

**FINAL MINUTES OF THE MEETING OF THE CIVIL  
DIALOGUE GROUP ON HORTICULTURE, OLIVES & SPIRITS  
“Flowers and Ornamental Plants sector” HELD IN  
BRUSSELS ON 02/10/2015**

**1. Approval of the agenda and of the report of the meeting of 10 October 2014**

The agenda of the meeting and the minutes of the previous meeting were approved as circulated.

It was announced that some agenda items would be discussed in a different order than the one listed on the agenda to take account of the time availability of some of the speakers to attend the meeting.

**2. Election of Chairman and Vice- Chairmen of the Civil Dialogue Group Horticulture, Olives and Spirits**

Three candidacies have been submitted for the positions of Chairman and Vice-Chairmen of the Civil Dialogue Group Horticulture, Olives and Spirit for a new one-year period. The candidates were elected by the group by show of hands (one abstention), as follows:

Chairman: Mr Garcia Fernandez - elected (representing SACAR – FRESHFEL)

Vice-Chairman: Mr Sanchez de Puerta Diaz - elected (representing COPA- COGECA - Confederación de Cooperativas Agrarias de España - Olive Oil sector)

Vice-Chairman: Mr Nick Soper - elected (representing FoodDrinkEurope -Spirits Europe)

The meeting was chaired by Mr. Garcia Fernandez. In agreement with the Group and the Commission, he was assisted by Mr. Torben Lippert, representing COPA, in order to facilitate the exchange of views between the participants on agenda items specifically dealing with flower & plants-related substantial issues.

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

The Commission (DG AGRI) presented a summary overview of the 2014 statistical data for production, land area and trade for ornamental products in the EU. The presentation is available on CIRCA. A detailed working document of 80 pages “Live plants and products of floriculture sector in the EU” is currently being finalized by DG AGRI and will be made available to the group as soon as possible. The total EU production value is stable (at constant price) and estimated at 19-20 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 +326 million EUR in 2014. A decrease of 23% in the trade balance has nevertheless been reported since 2013 (+426 million EUR in 2013) due to challenges on crucial export markets for EU ornamental products (Ukraine and Russia in particular -13.6% export value to Russia since 2013). Russia and Switzerland remain the most important destination for EU ornamental products; some destinations are on an increasing trend (China +8%, Mexico+5%). For imports, cut flowers and foliage represent the most dynamic import segment, with a continued long term growth of major origins such as Kenya, Ecuador and Ethiopia. Other traditional origins are declining such as Israel or Costa Rica.

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 to reposition and strengthen within the EU the consumption of floriculture products due to changing consumers' behavior.

#### **4. Update and exchange of views on challenges & opportunities for EU export of flowers and ornamental plants, in particular Russia (update on SPS issues).**

The Commission (DG AGRI) recalled that most flowers & ornamental plants, except for some nursery products, were not directly targeted by the import ban introduced in 2014 by Russia on a number of EU agriculture exports in retaliation to political measures taken by the EU. This import ban has had a very disruptive impact on the market of the targeted products. The Commission noted that the general context and relations between the EU and Russia remain complex, as reflected for example in the difficult discussions taking place during WTO SPS Committee meetings in Geneva.

Exports of EU ornamental products, cut flowers in particular, to Russia have been affected during summer by discussions on phytosanitary issues. Russia has claimed that cut flowers exported from the EU were not safe and that too many consignments infested with western flower thrips were intercepted at the Russian borders. The Russian authorities engaged during the summer in bilateral technical discussions to address issues of phytosanitary certification of cut flowers with the various EU Member states from where the consignments originated without involving the Commission. The Commission sent letters to the Russian authorities in August and September asking for clarifications on the issues at stake and recalling the exclusive competence of the EU on commercial policy as well as the necessity to respect international principles, in particular the principle of scientifically justified measures, in addressing any potential phytosanitary issue.

Exchange of views:

Representative of the sector stressed that exports of flowers and plants to Russia have directly suffered from the general context and from the devaluation of the ruble, in particular but not only as far as Dutch exports are concerned. Sales of cut flowers, plants, nursery products and trees on the Russian market have greatly decreased in 2015, also in neighboring countries

Belarus and Kazakhstan which share a customs-union with the Russian Federation. The sector is currently actively looking for alternative export markets. The Commission expressed support and invited the sector representatives to actively share feedbacks and information on future developments.

#### **5. 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. Discussions in the Council were finalized in June 2015 and Trilogue discussions between the three EU Institutions have started in September 2015. Depending on the pace of the Trilogue, the text could be finalized by December 2015 or early 2016. Many amendments have been introduced by both the European Parliament and the Council on various aspects of the text. The import regime has been one of the most discussed part of the text. In order to strike a balance between the necessary protection of the EU territory against the spread of harmful organisms and the continuation of the trade in plants and plant products, the Commission proposal has put forward some adjustments to the current open system under Directive 2000/29, namely the introduction of specific restrictions for those products deemed riskier pending the completion of risk assessments. The text now in discussion in the Trilogue will be further adjusted to find the right compromise on the exact level and content of these risk-based restrictions but the three EU institutions have agreed on the principle to maintain an open system approach for imports. The implementation of control measures by the competent NPPOs and authorities in the EU Member States will remain a key element of the functioning of the reformed EU legislation on plant health, particularly as far as imports are concerned. In general, EU Member States must ensure that the right level of control and appropriate capacity is dedicated to phytosanitary controls.

