

Brussels,
... / ... (2017)

FINAL MINUTES

Meeting of the Civil Dialogue Groups on “DIRECT PAYMENTS AND GREENING”

Date: 19/05/ 2017

Chair: Pierre-Olivier DREGE from the ELO – European Landowners’ Org.

Organisations present: All Organisations were present, except CELCA.

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

The Chair, Pierre-Olivier DREGE, proposed the approval of the agenda to the Civil Dialogue Group (CDG), which was agreed.

The minutes of the meeting that took place on the 2nd of December 2016 were approved.

2. Nature of the meeting

The meeting was non-public.

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

INFORMATION ON THE CALENDAR OF THE CDG MEETINGS 2017

Pierre-Olivier DREGE relayed the date of 17th November 2017, a Friday, as the proposed date for the second meeting of the Civil Dialogue Group on Direct Payments and Greening for the year.

STATE OF PLAY OF CAP SIMPLIFICATION INITIATIVES IMPACTING ON DIRECT PAYMENTS AND GREENING OBLIGATIONS

Emmanuel PETEL from DG AGRI gave a presentation on the simplification measures on greening. The presentation was made available by the Commission.

COGECA welcomed the amendment on permanent grasslands in light of the difficulties for Mediterranean woodlands (Dehesas).

¹ If not adopted by written procedure (CIRCABC)

FOOD DRINK EUROPE asked the position of the Commission on the amendments proposed by the European Parliament to the omnibus regulation, namely on the proposal for bargaining power organizations, believing it went beyond the simplification mandate.

BIRDLIFE welcomed the pesticide ban proposed by the Commission and asked for the commission's reaction to the changes proposed on greening by the EU Parliament to the Omnibus regulation.

COPA welcomed simplification attempts by the Commission but was worried that current proposals would add complication, particularly the additional demands put on farmers with the proposal to ban the use of pesticides in EFAs. COPA also asked about the timings expected for the implementation of these changes.

BEE LIFE commented on adverse impacts of catch crops and green cover to pollinators when managed in a way that exposes pollinators to pesticides, particularly during the flowering period. BEE LIFE asked about the possibility to recommend farmers to cut catch /green cover crops before the flowering period.

COPA showed concern over the amendments proposed to the CMO regulation, under the Omnibus proposal.

EEB supported the comment from BIRDLIFE on the pesticide ban in EFAs and asked if all the proposals in the greening delegated act would be disregarded when only a part was refused. EEB also asked if the Commission's explanatory note given to the Member States was available for other stakeholders.

COGECA commented on the additional administrative complication and the negative economic consequences arising from a ban of pesticides in productive EFAs. COGECA questioned the results of studies on greening that relied on a too short implementation period, supporting more comprehensive studies instead.

EFNCP welcomed the new eligibility for common pastures but was worried about the implementation of these proposals, as the EFNCP would not like to see them diluted.

VIA CAMPESINA supported changes that limit the use of pesticides.

FOOD DRINK EUROPE voiced the importance of plant protection products for productivity and the food industry.

CEJA supported the position of COPA and COGECA against the pesticide ban, mostly due to concerns over the consequences of changing practices too quickly.

COGECA repeated the idea that, while most of the proposals were welcomed, the pesticide ban was not considered a simplification and put into question the cost-effectiveness of investing in protein crops. It is also important to maintain EFAs productive since a 1% decrease of EU food production would lead to food imports from 100.000 ha land from 3rd countries, which are producing under socially and environmentally doubtful conditions.

COPA called for caution on the definition on permanent grasslands, due to the differences in member States, particularly with the ratio. Copa also argued that pesticides

are necessary for growing leguminous crops on EFAs and it is thanks to leguminous crops that below soil biodiversity is significantly improving.

BIRDLIFE repeated that the purpose of EFAs was biodiversity and not the production of leguminous crops.

This position was supported by IFOAM, who believed the proposal did not go far enough since it did not include a ban on synthetic fertilizers.

COPA argued that the "pesticides ban" went against the integration of greening in agriculture, calling for less ideology and more pragmatism. It also has to be acknowledged that the potential of greening especially lies in its high coverage of land. A ban of pesticides would significantly obstruct this.

