How does the Commission help European farmers?

European maize sector has experienced a difficult year. The reason for this is two-fold: first, the overall weather conditions in 2016 were not optimal, even though a few regions managed to perform well. Second and most importantly, the economic environment was particularly negative throughout the year. Fundamentals were bad for the world’s leading cereal (more than 1.03 billion tons produced and 1.01 billion consumed) with worsened competition driving prices downwards.

And in this troubling context, the Commission chose to challenge the incorporation targets for 1st generation biofuels, by proposing to reduce them to 3.8% by 2030.

Is the European Commission really supporting EU farmers? This is a fair question and a crucial one today since a communication on the future of the CAP 2020 will be put forward in 2017. It is clear that we have to mobilise and take part in the public consultation recently announced by Jean-Claude Juncker. Farmers should not be forgotten in the CAP, and agricultural production should not be forgotten in Europe!

Daniel Peyraube
CEPM President,
AGPM President
CEPM General Assembly: A Roundtable Debate on the Future of the CAP

During its General Assembly on 23rd November in Avignon (France), CEPM held a roundtable entitled “How to preserve maize producers’ income in a context of price volatility?” before almost 200 participants.

As an introduction, MEP Angélique DELAHAYE presented the audience with an overview of price volatility at a global level, and her report’s recommendations for improving market management tools and the need for farmers to be able to access necessary risk management tools.

Afterwards, an interesting debate took place between Max SCHULMAN, representing COPA, CEPM Vice-President Luis VASCONCELLOS, MOMAGRI President Christian PEES, and Ralph ICHTER, a consultant specialised in American agricultural policy.

Even if debates between producers and Member States are not an easy task, interesting issues emerged from the discussion:

- European farmers are an asset for Europe, but are under threat from distorting regulations in several areas and are no longer sufficiently protected from the numerous problems created by the CAP.
- Therefore, economic, climate and health risk-management tools are criticised by all participants.
- Various tools were discussed (crop insurance, turnover, cyclical contracts), with the very instructive example of the US. More generally, everyone agreed on denouncing the rigidity of the current CAP, both in terms of its political positioning – not strategic enough and therefore sensitive to all budgetary and social pressures – and its implementation, which is complex and creates competitive distortions within the EU and with non-EU countries.

Beyond this, it is clear that the major issue for farmers, starting with maize producers, is to produce in order to meet market demand. From that point of view, as President Daniel PEYRAUBE stressed in his conclusions, Europe does not produce enough maize to meet demand and is a net maize importer. We must be more ambitious on this crop, with its growth potential of more than 10 million additional tonnes in the short term.
The 1st European Sorghum Congress was held on 3-4 November in Bucharest. It was the perfect opportunity to bring together the expertise of nearly 250 European and global players in this sector. The presentations and debates focussed on genetic progress and agronomy, markets and market outlets, as well as promotion and agricultural policies.

After an introduction by Romanian Agriculture Minister Achim Irimescu, the Congress gave participants an overview of the various aspects of the plant and its value chain:

- The various uses of sorghum grain, silage and biomass (energy, food and feed, even in beer production);
- Innovative research towards genetic progress (seed breeding and new strategies);
- Crop management techniques (crop rotations, water-restricted systems, special features of soil);
- Dynamism in international sorghum trade in Europe and around the world;
- Agricultural policy on sorghum (promotion, organisation of the sector).

Before a full house, the two days of debates led to clear conclusions: there is real development potential for sorghum in Europe, for weather/soil, environmental, economic and even regulatory reasons.

However, while the development opportunities and levers cannot be denied, we are confronted with lack of structure and organisation within the sector, which hinders the building of a common project capable of creating synergies. This was the essence of the closing speech delivered by former Romanian Agriculture Minister Valeriu Tabara.

This is why, at the end of the Congress, the various players in sorghum production, from seeds to manufacturers, formally decided to organise themselves at EU level, and thereby participate in the creation of a federation aimed at developing and promoting sorghum in Europe, on the basis of common objectives and a shared action plan.

