

Draft minutes of the Civil Dialogue Group on Common Agricultural Policy – 23/05/2016

The meeting was chaired by Mr. Matteo Bartolini (CEJA).

1. Approval of agenda and minutes

The Chair explained that the minutes of the last meeting on 17 December 2015 had not been sent out yet but would be uploaded today with 15 days for approval.

The Chair explained the context of the agenda of the day, including the questions designed to stimulate exchange between Members of the CAP CDG.

The Chair called upon Members of the CDG to provide their input on the questions up for discussion but also to send written feedback by email.

The Chair explained where the brochures that the topics were based on can be found online: http://ec.europa.eu/agriculture/events/2015-outlook-conference_en.htm.

Field Code Changed

2. Presentation of the Commission of the three publications “food and farming”

The Commission (COM) gave a broad overview of the content of the three booklets, which were published on the occasion of the Outlook Conference in December 2015, following a request by several members of the CDG to make more use of these three booklets in the last meeting.

COM gave a presentation on the three brochures: 1. ‘focus on safety nets’; 2. ‘focus on land’; 3. ‘focus on jobs and growth’.

The Chair introduced the topics of discussion, explaining that Europe is largely rural and therefore these papers and topics are of interest to all the links in the chain represented in the group and that it was important to discuss what CAP has delivered so far and how it can improve. The Chair also detailed the reasoning behind the formulation of the questions by the Chairmanship and COM. He explained that COM was interested in listening to members of Civil Dialogue Groups to get feedback and that the Chairmanship wanted to be able to put down on paper the needs and requirements related to these issues and priorities, as perceived by members of the CDG on CAP.

a. Focus on Market safety nets

The Chair asked the first question, on safety nets:

- What are the most important challenges and risks when it comes to farm income, viability and competitiveness?
- How could the CAP further contribute to farm income and viability and foster competitiveness?
- How can the CAP continue to guarantee the diversity in EU farm structures and production conditions?

FoodDrinkEurope highlighted the fact that their processors were worried about the status of European food supply because safety nets are not enough to ensure supply on a reliable basis, despite the existing economic safety net for producers in the form of direct payments. FoodDrinkEurope expressed concern about the suppliers' situation in today's decoupled system and asked whether support went far enough. FoodDrinkEurope suggested recoupling some elements in the future CAP for the sake of the sustainability of the industries and warned that otherwise jobs could be lost to relocalisation.

ECVC explained that it considered inaccurate to consider CAP payments as an income safety net because 80% of payments go to 20% of farmers, thus benefitting very few farmers. ECVC called for a readjustment of this distribution in order to build a more robust safety net.

COGECA explained it was worth mentioning business development, and farmers in the current context of price volatility needed more training in business development.

COPA reminded members that cooperatives should be mentioned and added to the list in the presentation on safety nets. COPA also mentioned the issue of competition policies in terms of farmers working together as well as the impact of the rest of the world on European farmers. COPA also answered the common question of 'why farmers do not react to price volatility and low prices', and explained that farmers were faced with short-term shocks (Russia, disappointing Chinese growth figures).

ELO agreed with the points about business development and cooperation, and acknowledged that there is more to be done there but that these do not relate to direct payments. ELO agreed with COM analysis but highlighted some missing elements: budget pressure on CAP and future continuation; development goals, Paris climate targets. ELO also stated that a safety net is something to fall into, a last resort not a daily seatbelt.

COGECA highlighted issues of policy consistency, coherence and long-term view, reminding members that farmers' decisions have repercussions on reality several months after they have been taken, unlike other economic sectors. COGECA also underlined importance of collaboration between farmers and risk management, and stated that risk management measures, which are already available under RDP, have not been taken up by vast majority of MS and asked how we can have a common approach to the crisis if we don't use such mechanisms?

CEETTAR underlined that income guarantees are very costly and claimed that globalization has created weaknesses. CEETTAR urged COM to take action for benefit of all citizens and make sure that fluctuations are offset because they are too much to bare at European level. Need European follow-up, can't just be left to MS. There is a need to reduce technology and innovation costs down on farms.

FoodDrinkEurope explained that CAP measures need to be holistic but also need to ensure a level playing field in terms of EU competition as well as support to foster competitive farmers. FoodDrinkEurope also underlined the importance of improving the image of EU agriculture on the basis of international comparisons; how essential farming is; and the relationship between production and processing industries.

The Chair thanked members for its contributions and reminded Members that the CAP is the only policy at European level which brings together all 28 MS.

EENP expressed concerns about the number of bureaucratic measures needed when it comes to managing a livestock business and stated that many such businesses were unable to make use of the strategies and more resilient practices on offer, bar the occasional use of cultivation zones.

EMB stated that, as is documented in the treaty, CAP should guarantee income for farmers – which it currently does not, as concluded by Farm Europe. EMB called for a system that works for farmers, and drew the members' attention the fact that the current safety net has no relation with the cost of food, production or inputs, therefore leaving farmers with only one choice: to produce more, leading to further decreases in prices. EMB therefore concluded that there has been system failure because the CAP does not address the situation of farmers or meet the goals of the Lisbon Treaty, which is leading to banks and investors buying land from milk producers and the rapid disappearance of family farms.

COPA highlighted the pride we have of family farms, diverse landscapes and rural populations in Europe and the fact that we need the CAP, to protect the family farming model but also to ensure farmers fulfill the extensive requirements we have on EU food production today (environmental/animal welfare/etc.). COPA said that if Europeans decided that only economics were important to us then there would soon be an industrial farming model and landscape in Europe, which is not what Europe wants.

Birdlife suggested a fitness check of the CAP – a global comprehensive evaluation of criteria of efficiency, coherence, and EU added value.

The Chair took the floor to give an overview of the contributions, and explained that members want a viable CAP that also looks after the environment. The Chair asked members how they think that the CAP could guarantee diversity while ensuring both competitiveness in the sector and farmers' incomes. He continued by identifying other external problems and uncertainties in European agriculture and the economy as a whole, stating that energy prices have an impact on revenues and external factors affect the sector too. The Chair asked members if they had any suggestions to share on keeping the economy in harmony with positive externalities produced by the CAP while ensuring sustainable production on both an environmental and social level.

CEJA claimed that CAP funds had been stretched across too many measures, making it difficult to see their effectiveness and increasing administrative burden, thereby in turn creating the need for funding for training and programmes to further inform farmers. CEJA raised the issue of bureaucratic costs for farmers because of a growing need for advisory services for admin and legal purposes and suggested that fewer measures may be more effective.

