

**DRAFT MINUTES OF THE MEETING OF THE CIVIL  
DIALOGUE GROUP ON HORTICULTURE, OLIVES & SPIRITS  
“Flowers and Ornamental Plants sector” HELD IN  
BRUSSELS ON 26/10/2016**

**Meeting Chaired by Mr Torben Lippert**

**1. Approval of the agenda and of the report of the meeting of 02 October 2015**

The agenda of the meeting and the minutes of the previous meeting were approved as circulated. The producers representatives, supported by the traders representatives, proposed that the meetings of the CDG on Horticulture sub-group Flowers and Ornamental Plants to be organized in the morning after the CDG on Horticulture sub-group Fruits & vegetables

**2. Flower and ornamental plant market situation in Member States: roundtable**

The Commission (DG AGRI) presented a summary overview of the 2015 statistical data for production, land area and trade for ornamental products in the EU. The presentation is available on CIRCA. The total EU production value is stable (at constant price) and estimated at 18-19 billion EUR and 34% of total production value of ornamental worldwide. The overall EU trade balance with third countries remains positive since 2002 and amounted to +300 million EUR in 2015. Russia and Switzerland remain the most important destination for EU ornamental products; some destinations are on an increasing trend (China +5%).

Exchange of views:

Some questions were asked on the production value in some Member States displayed in the presentation. The Commission explained that some figures indeed need to be corrected and that some Member States have cumulated a delay of several years in the transmission of figures to Eurostat. In general, for all agriculture sectors, Member States tend to share with Eurostat less and less statistics, reflecting the decreasing capacity dedicated at national level. The Commission called on the sector to keep putting pressure on Member States to produce reliable and detailed data and statistics, and invited the various organisations to share data available. The ornamental sector is an important one within the EU total agriculture sector but is generally lacking attention from EU decision-makers.

The group also discussed consumption trends, which are generally stagnating in the EU, and for which detailed data is missing. The sector widely agrees on the need to pursue generic promotion efforts, which are vital to sustain and stimulate consumption & intra-EU flows, as well as increase market prospects and strengthen the EU trade balance in ornamental products. Innovative promotion strategies should be developed in order strengthen within the EU the consumption of floriculture products due to changing consumers' behavior. The sector has also identified trade with Russia and the impact of Brexit as important point follow in the next months.

The Chair concluded by stating that at EU level there has been some improvements and positive trends in the market situation but it is clear that some Member States are facing tremendous difficulties.

### **3. Recent developments with the EU Biotechnology Directive and Plant Breeders' Rights**

The Commission (DG GROW) presented an update on the recent developments with the EU Biotechnology Directive and Plant Breeders' Rights. The presentation is available on CIRCA. The 'Biotech Directive' on the legal protection of biotechnological inventions dates back to 1998 and seeks to harmonise patent law in EU member countries relating to biotechnological inventions and clarifies which inventions are patentable or not on ethical grounds. Two reports were adopted by the Commission in 2002 and 2005 on some specific aspects of the implementation of this legislation. In 2012 it was decided to set up an Expert Group to provide expertise, analysis and comments on the rapid evolutions in the biotechnological field, in particular as far as biotechnology and genetic engineering and their implications on patent law are concerned. This Expert Group started its work in 2013; the expert group should submit its conclusions to the Commission. In this context, two particular plant-related issues are considered: the respective patentability of plants and plant varieties and the breeders' exemption (limited or full).

Some Member States (Agrifish and Competitiveness Council) and the European Parliament (December 2015) have expressed concerns. During the Symposium that took place on 18<sup>th</sup> May a package solution has been proposed which included:

- Commission notice
- Soft measures on transparency, accessibility and cooperation.

The Commission notice is a non-binding instrument – only reflects the position of the Commission on the intention of the EU legislators when adopting the directive. Only the EUCJ may take a decision with "erga omnes" effect. The Objective of the Commission was to adopt the Commission notice before the 28 November Competitiveness Council meeting. Once adopted, the notice will be addressed to the Council and the European Parliament.

The Commission informed that expects to adopt the notice in the first week of November, but clarified that these documents are not regulation, but interpretation of the Commission position. The Decision is to be taken by the College of Commissioners.

Exchange of views:

Producers recalled the crucial importance of the breeders' exemption for ornamental growers and for the sector and the ornamental supply-chain as a whole (breeders, growers, trade). Plant breeders need the freedom to use plant material to develop new breeds, as provided for by the breeders' exemption, and also when plant material has been patented. It is also important for plant breeders, and ultimately for the sector as a whole, to be able to carry out any necessary research in order to respond to market opportunities. Limited or costly access to patented genetic material may ultimately hinder research capacity and overall innovation in the ornamental sector. It was stressed that the EU should make every effort to maintain the right balance for intellectual property rights in plant breeding and to limit bureaucracy and impact on the availability of plant material for the ornamental chain, in particular for smaller growers.