The 1st European Sorghum Congress therefore constituted the founding act of the SORGHUM-ID organisation, whose challenge in the coming months will be to mobilise and structure European sorghum players.

### Sorghum Promotion Programmes Successful in Their Bid for EU Co-Funding

On 21st November 2016, the FNPSMS (French maize and sorghum seeds federation), was informed that its two proposals in the EU agricultural products promotion programme had been successful (see CEPM newsletter 8).

This is a great victory for the sector at European level, and shows the European Commission is recognising the real and significant development potential of sorghum in Europe.

The 1st programme targets the EU internal market, and more precisely France, Italy, Spain, Romania and Bulgaria. The 2nd programme targets Russia and Ukraine. These countries were chosen for their climate, available surfaces, development potential as well as existing partnerships with FNPSMS.

The objective is to improve the knowledge of farmers and other professionals of the agricultural world about sorghum, and also increase market shares for European sorghum seeds and sorghum acreage in the target countries. Actions proposed in the programmes are complementary so as to reach all specialised actors, some very generally (website, video clips) and others in a more targeted way (press trip, field trials).

Together with the French Agricultural Ministry and the FranceAgriMer office, FNPSMS will be able to launch its programmes in early 2017, while the Commission is preparing the publication of its next call for proposals in January 2017.
The second edition of the ‘Farmers for Farmers’ event, organised by CEPM member APPR, the Romanian maize and sorghum producers association, took place on 8th December in Bucharest as part of its annual Congress. The Agriculture Minister, as well as many other professional, political, administrative figures of the agriculture world were in attendance.

Despite being a young organisation, APPR already has all the features and assets of a larger one. The latest annual Congress and the ‘Farmers for Farmers’ event are strong evidence of this. This event, which brought together around 220 cereal and maize growers and other associated professionals, notably included the presentation of its activities by President Arnaud Perrein and Executive Director Alina Crétu. The presentation was structured on various substantial topics: the evolution of the CAP, production factors in general and neonicotinoids in particular, the will to regulate ‘protected areas’ for seed production, and the results of varietal trials. Indeed, every year APPR organises a varietal platform (in 2016: 120 maize hybrids - 15 of sorghum - 45 of sunflower seeds - 24 of straw cereals, in particular wheat) that culminates in a ‘field day’. Almost 2,000 producers participated in the latest field day in autumn 2016. Despite being an extremely technical event, the varietal platform is organised with such precision that it has become an unmissable event in the agenda of Romanian maize and cereal producers.

This annual Congress and the ‘Farmers for Farmers 2016’ event were also an opportunity to award the ‘Gold Maize’ to the highest yields obtained on representative acreages. Therefore, two producers who obtained respectively 19T/ha of irrigated corn on average and 11T/ha of non-irrigated corn were awarded with the 2016 ‘Gold Maize’. These good performances promise that Romania, leading corn producer in the EU-28 in terms of acreage, may also eventually become the leading producer in volume.

The Congress also included two presentations. The first one was given by Luc Esprit, representing CEPM, on “How to be professionally organised” in order to encourage all producers to join an organisation like APPR, which is representative, credible, a recognised expert and a driving force for proposals. It is thus able to influence and obtain concrete results for its members. There are three ‘pillars’ to being professionally organised: first a trade union pillar, which is fundamental, but also an economic pillar and finally a technical one. The technical pillar led to a presentation-debate by Gilles Espagnol, Maize National Manager in Arvalis (France), on the topic “Increasing the value of genetic progress & adaptation to climate change”. He also gave an overview of the resources and actions of the Arvalis Technical and Research Applied Institute.

