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## THE COMMON AGRICULTURAL POLICY SIMPLIFICATION AND POST 2020

While the European Commission has continued its simplification process in 2016, working mainly on greening, the future CAP was at the centre of several communications and reflexions. CEPM is very active in the process, representing the voice of the maize sector.

### IS GREENING REALLY A SIMPLIFICATION?

Greening was the 4th wave of simplification on Commissioner Hogan's agenda. The Commission committed to take stock of the first year of greening implementation. This led to the publication of a report on 24th June 2016. This report is based on figures provided by Member States regarding the implementation of greening, on stakeholders' consultations (by Member States and the European Parliament), and on the results of the public consultation launched by the Commission (end of 2015-beginning of 2016) and to which CEPM contributed.

On the basis of this report, a draft amendment to delegated act 639/2014 – exclusively focused on greening – was prepared by the Commission services during the summer of 2016. It should be recalled that the purpose of this initiative was to simplify the implementation of greening for administrations and farmers. While most proposals do go towards this aim, in particular regarding the harmonisation of certain Ecological Focus Areas (EFAs), the draft also includes the strengthening of EFAs eligibility rules. In particular, the proposal introduces a ban on pesticides on nitrogen-fixing crops on areas recognised as EFAs. CEPM, alongside COPA-COGECA, is opposed to this proposal as it could have heavy impacts for European farm holders.

### « OMNIBUS » REGULATION: A MIDTERM REVIEW?

The post-2013 CAP basic regulations do not plan a compulsory midterm review. The Commission's simplification proposal will not amend the basic acts. Nevertheless, and along with the first step toward the review of the EU multiannual financial framework, the Commission published an "omnibus" regulation proposal amending the basic acts. In the light of the current crisis, the amendment on the income stabilisation tool included in the second pillar should be particularly highlighted. This tool could be activated for a specific sector when the 20% losses threshold is reached. This proposal will be assessed more precisely for the arable crops sector and in particular for maize.

### POST 2020 CAP: THE DEBATE HAS STARTED

Even if no proposal or legislative guidance have been communicated yet, the debates on the post 2020 CAP have accelerated over the course of 2016, while the agricultural crisis affected almost every sector.

The various players of the legislative process (be it the Commissioner, the Council or MEPs) have begun expressing their viewpoint in different ways during the last months.

While the Commission itself remained focused on simplification, Commissioner Hogan addressed the future of the CAP in different instances, in particular during the Cork conference early in September, or in parallel of exchanges on the financial framework. The second point of the Cork declaration should be singled out, as it deals with the necessity of transparency in contractual relations in the food chain, and legal provisions encouraging farmers' collective actions. Point 2 also stresses that farmers must have efficient risk management tools at their disposal. Point 3 underlines that EU policies must facilitate the provision of environmental public goods and services, reflecting local circumstances. Finally, the latest developments suggest that the Commission might communicate its first political options over the course of 2017.

For its part, the Dutch Presidency convened a Council meeting dedicated to the orientations of the CAP, and aimed at gauging Member States' positions on the topic. On this occasion, the Dutch Presidency advocated for the transition from an agricultural to an agri-food policy, oriented towards food chain questions. However, only the French minister communicated concrete proposals.

Finally, several reports have been discussed at the European Parliament, in particular MEP Angélique Delahaye's report dedicated to CAP tools to restrict the effects of price volatility.

In this context, CEPM initiated a reflexion process on the post-2020 CAP, aimed at clarifying the priorities of European maize producers, prior the first Commission communications on the subject.

## INTERNATIONAL NEGOTIATIONS ON ALL FRONTS

While the negotiations between the EU and the United States take place in the midst of presidential elections, the EU and Mercosur have resumed talks that had been on hold since 2013. Simultaneously, at the end of September, the Commission proposed to offer Ukraine an additional zero-duty quota. On all these matters, CEPM remains opposed to any concessions regarding corn, sweet corn or ethanol.

### TTIP: CAUTION IS CRUCIAL

Negotiation rounds have continued in 2016 (15th round in October) with very little progress on both sides of the Atlantic. The Obama administration wanted to accelerate talks during the last year of President Obama's mandate, and progress as much as possible before the new US president takes office. In this context, CEPM has remained active on this file in the past year, reminding negotiators of the necessity to maintain a special treatment for corn, sweet maize and ethanol. While the October 2016 European offer on custom tariffs indeed classifies them as sensitive products, the hardest part is ahead of us as everything remains on the table until the last moment. That is why CEPM, in partnership with COPA-COGECA and AETMD, has continued its advocacy work towards the Commission, MEPs and Member States. In view of the significant distortions suffered by European maize (crop protection, biotechnologies, New Farm Bill tools), new concessions cannot be granted to American products!

### MERCOSUR: RUSHED RESUMING OF TALKS

Suspended since January 2013, the talks between the EU and Mercosur have suddenly resumed at the beginning of 2016. The elections results in Argentina partly explain this sudden recovery. While the Commission has been in talks for several months with the United States, it seems to have rushed things by deciding to table its new offer to Mercosur, which includes sensitive agricultural products! The previous tariff offer dates back to 2004. The new offer proposes a reduced-tariff quota (6 €/t) for 700 kt of maize and sorghum. Faced with the ire of stakeholders, ethanol was removed from the offer at the very last moment. In the end, sweet corn was also granted a sensitive status, with a special treatment to be defined at a later date.

