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## **FINAL MINUTES**

*Meeting of the Civil Dialogue Groups ARABLE CROPS Sugar & Starch*

*Date: 15/09/2017*

Chair: Mr Johann MARIHART (FoodDrinkEurope)

Organisations present: All Organisations were present except EURAF

### **1. Approval of the agenda**

### **2. Nature of the meeting**

The meeting was non-public.

### **3. Election of the Chair and Vice-Chairs**

Mr Aspar was re-elected for a second term as Chair.

Mr Marihart was re-elected for a fourth term as Vice-Chair.

Mr Isambert was re-elected for a second term as Vice-Chair.

### **4. Opinion of the Group on the situation and prospects for the world market for EU sugar exports**

ASSUC presented the situation and prospects for the world sugar market.

October/March 2017 spread is closing up. Only 3,000 lots of open interest on the London No. 5 market. But potentially a small delivery on 15 September.

White premium lower than ever. Expected to stay low with the end of quotas (perhaps 60 USD/tonne). London No. 5 to remain in the region of 14-15 c/lb.

Brazil's ethanol mix provides a floor to the world sugar market. But the upside to the world market is rather limited, given an expected surplus of 6.8 mmt in 2017/18. This surplus is due to increased production in Brazil, India, Thailand, and restrained imports into India and China.

India has opened an import quota of 300 kt at 25% duty.

Thailand to enjoy record crop in 2017/18.

In China, government policy is curbing demand, with tariffs on raw sugar imports. Yet cross-border flows continue.

3.2 mmt of exports expected from C. America in 2017/18. These will compete with exports from the EU (from 1 October) and MENA on the African market.

In the CIS, Ukraine continues to export outside the region in 2017/18. Russia is now self-sufficient in sugar, but is not (yet) a net exporter.

In Australia, slightly lower production is forecast, but shortages against commitments are not expected.

CIBE asked about the announced reform of the Thai sugar regime, brought about by Brazil's request for consultations in the WTO.

ASSUC was not able to give an update on this question.

COM queried the impact of Hurricane Irma and others on sugar production in the Caribbean.

Since the markets have not substantially dropped as a result of the bad weather, ASSUC does not expect the impact on the world market price to be major.

**5. Presentation by the Commission on the updated sugar and isoglucose 2016/17 balance-sheet and exchange of views on 2017/18 sowings and production, including:**

*a. update on use of travail à façon in 2016/17; and*

*b. update and prospects concerning voluntary coupled support in the sugar sector.*

July 2017 EU white sugar price announced at 501 EUR/tonne, i.e. c. 180 EUR/tonne above the London No. 5.

The EU white sugar may well fall from 1 October with the large production campaign expected. Stocks are falling more slowly in 2016/17 than in 2015/16, leading to a convergence of the stocks figures of the two marketing years. This could indicate falling sugar consumption in the EU, or the use of sugar that is for some reason has not been notified as stock.

CEFS asked whether the Commission service could make available the new notification form for the sugar price reporting in order to update its own system. Currently, national authorities are free to either get the prices directly from sugar companies, or to via CEFS optional price reporting, which, acting as a black box, provides the aggregated information to the national authority in question. The national authorities then transmit this information to COM.

COM confirmed that there will be no change to the system. Member States will continue to have the choice to establish national procedure: for the producers to notify price information either to their national authorities directly, or via CEFS.

CIBE questioned whether the notification of industrial prices and the ACP/LDC import price would cease from 1 October, and noted that, contrary to the objective of COM, there will be less transparency on the market from 1 October 2017.

COM confirmed that the notification of industrial prices will cease from 1 October. This is because the distinction between sugar for food-use and industrial sugar will cease to exist. COM stressed that it is the market that will change, rather than the level of transparency. ACP/LDC import unit values will continue to be presented during the Management Committees and the Civil Dialogue Groups. Such information is not notified to COM but are derived from customs data available from Eurostat.

COM presented the areas for 2017/18, which are 16.2% up on 2016/17.

Sugar production in 2017/18 could well hit 20 mmt, driven by bigger areas and higher yields.

In the Balance Sheet, imports have been reduced by 275 kt. This has been balanced by a reduction in consumption (theoretical). COM requested information from sugar users concerning the actual consumption picture on the EU market.

CIUS responded to COM's question by noting that July and August sales may have been hit by less favourable weather. CIUS was unable to provide more information, given that sugar users do not have the capacity to store large quantities of sugar. CIUS suggested that traders may be in a better position to answer COM's question.

