



Brussels,
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MINUTES

Meeting of the Civil Dialogue Group Common Agricultural Policy

online, via the Interactio platform

Monday 24 October 2022 from 14:30 to 17:30

Chair: Pierluigi Londero

Delegations present: all organisations were present, except CEMA, Concord, ECPA, EFFAT, EFNCP, EuroCommerce, PAN Europe. (Presence list attached).

1. Welcome and approval of the agenda

Copa-Cogeca, CEJA, FoodDrinkEurope and Celcaa requested to take the floor to express their views as follow-up to the stock taking meeting on the new Civil Dialogue Groups organised by the Commission on 23 September 2022. A letter signed by the concerned organisations was shared in advance. The Commission informed that this point will be addressed under AOB.

The agenda was approved.

2. Nature of the meeting

The meeting was organised online, via the Interactio platform.

3. List of points discussed

3.1. Food security and global markets – update by Michael Scannell, DG AGRI Deputy Director-General (DDG)

Mr Scannell provided an overall update of the situation of EU agricultural markets and consequences of Russian aggression against Ukraine for food security. He referred to the high inflation that the EU is confronted with, with a particular focus on the food price inflation estimated at 15.8% in September 2022. On this, it was highlighted how difficult it is to ensure price stability, mainly because of external factors (e.g. energy market) playing a major role. Then, the discussion moved to the war in Ukraine and its effects on the fertilisers market and food security, with a view to developing countries which are highly dependent on imports of cereals from Ukraine. Mr Scannell also presented the EU efforts to establish solidarity lanes to get major commodities out of Ukraine and the reopening of the Black Sea ports. It was explained that, since the re-opening, around 18-

19 million tons of cereals were exported to developing countries. Mr Scannell stressed that while the renewal of the Black Sea agreement was essential for the global food security, this was not a given. Linked to this, he explained the EU actions to help Ukrainian farmers to plant winter crops despite the difficult situation. Lastly, he recalled the extraordinary summer drought that caused substantial drops in the production of maize in the EU, with Commission estimates falling from 71 million tons to 55 million tons. The presentation also covered the impact of Avian Influenza and African Swine Fever (ASF) in the European Union. Mr Scannell said that despite the efforts of EU producers, ASF remains a major threat and continues to spread. On fertilisers, Mr Scannell informed that a Commission Communication will be presented on 9 November 2022. High input costs remain of high concern for the Commission. Reducing our dependency from fossil fuels, especially from unreliable partners such as Russia, is key. On that, he presented the ongoing initiatives on price capping for energy, support measures for most affected households and operators and exemptions to rules on state aids. He concluded by reminding of the key role played by the Common Agricultural Policy and the available tools to help farmers in this difficult period.

Members raised concerns as regards financial speculation that is considered to fuel food price levels; the need to help the most fragile actors (small farmers) and low-income households; the importance to come forward with an ambitious proposal on new breeding techniques as response to climate change; and members questioned the derogation from GAECs 7 and 8 and whether data were available to assess its effects on food security. On financial speculation, Mr Scannell reassured that there are legal measures in place to prevent distorting behaviours. On the current derogation from certain CAP conditionality rules, he reassured that this derogation covers only one year. Lastly, he reassured that no postponement is considered by the Commission for the entry into force of the new CAP (1 January 2023).

3.2. CAP Strategic Plans: state of play – presentation by DG AGRI, Unit A1 Policy Perspectives

The Commission presented the state of play of the National Strategic Plans (NSP) submitted by the Member States for the implementation of the CAP 2023-2027. Participants were informed that more than half of the NSPs were approved and that major delays were not expected for the remaining ones. However, as the approval process was ongoing, it was not possible for the Commission to provide a detailed presentation of the plans. The close cooperation and open dialogue with the Member States was however highlighted as positive element that contributed to ensure a swift approval process. The Commission recalled the key areas of negotiation with Member States stressing, on one side, the importance to address national specificities and, on the other, the need of ambitious plans to contribute to the objectives of the Green Deal, and particularly the ones of the Farm to Fork and Biodiversity strategies. The Commission also informed that the Strategic Plans were approved taking into account the geopolitical context. On this, special attention was given to investments to reduce agricultural dependency from fossil fuel, support to increase renewable energy production, biomass, as well as the role of precision farming and advisory services.