Emmanuel PETEL supported the Commission's proposal to ban the use of pesticides on EFAs, defending the cost/benefit of the proposal when considering the objective of the EFAs and the agronomic options available. Other tools are better suited to encourage protein crops.

On the Omnibus proposal, he highlighted the importance of keeping the common definitions during the negotiations.

Pierre BASCOU added that the greening proposals in the delegated act were not for simplification only, but mostly for improving its performance. On the Omnibus, it was too soon for the commission to give its view on the position in the trialogues. While agriculture is one of the components on the omnibus, the omnibus should not address the greening proposals.

The chairman closed this point and concluded that participants welcomed simplification, but there was no consensus on the ban of pesticides in productive EFAs.

SECOND YEAR OF IMPLEMENTATION OF GREENING OBLIGATIONS UNDER THE DIRECT PAYMENTS SCHEME (CAP)

Andrea FURLAN from DG AGRI gave an update on the implementation of the greening obligations, which were updated with data from most of the Member States, that month, except for France. The presentation was made available by the Commission.

COGECA urged caution on using generalizations that could lead to dismissing problems that affect more specialized farms, in the context of the pesticide ban. Also, the market crises forced some farmers to change practices, practices which were harder to change due to greening requirements.

COPA considered the position of the commission on protein crops was not consistent.

EEB asked about measures that were covered by the four equivalence schemes shown in slide 15.

CEPM commented that the EFAs options taken had both environmental and economic reasons behind it.

COGECA said that the percentage of land dedicated to organic farming was a good example of moving towards greening. He defended that other biodiversity requirements could be phased in rather than being implemented all at once.

COPA defended that greening should aim at tackling not only biodiversity loss but also climate actions. Catch crops and nitrogen-fixing crops are examples of farming practices that have environmental benefits that should not be dismissed. Greening should not be restricted to biodiversity.

COPA commented on the likely changes to the EFAs options made by farmers due to the pesticide ban.

GREENPEACE asked when the data from FR and IT would be available, as it could change the numbers considerably. It was pointed out that Europe can produce nitrogen-fixing crops outside EFAs even if historically many have chosen not to do so. This should not be used as an argument to question the pesticide ban proposal, which he considered as a reasonable one, especially due to the fact that the ban helped to make the EFA measure deliver more which will be needed to justify the money and withstand current and future budgetary pressures.

FOOD DRINK EUROPE referred to the competition issues arising from coupled support, which was considered a useful tool articulated with the end of quotas. Nonetheless, it needs to be balanced and scrutinized.

IFOAM gave a personal example of producing nitrogen-fixing crops without the use of pesticides and the importance to meet the expectations of civil society.

VIA CAMPESINA gave a similar example and referred to the repetition in the agenda.

IFOAM asked for a more balanced approach towards the EFAs options and the tendency to always choose the most productive options.

COPA pointed out that the percentage of EFAs is double than the targeted of 5%, which was a positive sign towards the environment, independently of the measures being also economically viable.

IFOAM suggested looking at the productivity versus societal expectations discussion at a later stage.

Andrea FURLAN clarified that the data showed gave an overview from a Member State level and not from a farm one. Also, the Council and the Parliament have been discussing the possibility to allow for changes to permanent grassland due to the milk crises. The certification schemes referred in the presentation were: FR and PT with a very similar plan on crop diversification, UK and Scotland with one on permanent grassland and NL with three certification schemes mostly for EFAs.

He avoided replying again on the comments linked with the pesticides ban proposal.

EVALUATION REPORT ON IMPLEMENTATION OF EFAs

Katarzyna DYJA from DG AGRI gave a presentation on the potential benefits of EFAs on ecosystem services and the chair asked the participants to avoid commenting again on the pesticide ban.

The presentation was made available by the Commission.

COGECA asked about the possibility to be more flexible with the timing to allow the cutting of natural vegetation in land lying fallow in Portugal due to the fire risk. Also, it went against other political guidelines.

COPA commented on the worry of many farmers of the extra burden and the consequences of managing according to bureaucracy and not due to environmental considerations. The current legislation did not provide sufficient incentives.

COPA asked to look into the possibility to streamline the EFAs options and make them more attractive to farmers. COPA also welcomed the report and defended the need for more data, particularly at a later stage.

ELO agreed with the previous point, mainly the need for data and to address the bureaucratic issues.

