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FINAL MINUTES

Meeting of the Civil Dialogue Group "Arable Crops – Rice Sector"

Date: 13 December 2018

Chair: Mr Max Schulman (COGECA)

Organisations present: All Organisations were present, except, Beelife, CEPM, EBB, ECVC, EFFAT, Fertilizers Europe, IFOAM and SACAR.

1. Approval of the agenda (and of the minutes of previous meeting¹)

They were approved

2. Nature of the meeting

The meeting was non-public.

3. List of points discussed [Name of each point, one by one]

1. Approval of the agenda

2. Exchange of views on the situation of the rice market and in particular on imports

3. Update of the safeguard investigation of EBA rice imports

4. List of basmati varieties eligible for zero duty: update

5. CAP post 2020: impact on the rice sector and exchange of views

6. Update on the trade negotiations with Australia

7. TRQ management: implications for rice quotas

8. AOB

1. Approval of the agenda

¹ If not adopted by written procedure (CIRCABC)

The Chair Max Schulman welcomed the participants and introduced himself as it is the beginning of his first mandate. He proceeded then to item 1 and the agenda was adopted.

2. Exchange of views on the situation of the rice market and in particular on imports

A representative from the Commission gave a presentation on the EU and world rice markets. This presentation is available at the website of DG AGRI. In a nutshell, EU rice production (mainly Japonica) is slightly decreasing. EBA milled rice imports increased by 8% during marketing year 2017/2018 from September to August (reaching 374 751 tonnes) compared the previous marketing year during the same period. EU rice imports increased by 7% in marketing year 2017/2018. EU rice exports increased by 9% during marketing year 2017/2018, but during the first months of marketing year 2018/2019, there is a decreasing trend. EU prices show an uptrend as production is down.

A representative from Copa informed the Commission that representatives from Copa and Cogeca will provide further information on the market situation from the main producing countries. In Italy, for marketing year 2017/2018 the area was 217,000 hectares with a production of 1,4 million tonnes. Exports decreased since the prices went slightly up. In Spain, production was difficult because of the lack of active substances to fight pests and diseases and also because of the bad weather. However, even if production decreased, prices did not go up and this is a problem. In Greece, production and area of Greek rice decreased and this trend is expected to be the same next year. In Hungary, there is only one rice miller that buys all the rice produced so it is not possible to speak about a real market price. In Portugal, the market situation is similar to the previous year. Prices for Japonica rice are higher than for Indica rice. For next year, it is estimated that the area for Japonica rice will increase and the area for Indica rice will decrease.

3. Update of the safeguard investigation of EBA rice imports

The Commission explained the process carried out during the safeguard investigation. Then he informed the participants about the vote at the general preference committee where the result was “no opinion”. It is now in the hands of the Commission to take a decision.

CELCAA said that DG Trade did not consider their position as this proposal on the safeguard clause would be a damaging proposal. Half of the exports from Cambodia are fragrant rice that do not compete with European rice. The report made by the Commission is biased and the trade sector cannot accept this limitation to trade.

Cogeca said that their position has been the same towards the EBA agreement on rice: the safeguard clause has to be enforced as soon as possible to protect the EU rice market.

FoodDrinkEurope said the problem is mostly for farmers because of the higher costs of production in the EU compared to Cambodia or Myanmar. The industry suffers from the consequences of the decrease of rice production in the EU.

Copa said that, in addition to economic damages these imports cause to the EU, one can also wonder if the EBA agreement really benefit to the people it was intended to help.

CELCAA mentioned that the farmers should have already reacted as soon as the Basmati concessions were granted, because it caused the reduction of the share of EU Italian and Spanish rice, so there should have been a safeguard clause already in that case, not to

mention the issue of human rights. In addition, CELCAA requested to include in the minutes of the meeting the letter sent to DG Trade and circulated to the participants of the meeting regarding this topic.

The Commission replied that the enforcement of the safeguard clause and the issue of non-respect of human rights are two completely different topics and not related and therefore they should not be mixed. In addition, the safeguard clause is also a temporary measure in order to facilitate the adjustment by the sector. As regards the comments from CELCAA, the Commission regrets that they did not take part in the investigation process and made them beforehand.

4. List of basmati varieties eligible for zero duty: update

A representative from the Commission provided the participants with the latest news on the initiative to give duty free access to new 9 Basmati varieties. For now, there has not been any development on this file since the Commission has no mandate from the member states yet. There has been no new contact with India either.

Copa repeated their position against this initiative, as this was already raised during the previous CDG meeting in May. In addition India does not allow rice imports from the EU.

The COM replied that they wish to have further information on the trade barriers in India and invited the participants to provide them with any useful information.

5. CAP post 2020: impact on the rice sector and exchange of views

Copa gave a presentation on Copa and Cogeca's position on CAP. The presentation is available at the website of DG AGRI. In a nutshell, Copa and Cogeca firmly oppose any cuts to the CAP budget, which must be at least maintained in real terms for the next programming period. The new green architecture and enhanced conditionality proposes many new obligations and increased level of compliance. However, farmers can only comply with these obligations if they are sufficiently rewarded for their work. Also the proposed eco-schemes should be simple, should not compromise measures in Pillar II and should be economically sound. Copa and Cogeca support the two strong Pillars and the role of direct payments in this structure. Therefore they propose at least 60% ring-fencing for direct payments in Pillar I and we do not favour excessive transfers between Pillars. Coupled support should be maintained at the current level at least (13 + 2%). In addition, in the new green architecture, rice should be exempted from crop rotation. Market transparency is essential and measures to make markets more transparent need to be adopted, for example by making the Dashboard more widespread and by creating price observatories along the chain. In particular, discussions on the rice market situation need to be carried out as part of the EU Crops Market Observatory. Traceability is needed and in particular, there is a real need to implement mandatory country of origin labelling across the EU. This can be done by adopting marketing rules for rice in the single CMO.