Greenpeace warned members of the tendency to increase production despite the fact that we do not need to increase productivity to feed Europeans. On the issue of the crisis, Greenpeace stated that the system in which farmers have been operating and encouraged to operate is beginning to show its limits and advocated a much stronger focus how, and what kind of products, we produce. They underlined the fact that the CAP should be all about policy decisions, and although it has been a good

place to take courageous policy decisions that drive the market to a certain extent, we are in a dichotomy of free market VS regulation. Greenpeace reassured members that there is considerable support for a policy that encourages the maintenance of agricultural production in Europe in a careful manner, taking into account natural resources, social aspects, ensuring that pastoralism still persists despite the problems it faces when it comes to the market; these CAP policy decisions should be much stronger and clearer which is not the case under the current framework, with Pillar 1 neglecting to look at methods of production or products themselves.

EISA echoed the thoughts of the previous speaker but suggested that there are models available for farmers to make those decisions themselves and advocated an integrated farm management approach to address these issues. EISA explained that the integration farm management system takes into account all pillars (envi/social...) at individual farm level, could be a way for the future, and called on COM to support such models.

IFOAM echoed some of the comments said already and claimed that the CAP had been disproportionately supporting international price competitiveness, and suggested that continued focus on international markets without thinking about the diversity of supply chains won't get us anywhere. IFOAM said it was known that markets can successfully supply private goods but do not do as well with public goods and therefore called for better policy instruments to do so instead, leading to a more integrated approach which focuses on high quality food production rather than commodity led production.

EMB alluded to the target price of milk which EU had in place until 1984, production cost of milk and ensured farmers got a fair price for their product as well as avoiding 'competitiveness' or the squeezing out of producers today, because we now compete with producers that do not meet the same standards and rules. EMB insisted on the difficulties for European farmers to compete with US milk producers. Young farmers are simply no longer there – therefore need a higher priced, high standard production because our standard of living is higher so cost price also higher. EMB reminded members that farmers don't want subsidies, they just want market price and a look at the division of margins because at the moment every link in the chain gets a fair share apart from the producer.

ECVC echoed comments by EMB, COPA, IFOAM, stating that they represent family farms and none of them want handouts but there needs to be a shift to a more protectionist model. Paraphrasing the ELO point, ECVC called for a 'proper seatbelt', where farmers are able to work for a living and earn it fairly and have protection when necessary.

EuroMontana reiterated importance of mechanisms that guarantee that environmental services continue in mountain areas and efficient safeguard measures for high quality products, claiming that these mountain areas are significant in producing innovation and therefore require adjusted policy to guarantee that this continues.

ELO expressed disappointment that there are so many voices calling for reintroduction of protectionist measures into the CAP, claiming that this divorces Europe from realities of agri worldwide and that there is political willingness to move away from the old model. ELO also reminded others that Europe is in crisis, refugees, and budget under huge pressure and needs to put to better use. The protection of biodiversity, climate, environment is necessary, and the public is

willing to help farmers to pay for this because these are not equally valued in the rest of the world. Workable ways to pay farmers for delivering public goods without burying them in bureaucracy need to be found, whereas if protectionist measures return there will be huge overproduction problems without growth in demand but oversupply and lower prices, so Europe should not go back to market management as it will fail. ELO also denounced the food and drink industry, stating that it doesn't seem to think it should pay farmers for their products in order to ensure the viability of their supply.

FoodDrinkEurope reminded members that the food and drink industry have supported the sector, and stated that they are not fanatically in favour of these networks but believe there are imbalances, a lack of symmetry between agri policies, including vis-a-vis food and drink industry and partners for example in the liberalization of trade which should be considered as an element of external EU policy.

ELO called for opportunities to strengthen individual farmers' position in the food chain, physical infrastructure, and that direct payments should be increasingly focused on the provision of public goods.

EEB stated that they support the call for a fitness check of the CAP. EEB mentioned the industrialization of livestock production as a driving force for the over production of grain and livestock. Such animal production is associated with substantial resource-use, close confinement of animals and systems, which include cages, crates, stalls, antibiotics and mutilations. EEB is part of a larger movement, together with many other organizations, calling for refit of the CAP and a holistic approach that would look at the sustainability of a food and farming policy for the EU.

Greenpeace expressed concern that they had previously not expressed themselves clearly – they want public money for public goods, which is the best way to convince farmers that they are allowed to change their practices in a sustainable way both environmentally and economically.

EFFAT underlined that Europe is not a single concept but has different MS with different needs. Referring to the small enterprises which safeguard our landscape and the environment – those who work in mountainous areas, on the hilltops – even if they have small extensions of land, they make sure that our landscape is pretty and they contribute to the environment, for example by helping us manage water resources. European aid is necessary to protect these SMEs. Companies in order to be competitive must not step back on quality. EFFAT also alluded to a potential ethics charter to ensure that only those who contribute to the protection of the environment would get money, to avoid social dumping between companies.

COPA showed disagreement with ELO's comments. The 1963 contract between consumers and farmers aimed to guarantee reasonable income, reasonable prices but times have moved on in the last 50 years: competition policy, set fixed prices, less than 1% of public expenditure in EU is very good value, but also toolbox and a lot of bureaucracy. What are our ambitions and can we achieve them through one single policy?

ECVC responded to the ELO point, agreeing that farmers need to be paid for things the market doesn't pay for, but also underlined the fact that at the moment the market is not paying for production let alone for biodiversity and other public goods. In UK, SFP is the lifeline of farm

businesses, which are completely reliant on direct payments; a solution is needed to enable those to live without a per hA of any kind, but the problem is the market is not paying for basic production.

The Chair took the floor to give an overview of the latest comments, explaining that members had discussed objectives as well as what is in place currently and alluded to the next informal council, stating that it has a rich agenda and number of established objectives, and they will even be discussing agriculture on Mars. The Chair explained that the representatives in the room are extremely competent and therefore the idea of such discussions would be to develop a new approach in order to make agriculture sustainable from a social/environmental/income point of view. The Chair acknowledged that the answer was not protectionism, and a return to this would not be feasible due to our working partners in the world, but that there is an opportunity to do something different in Europe with the family farming model – though it is no longer sustainable economically on the free market. The Chair then addressed the COM, asking whether interprofessional models might help us, how to improve income, how to protect biodiversity, and what kind of European strategy could be envisaged on all fronts, addressing all those belonging to the food chain? The Chair closed the agenda point on the market and gave the floor to the COM.

The COM explained that the discussion reflected a real tension which exists in life in terms of conflicting ideas; tension between the economic and environmental dimensions of the agricultural sector. COM explained that some thought they had managed to solve some of these issues in the last reform and came to a consensus on what direction we were heading in.