CIBE and CEFS thanked COM for not introducing temporary measures during MY 2016/17. CIBE asked the Commission about the estimate for 2017/18 presented in its short-term outlook, and in particular the figure related to consumption in 2017/18. CIBE regretted that no exchange of views on the short-term outlook for MY 2017/18 was on the agenda of this meeting. Concerning area notifications, CIBE queried whether these include areas also destined for the production of green juice ('jus vert'), which is used to produce ethanol.

COM clarified that areas **not** used for the production of 'sugar' (as defined currently in 952/2006 and from 1 October in Reg 2017/1185) are not counted as areas for sugar production notified to DG AGRI. The definition of sugar production includes syrups and juices containing >70% sucrose. Since green juice contains <70% sucrose, areas for the production of green juice are subtracted from the total beet areas.

COM provided an update on travail à façon for 2016/17. Travail à façon is done when a sugar producer unable to produce up to its quota orders sugar from another producer, in order to sell this sugar as its quota.

Concerning voluntary coupled support (VCS), information for claim year 2016 will be available in October 2017. The review of VCS amounts in August 2016 saw Lithuania introducing VCS. The complete changes can be seen in the presentation.

Copa queried whether it would be possible for a farmer to double production and receive half the VCS payment per ha.

COM responded that VCS is subject to the maintenance condition, which commits Member States to not increase their production substantially. Although Member States have flexibilities here, a doubling of production would be excessive and would violate the maintenance condition.

#### **6. Report by the Commission on the kick-off meeting of the Sugar Market Observatory on 11 July, including Commission initiatives to ensure greater transparency and timely provision of market data.**

COM noted that the Economic Board of the Sugar Market Observatory (SMO) comprises 14 organisations and 25 experts.

A provision for observers has been included in the rules of procedure of the SMO. Accordingly, observers – which may be experts or organisations – may attend the meetings upon application. The next meeting of the Economic Board will take place on 15 November 2017.

Via Campesina queried the relationship between the SMO and the CDG sugar.

CIBE asked for clarification on the question of substitutes.

COM observed that the purpose of the SMO is to discuss only EU market-related issues, whereas the purpose of the CDG is much broader, covering legislative developments, trade issues, and others.

COM clarified that *ad hoc* (for a single meeting) or permanent substitutes may step in for experts. Substitutes must as well fulfil all the requirements set in the Call for Application, and an application/request must be sent to DG AGRI.

#### **7. Information by the Commission on the progress towards adoption of:**

- a. **the Single CMO delegated and implementing regulations post-quotas;**
- b. **the rules for the management system of tariff rate quotas subject to licences; and**
- c. **procedures under the Union Customs Code regarding:**
  - i. **end-use in respect of sugar imported for refining;**
  - ii. **electronic documents; and**
  - iii. **harmonisation of customs procedures relating to imports, exports and IPR in all member states.**

COM presented the state of play of the Single CMO delegated and implementing regulations for the post-quota period (see presentation for a full summary).

The DA and IA on notifications have been published. Beet price reporting will be the biggest change. Here, the technical modalities remain under discussion, but time pressure is slight: the first beet price notifications will take place in June 2019.

IA 2017/1409 extends the suspension of the Special Safeguard Mechanism (SSG) for sugar until 30 September 2022. Molasses calculations will continue, but no more regulations will be published on this subject as long as it is not needed. This means that molasses imports will remain subject to 0 duty for the foreseeable future.

TRQ management is a horizontal set of regulations (DA & IA) replacing the current system of regulations governing imports under agricultural TRQs. For sugar, this means imports under the CXL quota and the Balkans quotas. Given that every TRQ must be looked at separately, this is a long process. The Legal Service has been consulted and COM aims to finalise the legislation before the end of 2017. The new regulations could be published in the first half of 2018.

Mr Pintaud (Molasses industry) thanked the Commission for its explanation. This decision was expected for a long time by the molasses industry. He recalled the reason why such a protectionist system regarding the molasses imports (SSG Molasses) had been established, and its institutional and uncontested link with the first sugar quota regime. Given that the quota system will cease to exist from 1 October 2017, Mr Pintaud stated that the molasses tariffs and the monthly calculation of representative prices for molasses should be suppressed.

Concerning UCC procedures, COM presented the general context of discussions with a presentation.