COPA commented on the fact that farmers' choices were often dependent on the value of Direct payments received in comparison with the cost of the EFAs options.

VIA CAMPESINA asked about the availability of the data.

Katarzyna DYJA, with the support of DG AGRI colleagues, replied that the simulations for the land lying fallow rule took into account both the type of vegetation and the period for its environmental services benefits. At the time, the minimum period was six months, and the criteria for the maintenance activities could be adapted to the local conditions and other considerations.

About the current partition of EFAs, the services were looking to incentivize farmers to take landscape features. The commission is not proposing a higher percentage of EFAs but wants to encourage improving its quality.

The evaluation work is ongoing, and it should be finalized by the end of 2017.

FOLLOW-UP OF THE IMPLEMENTATION OF THE RECOMMENDATIONS OF THE EUROPEAN COURT OF AUDITORS SPECIAL REPORT No 26/2016 ON CROSS-COMPLIANCE

Juan ALVAREZ DE LA PUENTE from DG AGRI presented the Commission's reactions to the recommendation of the European Court of Justice on Cross-Compliance. The presentation was made available by the Commission.

COPA welcomed the Commission's intention to have a closer look at the cross compliance costs for both administration and farmers and asked if this could be extended to the general control costs.

BIRDLIFE commented about the preference of having a representative from ECA to speak on this point and was dismayed with the fact that the proposal to have the ECA come and speak in person had not been taken up in the agenda.

COGECA welcomed the move for simplification mostly because the CAP has become increasingly complex. Also, the sanctions needed to be proportionate, giving the example that often the cost arising from the loss of an ear tag is at the level of the value of the animal that lost it. Finally, depending on the countries and the number of authorities involved, there were often additional controls than what was recommendable.

COPA also welcomed the goal of simplification and some of the improvements that had taken place, but more was required, particularly on cross-compliance.

COGECA referred to the importance of having a strong Farm Advisory Service (FAS) and asked if there were plans to improve it.

EFNCP also insisted on the need of simplification, as the cost of controls, monitoring, and sanctions could be significant, particularly on extensive livestock systems. A study was mentioned that showed that 70€ were spent in the administration to regain 1€ of support. The problem of ear tags was repeated.

IFOAM hoped that the new technologies would be helpful to deal with the costs associated with recommendations five and six.

COPA welcomed proportionality of sanctions.

GREENPEACE asked about and how to improve the synergy between the GAEC and greening and asked for a clarification on recommendation one.

FOOD DRINK EUROPE asked for predictability when thinking about the future reform.

COGECA reiterated the points on the proportionality of the sanctions done by COPA, particularly in the livestock sector, and asked for the area-based and the animal-based payments to be separated.

BIRDLIFE repeated the request for clarification on the recommendation one and asked about the progress on the integration of SUD and WFD in the CAP.

Juan ALVAREZ DE LA PUENTE replied that it was the intention of DG AGRI to do a broader study on the administration costs, including the cross-compliance and greening. The presentation of the report from the European Court of Justice has been previously presented to the civil society in the European Parliament, while this presentation was made public for the first time in this meeting.

Regarding the proportionality, the sanctions corresponded to a reduction of 3% of subsidies received, which can change a little depending on the gravity of the fault. Different levels of control in the Member States should be avoided.

The introduction of the early warning system allows for some level of proportionality.

The last reform attempted to improve the FAS.

The new technologies will be helpful and will have a higher potential for reducing controls over eligibility rather than cross compliance.

The SUD and WFD can be integrated into cross compliance when they become fully transposed and defined by all Member States.

GREENING IN THE FUTURE CAP – DELIVERING OBJECTIVES AND MAKING IT SIMPLE FOR USERS

Both Maria SKOVAGER OSTERGAARD from COPA and Trees ROBIJNS from BIRDLIFE gave two successive presentations on their views on the Greening in the future CAP. The presentations were made available by the Commission.

Emmanuel PETEL from DG AGRI reiterated that, due to the current public consultation, the commission was in listening mode.

COGECA defended the "greening" character of coupled support and a future reform without radical changes.

COPA was of the opinion that this discussion should be limited to the future of greening.

COGECA pointed out that the Brexit effects would be radical enough for the future of the CAP. And more analysis should be done on potential consequences.