COM: Adjustment of the CAP would require co-decision and take much longer. Need to understand, that agriculture could be seen as less than 2% (share of agriculture in GDP), 40% (% of land used in agriculture) or 100% of the food we consume on a day to day basis. Also, we need to take into account the services associated to the agricultural sector, like research/tourism/transport. These are three complementary areas. A starting point for the reflection could be three significant changes which took place last year and a half: what are the market failures we need to attack and what are the policy failures we need to address? The first issue is the overall collapse of commodity prices. This collapse shows the broader linkages of agriculture with macro economy. From economic point of view it, any improvement in the environmental side means an increase of costs. _However, if we don't care about environment in the long run also the economic performance will suffer. Additionally, the discussions on new trade agreements (mainly at regional level) will also affect the CAP debate in future. We need to focus on value added, knowledge based...helping EU food industry be more sustainable, more sophisticated, and more value added. Lessons to learn out of this process that we seem to want to abandon. It is important to make a clear strategic orientation choice about the main priority we should focus on. Which is the most crucial one, and how will we make the other two complementary and not throw them away. There is a perception that land management can be at the core in this strategic orientation. It aims to address existing policy failures, some of which not directly linked to agriculture; aims to look forward in what will be coming in climate change challenges. Could potentially use research, innovation and advice to enhance capacity of agriculture to adjust and at the same time could use additional elements, whether income safety nets or investment linked measures, to help improve the situation. But this can only happen if we have our eyes and ears open to a world that cannot go backwards. It is by trying to identify where Europe can have a competitive advantage. Agriculture gives lessons to overall EU economy. If Europe wants to

play a role in a rapidly changing world, can do it by providing its deep knowledge-based diversity. The CAP will inevitably have to deal with implementation problems. We need to take into account that EFAs were a suggestion from some stakeholders. Permanent grassland – climate change; crop diversification because control was the big burden but now we have precision farming that can allow us to turn it into rotation quite easily if we want. Do we really believe that by turning economic, environmental and social priorities of the CAP and turning them on against each other do we solve the challenges or do we have ways of linking them and addressing them jointly? That's what we tried to do with the briefs and at a certain point have to move the debate forward and attempt to address the challenges and contradictions we will face tomorrow.

b. Focus on Land

The Chair opened the debate on the second issue and reminded members that, as in first topic of discussion, encouraged feedback to be as frank as possible.

- What are further incentives the CAP could offer to increase resource efficiency and to support the delivery of public goods?
- Which innovative solutions are there to "produce more with less" and how could the CAP foster them?
- What could be done to better engage the farming community in the fight against climate change?

ELO welcomed the approach outlined by the COM, agreeing with the judgements that in terms of the trio of issues being grappled with, if one would be most strategic for CAP, it would be land management. Although investment mechanisms for quality, cooperation, etc. are important and vital, currently core of policy is land management and this is the correct direction. To continue in this vein, ELO called for a move towards integrated land management support defined in different ways at basic level, marginal areas, more demanding and more targeted environmental protection areas, investment measures and the management of natural resources.

COGECA agreed with the previous speaker and stressed the importance of training for farmers in business development again, explaining they need all three dimensions of sustainability – economic, social and environmental. Europe needs all kinds of farms but also needs to face the reality that we have to earn a living when farming. There are consumers for high value high price products but consumers also want to buy affordable food - we need to find goods for all of them. Big scale for bigger farms not always bad for environment could be far better off than others. Opportunity for resource efficiency with machinery, seeds, fuel, planning. This kind of precision farming needs more elaboration, research and innovation needed to find solutions which can fit on all types of level, big and small.

Bee Life made the point that land management needs to be more ambitious than it has been so far, explaining that we cannot think about having land where our environment and biodiversity are protected but in other areas we erase life because we want to carry out activities – abhorration in terms of land management. With bees, 3km areas affect bees, which have a very important role in natural life cycle and also on farming. If we look at what happens on the fields, need to ensure the

impact from an environmental point of view is as little as possible. Focus on biodiversity we could improve how farming is carried out. What I am referring to is ecological intensification, which is the latest concept – not a cost, basically a management technique to make sure that activities are not as intensive as they have been so far. Plant diseases could also be managed in a completely different way in order to protect environment and biodiversity.

EEB highlighted international studies calling for reduction in land use on a global level. European ecological footprint is 30% outside of the EU with decreasing land from agri use from in the EU but we want to continue to export. How can it be brought in line with sustainable landscape management?

FoodDrinkEurope reminded members that the food industry is in direct contact with consumers, looking for good products, good services and sustainability of supply. All FoodDrinkEurope businesses involved in corporate responsibility issues, consumers have their expectations, these expectations are expressed throughout the food chain from the producer to the consumer and are also indissociable from the challenge of climate change. Agricultural policy must therefore take into account all these dimensions and therefore whole land management.

COPA advocated CAP in terms of policy, measure-based, when farmers do something wrong they lose part of their premiums, punishment, need to move from measures to goals and need to move from punishing to rewards. Cutting farmers' payments for things they do wrong leads to huge control costs should be giving farmers the freedom to have the right tools available to get an income from the market instead.

EuroMontana reiterated that it is essential to move forward, the CAP should cover environmental and social services the market cannot pay for – create ways of measuring what is being produced in terms of these services, such as simple and effective land management tools to identify what needs to be paid for.

ECVC highlighted the lack of focus on access to land, a well-recognised topic with both EESC and COM having published documentation on the subject. Same with land grabbing, protests in Poland last year, ECVC members in Romania have published a report on effects of land grabbing in Romania. ECVC would like to see these issues acknowledged by the COM and work together with all members of this CDG on engaging with these subjects.

EMB highlighted need for cost benefit analysis; the producer looks at costs and benefits – if it only costs but doesn't benefit, a farmer will not do it. However, with abolition of milk quota there were four scenarios from the COM, only 3 were published because the fourth was not what the COM wanted. Important to look at analysis, which may not benefit own goals but we now see that whole liberalization brings farmers as producers into enormous crisis. If we want a better CAP then we need to look at the cost benefit analysis to see what the effects will be.

The COM asked for a clarification, stating that he had no memory of the COM messing up with the scenarios – all of them were published and done under an impact assessment board.

EMB explained there was one analysis, which was what would happen to the income of farmers if the quota system continued, what would happen to the income of farmers. Only three studies were

published for getting rid of the system but the one keeping the system was not published. A lot of terms going around – sustainability, land management, circular economy – what do you want specifically, and how will it influence income of producers? Where are the young farmers? No perspectives or prospects.

COPA informed members that the discussion on land management had been extensive with COPA members, no initiative for farmers to do anything, because in Baltics we are fighting with sofa farmers. Policy must respond by providing certain stabilisation instruments in order to ensure sustainability in the long term. Consumers understand food because they buy and eat it; they understand the environment because everyone likes nice landscapes and biodiversity; but they know less and less about where food comes from – that's the biggest challenge for the future in terms of production in Europe.

