

FINAL MINUTES

Meeting of the Civil Dialogue Arable Crops – COP (Cereals, Oilseeds and Protein crops) sector

17 June 2020 (videoconference)

Chair: Max SCHULMAN (COPA)

Organisations present: All Organisations were present, except Beelife, EuropaBio, EURAF EBB, ECVC, EFFAT, ELO, Fertilizers Europe, SACAR and Birdlife Europe

1. Approval of the agenda

The agenda was approved.

The Commission explained that due to the Covid-19 pandemic, a video conference with WEBEX was the only way to maintain a dialogue with the stakeholders. The working language of the meeting was English only. However, the stakeholders could use the chat box to ask their questions or make their comments in other languages. The Commission facilitated the understanding among the participants when necessary. The Commission did not know when physical meetings would be re-authorised and how long the situation would remain as it is. The Commission explained the rules of procedure for the video conference meeting of the day. The chair and the participants thanked the Commission for keeping our dialogue a matter of priority.

2. Nature of the meeting

The meeting was non-public.

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

List of topics on the agenda

- Market situation – Exchange of views on the market situation for cereals, oilseeds and protein crops
- Farm to fork strategy and the CAP
- AOB

Market situation – Exchange of views on the market situation for cereals, oilseeds and protein crops

The full presentation of the Commission is available here https://ec.europa.eu/info/food-farming-fisheries/key-policies/committees-and-advisory-councils/civil-dialogue-groups/arable-crops_en

In a nutshell:

Overview of the meteorological conditions from 1 May to 10 June (JRC-Mars Bulletin 15 June) and crop situation. Dry conditions affecting the growth of crops in northern FR, BE, NL, most eastern parts of DE, and eastern RO.

For cereals, presentation of the first revised outlook of USDA (June 2020). For wheat, record production is expected thanks to a rebound in Australia, China, and India. However, the stocks of the main exports are below the 5-year average. For maize, record production is forecast due to the USA, Ukraine and Brazil. The world stock of maize increased for the first time since 2016 due to the reduction of Chinese stocks and the higher stock levels in the USA due to a reduction of the ethanol production as result of the Covid-19 pandemic. Presentation of the price trends. Presentation of the latest update of the EU-27+UK cereal balance sheet 2019/2020. Production forecast: above average (319.3 million tonnes, +10.2% year/year). Increase of total cereal area (56.3 million ha, +2.3% year/year). Recovery of soft wheat and barley production. Good quality milling wheat at EU level. Quality issues for malting barley and durum wheat. Decrease of maize imports. Recovery of total exports, in particular for soft wheat and barley. Increase of total ending stocks. Presentation of the cereal area and production forecasts for marketing year 2020/2021 and balance sheet 2020/2021. Production forecast above average (287 million tonnes, -2.4% y/y), areas communicated by Member States, yield trends as regards maize – decrease of total cereal area (52.8 million ha, -0.6% year/year), decrease of soft wheat production and recovery of barley production, decrease of total imports, in particular for maize imports, decrease of total exports, in particular for soft wheat. Increase of total ending stocks.

For oilseeds, global oilseeds production forecast at 577 million, down by 3% from the previous year's record, mostly due to a decline in US soya production and a decrease of rapeseed production for the main producers. Global soya bean production forecast at 339 million tonnes, down by more than 5% from the previous year. Global rapeseed production is at just under 68 million tonnes, down by 6% from the previous year. Global sunflower production forecast almost 8% higher than last year's very good output. USDA expects a world record production for soya thanks to USA and Brazil, in balance with consumption. In the EU the price of soymeal is going downward as a result of a reduction of the demand for feedingstuffs.

For EU-27 oilseeds MY2020/2021, the Commission's total oilseed area forecast for 2020/21 is 3% higher than the previous marketing year at 10.7 million hectares, but 4% below the average. The rapeseed area increased by 2.8% and the soya bean area increased by 11.2% (and reaches 1 million hectares). Oilseed production for 2020/21 is 3.4% higher compared with the previous marketing year at 28.9 million tonnes. For all oilseeds the production forecast is higher than last year, but the rapeseed forecast is still 18.4% below the 5-year average. On the other hand, sunflower forecast is 10.3% above average, and 18.8% for soya beans. However, this forecast is still very tentative given the current drought in certain parts of Europe.

