

CDG HORTICULTURE, OLIVES & SPIRITS  
"FRUIT & VEGETABLES SECTOR"

FINAL MINUTES MEETING 27 FEBRUARY 2015

**Opening remarks**

- Minutes of previous meeting of the CDG are approved WITHOUT FURTHER AMENDMENTS
- Agenda for the day: approved
- Strategic agenda: presentation of the draft on behalf of the chair. The document contains two sections, one general part outlining the relevance of the 4 sectors covered by this CDG and then a specific section on the priorities for each of the sectors. This document should be highlighting relevant topics for discussion for the CDG but not reflect any particular position. It has been built based on the previous strategic agenda of the four sectors under the advisory committees structure. Input was already provided also by the chair and vice-chair and was also incorporating spontaneous comments submitted by members' organizations. To finalise the documents, it is suggested that the document will be posted on CIRCA and that each sector in their upcoming CDG meeting will have the opportunity to comment. The document will be finalized when the different sectors had the opportunity to review it in their specific meetings.

**Plant health**

**Plant health directive 2000/29:**

- Reform of the directive 2000/29: The Commission gave an update on the state of discussion following the Commission proposal launched in May 2013. The European Parliament already released its opinion in spring 2014. In regard to the Council, intensive work is currently undertaken by the Latvian presidency. The import regime (close versus open system) remains one of the main points of discussion. At this stage, while the final orientation of the Council is not yet clear, it is already granted that the future import regime will be stricter. Once the Council will adopt its position, a trilogue with Parliament and Commission will take place to seek a final compromise. The compromise will have to be submitted to WTO. The EU system will be risk-based and verified according to science. The rules will be reinforced (and possibly lead to a close system for high risk plants (woody plants) and possibly also high risk products. The discussion is now centered on this specific point. Risks are lower for fruit and vegetables but quantities are higher as well as the number of interceptions.
- During the discussion, growers raised concerns about the delays in the adoption of the directive as it could endanger the production and expose the crops to new pests spreading across Europe.
- It is also reminded that internationally, SPS rules are quite differently interpreted leading to a lack of reciprocity of conditions between the EU and several trading partners (including but not limited to South Korea and USA)

### **Compliance measures against countries with repeated non compliance:**

- The Commission reported about its monitoring activities (Europhyt) and accordingly the actions against high risk products and other activities towards trading parties in breach of compliance and with recurrent interceptions.
- For India, after a ban for almost a year for several commodities, the market is now reopened for mangoes based on a commitment to apply a hot water treatment that is confirmed in the plant health certificate. The 4 other products remain under embargoes as appropriate guarantees have not been provided.
- For other origins, strict monitoring is kept on several suppliers such as Bangladesh, Cambodia, Pakistan or Vietnam. Their records of compliance are now improving. Ivory Coast and Jamaica are also under close monitoring and are submitting new mitigation plans. Thailand, Sri Lanka and Dominican Republic remain also under scrutiny progress, as well as China regarding wood packaging material.

### **Revision of the annexes of directive 2000/29:**

- Different pests and diseases are currently under evaluation to provide new quarantine provisions to prevent the introduction of these harmful organisms in Europe.
- The false codling moth (FCM) was already discussed in a technical WG at the end of 2014 and on the basis of the technical discussion, a proposal will be discussed by the plant health standing committee. A vote could take place towards the middle of the year. It is too early to provide the practical conditions. Implementation of these new provisions will only be for the 2016 season. The measures will cover several fruit and vegetables and provisions will be provided according to the status of the country/regions (free of organisms or presence of the organism). The EU is also evaluating new horizontal conditions for all third countries on CBS and Citrus Canker based on the EFSA opinion released last year. The new conditions could be finalised before the summer break, but the implementation will also be subject to a consultation.
- Regarding the CBS and South Africa (RSA), a video call with RSA led to new warnings by the Commission that the current number of interceptions remains unsatisfactory. More efforts need to be undertaken as the new season is about to start. More progress is expected in the implementation of the system. Measures in place are solid but implementation needs to be efficient. An FVO mission is currently in South Africa to check the robustness of the system in place. The Commission confirms that some bilateral discussions are taking place with RSA in regard to the scope of an interception. It should relate to a tested life organism to confirm that a risk is present. The possible sample of asymptomatic fruit remains a European decision at Member States level, not a South African one. In regard to symptomatic fruit, the first step will be a PCR analysis to check the presence of the DNA. If present, the sample should be sent to a lab for

a culture testing on viability of the organism. Last year, 26 (out of 28 ) interceptions were from symptomatic fruits.