The COM reiterated that all impact assessments start with a 'baseline' – calculate losses or gains for alternative policy regimes based on the regime already in place. Once calculated, price changes, production changes and income changes are always in respect to current policy; it is therefore not possible to say that we dropped what would happen if we kept quotas. There are yardsticks as to what we judge sustainability by – environmental, economic and social aspects – because we have to be able to quantify impacts on these three concrete areas. Any reform is beneficial if it brings an overall welfare gain which is better than the present situation and if mechanisms are introduced for winners to compensate losers – often forgotten in reforms. The policy argumentation we have which has been forgotten, what happens if you drop the CAP completely and altogether. Europe produces at the economic benefit of some more competitive regions and farms and more significant environmental and social cost. If we do the analysis with new price level, some sectors and regions will have different results but overall direction is not going to change. Not talking about the philosophy as to what is sustainability. Not willing to go into another discussion about land grabbing. Land legislation is a MS right and obligation, not only because different on average land prices but different taxation and inheritance laws between MS. No solution to be found in agricultural policy because there are no elements to deal with it. We can see impacts on land prices and redistribution of land. Enormous confusion about EU – 80/20%, we have to be very clear among ourselves. Unless we introduce system where all farmers get the same, it will always be this way because it is linked to land ownership. There are measures which mitigate uneven distribution which comes from many types of measures we have, issue we have to address, do we manage to have it to those farmers who need more. If some of our proposals had gone through we would do this more. Have the discussion in other areas responsible for land legislation in EU. On the footprint of EU agriculture, if you only focus on soybeans what you say is correct. If we were to produce all soya that we import – can't do it – potential impact on livestock sector. If you expand the issue and say why do we have a footprint of our livestock position, then you see that 30 hA of land become 1 or 2 million out of 180 million. We only focus on one area instead of looking at the global linkages of agriculture. Doesn't mean that policy aspects don't have a footprint but we have to decide what type of policy measures and approaches that we need to have. Tried to solve issues of biodiversity with EFA and crop diversification – could have a better impact depending on exceptions and control aspects. If we try to focus our decision making on what should be a very solid evidence based impact assessment and decision-making. Would be the first to sign that, decisions are taken with other types of criteria, which are not as rational as we would like. One of the lessons we need to withdraw from previous

reform – it is extremely important when we make proposals that these proposals are as easily explainable and simple as possible because the more complexity we introduce, the more natural it is from the EU-28 to make it more complicated.

The Chair made a point that CEJA tried to highlight a land issue at the informal council in 2014 because these land decisions are made at national level, but when MS try to do something to give better access to land for young farmers or other kinds of new entrants, at EU level we can say that this is state aid so you cannot work on that. So we also need to find a balance on that because if we ask MS to do something but stop some measures from EU level then it doesn't work. The Chair invited members to take their lunch break and to return at 14:50.

[LUNCH]

The Chair asked the members if there were any comments on the last input by the Commission before the break.

EFNCD highlighted that the differences between arable and livestock farming are considerable when we focus on land management. Several issues that farmers face are neglected by CAP – grazing on common areas in mountain areas should be looked at. Issues about things on farmland, which are not counted as productive. We are concerned about good land management, example of sheep farmer in north of Spain, cost of grazing his animals in mountainous areas in the Pyrenees. Those who do more intensive livestock farming, pay high price for land never used when others need it. Need to look at the distortions that the CAP is creating.

CEETTAR stated that biodiversity and bees where farming is carried out should be taken into account – bigger on planes, smaller on mountains – this impact workings and income. Excluding companies too small in terms of turnover or too big who can survive alone, need to focus on medium sized enterprises and find ways to support them because they are the ones who help us protect the environment and resources. These small companies can be helped by new technologies, innovative services. Create a group of farmers who streamline their activities, for example conglomerates that offer automated services that help farmers carry out their work, give them the necessary vitality to do so. If no innovation, 3 to 5% of companies disappear every year in every country (SMEs closing down). We are losing companies, we are losing income for families, social issues, economy. The future needs to make money, farming needs to make money and can't just focus on environment, also for young farmers. Financial buffers can help farmers get through difficult times. Unfortunately main problem is price volatility if we could create financial buffers to help this. Temporary aid needs to be provided – it's not a return to the past, we just need to monitor the sector and make sure we have a future in it.

CEJA said that in Ireland, government department subsidises long term leasing, tax-free incentives to get older farmers to look at their pocket and make more money from leasing out the land and giving an opportunity to a young active farmer. We have a 25% top up which has worked well in Ireland and also the mandatory national reserve was a key milestone too and should be acknowledged.

c. Focus on Jobs and Growth

The Chair introduced the topic of jobs and growth through the CAP and asked members to open the discussion on this topic.

- What could be done to foster growth and jobs in rural areas?
- How could the link of agriculture with up- and downstream sectors and consumers be enhanced further?
- What could be done to better engage the farming community in necessary adaptation processes in terms of physical and human capital (investments, entrepreneurial and marketing skills, knowledge transfer, etc.)?

EFFAT welcomed this item on the agenda as it is rarely discussed at DG AGRI. There is little known about to how to foster jobs and growth in rural areas. This lack of knowledge has arisen because DG EMPL and DG AGRI need to work together more closely, EFFAT has been asking for the two DGs to exchange views on these issues because this is a key goal of the European agenda. If you look at employment in farming and the countryside, you have to analyse the current situation. DG AGRI give figures about farm employees, their status depending on whether they are employees or family or independents, etc. The figures fluctuate a lot, in particular DG AGRI figures fluctuate a lot. Shame there is not enough information about this area. EFFAT represent a relatively small group of farming employees, 7 to 8 million people whereas EUROSTAT said 2 million. These inaccuracies, vague statements mean that DG AGRI is trying to look at the industrial utilization of those resources from farming. An employee employed all year round, in Mediterranean EU MS, seasonal workers 50% are to be found there, in 24 other MS other 50%. But permanent employees only 5% whereas 95% in all other countries of the EU. So full time employment doesn't help you determine how many people are employed on the land. Far more interesting for us is how many people earn their 100% income from working on the land. Not a question of European competence. 7 million employees get their full income from farms – 22 million in your booklet. Something wrong about all these figures, little good analysis has been done, we need to get together and discuss exactly how many people are employed in European agriculture before we talk about jobs and growth in rural areas. Secondly, paradigm behind all of these discussions, debate about big vs small rather than bad vs good – big doesn't mean bad or vice versa. This brings in environment, integration into local area, in the future we will talk about the rural environment rather than just farming. Need to look at agriculture for innovation and motivation for investors and other inputs into the land. Upstream and downstream links in the chain interesting but there has to be proper preparation, EFFAT paper on the future of the CAP calls for improvements in three respects – work, employment, image, excluding those who employ those people illegally – they should not receive direct payments or get reductions – should be cross compliance not just on veterinary and plant health but human health too. Finally, improving access to education and training and innovative capacity of employees in the industry.