The APPR annual Congress concluded with the re-appointment of its Executive Board and the election of its President. Arnaud Perrein, a cereal and maize grower in the region of IALOMITA (80 km at the north-east of Bucharest), was re-elected for his second 4-year mandate, alongside Adrian Mocanu, Vice-President and the Executive Director, Alina Crétu. They form an energetic team that aims to continue working effectively on developing maize and sorghum in Romania and that is in parallel committed to CEPM, in terms of activities at EU level.
TTIP and EU-Mercosur: TTIP in danger, Mercosur slowly resumes

The election of Donald Trump, a vocal opponent of free trade partnerships, jeopardises TTIP’s outcome. From the European perspective, the many upcoming elections and Brexit could freeze the negotiations. Will TTIP be shelved or is it simply on hold? Talks on the EU-Mercosur agreement, which had long been suspended, continue to grow in importance.

TTIP: Facing an Uncertain Future

Donald Trump’s victory in the US presidential elections could mean the end of TTIP. During his campaign, the new President of the United States delivered protectionist speeches claiming that “nothing good comes from trade agreements” and stated several times that TTIP is “a bad agreement”, suggesting that he will terminate trade agreement negotiations with the EU. In the European mindset, the various elections and Brexit could put TTIP at the back of the priority list. Will it be forgotten?

The 15th negotiation round on TTIP, held in New York from 3rd-7th October, was not very constructive. No major steps were taken during the session on the agricultural chapter, which limited itself to mere discussions on unresolved questions like wine, spirits and export competition. Discussions about Protected Geographic Indicators (PGI) have been very brief and both parties, once again, stuck to their guns.

Following the 15th round, negotiators have abandoned the hope of concluding the treaty before the end of this year. However, both parties will take advantage of the last months of the Obama administration to try and make progress with issues on which no agreement has been reached yet. In a common statement on 15th November 2016, President Obama and Chancellor Angela Merkel expressed their will to continue the negotiations in 2017. However, if TTIP is not completely buried by President Trump, negotiations will certainly be slowed down by the European political agenda, in particular the implementation of Brexit and upcoming elections in France and Germany.

Furthermore, since the launch of negotiations, TTIP has faced strong opposition from public opinion. In recent months, anti-TTIP initiatives have continued their mobilisation, culminating in a demonstration in Brussels last September.

Moreover, after the momentary blocking of CETA by Wallonia (which has since reviewed its position), the EU has lost some credibility in the eyes of its trade partners and many are concerned about its ability to negotiate a treaty as complex and controversial as TTIP. In the best scenario, we will witness in 2017 a ‘break’ in the talks. This is at least what Commissioner Cecilia Malmström says: “TTIP will probably be put in the freezer for quite some time”.

Progress on EU-Mercosur Talks

The first negotiation round concerning the whole agreement since the exchange of market access offers was held in Brussels from 10th-14th October 2016. So far, the agricultural chapter has been a bone of contention between parties, with particular controversy on cereals and meat, especially bovine.

CEPM distributed a press release in April 2016, describing the many risks for European maize if additional tariff quotas were to be granted to Mercosur members, in particular to Argentina and Brazil, which are already very competitive.

The EU presented its revised proposal on Protected Geographic Indicators (PGI). Following these discussions, negotiators have agreed on holding inter-session meetings. The next negotiation round will take place in March 2017 in Buenos Aires.
Stakeholders and decision-makers agree that the Common Agricultural Policy (CAP) needs to be simplified, but the Commission’s initiatives are divisive as uncertainties persist regarding the 2020 reform.

Current simplification efforts for the 2014-2020 CAP

The 2014-2020 CAP is based on four basic regulations and several hundred delegated and implementing acts (‘secondary legislation’). As soon as he took office, Agriculture Commissioner Phil Hogan considered simplification one of his priorities. Four simplification packages followed, the most recent one in September 2016 to the strong dissatisfaction of agricultural organisations and 18 Member States, as one of its proposals aimed at banning the use of pesticides from Ecological Focus Areas (EFAs). This proposal is currently under scrutiny by the European Parliament and the Council of the EU.

