during the 2018/2019 marketing year by 30% compared to the previous one. EBA rice imports from September 2018 until May 2019 increased by 11% compared to the same period the previous year. They reached 304,540 tonnes in May 2019. In particular, imports from Myanmar rice increased much more than the ones from Cambodia. Therefore, it seems that after the implementation of the safeguard clause, traders switched to another rice variety (Japonica rice). Total EU rice exports went down 15% in 2018/19. EU rice production during the 2018/19 marketing year decreased (- 6,5%)

compared to the previous marketing year. EU rice imports in 2018/19 increased by 16% and EU rice exports went down (-15%). As regards EU prices, they are in a slight uptrend as production is down, but there is pressure from imports. His presentation is available in the website of [DG AGRI](#).

Pan Europe asked if it was possible to get figures on the EU organic rice production.

Birdlife said that he asked previously the Commission to provide figures on organic rice during this CDG and he would like to know if this is possible.

Copa said that rice farmers and cooperatives are very worried about the substantial increase of Japonica imports from Myanmar, from 4,917 tonnes in 2017 to 58,029 tonnes in 2019. Copa-Cogeca will send a letter to Commission Hogan, Malmström and Mimica to alert them about this worrying situation.

The COM replied that regarding organic figures, they are also very interested to get detailed figures, however there are no CN codes for organic products. Nevertheless with the introduction of the electronic certificate, it is now possible to have a bit more detailed figures regarding the imports of organic products. These data can be found in the following links :

Market brief on organic farming

https://ec.europa.eu/info/sites/info/files/food-farming-fisheries/farming/documents/market-brief-organic-farming-in-the-eu_mar2019_en.pdf

Market brief on imports of organic products

https://ec.europa.eu/info/sites/info/files/food-farming-fisheries/farming/documents/market-brief-organic-imports-mar2019_en.pdf

The COM added that regarding the imports from Myanmar, if imports are not Japonica but smaller Indica grains, then it would be a fraud. However it is the Member states who have the competence to monitor rice imports and measure the grains. We are also aware of the potential negative impact on the EU rice production, given that the EU is self-sufficient in Japonica.

FERM/FoodDrinkEurope asked the Commission why there were no data on broken rice in the EU rice balance sheet.

EEB asked about the role played by AMIS regarding data collection for the rice market. In addition, it is essential to have CN codes for organic products to be able to have more data for the organic sector.

Copa said that in Italy, there is a good monitoring and reporting system that ensures market transparency and they also have data on organic rice. However, the organic rice market in Italy collapsed because of the decrease of prices : -50% compared to the previous year. In addition, regarding the rice balance sheet, the Commission mentioned that EU rice production decreased and we believe that this is a very bad news.

Pan Europe said that they support rice production in the EU depending on how it is produce and they support organic production.

CELCAA said that DG Trade thought important to support poor countries and therefore launched the EBA initiative. But now the political reasons to support them has changed since now the objective is to take these countries out of the hands of China. Therefore the safeguard clause is not efficient because of it was not implemented for the good reasons and we have already stressed that out in a previous meeting. In addition, there are no frauds on imports regarding the varieties of rice imported from EBA countries.

The COM replied that the AMIS group was created in 2007/2008 to monitor markets in order to prevent food crises, however the EBA countries were noted included. Broken rice is not in the balance sheet because member states are not interested by this data. The Commission does not applaud the decrease of production, however as the EU is not self-sufficient in rice, we must import and there is a conflict between domestic production and imports.

b. State of play of the safeguard clause and on Cambodia's legal challenge (tbc)

A representative from the Commission informed the attendees about the state of play. The Commission is currently working on the legal defence, however because of confidentiality reasons, details cannot be provided. Nevertheless, the Commission has fully complied with the GSP regulation when implementing the safeguard clause. Cambodia has raised the issue as well in the WTO on Trade and Development Committee in Geneva and was supported by inter alia China.

Copa said that they fully support the work done by the Commission and Copa is sure that the Commission will make a good work defending the sector.

c. Exports to the Middle East: GCC proposal for limits on arsenic (tbc)

A representative from the Commission explained that Saudi Arabia has been decreasing the residue levels of its imports and wants to decrease the one in arsenic for rice. The Commission is exchanging views with Saudi Arabia about it and on 15th July the SPS Committee will take place and they will update the traders when relevant.

CELCAA wants to understand the reasons of Saudi Arabia, because the levels they are asking are even lower than the ones in baby food. It seems that it is protectionism. It is also strange that the levels are required for milled rice and not for paddy rice.

3. Uptake of organic production methods in EU rice production

Stefano Bocchi from the University of Milan gave a presentation on this item. In particular he explained the objectives and results of the research project Risobiosystems. As an introduction he focused on the sustainable development goals, on the issue of climate change and planetary boundaries and highlighted the need for a new paradigm for a real innovation. He then explained the results of the research project Risobiosystems. His presentation is available in the website of [DG AGRI](#).

