FINAL MINUTES

Meeting of the Civil Dialogue Arable Crops – Dried fodder and Energy crops

12 November 2020 (videoconference Interactio)

Chair: Philippe Mitko

Organisations present: All Organisations were present, except Beelife, Birdlife, EBB, ECVC, EFFAT, Europa Bio, IFOAM, Pan Europe, SACAR.

1. Approval of the agenda

The agenda was approved without any changes.

2. Nature of the meeting

The meeting was non-public.

3. List of points discussed

Overview of the market situation

CIDE presented the market situation starting with the 2020 production compared to the previous year. CIDE expects for 2020 a stable production of 3.43 million tonnes of dry fodder for all EU producing countries except Romania.

For France, there was a production drop of about 120,000 tonnes (-15%) to a total of 710,000 tonnes. The drop in yields reached 20% y/y in 2020. The poor alfalfa planting of the last two seasons, marked by drought, penalised the development of seedlings and did not allow sufficient rooting. A strong water deficit from June in most production areas followed a very dry spring (unusual and repeated winds); deficit turning into a new drought which ended on the end of September. Seedlings therefore germinated late again, raising concerns for the third consecutive year about the perceptible effects of climate change.

Germany has a stable production with 220,000 tonnes forecast for 2020. In the southern regions there was enough rainfall over the year and so a good harvest could be achieved. Overall, Germany expects a slightly below-average average harvest in 2020.

The production in Italy has increased to a total of 820,000 tonnes (+4%). Since production is strongly linked to climatic conditions, levels are higher than the historical averages in terms of production per hectare. In May, there was little rain which compromised the first cuts; but by Summer the abundant rains in the centre north contributed in part to increasing production. In general, the quality of the products collected compared to the standard was good. In commercial terms, COVID-19 has created many commercial problems both on the national market and on exports. Sales abroad have been lower than in previous years and this is creating many storage problems.

There is a drastic drop in production in the Netherlands of -18% to an estimated production of 105,000 tonnes. The winter period in The Netherlands was warm and wet. Since the beginning of March, the weather changed to a very dry spring and warm summer. Starting alfalfa crops was very difficult due to a lack of rain. The older crops alfalfa gave a normal production. The grass production was very poor this year due to the dry growing circumstances.

The Spanish production has increased of 8% to a total production of 1,600,000 tonnes. Commercially, the year started with good prices but the international demand has dropped, largely affected by the commercial and logistics instability because COVID-19. After a very rainy spring where it was very difficult to work the field and make productions of quality, Summer months have been very favourable for the production of dehydrated forages.

The production of Romania and Bulgaria is expected to be 130,000 tonnes. A Saudi Arabian company purchased operations in Romania and plans to export a fourth of its alfalfa production to the Middle East.

Globally, the production of dried fodder be expected to be stable. Regarding trade, exports to China and Middle East lowered due to higher shipping costs because of COVID-19.

Overall prices are consolidating and as the main buyer is the milk sector dried fodder is bought at a higher price.

COGECA clarified the market trends in Italy. Production is not irrigated and there were high winds and rainfall in the last few years. Demand from non-EU countries is usually higher than internal demand but farmers have concerns regarding next year. Due to COVID-19, exports are low and storage is increasing. Looking at the whole supply chain taking into account the Commission's plan to boost EU plant proteins for feed, alfalfa and dry fodder will play an important role.

On the Spanish production, FEFAC clarified that the decrease in production very unusual and is tied to the disappearance of the demand related to tourism. This has impacted the price of alfalfa.

EU protein balance sheet

The Commission presented the revised EU and UK feet proteins balance sheet for the campaign 2019-2020. The roughage is 45% of the total feed use while the crops are at 22%.

The Commission also presented the EU Feed protein balance sheet for the campaign 2020-2021 highlighting the main changes:

- First time forecasting at the beginning of the season
- First balance sheet for EU 27
    - Import export figures are based on trend or averages.
- Under the heading ‘Pulses’ a new line: ‘Other protein crops’

- Vetches, chickpeas, lentils and other pulses

When comparing the EU-27 versus EU-28 feed protein balance sheet of the previous campaign, the EU self-sufficiency is 1.5% lower due to the fact that the UK represents 11% of the total EU-28 feed use. However, the UK represents 16% of the EU-28 roughage consumption.