COPA highlighted the fact that in terms of jobs, farming is very important within job strategy and the role of farming has to be addressed in terms of social agriculture, activities in favour of parts of the population who are disabled, make sure that job creation is improved in these areas and generates an effect on the welfare of these areas in general. Direct contact with the consumer. Need to focus on increasing employment but also keeping the current level in rural areas.

CEETTAR stated that there is a need for some imagination, to make farming viable create a direct service to consumers, also need to take into account the intermediaries who exploit producers and sell the same products for much higher prices. Totally unfair to producers and economic crisis need to make us work with our imagination and find room for maneuver so these farmers can have adequate income. Those who work with large commodities need to work in the global market, second pillar of CAP have allowed regions to focus on things that can create added value. These solutions are not valid for the long term can only help us address issues in the short term. What about companies that are also providing services, use of technology in the field of farming, all this with a view to sustainability, to food safety, animal welfare, streamlining of activities, competitiveness in managing farming activities so we can really guarantee necessary competitiveness on the international theme. Could provide you with further details but have a look at the document that was circulated this morning, UNIMA doc 'report on structural investments in SMEs for the development of non-agricultural activities' potential for positive impact, enable these service providers to be involved in coming to the aid of smaller farmers.

CEJA underlined that it is young farmers who have the interest in taking on new technologies and innovation, all farmers in Ireland grown up with 'reduce, reuse, recycle' motto and now trying to create a more circular economy. Need to ensure that young farmers are protected and can grow and develop in future, schemes under P1 or P2, access to credit, installation aid and any other schemes, which can help them. Women in agriculture also encouraged in Ireland, projects and engagements with women in agriculture, annual conference supported by the largest newspaper in Ireland farmers' journal, average farm size smaller than other countries so need to be protected. Small farmers, young farmers, women farmers, targeted measures needed. COM should work closely with CEJA to get the most updated information and best work on these objectives.

COPA reminded members of the different situations in farming across Europe. There is a need to develop direct selling and the added value this gives to products, more money in the farmer's pocket. But some territories cannot develop direct selling and short supply chains because of low population density and bad infrastructure and in these territories comparably intensive agriculture must be developed to compete on the world market. Different instruments necessary for such territories and farmers compared to territories with high population density where there is possibility to sell the product directly to consumers. It is important to have instruments for young farmers. Already possibility in P2 to organize training for farm workers, depends on MS and decisions but future training for farm owners and workers or service providers is important because there is a need for investment in new technologies but also new knowledge and better education. Farmers invest in new technologies but do not always make full use of what these technologies can provide.

EFFAT welcomed the contributions on new sectors and new branches, but reminded others that this is about the CAP. Do we have the necessary tools to talk about the future of the CAP? Large landowners have got more direct payments and they have fewer employees than smaller farmers producing other things. More money comes from direct payments under P1 – not a good way of promoting jobs in farming. It is necessary to discuss all of this because we are talking about competing policy goals. Can't just say one for DG EMPL and one for DG AGRI, need a common approach. What are the social benefits of such direct payments? Question will be asked as to whether farms are getting easier access to land without investment costs? Funds released could be

allocated to other CAP goals. Funds could be made available at the regional level for regional goals. But you can only discuss them once you know what you want. Colleague from COPA clearly pointed out that stabilisation of employment in farming is worth something in itself! Do our CAP instruments suffice to defend such a goal? Deemed to be secondary to urban employment but farming employment just as important as everything else. DG AGRI has to discuss creating new jobs in farming. Do you have enough instruments? Tighten up our instruments, make them more effective. Need proposals as to how to make better use of available funds for overall employment goals.

COGECA spoke about the issues of employment and maintaining employment. In some areas, it is harder for farmers to be competitive as we spoke about during the morning session and in those areas it is important that the CAP can maintain these payments. It is an important issue when we talk about maintaining employment and job opportunities and about maintaining these payments for production.

COPA took the opportunity to say a few words about research and development. EIP, experiences so far in my county, P2, difficult to get concept going because you depend on co financing by the authorities of the MS and it makes it difficult to get the farmers' ideas taken up in innovation groups or operational groups. Not sure if you will react but wondering whether the second pillar is the right place to promote these types of innovation instruments? It is almost June 2016 and in Netherlands, the EIP has still not started. This is because 12 provinces not agreeing on how to implement the measure. We would like to see farmers cooperating Europe-wide directly from the start where they can work on certain concepts and ideas and this is difficult through the current system on EIP AGRI. We have something new but the start of this new policy instrument has been difficult.

ELO range of priorities that the CAP is looking to deliver, food security, biodiversity, resource protection, climate change mitigation, production of jobs is not necessarily at the top of this but if we were looking to make jobs from the CAP then we would ban machinery. That's not the objective. Greater use of RDPs for creation of infrastructure, diversification, rural economy, doing it better and providing greater opportunities for MS within the framework of RDP to design and implement best for rural economy depending on specific MS.

The Chair reminded members that the issue of innovation will be dealt with later in the agenda, but completely agree. Jobs issue does not only concern producers but the whole sector, we should assess how the use of machinery can have a negative impact on jobs whether that is true or not. Any other requests? Give the floor to the COM.

The COM took the floor and highlighted the last point on banning machinery for jobs, making clear that COM priority is to promote employment and growth, not just about jobs in the farming sector, partly about it but not completely – and that technology has its part to play. Some of the jobs are going, need to slow that down and help farmers get involved as much as possible in food supply chain and other supply chains. But some of the jobs disappearing from agriculture are picked up elsewhere and that is about the CAP too. It's important to be aware of the breadth of the debate. Fairly impassioned challenge quite early on with regard to some of our numbers in the brochure from EFFAT, when COM thought about how to present the numbers we were quite careful and transparent about it, matter of how we could compare different types of data from different sources, within the farm sector and outside the sector, if you have detailed concerns please send them to us

and we will take a look and see if we need to readjust our way of presenting the figures. From the side of the workers, comment on availability of support for training of agricultural workers, I have a copy of the regulation today and checked it; agricultural workers are eligible within the regulation. Depends on the given managing authority to make the funding available to them or not. Comment about the size of direct payments, these are linked to land and get particular results, it is an important topic of course. I think what's most helpful when people raise this topic is not just to talk about a desired redistribution for its own sake but to make clear as to what alternative basis they would be made upon, and what that would be intended to achieve. Changing the distribution for the sake of it could have unintended consequences. Comment about money for service providers and that relates to the UNIMA paper, as far as I can see service providers would be eligible for certain types of support under RDP business development measure – it's just that they would be subject to the same limitations as others. In order to justify freedom from those constraints and put them on a slightly different basis we would need strong justification – not official COM line – when we offer money directly to service providers to help a target group, indirect consequences. Under the normal approach, service providers charge farmers (and other customers) the prices that they need to cover their costs and make necessary investments. Comment about the EIP take up in next session but having had some experience there, it is taking time to get it started generally but frankly with new policy tools like that this was not unexpected, issues to be clarified early on with regards to legal provisions and relationship with state aid rules, etc. Novel forms of partnership working together involved. Some cases working across boundaries. RDPs, MS, how the funding arrangements work, what money comes from what programme, not surprising it was a bit of a slow start but it's encouraging that the level of projected usage of this tool is quite high with a good number of programmes and MS involved.