COM noted that the end-use procedure will replace the current system of proof of refining from 1 October 2017.

Transfer of rights and obligations (TORO) will no longer be possible from 1 October 2017.

Authorisation will be required to draw upon the CXL quota and the Balkans quotas. This authorisation will involve checks by Member State customs authorities.

ASSUC expressed a number of uncertainties regarding the management of TRQs from 1 October 2017. COM invited questions to be sent in writing to [german.de-melo-ponce@ec.europa.eu](mailto:german.de-melo-ponce@ec.europa.eu)

## **8. Trade related issues**

- a. **The use and possible abuse of safeguard measures by third countries, notably in the MENA region;**
- b. **FTA negotiations;**
- c. **Preparation of WTO Ministerial in Buenos Aires**

On MENA, COM noted that there are safeguard instruments in place with most of the MENA countries, which may be activated in case of a sudden surge of sugar imports from the EU. COM

is not of the opinion that these safeguards are being abused, despite the perception of some stakeholders.

COM presented the EU-Japan Economic Partnership Agreement (EPA). Accordingly: wheat, gluten, and starch derivatives are to be fully liberalised by Japan, and a TRQ of 6,400 tonnes (to rise to 7,000 tonnes over time) is to be opened for potato starch; a TRQ of 500 tonnes is to be opened for sugar; high sugar-containing products will be substantially liberalised, under rules of origin that balance the interests of sugar producers and users.

Concerning Mercosur, COM noted that no offer on sugar has been made so far, despite pressure from Brazil. In any case, AGRI will strive to ensure that any offer on sugar is as small as possible. AGRI does not consider sugar to be a “make or break” issue for Mercosur, unlike perhaps beef or poultry.

Concerning Mexico, COM does plan to make an offer on sugar. Mexico is not particularly offensive on sugar, and indeed is somewhat defensive. Reciprocal market opening could be a possibility.

Concerning CETA, that agreement will enter into provisional application on 21 September 2017. The EU will eliminate its duties on sugar and starch over seven years (excepting potato starch, for which the transition will be five years). COM noted that anti-dumping and countervailing duties remain in place for EU exports to Canada. COM is still deciding whether to launch an interim review of these duties to get them dismantled. COM will need support from CEFS and other industry stakeholders should it decide to pursue the case.

Concerning the WTO, the next Ministerial Conference (MC11) will take place in December 2017 in Buenos Aires. The focus will be on fisheries subsidies, public stockholding for food security purposes, and new restrictions on trade-distorting domestic support.

CEFS welcomed access to the Japanese market for high sugar-containing products. CEFS would have liked a larger TRQ than 500 tonnes. CEFS called for COM to respect the sensitivity of EU sugar in the Mercosur negotiations, just as COM respected the sensitivity of the Japanese sugar sector in its negotiations with Japan. Brazil already enjoys substantial access to the EU market. CEFS noted that Mexico has twice been condemned by the U.S. International Trade Tribunal for dumping sugar onto the U.S. market, and that COM should proceed with caution in these negotiations.

CIBE supported the comments made by CEFS, and noted that Brexit could have an additional detrimental impact on the health of the EU sugar sector. This should be taken into account in the EU’s FTA negotiations.

ASSUC thanked COM for cooperation on beating the safeguard duties imposed by Egypt, but noted that the process took 170 days to close. ASSUC underlined that the reform of the EU sugar regime in 2006-2009 has resulted in an explosion in the number of raw cane sugar refineries in the region. These refineries are dependent on a healthy white premium, and may put up barriers to EU white sugar imports should this premium be threatened. ASSUC requested a hot-line to COM to make it aware of interruptions to trade as soon as they arise.

StarchEurope thanked COM and Commissioner Hogan for their efforts in opening the Japanese market for EU starch products. StarchEurope registered concerns in the context of the EU-Mercosur negotiations related to tapioca starch, dextrans, maltodextrans, polyoxy, and others.

The German potato starch farmers regretted the limited access to the Japanese market gained by COM in the EPA. They asked whether voluntary coupled support could be a subject of MC11.

CIBE queried the anti-dumping and counter-vailing duties imposed by the U.S. on imports of olives from Spain. These measures could set a worrying precedent.

COM acknowledged that 500 tonnes is a rather limited TRQ, but noted that this volume nevertheless represents 30% of the EU's exports to Japan today. COM also noted that the EU-Japan EPA contains a review clause stipulating that any market access concessions on sugar offered by Japan to other third countries must also be extended to the EU.