Participants raised concerns on the impact of current inflation on direct payments and the need to introduce proper adjustments at EU level. On this, the Commission informed that a proper assessment of the budgetary means, including those of the CAP, would be done for the mid-term evaluation of the MFF planned for next year. On administrative procedures, concerns were expressed that the new CAP may discourage farmers to apply

for direct payments and the risk of higher uncertainties for long-term planning. On this, the Commission informed that simplification has been a key principle of its discussion with Member States and clarified that digital solutions will contribute to alleviate administrative burden for farmers. Some Members noted that the number of non-approved plans puts increasing pressure on farmers for their immediate decision on winter crops. Concern was also expressed by some participants for the lack of ambition of the new CAP, especially regarding the more extensive practices which have a positive effect on the environment. On young farmers, overall support for the planned investments was expressed, but lack of coherence was identified by some participants as regards the direct payments to small farmers. On this last point, the Commission clarified that Member States' decisions have been based on national specificities and they have been assessed by the Commission, on the basis of clear obligations and objectives set up at EU level.

3.3. JRC study on green and digital transition – presentation by JRC, Unit I2

Analysts of the Joint Research Centre (JRC) presented a summary of the agricultural section of the JRC report entitled “Towards a green and digital future”. This scientific publication underpins the 2022 Strategic Foresight report of the European Commission on “Twinning the green and digital transitions in the new geopolitical context”. Agriculture was part of the five sectors covered in those reports, considering how the green and digital transitions can reinforce each other. For agriculture, the JRC report includes two case studies on digital environmental monitoring systems and smart sustainable farming. It highlights the role of digital technologies and the importance of enabling factors. Based on findings for the five sectors considered, the report identifies key requirements to achieve successful twin transitions (see presentation).

In order to further anticipate long-term implications of the digital transition for farmers and rural communities, DG AGRI and JRC keep cooperating for a forthcoming study. DG AGRI representative presented briefly this ongoing bilateral foresight project that started in 2022. It aims at examining the contribution of agricultural digitalisation policies and strategies to the resilience of the agricultural sector and rural areas. The horizon chosen for the study is 2040 in order to provide elements for anticipatory governance, vision, strategy and policy development especially for the Common Agricultural Policy, Research and Innovation and related EU priorities. The process follows a participatory approach involving farmers and rural communities, with several workshops taking place with experts, stakeholders and policymakers. A JRC report is foreseen for the second quarter of 2023. Stakeholders will be informed on the progress of the study in future meetings of the CDG. Interested parties may communicate further questions/comments on foresight by using the dedicated functional mailboxes (on foresight: JRC-FORESIGHT@ec.europa.eu, on project on implications of digital transition for farmers and rural communities AGRI-A@ec.europa.eu).

During the exchange of views, participants referred to the perceived biases of the twinning study underlining the negative consequences that digital transition has in respect to the environment. On this point, Commission representatives explained that the aim of the twinning study was to address this kind of incoherencies, including the carbon footprint of digital technologies, and highlight how this twinning could show benefits by taking into account these aspects. Smart sustainable farming does not necessarily mean industrialisation, it also supports diversity.

Participants also commented on implications for farmers' income and the need for trust in the data usage by farmers, who should remain owners of the data. Officials explained

that the Commission is moving forward with a comprehensive legal framework to shape the digitalisation and data landscape; more specifically legal initiatives are proposed and adopted to establish the appropriate conditions under which digital transformation is taking place, such as the Data Act or the Artificial Intelligence Act.

Lastly, participants raised the issue of digital divide across Europe and how this is addressed. In respect to the digital divide, the Commission explained that in the new CAP starting in 2023, there is the cross-cutting objective of knowledge, innovation and modernisation. MS have provided in their CAP Plans digitalisation strategies that elaborate also on the steps to address the digital divide between regions, types of farmers, population groups and businesses adapted to each MS specificities and needs. The foresight project also follows up on the long-term vision for EU rural areas, that includes connectivity as part of the four areas of action.

3.4. A new Regulation on data for monitoring and evaluating the CAP: why, what and how? - presentation by DG AGRI, Unit A.3

The Commission presented the different components of the performance monitoring and evaluation framework (PMEF) of the CAP, including the data for monitoring and evaluation (Commission Implementing Regulation (EU) 2022/1475). Data for monitoring and evaluation consist of six different types of data: disaggregated data on intervention; individual data on beneficiaries; data on permanent grassland ratio (aggregated); data on LEADER (by LAGs); data on EIP (by project) and data on sectoral interventions. It was explained that Member States will collect some of these data to feed into the Annual Performance Report. However, these data will also allow the Commission to carry out assessments, including distribution and causal analysis, analysis on socio-economic aspects as well as assessments on the net contribution of the CAP towards the environment and climate objectives.