COGECA defended the need for stability and a long-term perspective in future considerations. It was also considered important not to forget that the production of food remains an essential land use.

EEB believed to be important to look into the current greening situation to talk about the future. EEB also asked Maria SKOVAGER OSTERGAARD about the position on cross-compliance and the position on results-based schemes.

GREENPEACE asked for clarity on the voluntary proposal on greening and the incentive premia mentioned in the COPA presentation.

COGECA asked for the global considerations in the greening proposals since the same requirements were not asked to third countries that export to the EU. A comment was made on the impact on soil worms by an excessive number of birds.

COPA agreed with BIRDLIFE on the point on public perception. There had been significant improvements that needed to be recognized, and it was important to remain constructive.

VIA CAMPESINA asked for the sources that show the loss of productivity if shifting to "ecological" production.

FOOD DRINK EUROPE would also prefer to see incremental changes to the policy and welcomed the idea proposed by COPA of having the money not used for greening being set aside for public goods.

IFOAM pointed out the need to keep farmers farming and the importance of replying to societal demands.

ELO welcomed the presentation done by COPA that was considered to contain some good ideas, namely by focusing on guidance and incentives for the provision of public goods.

CEPM pointed to the need of keeping farmers farming at a time when more people leave the countryside. It was important to provide sufficient tools to keep them farming. Also, the tools should not be different from west to east. Finally, farmers should be helped to understand the reasons behind all the different requirements and restrictions. While the rules were changing fast, the way of farming did not change from one day to the other.

COPA replied that farmers were doing a great job by fulfilling all the legal requirements put forward by the Commission and the Member States and EFA is double than the target proposed. On the results-based approach, it was said that more information from the Commission was needed before reaching a position on this.

BIRDLIFE replied that the future of greening needs to be aligned with environmental objectives and clarified that the study was comprehensive on the Greening aspects of the CAP and did not show that EFAs had a great impact on production. Also, if there were not enough worms in the soil, it was a sign that the ecosystem was not balanced. Finally, a point was made on the need to try to bridge the two sides of the discussion, and on the importance to bring clear positions to the table.

BIRDLIFE would like to see other views on the future of greening in coming meetings. Similarly, there was a need to discuss in more detail the socio-economic effects of Direct Payments and on a transition element to a more sustainable policy.

VIA CAMPESINA offered to give a presentation on this point at a future meeting. The Chairman welcomed the proposal and asked others to do the same.

ICT AND DIGITALISATION: HOW THEY COULD INFLUENCE AND SIMPLIFY DIRECT SUPPORT AND CONTROLS

Matthias LANGEMEYER from DG AGRI presented this point. His presentation was made available by the Commission.

COGECA believed that digitalization would certainly help farmers not only to deal with bureaucracy but to help more generally with farm management. The potential is high, but there was an urgent need to improve the usability of data.

BIRDLIFE asked if this would make it possible to implement crop rotation for the next reform. There was also potential as an information tool, for instance by keeping track of land use, particularly in more sensitive areas such as high biodiverse grasslands. However, it raises the question of who owns the data, and both the EU and the Member States may be required to intervene on the issue of data ownership.

COPA commented on several projects already underway in Germany and confirmed that general data collection frightens farmers who can have the perception of being under surveillance. COPA then asked on the potential for smartphone applications and if the commission had data on the potential of LPIS system.

COPA added the need to address questions over data ownership and legal certainty for farmers.

Matthias LANGEMEYER replied that data ownership and data sharing were major points in the current discussions. For instance the Copernicus data, one of the largest information sources, was available to everybody; however, the ownership of land and LPIS data was owned by the Member States and not accessible to everybody.

Applications can help bringing together precision farming and monitoring and thus simplifying controls.

Member States were very pushy these days, and this certainly develops fast.

11. AOB

COPA asked the commission to have a balanced approach to the answers given to the consultation on simplifying and modernizing the CAP.

The Commission suggested Friday 17th November, for the next meeting of this CDG.

Participants are welcome to send proposals for the agenda to the chairmanship.

[Meeting closed]

4. Conclusions/recommendations/opinions

Read point 3.

5. Next steps

ECVC to present their views on Greening and CAP in the next meeting.

6. Next meeting

17/11/2017 (tbc).

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."