The Commission also published on 14th September 2016 its ‘Omnibus’ Regulation proposal, as part of the mid-term review of the current Multi-annual Financial Framework (MFF) (2014-2020). The main changes focus on the Income Stabilisation Tool to cover up to 70% of losses through a mutualisation fund in the event of a fall of at least 20% in a farmer’s average yearly income. This tool is under-used by Member States at present. Other changes include the possible non-implementation of the ‘active farmer’ status at the national level, the fruit & vegetables programmes, and budgetary discipline procedures. The Omnibus Regulation proposal was debated by the AGRI Committee of the European Parliament on 5th December.

No consensus among stakeholders

On 20th September, the REFIT platform, which brings together civil society and national governments and whose role is to deliver advice on the added value of EU policies, published three opinions critical of the CAP and calling for its REFIT evaluation, justified by existing overlaps between pillars, and risks of competitive distortion. National government representatives in the platform favour the continuation of Phil Hogan’s simplification agenda, or even the preservation of the status quo until 2020, so as to benefit from more hindsight to judge the 2014-2020 CAP.

Next steps in CAP simplification

CAP simplification will continue in 2017, with two major initiatives in the Commission’s programme:

- Dividing by five the number of delegated and implementing acts of the ’Common Market Organisation’ Regulation (from 200 to 40);
- Launching a study on the administrative cost and burden of greening, with a view to future adjustment through secondary legislation.

What about the future of the 2020 CAP?

On 6th December, at DG AGRI’s traditional ‘Agricultural Outlook’ summit, President Juncker declared that “the first step will be the launch of a public consultation early next year (2017) and which will grant everyone the opportunity to participate to the debate on the orientation this strategic policy should take in the future [...]”.

According to President Juncker, this consultation should lead to a ‘Communication on the future of the CAP’, and whose building blocks will be “simplification and modernisation”. These policy principles will, we hope, unveil the outline of a modernised and simplified CAP for the post-2020 period.

To complicate this outlook even further, the implementation of Brexit and the upcoming national elections in the next few years will not grant stakeholders the stability and visibility they need. The Commission will continue its simplification agenda in 2017, but what about beyond? Will there be a CAP REFIT evaluation? What influence will the political climate have on the post-2020 reform of the CAP? Will such a reform even take place at all?
SURVIVAL OF FIRST GENERATION BIOFUELSTHREATENED

On 30th November, the Commission published its proposal for a new directive on renewable energy post-2020 (RED II). The aim is to reduce the share of 1st generation biofuels (G1) in transport from 7% in 2020 to 3.8% in 2030, which will have harmful consequences for European agriculture and for the existing investments.

The Commission uses the pretext of indirect land use change (ILUC) induced by G1 biofuels to justify its proposal. However, COPA-COGECA strongly denies these claims and warns that a reduction of G1 biofuels will have harmful consequences for the agricultural sector, in particular as it will phase out a key source of income and a means of diversifying production.

In return, the Commission is arguing it wants to encourage the use of so-called advanced biofuels produced by agricultural residues or domestic waste. The percentage of these biofuels should increase from 2.2% in 2020 to 5.3% in 2030. In addition, other renewable energies would count for 1.5%. For COPA-COGECA, these targets are unrealistic given that advanced biofuels are not yet even commercially viable.

CEPM’s POSITION

CEPM is strongly opposed to these proposals, which are particularly harmful for the maize sector that annually transforms more than 10% of European maize (5 million tonnes) into bioethanol. CEPM wants a European energy policy that improves competitiveness and agricultural income, develops the agricultural bioeconomy and genuinely decarbonises transports. In this respect, CEPM wants a binding target of 15% renewable energy in transport by 2030 and a percentage higher than 7% for G1 biofuels in order to protect the existing industry and provide an alternative to the decrease in fossil fuel consumption.

