

MINUTES FOR WRITTEN PROCEDURE

Meeting of the Civil Dialogue Group ORGANIC

Date: 24 11 2017

Chair: Ms ANDERSEN

Organisations present: All Organisations were present, except BEUC, ECPA, EFA, EFFAT, PAN Europe

1. Approval of the agenda (and of the minutes of previous meeting¹)

2. Nature of the meeting

The meeting was **non-public**.

3. List of points discussed

- 1. Adoption of the minutes of the previous meeting and agenda**
- 2. Elections of the Chairmanship of the CDG**
- 3. Overview from the Commission on the market situation of the organic sector in the EU**
- 4. Information on the state of play of the revision process and if possible information on the calendar of implementing and delegated acts**
- 5. Information on the European Action plan: follow up on the implementation of the measures**
- 6. Information on the state of play of the electronic certificate for imports**
 - a) Short update from the COM**
 - b) Clarification from the stakeholders on different points (Definition of agricultural product, Distinction of processed/unprocessed product, Annex I TFUE, Code of combined nomenclature in TRACES, possibility to certify out of TRACES**
- 7. EGTOP activities : state of play**
- 8. Follow up on the EU trade agreements**
- 9. Derogation on poultry and protein feed**
- 10. Impact of the Official Controls regulation on organic (from the COM)**
- 11. Clarification on different small Regulation issues: Differences in the application of art 17 (834/2007) and related implementing rules (art 36-38)**
- 12. AOB**

1. Adoption of the minutes of the previous meeting and agenda

The Chair welcomed the attendees and then proceeded to the adoption of the minutes of the previous meeting of the Civil dialogue group (CDG) on organic farming.

He then went on to adopt the agenda of the meeting and asked if there were any request of new items. SACAR asked to include under AOB an item on the guidelines for Ukraine.

¹ If not adopted by written procedure (CIRCABC)

IFOAM-EU also asked to include under AOB an item on the state of play on the authorisation to use copper in organic farming. The agenda was then adopted.

2. Elections of the Chairmanship of the CDG

The COM informed the attendees that for the elections of the mandate 2017/2018, they received the following applications:

- Mrs ANDERSEN (COGECA) for a 1st mandate as Chair
- Mr STOPES (IFOAM EU GROUP) for a 2nd mandate as Vice-Chair
- Mr KOLB (SACAR) for a 1st mandate as Vice-chair

They were then invited to present their candidacies. A vote by a show of hands took place. As a result, Ms Andersen was elected as Chair of the CDG with one abstention. Mr Stopes was elected as Vice-Chair of the CDG with one abstention and Mr Kolb was elected as Vice-Chair of the CDG with two abstentions.

3. Overview from the Commission on the market situation of the organic sector in the EU

A representative from FiBL Europe gave a presentation on this item. Figures show clearly that at EU level and over the last ten years, the sector has experienced a growth in terms of organic land and the number of organic farmers and organic retailers has also increased continuously. At world level, Oceania was the biggest organic producer in terms of area with 22,8 million hectares in 2015, followed by the EU with 12,7 million hectares and Latin America with 6,7 million hectares. At world level there were 2,4 million organic farmers in 2014. The global organic food market is growing and consumer demand is increasing. In 2015, it was worth 75 billion euros. The three main markets are USA with 35,8 billion euros, Germany with 8,6 billion euros and France with 5,5 billion euros. In 2015, permanent grass land represented 65% of land use at world level, followed by arable land crops with a share of 20%, then by permanent crops (8%) and by other agricultural land uses (2%). Since 1999, the growth of retail sales has been faster than the growth of organic land. There are still many challenges in order to get accurate and up-to-date data at EU and world level. He then concluded that the current data situation is critical when it comes to use organic data for decision making, market projections and/or plausibility checks. Market transparency must be improved in the organic sector and this could be achieved by using different tools such as more data from control bodies, having a better use of trade statistics, making European import data accessible from TRACES or installing a routine of systematic check of production and export data against import data. His detailed presentation is available on DG AGRI's website.

