

Brussels, 20 April 2018

## **FINAL MINUTES**

*Meeting of the Civil Dialogue Groups HOS – F&V sector*

*Date: 20/04/2018*

Chair: Mr GARCIA FERNANDEZ (SACAR)

**Organisations present:** Organisations were present - list of attendees in annex

### **1. Approval of the agenda and other administrative issues:**

- a. Chair welcomes the delegates
- b. Approval of the minutes of the Meeting of 22/11/2017 including amendments as proposed on 11 January when the consolidated version was circulated. Minutes can be recorded accordingly.
- c. Approval of the meeting's agenda.
- d. Presentation by Commission of the Advanced Gateway to EU Meeting (AGM). The online portal is speeding up the process of registration to meetings and facilitating access and confirmation. It is progressively phasing-in and punctual difficulties are being addressed. The AGM covers both the indirect (through organizations) and direct registration (e.g. experts)

### **2. Nature of the meeting**

The meeting was non-public.

### **3. List of points discussed**

#### 1. Omnibus:

AGRI D1 and D2 presented the state of play of the secondary legislation concerning direct payments following the adoption of the Omnibus. For Agriculture the amendments include in particular the amendments of Delegated act 639/2014 with new rules for voluntary coupled support providing a new definition of difficulty of the sector and a broadening of the scope of "difficulty". The modification will be retroactive to claims introduced as of 2015. New rules will also be set in regard to cumulating support, as of the claims of 2019. There is also some simplification of the Member States' obligations in regard to the notification rules on the voluntary coupled support. The text was adopted on 28 February 2018 and after scrutiny the new rules will apply as of May 2018.

Delegated act on greening: new rules regarding permanent grassland in regard to new plants that can be used. In this case the modification of the Omnibus, that will apply as of January 2018.

2. F&V scheme: implementation and issues relating to Regulations (EU) 2017/891 and (EU) 2017/892:

The vote of the new implementing act intervened on 24.4.2018. The new delegated act is subject to the scrutiny procedure (Council and EP). The adoption should intervene in May and the publication and application of both acts is foreseen in July. These acts detail rules and implement the “omnibus” package published in December 2017 (Regulation (EU) 2017/2393). They also clarify legal issues and simplify the reporting obligations (annual report). The major improvements are the following:

Measures to prevent crisis through coaching with a financing at 100% with a view to improve the relation between operators. The growers stated that they should learn more about the functioning of this scheme, while other have concerns that the measures will not be part of the priority in the National Strategy.

Activity of measures of promotion to open new markets, covering cost relating to SPS protocols and participation to seminars and fairs in third countries. Clarification in the annex that the eligible costs cover the negotiation and also the implementation costs of the protocols if borne by the producer organisation themselves.

Mutual funds. A new information note will be prepared with Member States with the objective to clarify how to use mutual funds for crisis management. It should be also analysed how much is spent for crisis prevention and management actions and each of its action.

National financial assistance: new subsidiarity principle, not requiring any intervention of the Commission.

Simplification of the annual report.

A summary of the legal interpretation of the new rules is also made, covering in particular the following 3 aspects:

Aspects relating to marketing outsourcing. If it covers a long-term plan, the Commission will opt for merger of POs rather than outsourcing. By this way, the administrative burden is decreased and legal certainty ensured.

Environmental measures. Operational programmes should at least have two measures or have 10% of the total operational programme expenditure devoted to environment. If not correctly executed, sanctions will apply.

Subsidiary: Clarification on the status of PO with a subsidiary buying produce from 3<sup>rd</sup> parties. When the participation of the PO in the subsidiary is equal or more than 90%, the marketing value will be considered, and the split between the own and external production of the PO and its subsidiary for the recognition of the PO will be taken into account. In case that the PO has a share in the subsidiary of less than 90%, the sales of the subsidiary will not be taken into account in the marketing value of the PO for the EU

aid calculation, and the subsidiary and its products will not be taken into account for the recognition of the PO (main activity rule).

### 3. Draft directive on Unfair Trading Practices in the supply chain (AGRI G1)

A draft Directive was released on 12 April 2018 and will now follow the regulatory process to the EP and Council. The proposal is defining some UTP. The proposal is resulting from pressure from the Parliament and the Agricultural Market Access Task Force. The 14 articles of the directive are the result of a 300 pages impact assessment.

The draft reflects on an atomization of the farm level, and an imbalance of bargaining power in the food supply chain in markets often ruled by 5 retailers. While 20 Member States have legislation, those often lack enforcement and remain within national remits. More coordination among Member States will be needed.