The discussion went on the advantages, disadvantages and needs concerning compulsory origin labelling. Then it went on the possibility to have the rice sector addressed at the EU Crops Market Observatory with rice experts. This could be further discussed and the Chair asked the participants to send their ideas on this topic to the minute taker.

6. Update on the trade negotiations with Australia

A representative from the Commission presented the state of play of the free trade agreement negotiations with Australia. Given that Australia produces rice, it is to be expected that they will ask for concessions for their exports of rice to the EU.

On 22nd May, the Council authorised the Commission to start negotiations with Australia and with New Zealand. Both negotiating mandates are published and public. Based on the impact assessment, rice is considered as a sensitive sector by the EU. As regards exports, our offensive interests are on pig meat and geographical indications.

Birdlife pointed out the environmental benefits of rice production, as well as its social contribution. Therefore rice production should be protected in the EU.

CELCAA said that the rice sector in Australia is a monopolistic one with only one cooperative that produces, mills and exports rice in small packaging. In case of a FTA with Australia, we will have more problems than with Cambodia and Myanmar.

FoodDrinkEurope asked how the TRQs in the trade agreement with Vietnam will be dealt with. The Commission replied that they will be dealt with in the standard way.

The Commission also stressed that the sector should be more pro-active in terms of promoting EU rice to all the consumers in the EU, making full use of the enlarged possibilities under the promotion policy.

Copa said that as regards promotion of rice in the EU, even though it is complicated to have a multi-country programme, the sector will try to apply for it.

CEJA said that promotion would have very limited effects if then consumers cannot distinguish between EU rice and non-EU rice when they buy it.

The Commission replied that even though origin labelling is not compulsory, it is possible to add it on a voluntary basis.

FoodDrinkEurope said that even though there is no compulsory origin labelling Thailand and India successfully promoted their rice.

7. TRQ management: implications for rice quotas

A representative from the Commission gave a presentation on this item. On the timeline, there are currently discussions on technical elements and the inter-service consultation will be launched soon. Then the secondary regulation will be adopted in the respective committees.

8. AOB

• Market transparency : Initiative to improve the food supply chain

A representative from the Commission gave a presentation on this topic and this presentation is available at the website of DG AGRI.

4. Conclusions/recommendations/opinions

5. Next steps

6. Next meeting

7. List of participants - Annex

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."

List of participants– Minutes

Civil Dialogue Group "Arable Crops – Rice Sector "

Date: 13 December 2018

MEMBER ORGANISATION	NAME OF REPRESENTATIVES
EuropaBio	MINGUET-GIMENO Miguel
European agri-cooperatives (COGECA)	FERRARIS Giuseppe
European agri-cooperatives (COGECA)	CORBALAN Juan
European agri-cooperatives (COGECA)	RUIZ Alonso
European agri-cooperatives (COGECA)	BENTES Cynthia
European agri-cooperatives (COGECA)	SCHULMAN Max
European Agroforestry Federation (EURAF)	SILVA Pablo
European Council of Young farmers (CEJA)	CERUTTI Alice
European Council of Young farmers (CEJA)	COIMEIRO Manuel
European Environmental Bureau (EEB)	MOSCA Paolo Maria
European Environmental Bureau (EEB)	SLABE Anamarija
European farmers (COPA)	CASAN GIMENO Maria Carmen
European farmers (COPA)	REIS MENDES Joao
European farmers (COPA)	DAGHETTA Giovanni
European farmers (COPA)	MATEOS GARCIA Carlos
European farmers (COPA)	MAGARAGGIA Paolo
European farmers (COPA)	OCCHI Emanuele
European farmers (COPA)	PICONCELLI Silvia
European farmers (COPA)	REPPAS Spyridon
European farmers (COPA)	OLÁH Endre
European farmers (COPA)	REVERT PRIMO Juan Vincente

European Landowners' Organization asbl (ELO asbl)	DEBLON Judith
European Liaison Committee for Agriculture and agri-food trade (CELCAA)	DEWAR Flora
European Liaison Committee for Agriculture and agri-food trade (CELCAA)	VLAHOVA Savina
European Liaison Committee for Agriculture and agri-food trade (CELCAA)	ZIMNIEWSKI Cezary
European Liaison Committee for Agriculture and agri-food trade (CELCAA)	SCHEPENS Jean Paul
European Liaison Committee for Agriculture and agri-food trade (CELCAA)	DALLA BONA Cristina
FoodDrinkEurope (FoodDrinkEurope)	CALLAND Jonathan
FoodDrinkEurope (FoodDrinkEurope)	CARRIERE Roberto
FoodDrinkEurope (FoodDrinkEurope)	DOWNES Chris
FoodDrinkEurope (FoodDrinkEurope)	LORING LASARTE Salvador
Pesticide Action Network Europe (PAN Europe)	MURARU Constantin
Stichting BirdLife Europe (BirdLife Europe)	CIRERA MARTÍNEZ Juan Carlos
<i>TOTAL</i>	33