For stakeholders, this project is a new threat for European maize and its opportunities. There is no need to remind readers that the two South American giants, Brazil and Argentina, are leading producers and exporters with corn and sweet corn productions set to increase in the coming years.

As for TTIP, the maize sector has everything to lose if a potential agreement is reached. This is why CEPM has been very active on this file since April and will become even more involved in 2017.

## SORGHUM FIRST EUROPEAN CONGRESS

### AN AMBITION, A PROJECT

At the initiative of CEPM (the European Confederation of Maize Production), the APPR (Romanian maize and sorghum producers association), ARVALIS (French technical Institute of plant production), FNPSMS (French maize and sorghum seeds organisation) and seed companies of Pro-Sorghum (Caussade Semences, Euralis Semences, KWS Saat SE, RAGT Semences and Semences de Provence), the 1st European Sorghum Congress was held on 3rd and 4th November in Bucharest.

Considering the minor place but also the development potential represented by the sorghum production in Europe in terms of regulation, environmental and soil & climate issues, the time was considered right to organise a specific event.

This is how the European Sorghum Congress was born.

### BRINGING TOGETHER THE EXPERTISE

The Congress was organised along 5 workshops, which brought together many European and international experts on genetics and agronomy, on markets and outlets, and on agricultural policy and promotion.

### A SUCCESSFUL MEETING AND ...

More than 200 participants of different nationalities came to Bucharest to represent professional organisations and agricultural producers, scientific research centres and technical institutes, grain collectors, processors and traders, national and European administrations, seed and plant

protection companies, and other stakeholders involved in the sorghum value chain.

### ... A FOUNDING ACT

An ambition, a project, a Congress and the will to federate as many European players as possible in "SORGHUM ID", the future European cross-sectoral sorghum association. Such is the objective set for the next few months, in order to contribute to the development of this grain in Europe. Promotion actions in different EU and Eastern European countries are currently under study.

### THE PROGRAMME

**WORKSHOP N°1: From energy production to food and feed** - demonstrating the various uses of sorghum grain, silage and biomass.

**WORKSHOP N°2: Innovative research towards generic progress** - Maximising results through genetic diversity, innovation and seed quality.

**WORKSHOP N°3: Crop management techniques for a better performance** - Enhancing the agronomic and environmental assets of sorghum crops.

**WORKSHOP N°4: Dynamism in international sorghum** - Showing the reality of Sorghum grain trade around the world.

**WORKSHOP N°5: Agricultural policy on sorghum** - Ensuring agricultural and promotion policies for the development of sorghum.

**Congress Conclusions** - Closing Speech by the Honourable Minister of Agriculture and Rural Development of Romania.



CEPM President Daniel Peyraube speaking at the 1st Sorghum Congress in Bucharest



## A NEW PRESENT FOR UKRAINE

At the end of September, the Commission presented a regulation proposal unilaterally offering privileged access to Ukrainian agricultural products. These additional quotas add up to those provided by the association agreement between Ukraine and the EU. Concretely, the regulation proposal offers a new 650 kt zero-duty quota for maize in 2017, adding to the 450 kt quota planned for the same year in the association agreement (and that will be extended to 650 kt in 2021). The Commission wants to increase the trade flows by granting additional trade preferences to Ukraine.

It is necessary to remind that Ukraine has become the EU's first maize supplier, representing almost 2/3 of the import volumes! Ukraine is also the most competitive European country with export prices among the lowest in the world and benefiting from reduced freight costs to the EU. In these circumstances, why should we offer a new quota that will lead to an additional pressure on the prices paid by European producers? CEPM will strongly mobilise with COPA-COGECA to fight against this new proposal, as it would lead to considerable losses for European maize producers.

## MYCOKEY CEPM PARTICIPATES IN A EUROPEAN PROJECT

The objective of the MycoKey consortium, supported by the European Union and led by CNR ISPA in Bari (Italy) is to reduce mycotoxins contamination within Europe and China in the production and trade of the crops most affected, i.e. maize, wheat and barley.

The multi-disciplinary consortium is composed of scientific, industrial and association partners (34), and includes 11 Chinese institutions. The role of CEPM will be, eventually, to participate in disseminating the results of the project.

Key information and practical solutions will be integrated into a smart ICT tool – the “MycoKey App” – based on advanced technologies (sensors, aerial imaging) and new analytical methods. The “MycoKey App” will provide stakeholders with rapid and customised

forecasting of contamination risk levels, decision support and practical cost-effective suggestions for intervention in the field, during storage and processing. Alternative and safe ways to use contaminated batches will also be delivered.

The first consortium meeting is planned for 27th-29th April 2016 in Italy to launch the project. CEPM will be represented by Marco Pasti (President of AMI).