#### **6. Update: emergency measures to prevent the introduction into and the spread within the EU of *Xylella Fastidiosa* (Wells et al.) (Commission Implementing Decision (EU) 2015/789 of 18 May 2015)**

The Commission (DG SANTE) gave a detailed presentation on the subject (available on CIRCA), recalling the developments in the outbreak of *Xylella fastidiosa*, a quarantine organism regulated under Directive 2000/29, first notified by Italy in October 2013, which led to the adoption of EU emergency measures in 2014 and the implementation of further strengthened measures since 18 May 2015 (Decision 2015/789). These emergency measures impose very strict conditions for the movement of plants within the regulated areas to contain the spread of the outbreak which has had a devastating impact on olive trees in Italy. The Commission also explained that a new outbreak has been notified in Corsica in July 2015, leading to 85 outbreaks detected between July and September 2015. The outbreaks in Corsica are however of a different strain (multiplex) than the one (Pauca) found in Apulia, Italy. In view of the situation, the Commission intends to intensify monitoring across the EU and is currently reviewing some elements of Decision 2015/789, stressing the importance of plant passports for a number of plant species originating in the EU or introduced from third countries and raising awareness for EU Member States to immediately and efficiently enforce emergency measures.

Exchange of views:

Representatives raised questions about the origin of the outbreak in Italy, on the efficiency of the initial measures initially enforced by the Italian authorities to contain the spread of the outbreak and on the exact measures taken about imports of plants and plant material into the

EU. The Commission explained that exact origin of the first outbreak is still being investigated but some links have been established with imports of plant material from Costa Rica. Strict measures on imports of about 200 specified plants have been implemented as part of the emergency measures: imports of Coffea plants from Costa Rica and Honduras are prohibited; consignments of specified plants at imports are regularly inspected, sampled and tested; and NPPOs of third countries trading with the EU have been required to send an official communication to the Commission to inform that *Xylella fastidiosa* is not present in their country or, in case it is present, to provide a list of pest free areas and pest free production sites in order to allow imports into the EU from these origins.

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* and that a specific taskforce would be set up to optimize knowledge-sharing and knowledge collection on *Xylella fastidiosa* and to assist EU Member states in containing and surveilling outbreaks.

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

The Commission (DG SANTE) provided a written contribution to update on latest developments in the area of minor uses and specialty crops. The written note informs that 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, hosted by the EPPO and jointly funded by the EU and the governments of France, Germany and the Netherlands, tasked with the responsibility of coordinating the work on minor uses between EU Member States and stakeholders and sharing information, knowledge, experience and data record on minor uses and (2) a European Research Area Network on Integrated Pest Management (C-IPM Eranet project) under the EU 7<sup>th</sup> Research Framework Programme (FP7), aimed at coordinating national research programmes and infrastructure on the matter and the organization of calls on IPM, including minor uses.

## **8. State of play on neonicotinoids**

The Commission (DG SANTE) gave a presentation on the subject (available on CIRCA). It recalled in particular the process that led to the precautionary introduction in 2013 (via Regulation 485/2013) of EU restrictions on 3 neonicotinoids (imidacloprid, clothianidin and thiamethoxam) following EFSA's assessment of acute risks on all crops attractive to bees. The Commission is now reflecting on the next steps and the necessity to review those measures and/or introduce measures for other neonicotinoids. EFSA in the meantime has assessed in 2015 foliar applications

for the 3 neonicotinoids and concluded that the higher acute risk for bee population was taking place for applications before and during flowering and the risk is much lower when applied post-flowering.

Exchange of views:

Producers stressed that the restricted use of these 3 neonicotinoids was directly impacting on ornamental production and enquired whether any economic impact assessment of the measures, as well as of the benefits observed on bee population since the introduction of these measures, had been foreseen. The Commission took note of the request and responded that such assessments were not foreseen for the moment.

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

The Commission (DG GROW) provided an oral update on the matter. The EU Biotechnology Patent legislation (Directive 98/44/EC - '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; its mandate expires at the end of 2015, by which time it 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).

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.

## **10. Update on upcoming changes to Chapter 06 of the EU Combined Customs Nomenclature (cut flowers, foliage and ornamental plants)**

The Commission (DG TAXUD) recalled that a series of proposals to update Chapter 06 of the EU Combined Nomenclature covering cut flowers, foliage and ornamental plants has been put forward since 2014 by the Italian Ministry of Agriculture, supported by research from the Institute of Services for the Agrifood Market (ISMEA), for discussion in the EU Committee on

Customs Nomenclature. A first discussion in 2014 within the Committee concluded that additional consultation with the ornamental sector was necessary before any adoption. These consultations were carried out in 2014- 2015 by ISMEA and lead to a satisfactory outcome for all stakeholders, including producers and traders.

As a result, some changes to the Chapter 06 Nomenclature were adopted in 2015 by the EU Committee, based on slightly adjusted proposals by the Italian Ministry of Agriculture and will enter into force in 2016: a) introduction of a new specific subheading under 0603 19 20 for Ranunculus cut flowers - to reflect developments in volumes traded and sold, and help European producers better analyse trade flows and plan for production and marketing and b) introduction of an additional unit "p/st" for plants under 0602 to better match with the reality of business and provide a more adequate statistical measurement of quantitative flows, as these plants are generally traded in number of pieces rather than by weight.

A document detailing the upcoming changes to apply from 2016 to Chapter 06 Nomenclature was distributed by the Commission. Even though these changes can be perceived as relatively minor, their adoption is seen as very helpful for producers in Italy. The Italian representatives expressed their thanks to Copa Cogeca and Union Fleurs for supporting these changes during the consultation process, which has helped secure final adoption by the EU Committee.

## **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*

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