

Final Minutes CDG Horticulture Fruit and Vegetables 13 October 2015

- **Agenda and minutes:** The minutes of the previous meeting of the CDG Horticulture section fruit and vegetables (25 February 2015), are recorded without amendments. The agenda for the meeting is agreed without any changes.
- **Chair of the CDG Horticulture:** The chairman confirms that on the occasion of the CDG Horticulture -section flowers , he was re-elected for another year as chairman of the CDG with vice- chair from COPA-COGECA (Olives sector) and FoodDrinkEurope (Spirits sector)
- **Group of Experts:** The Commission confirms that the reshaped of Group of Experts was completed in parallel and in line with the reform of the Civil Dialogue Group. The new list of experts have been approved. The first GREX that will meet under the new scheme is the tomatoes GREX. The Commission is considering to introduce a system of substitute, in case the appointed expert is unable to attend. It is also reminded that the experts are those submitted by the representative organization under the Civil Dialogue Group, but based on Art 5.7 the Commission could invite experts based on their expertise for certain point on the agenda of the GREX meeting.
- **Recast CMO Regulation for fruit and vegetables:** as the process of the "Lisbonisation" continues, the Commission is finalizing the transfer of the provisions of Regulation 543/2011, implementing the Council Regulation 1234/2007. Beyond the legal adjustment required by the Lisbon Treaty, there are other drivers behind the process of revisiting 150 articles of the CMO such as the legal clarification in light of the "Newcastle process", the reduction of the administration , the clarification of eligible actions build a positive list along with the existing negative list. It would also aim improving and stimulating transnational producer's organizations. From the sector, several remarks were made on the relevance of the legal security for the sector and in particular for PO and the proportionality of possible sanctions in case of alleged non-compliance. Clear rules would prevent distortion of competition among Member States. Discussion also focused on the threshold for outsourcing, on the functioning of the measures in case of crisis, on the write off terms per category of investments, and the threshold and actions in regard to environmental measures. In regard to marketing standards, no change at this point as it will be part of a broader exercise for agricultural products. Concerning the entry price, no substantial changes, except possibly the modalities of the daily publication (to be set for a long period and not anymore published in the official Journal but through other sources). The Commission expects to finalize the new texts (delegates and implementing and their related annexes by the end of the year and then submit them in the first semester of 2016 to the scrutiny of the Council and Parliament.

- **School Fruit and Vegetables Scheme:** While the 2014 evaluation report on the school schemes has not yet been published, the college of Commissioners already reconfirmed that the schemes (milk and fruit and vegetables) should not be discontinued and are relevant within the EU context. The draft evaluation report was discussed at the Council, only two Member States being opposed to a continuation. However, the Council conclusions recommended to continue the simplification efforts. Consequently, the discussion on the current Commission proposal to bring together the fruit and vegetables schemes with the milk scheme are legitimate and have not been discontinued, unlike initially suggested by the Commission work programme 2015.

As both the Council and the Parliament finalized their position in regard to the Commission proposal, the trilogue will start soon. There are two major issues under discussion. The first one relates to the list of products. The Parliament is keen to have a restrictive list around fresh fruit and vegetables while the Council is eager to have a larger list of agricultural products and provide more flexibility to Member States to widen the list. The second matter relates to the future role of the Parliament in the management of the system. This is relevant as by limiting the competence to the Council, some member states might wish to transfer budget from one scheme to the other. This would be against the current concept that the closer administrative cooperation between the two schemes will not be to the detriment of the individual budget for each schemes. In regard to the current school term (under the new 150 million € covering also the accompanying measures), it was announced that almost 100 million € were used. This effectively reduces the usage to ca 66 % of the available budget, compared to the 80% usage under the all regime with 90 million €. In regard to the merged scheme, it is still too early to forecast when it could be applied. In the discussion , it is reminded that while there is no limitation in regard to the origins of fresh produce, the programme could recommend to use by preference produce in season or coming from organic practice.