The scope of the proposal is the relation between a supplier (which is an SME) and a buyer (which is a non-SME) and relates to UTP. 8 UTP are prohibited by the directive. The directive also sets recommendations to Member States in regard to the enforcement procedure with the designation of a responsible national authority, the confidentiality of the complaint, the fines and the release of annual report.

The delegates overall welcomed the proposal, though a number of points need to be clarified or appear to be too limited, recommending the broadening of the scope to all operators. Commission looks at the good functioning in the chain and not a particular one step relationship. In regard to payment terms, the 30 days could be seen in some cases as a step backwards compared to payment done today within less than 30 days. Definition of perishability is also indicated to be vague but difficult to be more precise. On the coverage of UTP on international markets, there is no extraterritoriality and jurisdiction of the EU. The EU can only protect suppliers against buyers located in the EU, but could not protect the EU suppliers against external buyers.

### 4. EC Communication on the future of agriculture and food

Building on the November 2017 communication on the *Future of Food and Farming* and awaiting the formal proposal by June 2018, it is clear that the CAP will move from the compliance with eligibility rules to performance, to be measured by output, result and impact's indicators towards the achievement of EU-wide objectives. For fruit and vegetables, and despite the budget cuts expected under the next MFF, the current tools (POs and OPs) will be kept (without a budget ceiling) but will be incorporated into new CAP strategic plan. New incentives for transnational PO/APO are foreseen, but also more incentive for enhancing consumption, for Research and Innovation. Proposal will be released in June in connection with the MFF proposal.

Presentation by COPA COGECA outlines the main objectives of the EU F&V regime and the added values of the policy on POs for farmers. The CAP post 2020 should maintain the aid system with an open budget for F&V with PO and APO. Eligibility of certain actions should be reconsidered (environmental costs, personal costs, links to the SDG...) Minimum criteria should be set for recognition criteria, marketing standards should be kept, reduce administrative burden, coaching...

#### 5. Information on Market Development:

DG AGRI G2 presented the latest market developments including the impact of weather conditions and trade issues. This included the analysis of recent market trends for key fruit and vegetables as well as a summary of the main statistics from the Commission dashboards. A discussion took place on the need to further improve market access for EU products, in particular on how to make good progress in the SPS negotiations to ensure better consistency between tariff duties and SPS aspects.

Presentation by DG AGRI on consumption trends: DG AGRI aims at stimulating the debate on how to increase the consumption of fruit and vegetables in the EU. The role of the CAP in promoting healthy and increasing the consumption of fruit and vegetables in fruit and vegetables is underlined in the Communication on the future of Food and Farming. According to a recent Eurostat survey only 14% of adults eat at least 5 portions and 34% do not consume fruit and vegetables daily. The role of the upcoming Thematic Network that Freshfel will coordinate to produce a statement on tools to stimulate the consumption of fruit and vegetables is underlined and participants are invited to support this work. In regard to promotion activities, continuity of actions is key to sustain consumption.

#### 6. Marketing standards:

Update on the alignment of the EU marketing standards to UNECE standards: following the publication of the Delegated Act amending Regulation 543/2011 on the Better Regulation Portal, comments were received from stakeholders. Request to exempt sale packages presented in package from the labelling requirements will be taken on board. However, the requirement to mention the post-harvest treatments for citrus will be maintained. The Commission services informed also that the Member States representatives will discuss next June several issues regarding the possible derogations to marketing standards foreseen in Article 4 of Regulation 543.

#### 7. Proposal for a Regulation for the application of Regulation 1308/2013 on administration of tariff quotas with licenses:

Objective is to have new rules by the beginning 2019. Complaints raised on the functioning of the current rules which will build in particular for garlic on the misuse of reference volume in several Member states. Moreover, the system already affected significantly the market share of traditional operators and this will be further aggravated in the future with the effect of the incorporation of exports of garlic for the reference. All

the import licences of garlic will soon be in the monopole of one Member State, if no changes are introduced.

8. Russian embargo – exceptional temporary measures:

Only 98.500 T were used with 158.200 T remaining or 61%. Peaches represented 35.000 T, nectarines 18.000 T, clementines 9.600 T but also mandarins, plums and pears. 84% were destined to free distribution. Since August 2014, 500 Mio € were used, corresponding to 1,7 Mio T. Poland with apples was the main beneficiary.