### **4. Update on ongoing reform of the EU legislation on plant health and official controls.**

The Commission (DG SANTE) provided an oral update on the status of the reform. Commission expects the adoption by the Council by November and final publication in the Official Journal by early 2017. The new legislation is expected to entry in force by beginning of 2020. The

Commission is preparing a number of delegated and implementing acts. The European Parliament and the Council have not yet adopted their position on official controls, but discussions have been scheduled. This piece of regulation has to be enforced together with plant health in 2020.

Exchange of views:

Regarding the question on phytosanitary certification and the new legal provisions for cut flowers under the new plant health legislation (article 73), the Commission will provide further clarifications in a later stage.

#### **5. Update: emergency measures to prevent the introduction into and the spread within the EU of *Xylella Fastidiosa***

The Commission (DG SANTE) gave a detailed presentation on the subject, recalling the developments in the outbreak of *Xylella fastidiosa*, a quarantine organism regulated under Directive 2000/29, currently present in 3 different countries (Germany, France and Italy), which lead to the adoption of EU emergency measures. These emergency measures impose very strict conditions for the movement of plants within the regulated areas to contain the spread of the outbreak. Currently there is no information connecting different outbreaks and there has been identified different subspecies of *Xylella Fastidiosa*. Surveillance activities have been substantially increased in the buffer zone. Commission requires the emission of a declaration of pest free plants for a list of 200 imported plants and has decided to extend import controls to all "*Pelargonium*" species. This is expected to be approved in the next meeting of the standing committee.

Exchange of views:

Representatives of the affected countries informed on the situation in their country, the measures taken and the impact in the market situation and export markets. They also raised questions about the origin of the outbreaks, on the efficiency of the initial measures initiated enforced by the authorities to contain the spread the outbreak and on the exact measures taken about imports of plants and plant material into the EU.

The Commission has taken the situation very seriously and has done its utmost to strike the right balance between the interests of producers and of the trade. Cooperation with and coordination between the NPPOs in the EU has been good to help ensure the effective application of the emergency measures and contain further outbreaks.

Producers also enquired about the compensation to be granted to producers in the zones affected by the outbreaks. The Commission (DG AGRI) explained the compensation measures accessible under the EU Rural Development policy and the state aid legally available to assist producers, in particular via Article 26 of Regulation 702/2014 (Aid for the costs of the prevention, control and eradication of animal diseases and plant pests and aid to make good the damage caused by animal diseases or plant pests). The Commission also informed that specific EU research funds were being made available under Horizon 2020 to stimulate further research and investigation on the various strains of *Xylella fastidiosa*.

## **6. Trade Policy Developments, in particular:**

The Commission has been in negotiations with **Ecuador** in order to extend the free trade agreement currently in force with Colombia and Peru. Entry into force foreseen on 1 January 2017. An important issue during the negotiation was bananas and the “Banana stabilization mechanism” foreseen to protect the EU banana market in case of need. The International Trade Committee of the EP and the EP are yet expected to give consent before end of the year so that the Agreement can enter into force. The agreement is expected to improve market access for flowers and ornamental plants by liberalizing these tariff lines (06). Following an impact assessment, it is clear that the most important objective is to ensure a level playing field by removing trade barriers.

On **Turkey**, the Commission is now making preparations for negotiations to modernize the customs union. Therefore an impact assessment is being undertaken, which will look at the possibility to enlarge the scope of the agreement (e.g. it may include agriculture). By December, the Commission will draft mandate of negotiations, which will be presented to the Council for adoption in 2017.

Exchange of views:

The producer representative has informed that there has been a significant decrease of our exports to Turkey, even though we would expect the opposite. He informed that the interests of the EU and Turkish flower sectors are very different.

The trade representative noted that a tariff of 48% for flowers is quite high in global business. Taking in account that flowers and ornamental plants are not as sensitive as other agricultural products we would like to have it “harvested” as soon as possible. The Commission clarified that the EU has many offensive interests such as, GIs, meat, services and public procurement, new ISD mechanisms.