Two specific questions were raised. The first one in relation to the responsibility for collecting the data for monitoring and evaluation. And the second one in relation to the manner in which the Commission plans to take into consideration aspects which cannot be linked to farming practices but have a negative impact on the achievement of the objectives (such as light pollution or transport). As regard the first question, Member States will share the data they collect for the management of CAP payments and transmit the data for monitoring and evaluation to the Commission on an annual basis. A system of data checks will be set up at Member State and Commission level to ensure that data transmitted are complete and correct. As regard the second question, Member States and the Commission, when evaluating CAP interventions, will have to attribute to the extent possible the effects to the CAP interventions and will therefore need to take into account external factors that positively or negatively influence the achievement of CAP objectives. The Commission clarified that the collection of data for monitoring and evaluation will overall allow a more in-depth level of analysis in the framework of evaluation e.g. by allowing a better characterization of the beneficiaries of CAP interventions.

3.5. The future Framework Law on the Sustainability of the Union's Food System (FSFS) - exchange of views on policy options (DG AGRI, Unit A1)

The Commission presented the state of play of the forthcoming Commission's proposal on the Framework Law on the Sustainable Food Systems (FSFS). It was explained that the initiative aims at promoting a better policy coherence at EU and MS level, mainstreaming sustainability in all food-related policies, strengthening the resilience of

the food system, while ensuring a better food environment where choosing healthy and sustainable food is easier for consumers. The main policy options in relation to minimum requirements, sustainability label, procurement and governance were presented, together with some indicative elements that are part of the ongoing Commission's impact assessment and current reflection.

3.6. AOB

Information on the new Civil Dialogue Groups

In reply to the letter sent by Copa-Cogeca, CEJA, CELCAA and FoodDrink Europe concerning the new setting of the Civil Dialogue Groups, the Commission informed that the questions were duly addressed in the stock-taking meeting of 23 September 2022 and that official replies were given in that occasions. The minutes of that meeting were uploaded on CIRCA to be available for all CDGs members, including the ones of the CDG CAP.

As this was the last meeting of this CDG, before the new CDGs will enter in place, the chair went through the list of the past chairs and vice-chairs of this group, thanking them for the commitment shown and the work provided over the past years to ensure high quality discussions and good exchange of views.

(e-signed)

Pierluigi Londero

List of participants– Minutes
Meeting of the CDG CAP
24 October 2022

ORGANISATION
BEE LIFE-EUROPEAN BEEKEEPING COORDINATION (BEE LIFE)
CONFÉDÉRATION EUROPÉENNE DE LA PRODUCTION DE MAÏS (C.E.P.M)
CONFÉDÉRATION EUROPÉENNE DES ENTREPRENEURS DE TRAVAUX TECHNIQUES AGRICOLES, RURAUX ET FORESTIERS/EUROPEAN ORGANISATION OF AGRICULTURAL, RURAL AND FORESTRY CONTRACTORS (CEETTAR)
EUROGROUP FOR ANIMALS (EFA)
EUROMONTANA (EUROMONTANA)
EUROPEAN AGRI-COOPERATIVES (COGECA)
EUROPEAN AGROFORESTRY FEDERATION (EURAF)
EUROPEAN COORDINATION VIA CAMPESINA (ECVC)
EUROPEAN COUNCIL OF YOUNG FARMERS (CEJA)
EUROPEAN ENVIRONMENTAL BUREAU (EEB)
EUROPEAN FARMERS (COPA)
EUROPEAN LANDOWNERS' ORGANIZATION ASBL (ELO ASBL)
EUROPEAN LIAISON COMMITTEE FOR AGRICULTURE AND AGRI-FOOD TRADE (CELCAA)
EUROPEAN MILK BOARD (EMB)
EUROPEAN PUBLIC HEALTH ALLIANCE (EPHA)
FOODDRINKEUROPE (FOODDRINKEUROPE)
GREENPEACE EUROPEAN UNIT
IFOAM ORGANICS EUROPE
SACAR - SECRÉTARIAT DES ASSOCIATIONS DU COMMERCE AGRICOLE RÉUNIES / JOINT SECRETARIAT OF AGRICULTURAL TRADE ASSOCIATIONS (SACAR)
SMEUNITED

STICHTING BIRDLIFE EUROPE (BIRDLIFE EUROPE)

WWF EUROPEAN POLICY PROGRAMME (WWF EPO)