For the 2020-2021 EU Feed Protein Balance Sheet, the use of cereals for feed has decreased, mainly due to the decrease in use of wheat (-2.5%) and corn (-2.3%). There is an increase in roughage use by 2.4%, mainly due to an increase of green maize and fodder legume use, and a stable use of grass and dried fodder.

COCERAL asked when the next update of the Feed Protein Balance Sheet will be published. The Commission replied that it will be published in the next few weeks.

CAP post-2020: Eco-schemes and environmental/climate measures: proposal to reward the benefits of alfalfa

The Commission presented the new eco-schemes and environmental/climate measures under CAP post-2020. Environmental and climate measures are covered in three specific objectives in the CAP proposals: climate change action, environmental care and preserve land & biodiversity.
Basic support such cross compliance and greening under the current architecture of the CAP will be enhanced under the conditionality proposal. Eco-schemes and climate/environmental measures under Pillar II will be voluntary for famers.

Ten Good Agricultural and Environmental Conditions (GAEC) are proposed to address key environmental elements supporting more climate ambition:

- GAEC 1: Maintenance of permanent grassland
- GAEC 2: Protection of wetland & peatland
- GAEC 3: Ban on burning arable stubble
- GAEC 4: Establishment of buffer strips along water courses
- GAEC 5: Use of Farm Sustainability Tool for Nutrients
- GAEC 6: Tillage management and slope consideration
- GAEC 7: No bare soil in most sensitive period(s)
- GAEC 8: Crop rotation
- GAEC 9: Share of arable land devoted to non-productive areas
- GAEC 10: Ban on converting permanent grassland in Natura 2000

The powerpoint presentation covered the main differences between the eco-schemes (Pillar I) and environment, climate and other management commitments (Pillar II).

The EU Green Deal targets for sustainable production will be implemented through the CAP Strategic Plans. Member states will identify needs and set targets based on GAECs. Specific intervention will be selected by the Member States to allocate funds. Member States will have the flexibility to define their own requirements for eco-schemes.

The Commission then presented some examples of opportunities for good practices: Green architecture for sustainable use of pesticides and Green architecture for land tillage in arable lands, for SOC and soil quality.

The Trialogues between the Commission, EU Parliament and the Council has started, and a finalised text can be expected in April 2021.

COCERAL asked about the relationship between national action plans (NAP) under the sustainable use of pesticides directive and the CAP Strategic Plans, and on the timeline for the release of the national Strategic Plans knowing that the CAP is still under discussion in the trialogues.

The Commission replied that the relevant practices under the NAP is currently being discussed with DG Sante. Integrated Pest Management is a priority for DG Agri. The national Strategic Plans are already being discussed with Member States, especially on their national SWOT analysis. The Commission will deliver for each member state a document on the main priorities and how achieve targets of EU Green Deal.

EURAF asked if the Commission is likely to try to put the result Indicator 29 (percentage of landscape features and non-productive elements) back into the CAP Strategic Plan recommendations as the EU Council has removed from their proposal. The Commission replied that it will keep it on the list as it is an important priority.

European Environmental Bureau asked if Member States are given flexibility to implement coupled support to alfalfa crops, will this exacerbate differences between Member States, and if the Commission have made any analysis on what would happen. The Commission answers that it cannot assess today if there is going to be any coupled support to alfalfa.

Farm to Fork strategy, CAP post 2020 and plant protein developments

The EU Farm to Fork was published in May 2020 offering new opportunities for plant proteins. The main Objective of the Farm to Fork is to tackle climate change while protecting the farmer and making sure to offer healthy, affordable food for the consumer. Emphasis is also made on organic farming. EU grown plant protein will have many opportunities:

- Environmental and climate benefits significant reduction of input use (fertilizers)
- Organic production, ambitious plans to increase at EU level
- Plant based diet can contribute to a healthier and more sustainable diet
- Product innovation, new supply chains, start-ups, regional clusters

Following up from the 2018 Protein Report, several actions have been undertaken:

1. CAP Strategic plans
2. Market analysis and transparency
    - EU Market Transparency Initiative (creation of the EU feed balance sheet and Market Transparency regulation which will improve price collection)

- Crops Market Observatory
3. Research & Innovation (joint work of DG Research and DG AGRI)
    - Horizon Europe
    - EIP AGRI
4. Knowledge exchange
    - Initiatives in the EU at regional level
    - Set up a European Platform to bring actors together

New CAP will offer a new delivery model depending on the local conditions with a no one size fits all approach. To achieve the climate objectives, small crops and nitrogen fixing crops will be extremely useful. It will a good opportunity for alfalfa in this respect.

