

meeting summary

04 December 2017

- o The second meeting of the Crops Market Observatory (CMO) took place on 04 December 2017, chaired by Mr. Jens Schaps, Director for Agricultural Markets. It gathered the representatives of organisations from all stages of the cereals, oilseeds and protein crops supply chain. The following CMO members were represented: CEJA-European Council of Young Farmers, COPA-Committee of Professional Agricultural Organisations, COGECA-General Confederation of Agricultural Cooperatives, COCERAL - European Organisation for trade in agricultural commodities, EPKK - Estonian Chamber of Agriculture & Commerce, European Flour Millers - flour industry, Semouliers UE - semolina industry, Fediol - vegetable oil industry, Starch Europe - starch industry, FEFAC - compound feed industry, CAOBISCO - confectionery industry and ePURE - ethanol industry.
- o The meeting started with a presentation of the latest developments since July 2017 including the follow up to the recommendations made in the kick-off meeting (for instance more detailed data collection on consumption and on quality). DG AGRI presented new features to be found on the CMO webpage and introduced the new Agri-food data portal for data exploration, which will soon be available for the cereals sector.
- o The following part of the meeting was devoted to the exchange of views on the current cereals and oilseeds market developments. The Economic Board discussed not only about traditional market developments but also about the quality of harvest. Quality is indeed considered to play a major role in future market developments in the crops sector. In this context the participants welcomed initial information about quality of the 2017 cereals harvest. At the same time, members requested further information about crops quality and the possibility to compare the data with previous years. The topic of grains quality will therefore be discussed again in an upcoming meeting of the CMO.
- o Discussions continued with **plant protein production in Europe**. Two members, COPA and FEFAC, gave their view on the development of a European Plan Protein Plan from a producer's and a user's perspective. Members recognised the positive influence of the 2013 CAP reform on the growth of EU plant protein production (soya, peas, beans). They also recognised the strategic importance of plant proteins supply for the EU (with global demand for plant proteins being driven by other players like China). Given its complexity, this topic equally merits further discussions among the Economic Board and will be again added on the agenda of the next meeting.
- o The last point of the agenda was devoted to discuss price risk management instruments. An external expert - a representative from Euronext - presented details on the new derivative contracts, which are planned to be launched in the course of 2018. The presentation "Trade Capture for Cleared OTC Commodities" outlined the main features of these new instruments and their functioning modalities. The new contracts could be particularly interesting tools for products, which currently lack proper hedging instruments (like durum wheat or malting barley).
- o The next meeting of the CMO Economic Board is scheduled for 12 April 2018 afternoon (tentative date).