Copa asked if it would be possible to have one the practice presented used for all the area of rice in Italy?

Mr Bocchi said that for organic farming it is not possible to generalise as one plot is different to another one and each would need different practices.

4. State of play on the CAP post 2020, with a particular focus on COMAGRI vote and on the possibility for sectoral programmes for rice

A representative from the Commission gave a presentation focusing on the sectoral intervention for the rice sector. This possibility was introduced by the Commission's proposal on CAP strategic plans. Member states have to decide to introduce this tool for rice within their strategic plans. The details of this new tool can be found in the presentation which is available in the website of [DG AGRI](#).

Cogeca stressed that this new possibility for the sector is welcomed. It already had a good impact for the fruit and vegetable sector and it is very interesting to use.

Pan Europe asked if there is a target for the environment when using this tool? Pan Europe asked why Copa-Cogeca is against crop rotation in greening for rice?

The Commission replied that this tool is similar to the one of the fruit and vegetable sector with the main difference that it is not compulsory for rice and therefore member states have to introduce it for the rice sector in their strategic plans. There is an environmental percentage in the fruit and vegetable scheme and for the other sectors there is a target.

Copa answered to Pan Europe that when rice is produced in wetlands, it is not possible to have a rotation of crops.

5. Market data:

a. Information on the legislative proposal on market transparency

A representative from the Commission gave a presentation on this new legislative proposal on market transparency. Over the past years, the European Parliament and European Council have called the Commission to increase market transparency. In May, the Commission proposed a delegated act (2017/1183) and an implementing act (2017/1185) supplementing the CMO Regulation. For the rice sector, it is proposed to include an additional notification on selling price from Member states with a milling industry and on domestic use (including by the processing industry) of rice expressed in milled equivalent. His presentation is available in the website of [DG AGRI](#).

Copa said that they fully support this new proposal from the Commission, because the sector needs to have data from the whole industry and at each processing stage and at retail level.

CEJA said that they also support this new proposal.

b. Rice statistics: potential improvements on publicly available information

FERM/FoodDrinkEurope gave a presentation on this item. He explained which are the market available data provided by DG AGRI and which ones are provided by DG TAXUD. He mentioned that information from import licences from DG AGRI are not needed. However, the following additional market data is needed: Production per Member State ; Seeding forecasts and Organic rice production. As regards DG Taxud, the following additional trade data is also needed : exports overview, exports per member state, EBA imports , Small packages and Fragrant rice.

6. Trade related issues:

a. Brexit preparedness and the establishment of post-Brexit TRQs (discussions at WTO)

A representative from the Commission gave an overview about the latest developments regarding Brexit. The Commission has been actively working on delivering preparedness documents to ensure that the EU is ready for Brexit irrespective of the outcome. Regarding TRQ, they launched a procedure in WTO one year ago to apportion the EU28 WTO

commitments between the EU27 and the UK. Further information can be found in the following links:

Agriculture and Brexit

https://ec.europa.eu/info/food-farming-fisheries/farming/eu-agriculture-and-brexit_en

Brexit preparedness website

https://ec.europa.eu/info/brexit/brexit-preparedness_en

FERM/FoodDrinkEurope mentioned that common sense must prevail when it comes to future EU exports to the UK. There will be more competition to access the UK market.

The Commission said that if the sector has any kind of additional information, they should report it to the Commission.

b. Removing barriers to rice exports: licences/certificates

FERM/FoodDrinkEurope mentioned that it is needed to remove the licences and certificate because they are administrative barriers for exports of rice and they are no longer needed.

The Commission said that they are already aware about their position however this issue is covered by an horizontal regulation and they have a different schedule of revision.

c. Trade negotiations: update on discussions with Mercosur (tbc)

A representative from the Commission gave a brief update on this bilateral negotiation. It seems that it is the last round of negotiation and they might reach an agreement very soon. The Brazilian government is mostly targeting meat and sugar and not so much rice, so we can expect that the quota for rice would not be as big as foreseen.

Copa said that given the potential negative impact on the rice sector, it is not appropriate that the Commission at the end of its mandate tries to reach such an agreement.

7. A.O.B.

FERM/FoodDrinkEurope informed the members that the Commission can grant grace period for use of plant protection products however they after cannot guarantee that the products produced during the grace period can be sold, because there is a risk that the MRL will disappear right after the grace period is over. This makes no sense and is hugely detrimental to the industry.

4. Conclusions/recommendations/opinions

5. Next steps

6. Next meeting

7. List of participants - Annex

Disclaimer

"The opinions expressed in this report represent the point of view of the meeting participants from agriculturally related NGOs at community level. These opinions cannot, under any circumstances, be attributed to the European Commission. Neither the European Commission nor any person acting on behalf of the Commission is responsible for the use which might be made of the here above information."

List of participants– Minutes

Civil Dialogue Group

ARABLE CROPS –RICE SECTOR

Date: 28 June 2019

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