For EU-27 protein crops MY2020/2021, the protein crops area reached 1.47 million hectares, which is slightly above the 5-year average and well above last year's figure. In particular, the strongest increase was observed in the broad beans area. The production is

estimated to be 13.2% above last year and 11.4% above the 5-years average, both field peas and broad beans showed a strong increase.

For EU-27 oilseeds balance sheet 2020/2021: Oilseeds: The total useable production is projected to increase by almost 1 million tonnes (including 0.4 million tonnes for rapeseed, and for soya and sunflower 0.3 million tonnes each). The total imports are forecast to be 1 million tonnes lower, with the largest reduction in rapeseed imports. Oil meals: A decrease in rapeseed meal production, as a consequence of the Covid-19 pandemic crisis. Also a slightly lower demand for soya meal is expected, due to reduced livestock demand. Vegetable oils: rapeseed oil production 0.4 million tonnes lower and sunflower oil imports are expected to decrease by 0.5 million tonnes.

The Commission also presented the EU-27 protein feed balance sheet showing low rapeseed production and higher imports.

COPA and COGECA presented their forecasts. They have observed the same trends as the Commission. They reported on the arable crop situation. For wheat, the level of EU production would be mainly affected by a decrease of yield. However, there are many uncertainties surrounding yield forecasts as the time until harvest is still long. The harvest has started in Spain, Portugal, France and Romania. Copa and Cogeca reported a big increase in the oat area. Copa and Cogeca are concerned about oilseeds, when considering for example the sharp decrease in UK, PL, BG, CZ, DK rapeseed area. Bans on the authorisation of insecticides lead to technical deadlocks and the abandonment of this crop in many regions. EU farmers don't have the tools to protect rapeseed against pests and diseases and cropping rapeseed has become too much risky in many areas. The full presentation is available here https://ec.europa.eu/info/food-farming-fisheries/key-policies/committees-and-advisory-councils/civil-dialogue-groups/arable-crops_en#y2020

COCERAL EU-27+UK forecast a total cereals production at 299.2 million tonnes, 12.6 million tonnes less than last year. About 7 million tonnes less wheat than last year and 1.3 million tonnes more barley. The UK is seeing a steep drop in area for oilseeds and wheat. Increase of barley in Spain. Coceral forecasts a drop in total cereal production mainly due to a 0.5% drop in the total area.

COPA asked DG AGRI how palm oil imports affect the EU oilseed market. Could DG AGRI conduct a study on the influence of palm oil on the EU oilseeds market? The Commission answered that palm oil imports are declining (-0.8 million tonnes y/y) mainly due to a lower demand for biofuels. Generally speaking, palm oil imports are more or less stable.

PAN EUROPE asked the Commission about the market situation for organic cereals, oilseeds and protein crops. The Commission answered that a presentation will be given by the stakeholder in the Crop Market Observatory on 1st July. The Commission is not yet ready but Member States will be requested to provide data on prices of organic wheat as part of the market transparency regulation which will enter into force on 1/1/2021. The topic will be discussed with the Member States soon.

COPA asked the Commission for an impact assessment on the ban of PPPs. The ban of neonics on rapeseed is a case study. Farmers are not able to grow this crop and the impact of the ban on neonics goes beyond this crop and affects the whole rotation. The loss of neonic seed treatments has had a huge impact on certain crops. This is a catastrophe! Moreover, there is a level playing field issue as some Member States continue using neonics via emergency authorisation while others not – the Chair

requested the Commission to come back to the CDG with a written reply to this (please see Commission's reply in Annex I).

The Commission said that an active ingredient that raises public health concerns cannot be re-authorised, even if farmers also have good arguments. Regarding the import tolerance, the Commission will promote a global sustainable transition with the farm to fork strategy.

COPA stated that the EU imports commodities that do not comply with the EU standards and bring down our internal prices. European farmers should obtain better prices to compensate the higher standards in the EU. In Spain, the imports of palm oil compete with the European vegetable oils. The import duties on maize, rye and sorghum are still too low to protect EU farmers against the imports of maize from Ukraine.

