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FINAL MINUTES

MEETING OF THE CDG ARABLE CROPS – CEREALS, OILSEEDS, PROTEIN CROPS SECTOR

Date: 25-11-2019

Chair: Max SCHULMAN (Copa)

Organisations present: All Organisations were present, except Birdlife Europe, European Coordination Via Campesina (ECVC), European Federation of Food, Agriculture and Tourism Trade Unions (EFFAT), EuropaBio, European Agroforestry Federation (EURAF), Fertilizers Europe, International Federation of Organic Agriculture Movements EU Regional Group (IFOAM EU Group) and Joint Secretariat of Agricultural Trade Associations (SACAR).

1. Approval of the agenda

The minutes of the previous meeting and the agenda were approved.

2. Nature of the meeting

The meeting was **non-public**.

3. List of points discussed

Market situation and production forecast for cereals, oilseeds and protein crops

The Commission presented the updated market data for cereals for MY 19/20 (October forecast) and a provisional cereals balance sheet. Rebound in wheat, barley and rye production. Durum wheat 2 million tonnes less as result of low area and yield. For autumn sowings, based on JRC/MARS, the Commission indicated that sowing conditions were problematic in UK, F, central IT, B, Lux, NL, Northern Germany due to an excess of rainfall.

COCERAL presented the French market situation, the export prospects and the level of imports of maize in the EU cereals balance sheet. This was at 17 million tonnes, which is considered as an underestimation. COCERAL's forecast for maize imports was 20 million tonnes and they would be providing their updated data on 10 December.

COPA asked the Commission to comment on the high rate of maize imports from Ukraine to Poland. The Commission replied that Ukraine exports to the EU concern mainly 5 EU Member states, in particular the Mediterranean countries such as Spain, Portugal and Italy and that only 1% of the Ukrainian export of maize enter the Polish market for the livestock sector production.

CEPM underscored that for MY 19/20, maize imports from Ukraine were higher than in MY 18/19. Therefore, the Commission is underestimating the level of maize imports. Maize from Brazil and Ukraine are not produced with the same standards as in the EU. EU production costs are higher. CEPM were concerned about the non-renewal of plant

protection products and the lack of production tools. CEPM underlined the high level of ending stocks for maize in MY 18/19, leading to lower prices on the EU market. CEPM was concerned about the competitiveness of European maize.

COPA: market prices were below production costs. Farmers' incomes too low. Lack of production tools. Plant protection products needed to maintain the quality and quantity.

FDE: Durum wheat. Huge price volatility because of the small harvest. Farmers had now started to sell durum wheat and the price had slightly decreased and was stabilizing.

The Commission presented the updated market data for oilseeds MY 19/20. The sharp decline in total oilseeds output results from a significant decline of rapeseed area. Sunflower production is broadly in line with last year's production and soya bean production increased. Imports of rapeseed are expected to be at a record level, coming mainly from the Ukraine. The market share of Canadian canola also increased this marketing year due to its very competitive prices. Preliminary forecasts for the sowing area for the 2020/21 marketing year indicate a modest recovery in area, since dry conditions affected sowing in some of the main producers.

The Commission pointed out that the data on meals and oils would be improved as result of new requirements under the regulation on market transparency (Implementing regulation 2019/1746 as regards notifications to the Commission of information and documents) The regulation builds on existing data collection systems and increases the scope and provides new information especially for the oilseeds and protein crops sector, including mandatory reporting on prices for meals, oils and protein crops and on organic soya beans and non-gm soya meals.

The Commission informed that the VAT issue is still under discussion in the Ukraine. There are positive signs that VAT refunds for soya beans and rapeseed will be reinstated as of January 2020, but it is not yet formally adapted.

The Commission presented the updated market data 2019/20 marketing year for protein crops. The total production recovered from the poor 2018/19 marketing year and is close to the 5-year average thanks to better yields. The updated EU feed protein balance sheet for the 2018/19 marketing year showed that the drought in 2018 impacted the overall feed supply with the level of EU self-sufficiency (at 77%, from 80% in the previous year) and total feed supply decreasing from the previous years. Due to reduced size of the cattle and pig herd, total feed supply was down by 4% at 83 million tonnes.

The chairman thanked DG AGRI for their support and briefly informed those present about the outcome of the workshop held on 18-19 November in Helsinki. The increasing demand for protein for food ingredients was underscored. COPA claims that protein for food outlets are not rewarded by the market and the risks associated with protein crops are higher.

FEDIOL is concerned about the recent and the forecasted decline of the rapeseed area, leading to the current 17 mil tons of EU rapeseed production becoming the new EU standard. Even with historically high imports of rapeseed, this will lead to 2-mil tons reduction in EU rapeseed crush and thus less availability of EU proteins.

EURAF asked a question concerning the decline of rapeseed area.

COPA responded that, in addition to dry conditions in the sowing period, farmers are losing tools for growing rapeseed (ban on neonics and insecticides). The decline of the rapeseed area would have been more severe if Poland had not granted a derogation for the use of neonics. The rapeseed area has declined in Poland over the past 10 years. Production costs are increasing, as farmers attempt to protect the crop against pests.

PAN EUROPE would like to propose to invite an expert to talk about sustainable rapeseeds.

The chairman underscored the fact that the oilseed and protein crop sector didn't have access to innovation and that the unstable biofuel policy in the EU had been damaging.

Horizon Europe: What place is given to plant protein based products?

The Commission explained the current research priorities, the Research Programme, and the Commission proposal for Research for the period after 2020 (Horizon Europe). Cluster 6, which covers food, bioeconomy, natural resources, agriculture and environment, has a proposed budget of € 10 billion, which emphasises the importance of agri-food in research. Research policy aims also at generating growth in rural areas.