The COM announced that all members will be invited to a conference, 20 years after a conference producing Cork Declaration, to check on its progress. 5 and 6 September 2016, Commissioner Hogan among others. Jobs, growth and investment in agri food chain. Rural environment, climate and water. Targeting innovation at farmers' needs. Revitalising rural Europe. Some themes will be relatively familiar, but people there speakers and animators will be investigating how far we have got with those. The most pressing needs that we see now, including issues like migration to see what kind of impact this has for the whole debate. Provide own travel and accommodation costs.

CEETTAR responded to the COM on service providers, which are not involved directly in farming, stating that they are indeed included in the PSRs and this is also found in European regulation. Some regions have established a set of rules because having access to these kinds of services for farmers, services in terms of technology is extremely useful just for example to pollute less. Some regions have understood this and included it as a specific measure in the plan. It was decided that that measure was to be considered ineligible because it had not been agreed upon but this is preposterous because if we are providing safety, innovation, technological advances, making sure that we are providing a service that can help us meet our objectives then why are we penalizing these services being offered? I am referring to a specific case in which the region had approved the plans, supposed to go through all admin procedures and then the COM told them to stop because it was not appropriate.

CELCAA underlined importance of development of necessary tools for the remainder of the production chain. No need to produce grapes if I can't sell them or produce wine. One of the actions developed within the wine sector is by using this inter-professional concept. This needs to be done in other production areas too, we are talking about a complex situation and when we discuss production we need to consider all involved in the chain. Wine is a specific product not commodity and not talking about a commodity subject to international flows in terms of prices but we need to take into account the context, the fact that we are undergoing a crisis in farming in Europe, when we talk about the future of the CAP we need to concentrate on production but we tend to forget about second phase, marketing, promotion, eliminating technical barriers to trade. We believe that latest developments concentrating on markets very important within CAP we have tried to involve young farmers in a sector where we have always thought it could survive with aid and subsidies. By taking into account all these issues there is a need to concentrate on land management and income, but not without marketing, promotion, or developing new tools to eliminate technical barriers vis-a-vis third countries.

The COM appreciated the input, rich and open debate and not intension of COM to draw conclusions but the richness of visions and points of view indicates to us that the CAP may be a complex policy but definitely a policy which contains a lot of instruments and covers many models of agriculture which is what is needed if CAP is to address wide variety in EU and no single model should prevail over others. The COM thanked members for input and participation, fully support the Chair's encouragement to continue this engagement in thematic discussion not only within the CDG member's own organizations but across them. This was not only about challenges and objectives of CAP and agriculture but also concrete proposals as to how to improve the delivery mechanism that we have today. There is no plan to do a reform but the debate on the future is out there and we are all part of this debate and we better be prepared and continue this discussion.

3. Research and Innovation in Agriculture

The COM made a presentation on research and innovation in EU agriculture [see presentation]

COPA remarked how important a topic this is, as it is about the future of the sector. COPA were very supportive of new concept of EIP five years ago and happy to see progress. The place of EIP in RDPs in the Netherlands has caused a problem with fragmentation dealing with 12 provinces. After years of discussions in Brussels, proved complicated to get those provincial councils interested. First question is do you have numbers on how many MS have really started to subsidise operational groups? NL has not started yet. Future COM is thinking of leaving more space for new approaches. Can you envisage in the future, for the creation of innovation groups, the private sector, POs, IBOs, coops could also be co-financing programmes and you don't have to rely on local authorities or ministries to co-finance. Would that be an option for the future? Leaving more space for new approaches, you cannot plan innovation, when you get 20 farmers in a room to talk about issues you leave the meeting with a number of new issues or questions you did not think about beforehand so very important to support this possibility for new approaches. Perhaps you could expand on what you expect from farmers? Do farmers understand the concept? Can farmers' organizations do more?

COGECA asked for a clearer time frame for the strategy: will it be up and running from year 2020 and onwards, also wonder a little bit about applied research and how the strategies to get new findings, innovation and research up and running in the field in different sectors?

ELO asked what the best way to keep in touch as and when the research emerges would be.

FoodDrinkEurope thanked the speaker for the presentation. FoodDrinkEurope pointed out that research and development should include the practical aspects, which are so necessary for agriculture with respect to theme of growth to meet that goal. Need better productivity in future, more output, less input, to prepare for climate change, that is one of the key issues for the European food industry. Some of these projects still rely on acceptance. A lot of innovation in research but don't find the way to put this into practice because not accepted so need to learn from the past. You cannot force people to accept new technologies and innovation but we should do our best to try to ensure we have the necessary acceptance, both old and new areas, glyphosate discussion in last few weeks. We also talk about jobs and growth. In the future we have to accept that for instance; we need phytosanitary measures and if there are future developments, then consumers as well as agriculture and whole food chain need to be involved. Where agriculture is concerned we need to pass on knowledge, that's really important. It is all very well having a high degree of knowhow and knowledge but need to ensure that the farmer working his fields is able to put that knowledge into practice. This goes for other SMEs too.

The COM answered by saying more in charge of H2020 than EIP, other colleagues can answer those questions. COM directed members to the website of the EIP: <http://ec.europa.eu/eip/agriculture/>. Regarding implementation at MS level, cannot tell you, some examples from recent workshops including France, Germany, and Spain but must be other countries that are involved. Regarding naming and branding of 'innovation groups' we always need to go for simplest but we will see how we implement and how this cooperation measure for support to EIP, there will be in excess of 3000 of them. Already evaluation of EIP even though hardly implemented but at least we will see how it took place regarding formulation of RDP of MS. Difficulties for cross border, RD is not interreg so although may be possible to have operational group across France and Spain (Pyrenees) but comes with additional administrative activities. Through this measure we aim to have the different actors involved, private sector is part of it, SMEs, not example I showed, but bakers, millers involved in some of the groups. Innovations that are there to cater for the needs of those on the ground, whether they process or produce agri products. The input for those farmers involved in FruitNet group, disease in stone fruit sector, pretty obvious. If farmers have joined this group they know where their interest is. Regarding strategy, it goes beyond 2020, it is starting to be used to frame last years of H2020. The way we are organised or thinking for programme of research in 2016-17. Applied research, need to have proper articulation between basic applied research and innovation and we try to ensure that the different steps in this process are properly catered for. For those who want to stay informed about what is taking place, contact us, have a chat with us, we have had discussions with many people. Also look at the website all operational groups have an obligation to report so there will be outputs and deliverables from operational groups which will be included in the and that will become increasingly important when we have a map of operational groups across Europe. Boosting sustainability of the agro food systems concerns economic viability and competitiveness too. If you want to maintain productivity in the crop sector but at the same time use less fertilisers or less inputs