The Chair said that during the last years, there has been an increase in terms of organic area, farmers and turnover. However, the COM and member states should also monitor that this does not lead to a decrease of the price paid to organic farmers.

Discussion

Several organisations (IFOAM-EU, COPA, FTAO, FEFANA, EURAF) asked questions in order to have further details or clarifications on figures from the presentation, such as data on direct sales, on imports on feed and food, on imports to the EU and trade within the EU.

The representative from FiBL Europe answered that they have no data on direct sales and they also have very few data on livestock production. Most of the data they received came from various control bodies that get their figures from the field. EOCC confirmed that they cooperate with FiBL Europe on this and added that data collection is also becoming more

difficult due to the complexity of the food chain when more and more intermediaries are created.

IFOAM-EU asked the COM if there would be any possibility to develop custom codes in future for organic products.

The COM answered that in the current context, national administrations are requesting to DG TAXUD in particular to have a more simplified procedure with less administrative burden, therefore it seems that customs codes for organic products would be difficult to adopt in future. However, we hope that the launch of TRACES could be a helpful tool to collect more data in terms of imports. In addition, we also have the objective to increase our cooperation with control bodies and we have recently organised an event with all the control bodies involved in third countries and we will repeat this next year.

4. Information on the state of play of the revision process and if possible information on the calendar of implementing and delegated acts

The head of the organic farming unit from DG AGRI gave a presentation on the state of play of the revision process. A political compromise was reached during the trilogue that took place on 28/06/2017. Then the legal consistency of the text of the political compromise was checked by the lawyers from the EU Institutions. On Monday 20/11, the SCA endorsed the legally revised political compromise and on 22/11 COMAGRI also endorsed it. It will be then submitted to a vote at the plenary of the European Parliament in early 2018 and it will be then formally endorsed by the Council. The publication in the Official Journal will follow and the entry into force will take place on the 01/01/2021.

However, before the entry into force, work needs to be done on the implementing and delegated acts in order to ensure a smooth transition with the new regulation. A new colleague in DG AGRI is responsible of this important task. Our first impression is to start with the secondary legislation which has an impact on investments for farmers, because they will need time to adapt their practices if needed, but we will also listen to your priorities before deciding on a planning. For now and until the legal process of endorsement is not finalised, it is not possible to discuss about a text that is not yet published.

IFOAM-EU asked if during the legal adjustment during the translation process of the compromise it is possible to propose any improvements to the text, before the vote in plenary in the European parliament. He also thanked the COM for their openness as regards the implementing and delegated acts. He believes that the way controls are managed by control bodies should also be considered as a priority because it has an impact on all operators.

ERPA thanked the COM for already thinking about the investments needed for the producers, because the buildings for the livestock are a real concern for farmers. When the implementing and delegated acts will be discussed, on what documents, reports, legislations, is the COM going to base its proposal?

COPA mentioned that a few items would need to have clear implementing rules in order to avoid too much bureaucratic burden for operators. For example, on article 20 b, maybe guidelines could be foreseen to ensure a harmonised implementation at EU level? In addition, within the working party on organic farming, we discussed on the area that should be dealt with in priority as regards implementing and delegated acts and we agreed on the following 5 priorities : issue on controls of residue, annual controls, import regime, plant reproductive material and poultry production rules.

A representative from Italian farmers asked if, on article 20 b, the new regulation allows to introduce in the market accidental contaminated products labelled as organic, because there is not a clear common decertification thresholds.

ECVC mentioned that their position was that the current organic regulation needed to be changed in order to improve the regulation and avoid unclear interpretations. It is also very important to have less bureaucratic burden for organic farmers, because sometimes it feels like organic farmers are being penalized by all the bureaucracy needed.

IFOAM-EU mentioned that stakeholders when consulted, they need time to have a position ready and this is not possible within two weeks. Therefore, this should also be taken into account by the Commission.