COCERAL did not agree with the statement on the import duties on maize, rye and sorghum, which are actually too high. The Commission explained that the automatic mechanism of calculation is based on the Chicago price and DG AGRI has no room for manoeuvre to change the calculation method. It was indicated that if the current maize price trend in Chicago continues, the level of the duties would be reduced in the coming days.

Farm to fork strategy and the CAP

The Commission gave a detailed presentation on its farm to fork strategy. The full presentation is available here https://ec.europa.eu/info/food-farming-fisheries/key-policies/committees-and-advisory-councils/civil-dialogue-groups/arable-crops_en#y2020

The initial proposal on the CAP post 2020 is compatible with the *European Green Deal* and the Commission will not present a new proposal. The Commission has some possible improvements for its 2018 CAP proposal in mind, such as ring-fencing funding and further developing provisions for Pillar I eco-schemes, better integration of the animal welfare and antimicrobial legislation in the CAP and possible action to assist effective implementation like the setting-up of a structured dialogue and recommendations to Member States, ensuring overall sustainability for coupled income support, sectorial programmes and promotion, and proposing a Farm Sustainability Data Network.

Answering a question from COPA, the Commission replied that the targets for input reduction will be based on the most recent data.

COPA presented the contributions of the Working Party on "Cereals". The full text is available. Copa asked for an impact assessment on a different scale here https://ec.europa.eu/info/food-farming-fisheries/key-policies/committees-and-advisory-councils/civil-dialogue-groups/arable-crops_en#y2020

The Commission does not agree with the view expressed by COPA that the F2F strategy leads to a decline of European agriculture. The Commission wants to promote a sustainable food system and make European agriculture a global leader in food sustainability. There will be an impact assessment for all legislative proposals indicated in the draft action plan. Moreover, an comprehensive impact assessment on CAP reform, including ambitious environmental scenarios, was already presented two years ago.

IFOAM EU called on the Commission to reduce the VAT level on organic food and used the chat box to underline that a dialogue between stakeholders was starting, which should continue after this meeting.

CEPM regretted that the Commission talked a lot about environmental sustainability but little about social and economic sustainability. Also, the Commission talked too much about animal welfare but not about farmers' welfare and fair incomes for farmers. The Commission is listening too much to Jeremy Rifkin's theory. The consumers are able to make their choices thanks to traceability and labelling, but they are not able to make their choice when buying processed products due to lack of information. The Commission did not propose real alternatives for the input reduction targets.

COPA: the 2030 timeframe to achieve the goals is really too soon. It is important for European farmers to have access to NGT products. As a farmer, I want to have the choice whether to use NBT developed seeds or not. I do not want that choice taken from me. The market price of the techniques and their outputs will determine how farmers use them. The strategy will not only affect farmers but also the whole economy in rural areas. Keeping farmers' incomes artificially low is unsustainable. Could the Commission explain their thoughts about food affordability? For me that means lower food prices, and at the same time they present goals that mean higher production costs at farm level and a lower CAP budget.

EBB: For many consumers, affordability relates to quality food - organic and fresh/local, respecting environmental/climate/social - farmers income - standards, processed foods without cheap and addictive (worst case, not in general!) ingredients and additives. Our problem is that SUCH foods are not affordable for many Europeans, unfortunately! Can we hope for this with the F2F strategy? New breeding techniques – farmers have not benefitted from them so far. The input industry carefully designs the prices of seeds, pesticides, even machines so that it can get the maximum profit while only just keeping their consumers (farmers) alive. Therefore, there needs to be sobriety regarding the benefits of the new breeding techniques.

CEJA: How do you see the new breeding techniques? Do you think they could be an opportunity for farmers to help them achieve these goals?

FEDIOL: we understand that the strategy was defined at high level but some of the objectives appear counter-intuitive. A reality check will show that even if the best of all choices are made, it will be difficult if not impossible to achieve all declared objectives. The role of all stakeholders' should be to compare these ambitions to reality and pinpoint possible unintended consequences of some very difficult choices that will have to be made and which may not be clear to people, citizens and consumers. Will we get such stakeholder consultation?