COM stated that Brexit will be taken into account in the EU's FTA negotiations.

COM supported the idea of a hotline and proposed a meeting with stakeholders in the coming weeks to discuss the issue of additional duties on EU sugar exports.

COM noted that the anti-dumping and countervailing duties on Spanish olives into the U.S. could set a worrying precedent. COM is fighting the measures to get them removed.

## **9. Brexit and trade-related issues for sugar and starch**

COM stated that it is currently pursuing a "sequencing approach" to negotiations: this means that until sufficient progress is made in key areas in phase 1 (finances, citizens' rights, Northern Ireland, etc.) talks on trade (phase 2) will not begin.

Regarding phase 2, ensuring a level playing field will be important to prevent dumping. UK exit from the Customs Union and Single Market will have implications for regulation.

Regarding the WTO, para. 13 of the Council guidelines mandates COM to dialogue on a sharing of the EU-28's international obligations between the EU-27 and the UK. COM is discussing with the UK the possibility of a common approach.

COM is currently engaged in meetings with umbrella organisations. Comments and questions are invited from members of the CDG.

The next rounds will take place W/C 25 September and W/C 9 October 2017.

CIBE stated that a division of the EU-28 TRQs is a "reasonable option". CIBE queried the methodology of such a division: since the splitting of TRQs is not defined at the WTO level.

StarchEurope noted that the UK is the biggest market for continental starch producers.

StarchEurope concurred with CIBE that a division of the EU-28's TRQs is necessary.

## **Afternoon session - Starch**

### **1. Market situation**

CESPU presented the overview of the potato market situation (see attached PowerPoint presentation), with the caveat that the earlier timing of the Civil Dialogue Group meeting this year (September instead of December) makes it more difficult to assess the market situation.

In Germany, the decreasing trend stopped in 2017 but the expected yields are lower than in 2016. In France, thanks to the voluntary coupled support to starch potatoes, there was a stabilisation in 2015 and an increase thereafter. Hardly no change in The Netherlands, while the market share of starch potatoes in Denmark amounts to 55%. Little information and uncertainty in Poland as there is no statistics on hectares; strong harvest expected in 2017, with a total potato production estimated at 9.3 million tonnes. In the Czech Republic, yields are expected to be lower than in 2016, while the granting of voluntary coupled support continues in 2017. It seems that where there is an increase in hectares, it is down to the voluntary coupled support to starch potatoes (e.g. in Poland and the Czech Republic).

In Finland, the production increased by 200 hectares compared to 2016. The voluntary coupled support remains under the quantitative limit, although the data for 2016 related to that support will only be available at the end of October 2017. In Austria, the starch potato areas have increased by 18% in one year; however, the bad weather conditions had a negative impact on the yields. Latvia grants voluntary coupled support on 602 hectares, although the announced quantitative limit was set at 507 hectares.

In summary, CESPU concluded that one can witness small changes in areas for starch potato and that the in the Member States where there is an increase in hectares, this is due to the Government's decision to grant some voluntary coupled support to starch potatoes.

### **2. State of play of OMNIBUS regulation**

The contribution of the Commission on this point was removed from the agenda. Starch Europe made the following statement relating to the CAP provisions of the Omnibus Regulation:

Starch Europe asks on the Commission to focus on technical changes in order to preserve the spirit of simplification and the political agreement reached in 2013. Starch Europe calls for a rapid conclusion of this financial dossier, so that it can enter into application on 1 January 2018. Starch Europe welcomes the sound and transparent process for modernising and simplifying the CAP, which includes a wide consultation of all stakeholders and an impact assessment.

The Commission responded that their aim was to get a conclusion of this file as soon as possible, and took good note of Starch Europe's statement. The Council is working on a joint position this week, and hope to end the negotiations soon, to enable the implementation on 1 January 2018 as foreseen.

### **3. Introduction to a new Starch Europe's initiative: [www.starchinfood.eu](http://www.starchinfood.eu)**

Starch Europe presented that its new initiative launched in June 2017 [www.starchinfood.eu](http://www.starchinfood.eu)

This is part of the ongoing work of Starch Europe has embarked on to inform customers and consumers about starch and starch derived products. This platform has a two-fold approach:

- Informing stakeholders about how starch-based ingredients are made, how they are used in everyday food products. There are two levels of information:
  - o by hovering over the pictures one gets simple answers to simple questions
  - o by clicking on the pictures one gets more in-depth information on the starch products and their uses, as well as answers to questions related to that topic.
- Providing the opportunity to ask questions directly – so far, Starch Europe has received 5 questions relevant to its starch products.