The COM answered that the legal revision during the translation process is only on the quality of the translation, therefore nothing will change. The legal adjustments on consistency were already done during the legal reading of the compromise text. As regards the bureaucratic burden, we share this concern and we have a common interest to simplify as much as possible. On guidelines, it is a possible tool to use as well. However until now, we first had an analysis of the implementation of the legislation on the ground and only if an actual problem arose, then we set up guidelines. As regards the planning of the work on the secondary legislation, stakeholders should get ready to be consulted at an early stage on their priorities (provided that not all the items are to become a priority), and they will be then informed on the calendar and on the state of play of the work so that they can prepare their work beforehand. In addition, a discussion should first take place on the technical problems found and on the solutions that can solve this problems before drafting the text. Therefore discussion with all the organisations involved with organic farming will be very important. Member States' representatives will also have to be heard during the process.

The Chair underlined the fact that it is very important that stakeholders are heard during the drafting of the implementing and delegated acts and welcomed the approach taken by the COM. This will ensure the adoption of clear implementing and delegated acts with as little bureaucracy as possible.

5. Information on the European Action plan: follow up on the implementation of the measures.

The Chair said that the action plan is an additional tool for the development of the organic sector therefore we need to ensure that all the actions are completed.

A representative from the COM gave a presentation on the state of play of the implementation of the action plan. Her presentation is available in DG AGRI's website. She concluded by saying that about 70% of the measures in the action plan are completed, therefore it is expected that all the measures will be implemented by 2020.

IFOAM-EU welcomed the increase of calls concerning organic farming within Horizon 2020. On the project to get a pluri-lateral agreement, we believe that experience of the organic sector and movement should be considered. We also ask you to involve IFOAM-EU on the discussions on mutual recognition of standards.

AREPO asked a question on the scope of the electronic certificate for the internal market.

WWF asked a question on the way to have the list of the research topics within Horizon 2020 and the list of the funding for organic agriculture.

EOCC asked a question on the electronic certificate for the internal market. Will this be the same system than the current one? Or would it have to describe all transactions and if so, there will be a need for a transition period.

DG AGRI replied that the electronic certificate for the internal market will not have to take into account all the transactions. It should be operational in 2018. The aim is to have a better overview. As regards the list of projects and funding, she does not have the figures, but it was made available by the DG AGRI research unit and she can send it afterwards. As regards the pluri-lateral agreement, the COM is still at the preliminary stage and this process will take a long time. For now they are collecting ideas and tools from all organisations interested in this task.

6. Information on the state of play of the electronic certificate for imports

a) Short update from the COM

DG AGRI gave a presentation on the state of play. Member states had until 19/10 to set up the electronic certificate for imports. From 20/10/2017, only electronic certificates issued by TRACES are valid. As regards certificates issued before 19/10 without TRACES, they are still valid. The COM received many questions from member states on technicalities. However, the COM is not in charge on the way member states work or set up this system. On questions on the codes of products we check on a case by case basis in consultation with DG TAXUD. However we do our best to answer as soon as possible, but many cases need further investigations.

COPA asked if this new system is working at 50% or 80% now.

The COM replied that system is working at 100% now, and the questions are making it work better.

b) Clarification from the stakeholders on different points (Definition of agricultural product, Distinction of processed/unprocessed product, Annex I TFUE, Code of combined nomenclature in TRACES, possibility to certify out of TRACES)

EOCC said that at member state level, non-uniformed systems are being set up. Then, there are also other problems in the implementation of TRACES as regards the certification of products linked with the Annex I of the Treaty on the functioning of the EU and the organic farming regulation. This creates confusion in particular for cotton and the possibility to certify it as organic or not. In addition, there are problems also as regards the definition of processed products and in particular on the drying of products. This is important because 90% of farming products are dried for food preservation purpose.

