

# **DRAFT MINUTES OF THE MEETING OF THE CIVIL DIALOGUE GROUP ON “CAP” ON 16<sup>TH</sup> DECEMBER 2016**

## **1. ORGANISATIONAL ASPECTS**

### **a) + b) APPROVAL OF THE AGENDA AND MINUTES OF THE PREVIOUS MEETING**

The Chair informed the Civil Dialogue Group (the group) that the agenda, which contained 6 items, was approved. The Chair informed the group that the minutes of the previous meeting were approved.

### **c) ELECTIONS**

Mr Henry Brichart (COPA) was elected as a Chairman of the group.

Mr Jan Plagge (IFOAM EU) and Mr Alan Jagoe (CEJA) were elected as Vice-Chairpersons of the group.

## **2. PRESENTATION BY THE DG AGRI OF THE OMNIBUS REGULATION**

- ❖ The Commission (COM) gave a presentation on the Omnibus Proposal – Articles 267 – 270 on the CAP basic acts.

COM clarified the proposals in four basic acts of CAP – Rural Development Regulation (1305/2013 – Art. 267), Horizontal Regulation (1306/2013 – Art. 268), Direct Payment Regulation (1307/2013 – Art. 269), CMO Regulation (1308/2013 – Art. 270).

FoodDrinkEurope raised the question whether it is the real impact assessment in terms of financial savings and whether was the BREXIT taken into account and is going to be part of it.

IFOAM EU pointed out the limitations in effectiveness and efficiency between the different CAP regulations and expressed the need to clarify the how the Commission was evaluating the four basic acts of CAP as part of the process.

COPA welcomed the clear explanation of the presentation and asked for the inclusion of the clarification in terms of CMO regulation. COPA stated that the public procurement rules could be applied also under the rules on rural development and raised the question on clarification of the COM decision to transfer income stabilisation tool from the green box to amber box.

EFNCP welcomed the definition of an active farmer clause and stated that the negative list should not remain optional and that the income stabilisation tool should be maintained in the green box.

EEB asked for the clarification of the use of financial instruments and explanation the decision of changing the Article 9 on active farmer clause.

EUROMONTANA expressed concerns about the subsidies in disadvantaged areas with the context of the services in the urban areas.

COPA highlighted the need to maintain the target of direct payments to farmers, as to bring up the real simplification for farmers. COPA welcomed the positive aspects of the income stabilisation tool from 30% to 20% and keep it in sectorial basis and stressed the need to keep the balance between grants and loans that financial instruments trigger.

CEETAR reminded the importance of maintaining the rural areas.

CEJA called whether the COM has taken into account the BREXIT.

COM clarified the aforementioned concerns, in particular, the impact assessment was not happening as the Omnibus regulation takes place at horizontal level and the main aim was to remove the simplification bottlenecks in the Mid-term review. In the case of the active farmer clause, the conclusion was driven by the Council to make the active farmer on a voluntary basis. COM clarified that the public procurement will be also applicable for rural development and stated that under the green box there are already lots of measures have been not used. Regarding the financial instruments and the balance between the instruments and grants, Member States will decide on the basis of the sector if they are willing to use more financial instruments, as it is voluntary for Member States.

### **3. PRESENTATION OF THE FINAL REPORT OF THE AGRICULTURAL MARKETS TASK FORCE**

- ❖ The COM gave a presentation of the “Final report of the Agricultural Market Task Force”

COGECA welcomed the Report and underlined the importance to maintain the food chain and cooperation between the producers. 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. COGECA raised the question on further steps from the COM Services.

FoodDrinkEurope reminded that also the industry is fundamental part of the food chain and mentioned the changing of the world economy.

IFOAM EU stressed the importance of finding common solutions such as long-term mutuality beneficial contract for addressing unfair trading practices through the exchange of best practice from national, regional and local level. This could be explored further in a future meeting of the CDG

EFFAT asked for the publication of the aforementioned presentation.

CEJA welcomed the Report and expressed concern that young farmers have not been included.

UEAPME underlined the maintaining jobs, which are passing from one business to another.

COM stated the imbalance in various sectors, in particular, the primary production might be coming a buffer for the whole food chain, compared to the rest of the levels. The policy debate launched that the whole discussion could help producers in other area and also the price fluctuations have to be taken into account.

#### **4. PRESENTATION OF THE OUTCOMES OF THE “EU AGRICULTURAL OUTLOOK” CONFERENCE**

- ❖ The COM provided a presentation of the outcomes of the “EU Agricultural Outlook Conference”

COM highlighted the main topics on which the 2016 EU Agricultural Outlook Conference (Conference) was focused on, in particular, EU agriculture facing environmental constraints and climate change, especially the role of mitigation technology in agriculture, reducing GHG emissions. It also covered conservation agriculture, environmental challenges, sustainable agriculture, structural changes, main markets results and implications for income and the environment and the role of risk management.