Regarding **Kenya**, a member of the East Africa agreement, the Commission has informed on the ratification procedure. In order for the agreement to enter in force, the 5 countries and EU have to ratified the agreement nevertheless Tanzania, Burundi and Uganda have yet to ratify it. If the agreement fails to enter in force, Kenya risks to fall out of GPS system increasing tariffs for some products, therefore the Commission has decided that if any country has taken all steps towards entry in force it will be temporally allowed to get free access.

Exchange of views:

The participants congratulate the Commission on the progress made. Kenya has a booming industry that provides important products for the EU sector.

## **7. State of play – EU tax reform (VAT in particular)**

This point was removed from the agenda, as the Commission was not able to provide a contribution.

## **8. Update – Endocrine disruptors**

The Commission (DG SANTE) has provided a short update on endocrine disruptors. The Commission has delivered the draft criteria on 16 June 2016. The criteria are the same for plant protection products and biocides and are based on three main elements. The current consultation on the criteria developed by the Commission is still ongoing at the level of the Standing Committee. Until the Standing Committee delivers an opinion, the process cannot continue. It is expected that the Committee would reach an opinion by the end of 2016. Following the process, the Commission will have to consult both the Parliament and the Council in a very complicated procedure. All documents are published in the Commission website including the impact assessment.

Exchange of views:

The producers representative noted that the list of substances that might be impacted is not very clear. The Commission is managing a list of 27 substances while the consultancy another one with 26. In total, we could be talking about 40 active substances that might be considered as endocrine disruptors. Another concern is that the impact assessment already recognizes that this will have a negative impact for farmers without further clarification. He concluded by stating that for horticulture there is a clear and high risk to lose some of these many important substances.

The Commission clarified that the all criteria have some element of risk and negligible areas are part of the risk. The article allows to review approval or renewal if the active substance no longer apply with approval criteria. How far is this going to be applied it needs to be explored with Commission legal services.

#### **9. Minor uses and specialty crops: update on recent developments at EU level**

The Commission (DG SANTE) provided a contribution to update on latest developments in the area of minor uses and specialty crops. Two main activities have recently been put in place to allow progress in identifying solutions for producers in the field of pests and disease control in the case of minor uses: (1) the establishment of a EU Minor Uses Co-ordination Facility and (2) a European Research Area Network on Integrated Pest Management (C-IPM Eranet project) under the EU 7th Research Framework Programme (FP7). The first meeting of the Coordination facility took place on September 2016 in Freising, Germany. The work of the Commodity Expert Group on ornamentals is trying to solve some problems like the future difficulty to have herbicides in the market (due to the restrictions for glyphosate and diquat). The next meeting will take place in March 2017.

Exchange of views:

The producers representative emphasized the importance of this work for the sector and enquired on the targets available or key performance indicators.

The Commission clarified that that one steering board supervises the actions of the coordination platform. The Coordinator has put forward an working plan for the next three years. In spite of an initial delay, the working plan is on track. The objective is to identify the priorities to tackle firstly by the commodity group. Each commodity group has adopted terms of reference and meetings are now being organized. The first euranet has been established this year on soil pest and diseases and a second call in under preparation. It's required to provide information as database for the general public and improve synergies. The 3 Member States that are currently

funding the project for three years want to continue this exercise but would like other member states to join the effort.

#### **10. Information on latest developments concerning the list of Invasive alien species (IAS)**

The Commission (DG ENV) has provided a written contribution on the subject (available on CIRCA). All information concerning this subject can also be found at [http://eu.europa.eu/environment/nature/invasiealien/index\\_en.htm](http://eu.europa.eu/environment/nature/invasiealien/index_en.htm).

The Regulation 1143/2014 on invasive alien species entered into force on 1 January 2015. This regulation seeks to address the problem of invasive alien species in a comprehensive manner so as to protect native biodiversity and ecosystem services, as well as to minimize and mitigate the human health or economic impacts that these species can have. The regulation foresees three types of interventions: prevention, early detection and rapid eradication and management.

There are currently 12.000 alien species in the European Environment, from which 10-15% are invasive. The cost estimated is around €12 billion per year to the European economy. The Commission and Member States may propose IAS, providing a risk assessment and evidence that IAS meets criteria for listing. A first list has been prepared, including 37 IAS, which should entry in force on 3 August 2016. An update for 2017 is being prepared.

#### **11. AOB**

The Chair thanked the various representatives, the interpreters and the Commission for their participation and contribution to the discussions and closed the meeting.

#### *Disclaimer*

*"The opinions expressed in this report represent the point of view of the meeting participants from agriculturally related NGOs at Community level. These opinions cannot, under any circumstances, be attributed to the European Commission. Neither the European Commission nor any person acting on behalf of the Commission is responsible for the use which might be made of the here above information."*