The COM answered that as regards custom practices, the principles are the same within the EU, however the way they are implemented can be different between member states. As regards the two other issues, they are already well known within the COM. However, for now there are no other ways to have a new definition than the one from the regulation from DG SANTE. Therefore, we will continue using this definition, as it is already applied within the EU. On cotton, it can be certified as a plant only. For the other question, we are still in discussion with DG SANTE on this, so we cannot give you an answer for now. More generally speaking, the COM would welcome any feedback from the sector on the TRACES' implementation at national level to further discuss it with national authorities.

7. EGTOP activities : state of play

DG AGRI explained that a selection of 13 new experts for the plenary group took place and there are 32 experts in the pool. The first meeting of the plenary group took place on 9th October and the experts assessed the work load and work programme. Two sub-group meetings are scheduled, one on plants questions (on additives and production rules) on 1st of March and another on fertilisers in April. In June 2018, the plenary group will meet in order to endorse results of the two sub-groups. Other groups may take place in 2018 based on the requests and dossiers from member states. There could be one on plant protection products.

IFOAM-EU asked if the COM could circulate the items within the mandates of the two sub-groups to the civil dialogue group.

AREPO said that the role of EGTOP was key in particular for answering many questions.

The COM answered that they will check if there is nothing confidential and if not they will send the draft mandates to the civil dialogue group. Now EGTOP will try to catch up with the backlog that was taken these few years during the revision process.

8. Follow up on the EU trade agreements

DG AGRI gave a presentation. Negotiations with Chile started in 2014. In April, the agreement was signed in Brussels. It will enter into force on 1st January 2018. Then, once the new EU regulation will enter into force, the current equivalent administrative agreements between the EU and a few third countries will be transformed into international agreements within 5 years. A work programme with priorities will be adopted.

COPA mentioned that in the US, hydroponic production was considered compliant with organic farming. What kind of impact will this new US decision have on the EU/US equivalent agreement?

IFOAM-EU also underlined that the hydroponic issue is very important and has to be discussed immediately with the USDA and asked then about the state of play with Korea.

EOCC asked a question on the agreement between EU and Chile. What is the state of play of the modifications needed in Annex III of regulation 1235/2008? What kind of transition period?

DG AGRI replied that as regards the agreement with Chile, no transition period is foreseen as it will enter into force in 2018. Chile has to send us the list of control bodies that they recognised before the end of December. As regards Korea, discussions are on-going this week in Poland. On USA, the COM will have to discuss with US authorities in order to decide on the impact of this new decision on the agreement.

FTAO said that they want to have indications on how imports will work in future. How the COM is going to ensure that trade will continue?

DG AGRI replied that there is a transition period foreseen until 2024 for the developments into compliance for control bodies certifying non-equivalent third countries. Operators and control bodies will have enough time to adopt the system. In addition, the new equivalent agreements with third countries will have to be adopted within 5 years after the entry into force of the new regulation (2026).

9. Derogation on poultry and protein feed

DG AGRI gave a presentation. On these items, an implementing act was adopted by member states allowing the prolongation of these two derogations for one year, so until end of 2018. Only one member state abstained. The regulation will be published in the official journal on early December 2017. As regards protein feed, a transition period will be foreseen until the new regulation enters into force.

IFOAM-EU thanked the COM for the fast work done with member states on these important issues which are still needed. It is also good to remind that within the last 25 years, enormous progress was done in order to improve the availability on organic feed.

FEFANA said that the COM needs a strategy to secure supply in the long term.

ERPA also thanked the fast work done by the COM and member state to prolong these derogations that are needed. As regards pullets, harmonised rules at EU level are needed as well.

ECVC said that insects for feed for poultry and pigs should be considered.

COPA mentioned that in South of Europe, there are many problems with droughts which leads to a reduction of the production of arable protein crops. A more systemic solution is needed on the issue of organic feed.

WWF said that there should not be any cattle without land in organic farming. It seems that the derogation does not improve the situation but delays the problem. It is also cheaper to import than developing protein crops.