9. Brexit: review of the progress in the negotiation

The first pillar is the withdrawal agreement. The aim is to ensure an orderly UK withdrawal from the Union. The draft withdrawal agreement has been published online indicating through colour codes areas of the full agreement, agreement on the main substances and no agreement so far. The characteristics of the transition period, agreed between the UK and the EU specify that until the end of 2020, the full EU acquis will apply to the UK despite not being part of the EU beyond March 2019. The CAP will continue up to the end of 2020, both in the EU and the UK. It is important to note that nothing is decided until everything is decided. Transition is not yet guaranteed.

The second pillar is the negotiation on the future partnership. By October 2018, the EU wants to have a scoping paper to start negotiating with the UK as soon as UK becomes a third country in March 2019. The Council guidelines provide the EC and mandate seek to achieve a tariff free environment, with a level playing field and limited regulatory divergence. Considering the UK position to be out of the single market and out of the custom union, an FTA is the only option.

Preparedness: several papers are available and at the same time training and education are much needed at national level. WTO: the UK should have a schedule for the EU and the UK in WTO. The UK aims at replicating EU tariff. However, the issue of TRQ needs to be discussed. 140 quotas are being reviewed. On international aspects during the transition period, import into the UK will be still enjoying the FTA concession. However, in regard to export as the UK is not part of the EU territory, the UK does not automatically qualify for preferential treatment by third countries.

10. Code of Good Hygiene Practice (Sante G4)

Presentation of the guidance document on addressing microbiological risks in primary production. This is following the VTEC crisis in 2011 and the EFSA scientific opinions on public health risks posed by pathogens in food of non-animal origins, and also issues with salmonella and norovirus (melons, berries, tomatoes, stem vegetables and carrots). All this led to the Guidance document approved in 2016. The presentation outlined the use, the scope and objectives of this document. It aims at

assisting food businesses to comply with the Food Hygiene Regulations and address microbiological risks and conduct their audits. The guide is not legally binding. The guide is based on a check list to cope with risks (use of water, fertilizers, environmental factors and hygiene provisions at production site for health and safety) and assist in record keeping. The guidance document should not lead to added costs or burdens.

11. Refit exercise for Regulation 1107/2009 (authorization of Active Substances) and Regulation 396/2005 (setting of maximum residues level for pesticides ) DG SANTE E4

The REFIT exercise goal is to evaluate via consultations with stakeholders and national authorities, whether both legislations are still fit for their purpose. A second workshop will take place on 16 May where the ECORYS consultant will provide its conclusion. From a preliminary screening, there is overall homogeneity of views on which are the main points which need to be improved. The Commission will provide a report to the Council and Parliament at the beginning of 2019. The regulatory process and initiative will only come at a later stage. The sector highlighted some of the difficulties such as lack of mutual recognition, zonal authorization, minor use, coherence of different legislations (plant health, pesticide, microbiological contamination, food waste, microbiological and also between Active substances and MRL legislation). The list of processing factors and the incompleteness of the Annex VI of Regulation 396/2005 has been highlighted as another point to be addressed, despite the complexity of the issue.

12. Regulation 396/2005 - MRL for radish leaves: DG SANTE E4

- a. The annex 1 of Regulation 396/2005 lists the products to which pesticides maximum residues levels (MRLs) apply. The annex is updated every 3-4 years and the latest amendment entered into force on 1<sup>st</sup> January 2018. In this last amendment the new product radish leaves has been introduced. Radish-leaves are used as ingredients for salads but they are mainly sold together with the bulbs (radishes). As a consequence, the same product should have to comply with two different MRLs, one for leaves and one for bulbs. An amendment has been agreed, adding a footnote postponing the application of MRL on the radish leaves until 1<sup>st</sup> January 2022. In the meantime producers of radish will have time to adjust. The amendment is now in scrutiny and publication will come in July. The legal services agreed on the anticipation of the rules since 1st April. However, the legal services agreed on an anticipated entry into force, as from of 1st April 2018. From January to March, producers lost market opportunities. Lessons should be drawn to avoid similar cases to occur.

13. Minor Use (DG SANTE E4):

- a. The Minor Uses Coordination Facility started to work 3 years ago with a voluntary contribution from 3 Member States and the Commission. This financing intended since the beginning as a start-up project, but the

Member States should take full responsibility for the financing of the Facility, so that its valuable work could continue. At the moment 12 Member States and Switzerland are accepted to support the Facility. Regulation 1107/2009 states that the authorization of the active substances for minor uses is a responsibility of Member States.