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because inputs are expensive or are more expensive because climate change then you need to do a lot of research even just to maintain today's productivity. The question of acceptance is a very important question, in the strategy we have tried to go beyond social acceptance towards societal engagement. The idea is to try to see how to have more involvement of society in the work that we do with research. Jobs and growth question a very important one, not sure how familiar you are with H2020 work programme but 2016-2017 renaissances. Developing topics looking at new business models, some topics dealing with different uses of biomass, interactive innovation, and knowledge exchange don't speak about transfer but about exchange. This also includes tacit knowledge, long process all elements of research education policy, nothing that you can do without ICT and properly educated farmers and actors to be able to deal with these questions on how to interact between advisers, farmers, scientists. Networking, ICT tools will develop and provide input into facilitating this knowledge circulation. We have the EIP, networks being put in place, really meant to have this knowledge flow.

The Chair thanked the speaker and reiterated importance of research and innovation, in particular innovation exchange. In order to establish tenders where research and innovation can be provided for certain sector without really knowing what has already been done or what already exists, runs the risk of wasting public money. Where you invest adequately, progress is made. Analyzing and assessing the situation and what will be on the platform. We hope also those who need to come up with ideas on measures are doing exactly the same thing so that an adequate budget is available for research.

4. Exchange of views with Mr. Cees P. Veerman, Chairman of the Agricultural Markets Task Force

The Chair explained that COM will introduce the subject while we wait for Mr. Veerman.

The COM explained that the task force was first mentioned by Commissioner Hogan last year. It was considered to be an accompanying tool, markets in emerging countries, add to this Russian ban, etc. perfect storm. Reaction by the COM, package that was put together and is still running, at the time, solidarity package. Second strand to the reaction by the COM and by the Commissioner. It has 12 members, one chair; it has held three meetings so far. It holds its fourth meeting tomorrow. Each of these meetings have certain themes where the members of the task force discuss. All of this you can google. Official homepage: http://ec.europa.eu/agriculture/agri-markets-task-force/index_en.htm

Mr. Veerman: I apologize for my delay. As the COM had made clear, task force assignment and composition, planning is to have report ready at the end of the year. I would emphasize that we are absolutely independent; we have full liberty of saying what we think best. Confronted by globalizing world, trade blocs like the EU can no longer look away from that tendency and has not done so for the past 30 years. Ongoing tendency is to liberalize the markets and bring down support, and also to harmonize all kinds of regulations with other trade blocs. TTIP is of great importance for agri sector. EU has enlarged, different structures of agri, all in a system of globalizing but also putting more emphasis on market orientation due to the globalization tendency. Nevertheless, very complicated and time-consuming process, in the meantime, taxpayers' money is spent, 40% of budget of EU for agri policy. Farmers' incomes have not risen very much and there are sectors where they have been very strained during the last 10 and 15 years. We had some glorious years of high prices for cereals

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and milk, now cereal prices are low, quota system abolished and we have an increase in milk production and as a consequence of course very low milk prices. There is a structural problem in the sector. The same problems in the meat, pork but also chicken, eggs to a lesser extent. There is an absolute need of how we can enforce the position of the farmer in the food chain so he can earn his income better social position in view of the globalization and market orientation, European economic policy and agri policy changing in that direction. That's what we are striving at. We would like to know what your opinion is but also suggestions and statements about different members of this panel so we can incorporate it into our considerations so we can include some of it in our final report.

COGECA thanked Mr. Veerman for addressing the CDG and informing the members about the AMTF. Underlining the issue of the position of farmers in the food chain, COGECA emphasized the clear imbalance of power in the food chain, which functions, to the detriment of farmers where they are quite often subject to UTPs. This is something that is extremely dangerous and leads to bankruptcy. Not a problem that occurs occasionally or in one MS not in others but clearly a problem with a EU dimension. Legislation necessary to define common rules for the MS and involve all members of the chain and deliver better results and better outcome to all of them. The British system and Spanish system more recently, both based on legislation and backed by independent third-party enforcement, are good examples of what is needed at EU level.

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FoodDrinkEurope mentioned the changing world economy, underlining that such major changes mean that all sorts of measures should be examined.

EFFAT asked what the economic premises were for the task force. Job losses are assessed in a different way to alternative jobs being created, same for cotton and rice. For mass products, raw materials with FoodDrinkEurope colleagues how will they be addressed in the task force? What have you got in mind, what is positive, what is negative? All contribute to understanding how we cooperate? Waving red flags trying to find out what Brussels is up to.

COGECA reminded members that the farmers' share of the food chain is small, and that we have different experiences within Europe. Quite a lot of work with action plans together with the food industry, retailers and grocers has been done. Launched a new Swedish label for food with food industry and grocery industry. This situation is very different within Europe and situation in Sweden is far from ideal. But at this stage might be difficult to find common legislation – don't see that legally binding rules would be the best way forward here.

COPA welcomed the fact that the task force was fully independent and explained that the day's discussions were looking at CAP post 2020 which was also to be high on agenda at NL informal council. Discussion all day was between two visions, one is market protection/regulation/planning/self-sufficiency and other vision is market orientation/cooperation/world market/international trade/food chain. Can both visions be supported within one common policy?

COPA agreed that farmers are losing money in their food chain, they are not being paid enough and even where there are strong farmers' cooperatives, it is not so easy to agree on fair prices. That's why it is not enough as voluntary agreements we need to combine instruments and find solutions at

the EU level to apply some regulation that could make the whole food chain fairer for all players. It is a pity that we are spending so much time losing farmers because of unfair distribution of profits in the whole chain.

CEETTAR explained that they represent companies that provide services to farmers and want to make sure that farmers are treated equally and get all the support they can. Referring to Kyoto, Paris, or trade agreements, these can really create an uneven balance totally unfair to farmers that the CAP can help solve. Europe has done a lot in terms of state aid. Much has been done at European level especially for trade within the EU; same thing should be done also with competition with third countries. Situation is totally out of balance. Talking taxation rules, environmental protection rules, welfare state, huge differences, implementation of community rules, access to credit, so many factors that make it so the market is totally uneven. Also a problem in terms of recognition of IGP products, referring to niche products, also referring to the cost of the workforce salaries, production processes, plant protection, phytosanitary measures, cheese production with so many different techniques, wines produced by adding sugar, so many differences and that means it's a different production cost as well but nothing is recognised at European level. It is not easy for a farmer when he uses a traditional measure to see his work recognised and receive a premium for this work, which is unfair. Need to insist on issue of dumping, need for a tool to make sure that there is a level playing field for all parties involved. Products imported from third countries, many of these do not take into account all the rules we have to follow so we should be adding tariffs to these products to protect our protection because we produce under completely different conditions – referring to countries where there is no respect for workers or the environment.