Having called on the European Commissioners, CEPM hopes that MEPs and Member States will have a more realistic understanding of the contribution of G1 biofuels to the EU’s 2030 targets as stated after COP21, in terms of the bio-economy concept based on complementary uses of biomass and the creation of biomass synergies, rather than putting different uses in opposition to each other.

ENDOCRINE DISRUPTORS: HERE WE GO AGAIN!

Exactly five months after the publication of the proposals on scientific criteria for identifying endocrine-disrupting substances, the European Commission has proposed new amended draft measures. This is important for CEPM, as they will determine which active substances need preliminary assessment, and consequently the availability and diversity of crop protection products.

In the previous CEPM newsletter, we reported the Commission’s publication on 15 June of its proposals of scientific criteria for identifying endocrine disruptors. Criticised by all sides and facing a likely veto from co-legislators, the Commission decided to publish revised drafts on 15 November and then again on 13 December.

At the time of writing, the form and the procedure of these two revised secondary legislation proposals are as follows: a draft delegated act under the Biocidal Products (BP) Regulation and two draft Regulatory Procedure with Scrutiny (RPS) measures under the Plant Protection Products (PPP).

The Commission is still exceeding its powers

Regarding the content of the proposals, many experts and civil society advocates agree on two major issues:

- The burden of proof to identify endocrine disruptors is too high.
- The controversial amendments to the annex of the PPP Regulation are maintained, though the issue of “negligible exposure” has now been detached from the initial PPP proposal and placed in a distinct RPS measure.

As a reminder, these amendments are changing the wording of the annex in a crucial way: “negligible exposure” becomes “negligible risk”. The European Parliament (EP) and EU countries like Denmark, Sweden and the Netherlands consider that such an amendment needs to go through the ordinary legislative procedure (with more oversight by co-legislators), and that, as a consequence, the Commission is exceeding its implementing powers.

A veto from the co-legislators remains possible

On 18 November, the Expert Group of the Commission (for the delegated act) and the Standing Committee (for the RPS measure) had their first discussion on the new drafts. Only the RPS measure will be subject to a prior vote by 28 national experts in comitology, before both proposals will be submitted to the Council and the EP for oversight (and a potential veto). The next meeting of the Standing Committee is scheduled for 21 December, where the Commission will further discuss the drafts with Member States and possibly hold a vote.

Since the wording is still problematic for the co-legislators, it is highly likely that either institution will veto the draft measures. The endocrine disruptors saga is far from over.
Meetings of CEPM and its member organisations
1st quarter 2017

- Civil Dialogue Groups:
  - 7th February 2017: CDG Arable crops – sugar / hops
  - 7th March 2017: CDG Arable crops – COP / seeds
  - 10th March 2017: CDG IAA (International Aspects of Agriculture)

- CEPM:
  - 7th February 2017: Board Meeting – Lisbon.

- Germany:
  - 4-5 April 2017: Committee “Forage Conservation and Feeding” – Braunschweig.

- Bulgaria:
  - 17th March 2017: NGPA General Assembly.

- Italy:

- Portugal:
  - 7-8th February 2017: Xth Anpromis Congress.

CEPM Members
GERMANY – Deutsches Maiskomitee (DMK)
BULGARIA - National Grain Producers Association (NGPA) et Conseil des Organisations Agricoles
SPAIN - Asociacion General de Productores de Maiz de España (AGPME)
FRANCE – Association Générale des Producteurs de Maïs (AGPM)
HUNGARY – Vetőmag Szövetség Szakmai Közösségi Szervezet és Terméktanács (VSZT)
ITALY - Associazione Italiana Maiscoltori (AMI)
POLAND - Polski Związek Producentów Kukurydzy (PZPK)
PORTUGAL –ANPROMIS
ROMANIA - Association Roumaine des Producteurs de Maïs (APPR)
SLOVAKIA - Zväz pestovateľov a spracovateľov kukurice (ZPSK)

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