The Commission replied that the CAP will support farmers in the transition with tools like eco-schemes. The input reduction targets will guide the policies. 2030 is not tomorrow, we still have 10 years ahead. On the affordability of food: the Commission will closely monitoring this. On NGTs: the Commission is conducting a study and the results will be known in April 2021.

4. Conclusions/recommendations/opinions

No conclusion

5. Next steps

No next step decided

6. Next meeting

The calendar is available here

https://ec.europa.eu/info/food-farming-fisheries/key-policies/committees-and-advisory-councils/civil-dialogue-groups/cdg-explained_en

7. List of participants - Annex II

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."

Annex I

Commission's reply to the question on neonicotinoids raised during the exchange of views on the market situation.

Article 53 of Regulation (EC) No 1107/2009 allows Member States to grant authorisations for products, including for active substances not approved in the EU, for limited and controlled use, where such a measure appears necessary because of a danger which cannot be contained by any other reasonable means. These emergency authorisations can only be granted for a period not exceeding 120 days and consumer safety must be ensured. The granting of emergency authorisations is thus the responsibility of a Member State and does not need the Commission's approval.

In 2018, the Commission asked the European Food Safety Authority, in accordance with Article 53(2) of Regulation (EC) No 1107/2009, to assess whether the repeated emergency authorisations granted in 2017 for products containing the three restricted neonicotinoids fulfilled the requirements mentioned above. Based on this assessment, the Commission adopted Decisions in line with Article 53(3) of Regulation (EC) No 1107/2009 preventing Romania^[1] and Lithuania^[2] from repeating the granting of emergency authorisations found unjustified. So far, Romania and Lithuania have complied with the Decision as they did not grant again the concerned emergency authorisations.

The Commission will continue to monitor emergency authorisations, in particular those granted repeatedly. The Commission has started to closely evaluate the emergency authorisations for products containing neonicotinoids granted repeatedly in sugar beet since 2018. Also, all notifications from Member States on emergency authorisations are published^[3] to increase transparency.

^[1] Commission Implementing Decision (EU) 2020/152 of 3 February 2020 prohibiting Romania to repeat granting authorisations under Article 53(1) of Regulation (EC) No 1107/2009 for the plant protection products containing the active substance clothianidin or imidacloprid for use on *Brassica napus* against *Phyllotreta* spp. or *Psylliodes* spp. , OJ L 33, 5.2.2020.

^[2] Commission Implementing Decision (EU) 2020/153 of 3 February 2020 prohibiting Lithuania to repeat granting authorisations under Article 53(1) of Regulation (EC) No 1107/2009 for the plant protection products containing the active substance thiamethoxam for use on spring rape against *Phyllotreta* spp. and/or *Psylliodes* spp., OJ L 33, 5.2.2020.

^[3] <https://ec.europa.eu/food/plant/pesticides/eu-pesticides-database/ppp/pppeas/screen/home>

Annex II

**Meeting of the Civil Dialogue Group
“Arable Crops – Sectors Cereals, Protein Crops and Seeds”
17 June 2020 (videoconference)**

MEMBER ORGANISATION	NUMBER OF PERSONS
Beelife	--
Confédération européenne de la production de maïs (CEPM)	1
Europa Bio	--
European agri-cooperatives (COGECA)	3
European Agroforestry Federation (EURAF)	--
European Biodiesel Board (EBB)	--
European Coordination Via Campesina (ECVC)	--
European Council of Young Farmers (CEJA)	2
European Environmental Bureau (EEB)	2
European farmers (COPA)	10
European Federation of Food, Agriculture and Tourism Trade Unions (EFFAT)	--
European Landowners' Organization asbl (ELO asbl)	--
European Liaison Committee for Agriculture and agri-food trade (CELCAA)	4
Fertilizers Europe	--
FoodDrinkEurope	4
International Federation of Organic Agriculture Movements EU Regional Group (IFOAM EU Group)	2
Pesticide Action Network Europe (PAN Europe)	1
SACAR - Secrétariat des Associations du Commerce Agricole Réunies / Joint Secretariat of Agricultural Trade Associations (SACAR)	--
Stichting BirdLife Europe (BirdLife Europe)	--
Total: 29	