CEJA reminded members that from the point of view of the supply chain, talk about unfair trading practices because it is not only about making a supply chain shorter but many farmers who have a production of around 500 000 liters of milk or tons of grain cannot shorten the chain but have to work with the processors. Also very important to ensure that trade practices are more fair for example in Poland farmers sometimes do not get paid by their contractors in time or get cheated on the quality of their products. Making these practices fairer will help a lot for farmers. Poland is very aggressive on the outside markets, exporting grain to Egypt and other countries because of Ukraine, and maybe we can also focus and be more aggressive on outside EU market. We should always make a point on the quality of our products because European products have a high value and are seen as very high valued products outside the EU.

COGECA mentioned the importance of strengthening the farmer in the food chain; good experience in Belgium with some producer organisations in the EU, agricultural sector is paying the bill of this conflict but how will we deal with the ban in the future?

EEB / BEE highlighted the issue of illegal timber production and whether it would be looked into from a task force point of view.

COPA highlighted that since 2009, already created a brand, which aims to foster a short supply chain between producer and consumer. Shorten supply chain by eliminating a number of intermediaries, victim of speculation as part of these intermediaries. Also need to think about the European farming model, focus on quality, rather than competing on price. If we start focusing on other countries such as the US or Australia, production costs much lower than ours, much wider areas, focus on quality.

Mr. Veerman: Thank you. Few remarks in advance, I hope it is your general opinion that this task force is not going to solve all the problems of the CAP in the coming ten years. We have to be honest; the politicians have shifted the problems onto my plate. Every time there are questions about measures to be taken in case of market disturbances, the general answer is 'that's to be seen by the task force' until the end of the year. That's an acceptance we are fully aware of. We are not going to bring these final solutions. Hopefully we are going to bring some valuable recommendations that can be put into practice by decisions of politicians. This is not very simple. Not a one size fits all solution, MS have very big differences. Different situations, regions, structure of the sector in different countries, different histories. Third one is that some philosophies about going back towards more market regulation is not a very realistic one. This is not to say that market orientation is the one and only solution, but I hear voices because after milk quotas, critical situation in milk market and some people say well why we got rid of those quotas because it was a perfect system. So it seems but in the meantime the quota in the past 30 years have been traded 3 or 4 times already. So a lot of money has gone out of the sector and cost price structure of milk producer has risen. Now there is a rupture in this world, then you have structural problems. No simple solution to that. There should be measures to cover this period of adaptation. That's for the politicians, no substantial reason to go away back to market regulation. That is not because politically not feasible but against general tendency of our partnership in world markets. We can't say we don't want to be out of this world so we step out of it. We can see how far we can go to protect sectors, people, prices, give them leeway to adapt themselves to situation and make choices for themselves as to how they can survive and how they can cope. In the end it's up to the farmers and entrepreneurs to adapt themselves to the new situation. There is no guarantee from any government whatsoever in the world that you are always able to be a farmer and always be able to earn money on the land. I realise very much that this is not a very simple message I'm giving but I want to be frank with you. I am a farmer myself and my sons have the same problems and the same comments to me as you are giving. They feel what is going on. If you want to be a farmer, you can ask politicians to help you to come from one situation to another because the general situation has changed, but you cannot ask from politicians to guarantee your existence for eternity. Realistic approach is the only option. These are my first comments, I don't want to be too dramatic, and it's no use beating around the bush. Tendencies going on and we have to face them. Suggestions, possibilities, that help farmers become more competitive, have a more stable and more powerful position in negotiations in dealing with problems of income and problems of other parties, other parts of the food chain, and then of course there is an imbalance of power. Always has been for farmers. They have searched for remedies to cope with these problems. One of these remedies is more than 100 years old, cooperatives, and they don't exist everywhere and cooperatives are not very eager to combine their forces in many cases. Cooperatives can also be competitors. We should look at the effectiveness of different cooperatives operating on the same market, for instance supermarkets. In NL we merged all the auctions and now we have more than 10 or 15 partly cooperatives and partly individual enterprises all sitting at the doorstep to get rid of their stuff. As was said in Belgium, most of the time we know better in NL than Belgium but this time we are totally wrong. Surely the position of cooperatives itself in negotiations and this has been stated by many speakers, problem of competition law, we will take that into account because competition law is very strict and it is the holy consumer who counts. But you can very much ask the question whether is in the interests of the consumer in the end if there are no farmers left – not enough farmers left in Europe. We are being more and more dependent on

imports, the vulnerability of this kind of policy is a question that should be taken into account. Where is the scarcity? No scarcity but 2 days of problem in the milk sector and there are enormous problems in the milk sector. Billions of food services per day but all been served by a complicated food chain with farmers at the base of it. Farmers are a critical partner in that food chain mechanism. Tomorrow I have an appointment with MEP Paolo de Castro and McGuinness and we will look into her report and I am sure they will be some valuable input. Suggestion of looking at best practices in Spain and UK mentioned also from side of FoodDrinkEurope. Of course everybody who can demonstrate a practice that can be of value to our work – don't let your work finish here if you have something to say then send it to us and we will take it into account. Best practices are very welcome. One of the problems also is employment, also problem of succession, if you look at demographic position and landscape in the 28 MS, then you have a very critical situation to be expected in the coming 10-15 years. Who wants to be a farmer? Problem of succession (too many brothers/sisters?), taking over the farm means problems getting it financed and earning an income. Is it not much more comfortable to get a position in an office and you can go home at 5 and calculate your days holiday. Why would young people want to borrow huge amounts of money, paying back in 30 years, with little financial incentives to do so? One of the convincing points is that you can earn a reasonable income. Consumers and politicians are on the side saying it is essential farmers stay in business. We will look into remarks that have been named like illegal timber, strengthening the position of the farmer is our main target. If you have more ideas and comments send them to us, we will consider them seriously. I will also use this opportunity to make some background info. Strictly speaking on my own, you can be convinced that we take our assignment seriously. But we will not solve all 28 EU MS problems or final solution that will ensure farmers an income for the next ten years.

The Chair thanked Veerman and encouraged members to send more information. Highlighted the importance of young farmers entering the sector, if it is difficult to enter the sector, access land, access credit and then make a living – why would you enter or stay afloat in the sector? We need to find a new way for a different solution to improve the sector and achieve all the challenges that we have in front of us.

Chair thanked everyone for their suggestions and invited members to send all your answers and contributions to the questions the COM sent last week by email and thanked the interpreters. You will receive by email information on last draft minutes of the meeting and agenda for next meeting.

[Meeting close.]

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