- **Russian ban:** Commission updated the on last year uptake of the Commission decided to prolong the scheme that last year which covered 877.000 T with a budget of 191 million €. While EU fresh produce exports were maintained in volume, value wise, the sector is still severely affected by the consequences of the embargo. The new provision will provide for the second year of operation the same tools and products. Details are set by Commission Delegated Regulation (EU) 2015/1369 amending Delegated Regulation (EU) No 1031/2014 laying down further temporary exceptional support measures for procedures of certain fruit and vegetables. The aid measures cover tomatoes, carrots, cabbages, sweet peppers, cauliflowers and headed broccoli, cucumbers & gherkins, mushrooms, apples, pears, plums, soft fruit, table grapes, kiwis, sweet oranges, clementines, mandarins, lemons, peaches and nectarines. Member States also get an additional margin of 3 000 tonnes to cover extra withdrawals. It will run through June 2016. Members of the CDG welcomed the prolongation of the measure. While the sector has started to reposition, the embargo still have multiple implications. Removing production is not an option given the long term investments of different nature for fruit or vegetables. The measures could therefore help to alleviate the market, despite the low level of the indemnity.

- **Market situation for fruit and vegetables:** The Commission presented a report on the latest trends on the market for fruit and vegetables. In the last months, the situation was rather satisfactory following the warmer summer leading to a good demand for most products categories. The opening of new markets combined with the evolution of the exchange rate facilitated the exports to third countries while on the domestic market, some activities of promotion and favourable climatic condition, assisted to push the demand. The processing sector was also with good demand. The presentation also included a review of prices for products (peaches, nectarines, apples, pears, oranges, tomatoes, sweet peppers, cauliflowers... Delegates stressed that it would be important to have comparative information in real term and not a posteriori. The Commission services indicated that DG AGRI is starting a new "dashboard "project, similar to the one already operating for the milk/dairy sector. As a starting point one or two sensitive fruit or vegetables products could be covered by the dashboard, possibly tomatoes and peaches/nectarines in season. The project might be launched by the end of the year in a trial basis.
- **Novel Foods:** Novel food are covered since 1997 by harmonized legislation under Regulation 258/97. It is based on a system of authorisations for the placing on the market if the food was not consumed to a significant degree in the EU prior to 15/05/1997. Since 2013 there is a proposal to amend the EU legislation on novel foods, to make it simpler, clearer and have a more centralized system of authorisation centralized at EU level. This should enable safe and innovative food to be placed on the market in a faster system without compromising on public health. The delegates took the opportunity of this debate to raise current difficulties currently experienced by the sector with kiwiberries, as the authorities in the UK are seeking registration of the kiwiberries as a novel food to be placed in the market. While being relatively new on the market, kiwiberries were already sold to consumers for several years in different member states and was also imported in off season from the Southern Hemisphere. Kiwiberries also belong to the same varieties as kiwifruit, being both actinidiae (chinesis for kiwifruit and arguta for berries) . In principle it is up to the Member States to confirm the novel food status of a particular food, however they should consult other member states to find out information on the status of foods .
- **Horizon 2020 - Research and innovation:** presentation by the Commission on the main priorities under the Horizon 2020 set in the 2016/2017 work plan, focusing in particular on the opportunities for the fruit and vegetables sector. These priorities are within the budget line for sustainable food security and rural renaissance. The work programme 2016/2017 is to be published on 14th October. The main areas of interests for the sector relate to stresses in crop production, robotics and precision farming, weeding strategies, organic breeding and inputs, outbreak and monitoring of new emerging pests (xylella) , disease management, diagnostic tools on plant health, innovation in plant protection , functional diversity (pollinators, pest predators, crop diversification , urban agriculture. It is reminded that for these projects a multi-actor approach with effective involvement is key. For the quick off of the new work plan , a large conference on agriculture and R&I will be organized by DG AGRI on 26 to 28 of January. The discussion on the Work Plan 2018-2019 will start during the second semester of 2016.

The next meeting of the CHD Horticulture -section fruit and vegetables is currently scheduled for 26th February 2016
COPA-COGECA raised the attention about the number of interceptions for import of citrus from South Africa above the 5 threshold set in the whereas of the decision 2014/422.
The absence of the senior management for DG AGRI - Unit fruit and vegetables during the meeting is lamented.

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."

+++++