As this platform will only be as good as the number of visits it received, Starch Europe recommended to stakeholders present in the room to visit it, promote it to their networks and post the link on their own website.

#### **4. Trade related issues**

##### ***a. China: anti-subsidy duty on potato starch conclusion and anti-dumping review on the same products scheduled for February 2018***

The Commission, represented by Sergio PAVON, Head of Unit for WTO at DG Agriculture, and Christophe BESSE, Case Handler Officer at DG Trade expressed deep disappointment at the decision published on that day by the Chinese Ministry for Economic Affairs (MOFCOM) to extend the anti-subsidy duty on imports of EU potato starch in China for another five years. During the one-year process of investigation both DG Agriculture and DG Trade tried refuting their arguments in filling in all requested questionnaires. The conclusions of the MOFCOM are problematic as they consider that the generic payment of the CAP are product-specific. In short, they target the greening, SPS and BPS payments as countervailable. However, the payments made under the voluntary coupled support scheme are not considered as countervailable. The Commission consider that the MOFCOM's decision is illegal. The Commission thanked the private sector as well as the Dutch and French authorities for their good coordination.

CESPU (Degraaf) thanked the Commission for their hard work and good cooperation with the Member States. Mr Degraaf, a farmer connected to potato starch cooperative AVEBE in the Netherlands met the Chinese delegation upon their request, and exchanged information on the payments received in the framework of the CAP.

Starch Europe shared the Commission's disappointment and pointed out at the statement published that afternoon entitled "Statement on the decision of the Chinese Minister of Commerce to extend the countervailing duties on exports of EU potato starch to China". Starch Europe is disappointed by the decision that fails to be supported by hard facts and figures and sound justification (link: <https://www.starch.eu/starch-europe-statement-on-chinese-mofcom-decision-concerning-potato-starch-duties/>). Starch Europe asked what the next steps could be to challenge that decision, particularly in view of the February 2018 review of the anti-dumping duties on the imports of EU potato starch by the MOFCOM.

The Commission pointed out at the possible next steps:

1. Administrative review : the Commission asks MOFCOM to revise its findings
2. Challenge in a Chinese Court : not aware of any single European company that has taken that route to date



3. WTO Panel Appellate Body: to be carefully assessed by the Commission's lawyers. Two possible outcomes:

- a. *Should the Panel conclude that SPS and BPS are countervailable, this would expose the EU to the rest of the world; or*
- b. *The Panel concludes the opposite, and the EU wins its case.*

In the case a, it is worth noting that both Australia and Canada investigated the measures of the current CAP, and concluded that SPS are not countervailable.

With regard to anti-dumping measures, CEFS highlighted that they are available to work in close coordination with the Commission on the Canadian case, to enable sugar manufacturers to export sugar under normal conditions to Canada as soon as possible.

**b. *Japan FTA: statement of Starch Europe, information from the Commission on finalisation timeline***

Please see minutes of the morning session in the presence of John Clarke, the Commission's Chief Negotiator for Agriculture.

**c. *Mercosur: e.g. separated treatment of sensitive Non-Annex I starch products***

The Commission confirmed that it has offered Mercosur a Tariff Rate Quota (TRQ) of 300 tonnes covering cereals PAPs (Processed Agricultural Products such as modified starches, mannitol and other polyols). It is aware of the fact that this covers both regular starch products and high-value added starch products. However, the complexity of splitting the TRQ of 300 tonnes is greater than the stake of starch products imports. So we keep it like this.

Starch Europe noted that the current size of the quota was reasonable. However, should the size of the TRQ increase, this could be detrimental to the European starch industry as this TRQ could be fully utilised for imports of high-value added starch products. Starch Europe drew the Commission's attention to the sensitivity of polyols and recommended a distinct quota for these sensitive products, separately from the other Non-Annex I products.

The Commission replied that Mercosur has so far not asked any concessions on the high-value added starch products such as CN 29, 35 and 38 starch products and that if the trade negotiators increase the size of the TRQ, it will do its utmost to separate the products, with the caveat that this should not be deal breaker.