DG AGRI replied that the problem of supply of feed is not only linked to organic farming but to the whole farming sector within the EU. In addition, a report will be published that will be able to provide further answers on this issue. On insects, before considering this for organic livestock, it needs to be first approved at EU level for farming.

10. Impact of the Official Controls regulation on organic (from the COM)

DG SANTE gave a presentation on some of the main elements of the newly adopted Official Controls Regulation (i.e. Regulation (EU) 2017/625) and on the Commission work that lays ahead to implement it. The Regulation entered into force on 29 April 2017 and the date of application of the majority of the provisions is 14 December 2019. DG SANTE presentation is available on DG AGRI's website.

DG AGRI specified that the discussion on the controls for the organic sector will take place when the regulation on organic farming will be adopted.

EOCC asked a question on the link between imports from third countries and the responsibilities of competent authorities from the third countries. This needs to be clarified.

There are detailed import control rules in the Regulation to ensure that animals and goods coming from third countries comply with EU legislation. Generally speaking, the frequency of those controls, among other things, takes into account the controls already performed on those animals and goods and the guarantees on compliance with EU legislation given by the competent authorities in third countries.

IFOAM-EU asked if a rating of each operator would provide details about the outcome of competent authorities' controls.

COPA said that control bodies will be accredited according to international standards, however these international standards are sometimes less strict than the standards set up by member states. When it comes to unannounced official controls, is it also going to be applied for organic controls?

ECVC asked about the risks of contamination of GMOs as regards organic products and animal feed. How are they going to be checked?

FTAO asked who will be paying for unannounced controls.

DG SANTE replied that the official controls regulation enables member states to establish a rating scheme, if they wish to have it. If it is established though, the rating criteria would need to be objective and the transparency and fairness of the rating scheme will need to be ensured. Rating schemes are already implemented in certain member states and they indicate, in very general terms, how well the operator performed in terms of compliance with the relevant rules. Official controls must be unannounced, but prior notice may be given where it is necessary and duly justified for performing controls (e.g. to audit the operator's activities).

The deliberate release of GMOs for food and feed production is within the scope of the official controls regulation.

As regards the FTAO question, DG SANTE explained that the Official Controls Regulation sets out requirements for mandatory fees for certain official controls like for example official controls performed in meat plants and at EU borders.

DG SANTE also clarified that in case of violations of agri-food chain rules perpetrated through fraudulent or deceptive practices, where financial penalties are applied member states must ensure that those financial penalties reflect the economic advantage of the operator or a percentage of the operator's turnover.

11. Clarification on different small Regulation issues: Differences in the application of art 17 (834/2007) and related implementing rules (art 36-38)

This item was deleted from the agenda.

12. AOB

- DG AGRI explained that the guidelines for imports from Ukraine was adopted by member states in 2009. They are annual. The ones ongoing are valid until end of 2017. During the regulatory committee on organic production on 30th November, this item will be discussed with member states. We think that it is useful to maintain these guidelines and it is up to the member states to adopt them.

-IFOAM-EU said that the general authorisation on the use of copper will end in January 2018. What will happen after this date? And also asked whether there will be another Action Plan after 2020.

DG AGRI said that in order to address this issue, they need first the publication of EFSA's conclusions and they are not yet published.

- On the question if a new action plan will be adopted after 2020, DG AGRI said that there is no discussion on this item for now.

4. Conclusions/recommendations/opinions

Guidance

This part of the minutes should include comprehensive information on possible general conclusions reached or recommendations/opinions delivered by the group, including the outcome of a vote.

5. Next steps

Guidance

This part of the minutes should provide comprehensive information on next steps, as agreed during the meeting, including on the issues to be discussed in future meetings, the tasks to be performed by the group and the general timeline.

6. Next meeting

The proposed date are on 15/05/2018 and 16/11/2018. To be checked with the Chairmanship.

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."