14. Other specific concerns were raised, for other active substances in particular for:

- a. Iprodione: the phase-out period has been shortened to three months for the seeds with a phase-out on 5 June and to move it to 5 September. The phase-out has also implication on the MRL and push back the revision of the MRL from October 2018 to June 2019. Iprodione is the first case of substance falling under the cut-off criteria.
- b. Neonicotinoids: concerns on the three substances to be withdrawn and its impact for production
- c. Dithianon: the proposal for the removal of the substance will deeply affect several crops

15. Communication campaign #FruitVeg4You:

- a. Joint Communication Campaign of Freshfel and COPA COGECA for a healthy diet under the EU Platform on Diet, Physical Activity and Health. #FruitVeg4You is a social media campaign on Twitter, Facebook, Instagram, LinkedIn and YouTube. #FruitVeg4You informs about the nutritional value of fruit and veg in all formats. It refers to diet, healthy lifestyle, on fun, nutrition, recipes, seasonality, and it underlines best practices or promotion campaigns. There is also a # ShareYourPlate. The campaign displays DYK posts on nutritional content with every week a different product according to seasonality. Several ad hoc posts are created during the year & fact sheets are disseminated. Distribution of fruit were also part of the campaign.

#### **4. Next meeting**

No information is provided in regard to the next meeting in absence of representative of the Commission.

## 5. List of participants

NAME	FIRST NAME	MEMBER ORGANISATION
QUINTERO	CARMEN	European Council of Young Farmers (CEJA)
CASTILLA BARÓ	José María	European Council of Young Farmers (CEJA)
PISANO	Nicola	European Liaison Committee for Agriculture and agri-food trade (CELCAA)
PANEGOS	Pauline	European Liaison Committee for Agriculture and agri-food trade (CELCAA)
DERUWE	Helene	European Liaison Committee for Agriculture and agri-food trade (CELCAA)
APPELTANS	Philippe	European agri-cooperatives (COGECA)
CHALOUPIKA	Roman	European agri-cooperatives (COGECA)
LIPPERT	Torben	European agri-cooperatives (COGECA)
KREISLERr	Paula	European agri-cooperatives (COGECA)
BURGHARD-NINK	Gertrud	European agri-cooperatives (COGECA)
RODENBURG	Wim	European agri-cooperatives (COGECA)
DEJONCKHEERE	Dominique	European agri-cooperatives (COGECA)
BRAUNSTEIN	Wolfgang	European agri-cooperatives (COGECA)
DOSI	Antonio	European farmers (COPA)
BATISTA	Gonçalo	European farmers (COPA)
KRZESNIAKk	Krzysztof	European farmers (COPA)
JARVIS	Katie	European farmers (COPA)
HUNYADI	István	European farmers (COPA)
KARATZAS	Christos	European farmers (COPA)
FAULI	Benjamin	European farmers (COPA)
GUILLARD	Bernard	European farmers (COPA)
ÖHMAN	Jenny	European Coordination Via Campesina (ECVC)
GONGORA BELMONTE	Andrés	European Coordination Via Campesina (ECVC)



BONDUELLE	Jean-Bernard	FoodDrinkEurope (FoodDrinkEurope)
DE LEO	Francesco	FoodDrinkEurope (FoodDrinkEurope)
VINCI	Claudia	FoodDrinkEurope (FoodDrinkEurope)
BALDOLI	Marco	FoodDrinkEurope (FoodDrinkEurope)
SLABE	Anamarija	International Federation of Organic Agriculture Movements EU Regional Group (IFOAM EU Group)
BINARD	Philippe	SACAR - Secrétariat des Associations du Commerce Agricole Réunies / Joint Secretariat of Agricultural Trade Associations (SACAR)
GARCIA	Jose Antonio	SACAR - Secrétariat des Associations du Commerce Agricole Réunies / Joint Secretariat of Agricultural Trade Associations (SACAR)
KLAASSEN	Ad	SACAR - Secrétariat des Associations du Commerce Agricole Réunies / Joint Secretariat of Agricultural Trade Associations (SACAR)
RUBBI	Simona	SACAR - Secrétariat des Associations du Commerce Agricole Réunies / Joint Secretariat of Agricultural Trade Associations (SACAR)
CIRONKIENÉ	Zofija	SACAR - Secrétariat des Associations du Commerce Agricole Réunies / Joint Secretariat of Agricultural Trade Associations (SACAR)
SIMON	MANEL	SACAR - Secrétariat des Associations du Commerce Agricole Réunies / Joint Secretariat of Agricultural Trade Associations (SACAR)
SIMOVIC	Ksenija	SACAR - Secrétariat des Associations du Commerce Agricole Réunies / Joint Secretariat of Agricultural Trade Associations (SACAR)
CASANA	ANTONIO	European Organisation of Tomato Industries
		<i>TOTAL</i>
		36