## **5. Environment issues**

**a. *LULUCF & effort sharing***

The Commission (DG CLIMA's Ms Christine Muller) gave a very exhaustive presentation on the LULUCF legislative proposal to reach the Council 2013 objectives, which is currently debated in the European Parliament and Council.

Stakeholders exchanged questions on how to assess the impact of such legislation, once adopted by the EU institutions and implemented in the Member States, on the availability of agricultural raw materials.

The Environmental European Bureau (Racapé) made the following points:

- It is a big step forward that agricultural emissions are included in the climate framework following the COP21 Paris agreement.
- Mitigation to climate change remains key and the EU must introduce serious tools to continue to produce agricultural raw materials in the EU.
- Better valorisation of animal waste through methanisation will help
- Better use the under-utilised biomass resources to produce energy and bio-based products. Substituting fossil with bio-based products benefits farmers, territories and carbon credits.

Via Campesina (Davis) approved the moves to fight climate change, emphasising the incentives should go to the small farm holdings. Please make sure these latter do not miss out because the schemes are too bureaucratic and complicated.

#### ***b. Bioeconomy strategy review***

The Commission (DG RTD's Petra Goyens) gave an extensive presentation on the process of the bioeconomy strategy review (see attached). She could not divulge the content as this was under review in inter-service consultation. She invited stakeholders to attend the EU's Bioeconomy Day in Brussels on 16 November, where the Commission will publish its Staff Working Documents based on both desk research and the outcome of an expert group gathered in 2016-7 to assess what has been achieved from the action plan of the 2012 EU Bioeconomy Strategy. There will be 3\*3 parallel sessions, chaired by 9 different DGs.

Starch Europe thanked the Commission for their kind invitation and mentioned that, with other stakeholders in the room, they have founded the European Bioeconomy Alliance, which has five policy asks to call for a Bioeconomy Strategy revision that they would like to present in the near future.

Copa-Cogeca highlighted that some EU funds granted in the framework of RTD programmes led to investments being made outside the EU and call on the Commission to analyse this aspect of certain situations and impose some safeguards that prevent such situations. All in all, these RTD funds miss their goals, that is to improve the primary production and re-industrialisation of Europe.

#### ***c. Plastics strategy***

The Commission (DG Environment) updated participants on the state of play of the Plastics Strategy, which is in the final stages of consultation. The Commission aims at delivering the plastics strategy in the first half of December 2017.

The Commission hopes to receive the final contribution at the stakeholder conference "[Reinventing plastics, closing the circle](#)" of 26 September in Borschette, under the auspices of First VP Timmermans, Commissioners Vella and Bienkowska. By way of reminder, the objectives of the Plastics Strategy are e.a. to find alternative feedstock, to reduce dependency on and use of oil, to find new markets for recyclates and to fight marine litter. The Waste Package sets targets for plastics recycling, at relatively low rates today. Addressing the issues of single use plastics and avoid their intensive use will reduce the use of raw materials and the litter on the coasts. With regard to bio-based plastics based on alternative feedstock, they represent today 2% of the EU production. We want that share to be increase and get it right, balancing

environmental issues with food security. That is the reason why DG Grow together with the JRC will launch an LCA of bio-based plastics in the near future (timing TBD).

Starch Europe asked how the timing of the LCA study would impact the inclusion of bio-based plastics in the Plastics Strategy to be published by end of the year and called on the Commission to:

- Commit to support a strong and vital agricultural and forestry sector as the foundation for bio-based resources as alternative feedstock for the production of plastics;
- Underline that bio-based resources combined with recyclability are key criteria for efficient product design;
- Include a reference to organic recycling and the importance of plastics that are bio-based and biodegradable in this context.

The Commission took note of the suggestions, and confirmed that due to the timing, the bio-based plastics will not be part of the Plastics Strategy.

Copa-Cogeca (Cotton) pointed out that the bio-based plastics will not jeopardise food production as in France for instance, it uses around 5,000 hectares out of the 28 million hectares of usable land.

European Environmental Bureau (Racapé) emphasised that, compared with other uses, the production of bio-based plastics poses no risk of competition with food production.

Copa-Cogeca (Dejonckheere) emphasised that there is ample EU-grown cereals in the EU, and that when funded by EU projects, the plants should be built in Europe. What can we do to avoid that the production phase is developed outside the EU (e.g. joint Galactic/Total research and patents funded by EU funds and production plant built in Thailand)?

The Commission recognised that the scale is different and that they believe there will be a role to play for bio-based plastics.