- **Food safety**

- Official controls: a written contribution will be sent by the services and posted on CIRCA in a powerpoint format.
- Guazatine: In May 2013, EFSA finalized its review of the existing MRLs for guazatine following the withdrawal of the inclusion of the substance in the Annex of the regulation on active substances in plant protection products. Data to support the maintenance of the MRL were not provided to EFSA. In August 2014, another opinion of EFSA was published concerning a request for an import tolerance, but data provided were insufficient to demonstrate that there is no risk for consumers. The Commission is finalising a response (decision) to the South African applicant who requested an administrative review of the EFSA reasoned Opinion. The decision is now pending with the College of Commissioners. Afterwards the Commission will proceed with a proposal on the revision of the MRL, taking into account the outcome of the administrative review.
- Fosetyl : A temporary MRL is now applicable to cope with the cases of MRL exceedances resulting mainly from the use of fertilisers containing phosphonate. (Phosphonate is a degradation product of fosetyl and part of its residue definition.) The Commission proposed this temporary MRL considering that there are no safety concerns for the consumers. However, the current temporary level is only valid until the end of 2015. Afterwards the previous lower levels will again be applicable..

- **Minor use**

- The Commission finalised a report on this matter on the 18 February 2014 and was debated by the Agri-council in May 2014. The financial arrangements were set in November 2014 for the launched of the co-funded secretariat for a value of 350.000 € per year. There is a strong MS support to set up such a secretariat. The European Plant Protection Organisation (EPPO) applied for hosting the coordination with the support of 3 MS (NL, FR, DE). The Commission aims at concluding the process and launching the operation of the secretariat by the middle of this year. The main task of the secretariat will include: sharing information and experience, coordination of MS work on minor use, the creation of a database and the stimulation of harmonisation.
- The sector welcomed the progress on the set up of the secretariat but indicated that one of the practical ways to remove difficulties would be to remove the current system of zonal authorisation. The new minor use secretariat should look at this matter to prevent distortion of completion and allow the sector to have solutions available. The proposal made would be a significant regulatory step in the right direction according to the sector.

- **Endocrine disruptors: (powerpoint presentation)**

- The Commission gave an update on the process of the impact assessment in regard to endocrine disruptor. ED are considered in different pieces of European legislation including PPP, biocidal products, on industrial chemicals as well as in the water framework directive. Under the PPP legislation, the Commission is asked to set scientific criteria to define the ED. Consequently, an impact assessment was initiated in July 2013 under ENVI and SANTE leadership with a consultation running from September 2014 to January 2015. More than 27.000 responses were received. But 25.000 responses (NGO-driven) were identical responses. Responses are available on DG SANTE website with a filter by sector (NGO, farmers,...). The Commission will prepare an analytical report. A stakeholder conference is planned in June and a dedicated website will be launched later in the year. The final Impact assessment report is expected in January 2016 and a legislative proposal is expected at the end of 2016.