For the first time market outlook was translated into the environmental indicators related to emissions, in particular greenhouse gas (-1% for GHG), air pollutants (-7% for ammonia).

CONCORD addressed the importance of 20% reduction of GHG emissions would focus for the next Conference on the consumption of dairy products.

EURAF stressed the mitigation technologies at EU level and main tools that has to be promoted.

COGECA underlined the importance of the inclusion for the first time of sectors like olive oil, wine and some fruit and vegetables, which represent a large share of value added, jobs and trade and the inclusion of the challenges that we are facing.

Euromontana stated the complexity of land management, land planning together with the link of mechanical and climate action.

EEB would welcome the inclusion of environmental implication also in the structural change session for the next round of the Conference.

WWF would like to foresee for the next conference the impact of a reduction of production levels"

FoodDrinkEurope suggested to go beyond agriculture and look also at agri-food sector and look deeper into the emission issues, where the industry also can contribute to reducing emissions.

IFOAM EU expressed concern that the role of organic sector that was missing in the Conference particularly given that organic responds holistically to many of the challenges being discussed and is one of the only agri-food that is growing progressive year on year over the last decade

COM clarified that the emission targets for agriculture are not yet set and therefore go beyond of the scope of the outlook (which is based on status quo policy). On the consumption of dairy products, the development of consumption is moderate and COM will take it into account for the next Conference.

#### **5. LAUNCH OF THE DEBATE AROUND THE THEME “MODERNISATION AND SIMPLIFICATION OF THE CAP”**

❖ The COM presented the “Modernisation and simplification of the CAP”

The COM announced that will take forward the work and consult widely the simplification and modernisation of the CAP to maximise its contribution to the Commission’s ten priorities and to the Sustainable Development Goals. The economic, environmental and social aspects are the key challenges for EU agriculture, taking into account the price volatility, better managing of natural resources, addressing the climate change, promoting generational renewal and fostering jobs and growth in rural areas.

The COM informed the group about the launching the 12 weeks public consultation on CAP in early 2017 which will cover these elements: problem, EU value added, challenges and objectives.

CELCAA raised the question about the issue of opening the market outside the EU and stressed the importance of EU as a global player in sustaining the export and the market.

COGECA asked whether there would be the concrete proposals or scenarios on modernisation and simplification of the CAP and stressed that the competitiveness for farmers need to be ensured.

BirdLife addressed the impact from production on biodiversity and need to focus on results and performance of the policy.

COPA recalled for keeping the agricultural budget and stressed the need to focus on the competitiveness of the sector, tangible simplification for farmers and the authorities as well. COPA also mentioned that the three challenges (economic, environmental and social) need to be taken into account.

COGECA highlighted the issue of competitiveness and simplification, in particular on greening, cross compliance and sanction system. COGECA would like to see the greening architecture as a system that could be more expected by all and stressed the difficulties of understanding the greening measures by farmers.

Ifoam EU expressed the importance of the three main challenges of agriculture – economic, environmental and social and the need to reboot the CAP into a “new deal” between farmers and EU citizens. To achieve this, we need to better incentivise and reward the delivery of environmental and socio-economic public goods which markets generally fail to recognise.

EEB underlined the coherence of other policies with other services, the need to support the ecosystems and importance of the biodiversity.

ECVC stated that producers need long term visibility and the importance of the transparency. ECVC also highlighted that agricultural models have to be compatible

with the market and expressed concerns on the ecological aspects of the farming, benefits and production of proteins.

CEJA referred to the importance of keeping young generation in the agricultural sector and access to credit.

EFFAT asked whether the Sustainable Development Goals are weighted in different policies and about the overall procedure of public consultation.

WWF raised the question on the international objectives of the CAP and highlighted that the next CAP needs to be successful.

CELCAA stated that CAP is a common policy, which has to be accompanied by common and international market and food products and agreed that the next CAP needs to be successful.

COPA pointed out that the EU standards are in the interest of environmental standards and stated the importance of EU in the single market and in the global market as well.

EFNCP reminded that the next CAP has to be modern CAP with less administrative burdens and taking into account the biodiversity as a whole.

IFOAM EU stressed the importance of a strong CAP budget, better orientated towards using income support to put the principle of public money for public goods into practice as part of a multi-outcome whole farm system approach.

COM explained not to answer all questions individually but summarize them as a whole. The COM clarified that the tension between the economy and environment is important, therefore the 3 underlined intensions have been taken into account, in particular, economic, environmental and social one. Regarding the greening architecture, this was introduced to cover pillar 1

EISA proposes to political decision makers that the EU formally recognise farming businesses adopting IFM practices, specifically for their proven commitment to more sustainable farming practices and their ongoing development and improvement which leverage sustainable development in agriculture.

## **6. A.O.B.**

### *Disclaimer*

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