##### **5. Information on the results of the JRC Study concerning the best practice on the coexistence e.g. GM potato with conventional and organic farming**

Emillio Rodriguez-Cerezo, from the Commission's Joint Research Centre based in Seville (Unit D4), joined the meeting by video, and presented their study concerning the best practices for the coexistence of GM potato with conventional and organic farming. DG Santé was represented in the room by Pablo Pindado Carrion.

The attached Powerpoint presentation is very informative. The highlights were that the potato Best Practices document will soon be published. It focuses on GM potatoes containing a single event. Potatoes are the second largest crop in the EU, whereas GM potatoes are not currently cultivated in the EU. By way of reminder, there was limited cultivation of a GM starch potato in a few Member States in 2010-2011. Two events are validated by the JRC: Amadea and Amflora. As this project is in the final stage of consultation with stakeholders, Mr Rodriguez Cerezo encouraged participants to comment on the report directly to him.

The European Environmental Bureau emphasised that they will remain careful on this topic and recommended that the conclusions be as clear as possible.

Copa and Cogeca have received the project and have no particular comments to make.

#### **6. Phyto: ban of neonics on potato, hydrazine maleique, diquat authorisation**

Please see written contribution.

With regard to the ban of neonics, one CESPU member (De Graaf) pointed out that these substances are crucial to starch potatoes: we all need to find a middle ground between the trend to eliminate all PPPs and that of growing safe agricultural products. Mr Foy added that in many Member States, this will impact the seed potatoes, where without neonics, they will not be able to fight the diseases and will jeopardise the supply chain.

#### **7. AOB**

Starch Europe asked the Commission more details about the implementation of the Vietnam agreement. It was emphasised that the duty-free quota granted on Vietnamese tapioca starch was a concern for the European starch industry, as it represents about 8% of the EU potato starch market, and comes on top of the 10.500 tonnes Erga Omnes and 10.000 tonnes Thai quota for the same product. All these duty-free quotas have a cumulative negative impact on the EU potato starch market.

The Commission could not give a more accurate indication that in 2018, and took on board those comments.

**Next meeting**

**List of participants - Annex**

List of participants – Minutes

*Civil Dialogue Group ARABLE CROPS Sugar & Starch*

Date: 15/09/2017

<b>Nom/Name</b>	<b>Prénom/ First name</b>	<b>ORGANISATION EUROPEENNE/ EUROPEAN ORGANISATION</b>
BESCOND	Aurore	FoodDrinkEurope
BOIS	Pierre- Emmanuel	COPA
BOUWERS	Iris	CEJA
BUDER	Thomas	EFFAT
CARTER	Christopher	FoodDrinkEurope
COTTEN	Gildas	C.E.P.M.
DALBY	Jorn	COPA
DAVIS	Lynne	ECVC
DE GRAAF	Kasper Aljen	COGECA
DEJONCKHEERE	Dominique	COGECA
DENIS	Robin	CELCAA
DOBRESCU	Emilian	CELCAA
DOLEJSI	Dagmar	ELO
ESTEVE	Morgane	FoodDrinkEurope
FOY	Pascal	COPA
GAWRYSZCZAK	Michal	CELCAA
GWARA	Wanda	COPA
IOVINO	Roberto	EFFAT
IRELAND	John	CELCAA
JACQUES	Juliette	FoodDrinkEurope
JANECEK	Lukas	CEJA
KIONKA	Christian	CELCAA
KOCH	Henning	SACAR
LACOSTE	Elisabeth	COPA

LECERF	Gwenael	FoodDrinkEurope
MARIHART	Johann	FoodDrinkEurope
MESRINE	Lucie	Bee Life
PEREZ VEGA	Daniel	SACAR
PFEUFFER	Paul-Martin	COPA
PINTAUD	Eric	FoodDrinkEurope
PRICE	Julian	SACAR
RACAPE	Joseph	EEB / BEE
REZZIN	Marzia	ECVC
RIBERA	Marie-Christine	FoodDrinkEurope
ROCHA	Ana	ELO
SCHWAGER	Aneke	EuropaBio
STRACHOTA	Rafal	COPA
VAN ROESSEL	Jan Willem	COPA
WIEDUWILT	Romana	COPA
ZAVODSKY	Peter	COPA
ZUSER	Werner	FoodDrinkEurope
GARTLAND	Josh	Note taker FoodDrinkEurope