COCERAL underscores the lack of competitiveness of the European oilseeds and cereals. The EU has become a net importer of cereals. The EU depends on and will continue to depend on imports of soybean. COCERAL asked what DG AGRI is doing to improve the competitiveness of EU protein crops.

COPA commented on the low farmers' income, the growing world population by 2050 and the needs to secure food production.

CAP post 2020; state of play of transitional regulation

The Commission presented the two proposed Regulations. The chair welcomed these proposals of the Commission, because the adoption of the proposals on the CAP post 2020 had been delayed.

COPA called for maintaining the commonality of the CAP and avoiding distortion of competition among farmers.

EURAF voiced their regret concerning the lack of market management tools in the single CMO and the large degree of flexibility granted to the Member States which comes with the risk of environmental dumping and distortion of competition.

Additional topic: new plant breeding techniques

Requested by FEFAC as AOB. The Commission presented the ongoing work of DG SANTE and the Council decision 2019/1804 adopted on 8 November.

The Commission would consult the stakeholders in spring 2020 and ask for a substantiation of claims.

Brexit preparedness

Brexit preparations had been entrusted to Task Force 50, led by Mr Barnier, which is now replaced as from 16 November by the Task Force UK.

The Stakeholders were informed about two dedicated civil dialogue group meetings, to be held on 1 February and 4 October 2019.

The Commission reminded the audience of the outcome of the EU Summit held in October and of the flextension system until 31 January 2020. An exit of the UK without an agreement (no deal) still cannot be ruled out. As mentioned in the Commission communication of 4 September 2019, "in the agricultural sector, the full spectrum of existing instruments for market support and direct financial support to farmers will be

made available in order to mitigate the worst impact of a no-deal scenario”. In the case of an orderly UK withdrawal, the transition period during which the new relation between the EU 27 and UK must be negotiated will be short because the deadline has remained unchanged and is still 31 December 2020.

No comments were made from the floor.

Alternative methods for plant protection products (glyphosate)

The topic was introduced by an expert from the Wageningen University & Research. Managing weeds without herbicides. The expert mentioned that next to environmental and human health related concerns, there are serious agronomic concerns regarding the use of herbicides. He argued that particularly herbicide resistance is undermining the sustainability of the system. Diversification of weed control measures, facilitated through crop rotation, is the only way out. He propagated a pro-active attitude in substituting herbicides by alternative measures, and not to wait until herbicide resistance has evolved. He claimed that, unlike herbicides, preventative (or cultural) control measures can target a wide range of life cycle stages of the weed. He illustrated this with relatively easy to install measures, like low-disturbance seeding (applied in Brazil) and harvest weed seed control (applied in Australia).

COPA said that it welcomed the views of the expert stating that herbicides should remain in the toolbox. Farmers need an integrated weed control system but the range of active ingredients has become more and more narrow. Regarding the use of glyphosate, Copa underscored the fact that the examples provided by the expert are not applicable in the EU because GM crops that are resistant to glyphosate are not authorised. The Australian or Brazilian models cannot be transferred to the EU. Alternative methods to herbicides are already being used by EU farmers (hoeing, false seedbed technique, etc.). EU farmers would support a rapid implementation of new efficient weed control methods. Untreated zones consist of a source of contamination (for instance for ergot or Datura).

PAN EUROPE did not understand the argument of COPA.

The expert disagreed with the remark that the examples are not applicable in the EU because GM crops that are resistant to glyphosate are not authorized. Suitability of the provided examples do not have any connection with the use or non-use of GM crops. He also disagreed with the non-transferability of the Australian and Brazilian examples to the EU. In fact the Australian example is successfully implemented in other continents. He provided an explanation of research options for weed control.

European green deal, 2030 vision for sustainable food systems and farm to fork strategy

The Commission’s services do not have political guidelines at the moment as the Commission lead by Ms von der Leyen will take office on 1 December if the EP approves.

COCERAL: taking into account the diversity of farms in the EU, will the Commission be able to find a common definition of sustainability for EU27?

COPA: European farmers are not opposed to changing the practices, but they need time and a toolbox to adapt their work to the new challenges. Farmers need a fair income to have a decent quality of life. The farm-to-fork strategy must involve DG TRADE and DG ENERGY as well. More consistency between various policy areas is needed. Farmers need a long-term vision for adapting the farm structure.

FEFAC: About good and bad food, said that it is connected with a balance diet and the obesity is the result of a lifestyle, most people do not get enough physical exercise. For other hand what is the relation between the carbon border tax and the farm to fork strategy, when we talked about trade? Is not fair to impose rules and more costs on European production and do nothing from third countries imports.

The Commission presented the process and calendar for the preparation of the farm to fork strategy.

AOB

None

4. Conclusions/recommendations/opinions

No conclusions

5. Next steps

No next steps decided

6. Next meeting

The calendar of the meetings for 2020 will be available soon.

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

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MEMBER ORGANISATION	NUMBER OF PERSONS
Bee Life-European Beekeeping Coordination (Bee Life)	1
Confédération Européenne de la Production de Maïs (C.E.P.M)	1
European Agri-cooperatives (COGECA)	4
European Biodiesel Board (EBB)	1
European Council of Young farmers (CEJA)	3
European Environmental Bureau (EEB)	2
European Farmers (COPA)	11
European Landowners' Organization asbl (ELO asbl)	1
European Liaison Committee for Agriculture and agri-food trade (CELCAA)	6
FoodDrinkEurope (FoodDrinkEurope)	5
Pesticide Action Network Europe (PAN Europe)	1
Wageningen University (additional speaker)	1
TOTAL	37