- **Russian ban (powerpoint presentation)**

- Review of the outcome of the four regulations adopted by the Commission to respond to the Russian ban. The last regulation (1371/2014) applies from 1<sup>st</sup> January to end of June; In the last regulation so far, 27.000 T worth 6.5 million € were withdraw, the majority with POs. Expenditure for the period January-June is estimated at 100 million €.
- Following remarks were raised in the discussion :
  - There were concerns regarding the assumption that the Russian ban might not be lifted anytime soon. Therefore the Regulation should be reviewed to cover the whole season, including northern European vegetables. This would imply continuing the scheme at least up to the autumn given the relevance of the Russian market for vegetables exports. The Commission had a cautious approach as it prefers to act at the early stages rather than at the end of the season. Another fact to be considered in the opinion of the Commission is that for vegetables there is more flexibility to plan the production, which is not the case for fruit. Business decision should anticipate the situation as the embargoes is known since a while. However the sector challenged this approach as vegetables have also infrastructure, investments and human resources which are to be taken into account. Extension of the scheme was also requested for frozen vegetables, considering that around 40.000 T are exported to Russia.
  - A discussion took place on the level of support suggesting that a higher level of support would be more effective to withdraw quickly the quantities needed to balance the market. This however needs to be planned and different solutions might be noted according to products. Concerns were raised by the processing industry calling the Commission

to prevent transposing the problem from the fresh sector to the processing sector.

- Upcoming peaches and nectarines season: Season will start soon, but no provisions are set for this category in the regulation in force. For these highly perishable products, the lack of tools may lead to a negative impact at the quick off of the season considering the volume that normally goes to the Russian market. The Commission pointed to the impact of the growing production which has repeatedly been in crisis. For apples, the complexity of the market is also related to the high crop volume registered this year and not only to the Russian ban.
- Role of POs: there is an incentive to be member of a PO which have better tools to address the crises. Regretfully, the lack of POs in some member States make more difficult to offset the consequences of the crisis.
- When evaluating the effects of the Russian ban, the loss of value should be taken into account, not only the volumes lost. The impact on the market is being significant in term of loss of value both for EU intra trade as well as for exports (-20% of turnover).
- The situation in Russia has to be evaluated taking into account also other parameters such as the devaluation of the ruble and the economic crisis , but also for the longer term like the Russian policy to move towards greater level of self sufficiency and the proliferation of SPS measures adopted to limit market access. The Commission highlighted its active role challenging SPS measures in several countries as well as supporting the sector with measures on promotion. Overall, in 2014, exports to third countries slightly increased in volume but declined in value.

- **Market analysis (powerpoint presentation)**

- Evolution of prices: Presentation by Commission on the impact of the Russian import ban (with price trends for various commodities). Several elements are mentioned including the role of the EU exceptional measures, the diversification of export outlets, the evolution of exchange rates (dollar vs Euro and Zloty, rouble), the market perspective in light of upcoming crop (summer and winter) and the accompanying measures of promotion and increased volumes for processing.
- The Commission indicates that an important factor to address the Russian ban is to stimulate consumption which is at odds with the Commission intention to re-evaluate the School Fruit Scheme. The Commission has made good work with the SFS which should not be discontinued.
- Need to have a market observatory to understand the data and statistics. Better understanding of the market development will be of great value for both the public and the private sector.

- **School Fruit and Vegetables Scheme**

- Current scheme is still in place and budget for the new season is being presented on the basis of the new allocation of 150 million €
- In the work programme 2015, the Commission decided to make a new impact assessment on the (technical and political) subsidiarity, proportionality and better regulation aspects of the scheme. A special civil dialogue group together with Member States was called to assist the Commission services in building operational conclusions. The move is politically incoherent as the scheme was recently reinforced in the last CAP reform (2013), increasing the budget significantly. The political subsidiarity should be the focus and the EU added value as well not only from a health perspective but also from an agriculture point of view. The discussion should focus on the fundamentals.
- Anticipating the meeting, the sector unanimously indicated the support to the SFS.

- **CMO:**

- A short discussion took place regarding the delegated and implementing act which will replace Implementing Regulation (EU) No 543/2011. The process is expected to be finalised by the end of the year.
- Separately, the Commission submitted in March 2014 a report on producer organizations to the European Parliament and the Council. The European Parliament is writing its own initiative report led by MEP Nuno Melo. Those reports could be a basis for further steps on simplification requested by President Juncker.
- Competition rules and agricultural policy: Following the last CAP reform, the Commission is working on guidelines to clarify the scope of the derogation to competition rules for some sectors as olive oil, beef and arable crops. A public consultation is open up to May 2015. The Commission has dedicated a conference to exchange with these sectors on the provisions of these guidelines and on the conditions for the derogations.

*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."*

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