The EU methane strategy

The Commission presented the EU strategy to reduce methane emissions. This strategy sets out measures to cut methane emissions in Europe and internationally. It includes legislative and non-legislative actions in the energy, agriculture and waste sectors. The presentation focused on actions related to the agriculture sector. In particular, the Commission will:

- support the setting up an expert group to analyse life-cycle methane emissions metrics
- develop an inventory of best practices and available technologies to explore and promote the wider uptake of innovative mitigating actions with a focus on enteric fermentation
- provide a digital carbon navigator template and guidelines.

The Commission will improve reporting of **emissions from agriculture** through better data collection and promote opportunities to reduce emissions through the wider deployment of ‘carbon farming’. The main focus will be on best practice sharing for innovative methane-reducing technologies, animal diets, and breeding management. Targeted research on technology, nature-based solutions and dietary shift will also contribute. Non-recyclable agricultural waste can be utilised to produce biogas and generate additional revenue streams in rural areas and avoid methane emissions at the same time.
Some issues will be addressed in the recommendations on the national CAP strategic plans to be published by the end of 2020.

Bioenergy Europe asked if farmers will be compensated per saved CO2 ton or for other measures that are independent from the quantity of CO2 saved. The Commission replied that this has not been decided yet.

Implementation and review of REDII

A participant presented the Copa and Cogeca’s views on the implementation of the REDII. 76% of the EU consumption of sustainable biofuels were certified crop-based biofuels. The transport sector is slightly below the planned share in the NREAP (8.03%

actual versus 8.50% planned). In 2018, total emission savings from the use of renewables in transport in the EU amounted to 45.6 Mt CO2 eq. He stated that European agriculture contributes to transport decarbonisation and wishes to continue to do so after 2020.

41% of the feedstock used for biodiesel consumed in the EU came from EU feedstock, mainly European rapeseed oil (26%). Ethanol consumed in the EU is produced mainly from EU feedstock (73%), including from wheat (34%), maize (24%) and sugar beet (14%) and only a small amount from cellulosic ethanol. Additionally, as by-product protein-rich animal feed is produced (14% of EU consumption).

COPA and COGECA recommends a stable long-term policy guaranteeing existing and future investment in the bioenergy sector and promoting the strategic resilience of European agriculture. In implementing the sustainable finance directive, taxonomy and its taxonomy screening criteria (TSC) must be in line with the sustainability criteria established by the directive RED II. Public support for sustainable crop-based biofuels such as state aids in the field of energy and environment must continue after 2020 as they are a very effective way of decarbonising transport.

For COPA and COGECA, all forms of renewable energy sources need to be supported to contribute to the Climate neutrality by 2050. As the EU has put in place the world's strictest legislation in terms of sustainability and greenhouse gas emissions saving criteria for biofuels, bioliquids and biomass fuels, COPA and COGECA strongly reject the review of the articles 29 to 31 as suggested in option 4. Sustainability and greenhouse gas emission saving criteria for biofuels, bioliquids and biomass fuels must not hinder the bioenergy production in the EU. They must also be efficiently implemented in third countries and verified through appropriate certification requirements. A level playing field should be guaranteed.

There was no discussion on the presentation due to the lack of time.

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

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MEMBER ORGANISATION	NUMBER OF PERSONS
Bioenergy Europe	**2**
CEJA	**2**
CELCAA	**4**
CEPM	**1**
CIDE	**2**
COAG	**2**
CONFAGRICOLTURA	**1**
Confcooperative	**1**
COPA-COGECA	**1**
DRV	**1**
ELO	**2**
European Agroforestry Federation	**1**
European Environmental Bureau	**1**
FEFAC	**1**
Fertilizers Europe	**1**
FNSEA	**1**
Irish Farmers' Association	**2**
La Coopération Agricole	**1**
LKÖ	**1**
MTK	**1**
UNCSV	**1**