## CROPS PROTECTION STRENGTHENED ACCESS CONDITIONS

The pressure on this file remains important at both the Member States and at the EU levels.

The aim of European maize producers is the long-term authorisation of a variety of crop protection products with various methods of action and under realistic conditions of use. Since the entry into force of the 2009 pesticide package, problems have only accumulated at the European level with delays in the revisions of the molecule register. In parallel, the mutual recognition mechanism between Member States, supposed to accelerate assessment approvals, has to overcome many obstacles hindering its correct functioning. At the same time, approval conditions have become increasingly strict with the strengthening of assessment guidelines (for instance the exposure of residents, operators, and workers) and can in the short term threaten the availability of the molecules and the product's conditions of use.

Current discussions are mainly oriented towards the definition of endocrine disruption by the Commission, as it has become a decisive

factor hanging like a sword of Damocles over the availability of entire families of molecules (for instance triazole).

In order to assess the cumulative impact of the different regulations, a study has been conducted by the Red Queen consultancy on 75 substances that might be removed from the market. Barley, wheat, rapeseed and maize could suffer a 10 to 20% yields decrease, and farms' profitability could decrease by up to 40%, with total losses evaluated to € 17 billion. These figures show the key significance of this file, for which CEPM will remain mobilised at the European and at the national levels thanks to its members.

On the neonicotinoids file, the Commission maintained the status quo after launching a public call for data in 2015. The scientific and technical elements are currently being assessed by EFSA and results are expected over the course of 2017. In the meantime, the moratorium is maintained on 3 molecules (clothianidin, imidacloprid and thiametoxam) for maize cultivation and continues to generate distortions of competition between producers (extension of the moratorium to new molecules in some Member States, and derogations in other Member States). This is an unacceptable situation for CEPM, which is committed to following this file very closely.

## BIOTECHNOLOGIES AS COMPLEX AS ALWAYS

The GMOs file having been (temporarily) resolved by a new directive at the beginning of 2015 imposing subsidiarity at the Member States level regarding cultivation authorisations, the New Breeding Techniques (NBT) file has taken over and focuses the attacks of anti-innovation activists.

Indeed, a full range of technologies used for plant improvement has been discussed at the EU level over the past months, in order to decide whether it will come under the remit of the GMO directive (2001/18). One thing is certain: if this becomes the case, these technologies would become inoperable in Europe despite their obvious benefits, due to the regulatory constraints and linked costs. The rest of the world is obviously more pragmatic on these technologies and progresses very quickly.

The European Commission is supposed to publish its interpretation of the GMO Directive soon but keeps postponing the publication deadline. CEPM is one of the organisations mobilising themselves in order to obtain a simple and safe interpretation of the regulatory framework to enable innovation and thus avoid the systematic application of the GMO legislation to each new technology. CEPM also underlines that these techniques can provide solutions for issues such as increasing food and feed needs linked with population growth, climate change and environmental challenges, and the bioeconomy: many areas in which biotechnology-assisted plant breeding can provide solutions.



MycoKey Kick-off Meeting / Martina Franca, Italy, 26-29 April 2016

## NEW OUTLETS CEPM ON ALL FRONTS

### GREENHOUSE GAS: ANTICIPATING THE 2020S

While the ILUC directive – adopted in 2015 and amending the 2009 renewable energy directive establishing goals for 2020 – has not been transposed yet, the Commission has already started the implementation of its 2030 climate and energy strategy. This strategy sets European commitments for a 40% reduction of greenhouse gas emissions by 2030, and for a 27% share for renewable energies, as announced during COP21. All sectors will contribute, including forestry and land use and land-use change (LULUC). In reaction to these commitments, CEPM remains cautious to defend the potential of agriculture and in particular maize to meet the double challenge of food and climate change. The future objectives of greenhouse gas emissions reduction must take into account this double contribution of agriculture, and the specificities of agricultural production. In its answer to the European public consultation on bioenergy, CEPM underlines the role of renewable energies. CEPM regrets that the full

flexibility granted to Member States for their energy mix after 2020 will lead to a lack of visibility for investors.

### BIOFUELS AND POST 2020 BIOENERGIES SUSTAINABILITY

The Commission published in July 2016 its communication on transport decarbonisation, which will be followed in December by a proposal for a new renewable energies directive. CEPM has a clear stance on these two points and has repeatedly presented it to the Commission and Member States. CEPM particularly regrets the Commission's persistence in removing first generation biofuels after 2020, denying their economic and societal efficiency. CEPM is strongly opposed to this position, not only for bioethanol, but on a wider scale in order to ensure the recognition the role of maize in the production of bioenergy. CEPM thus defends a policy that would recognise the assets of bioethanol but also the advantages of biogas in order to allow their development in the transport industry and in other sectors without limits or distortions. CEPM also defends a particular objective for renewable energies in the transport industry in order to give guarantees to biofuel suppliers.

CEPM has reminded its positions to the Commissioners in charge of Energy, Messrs. Sefcovic and Arias Canete, before the publication of the winter package. The Commission must change its position on first generation bioethanol and encourage its post-2020 development, especially considering that studies on ILUC confirm the lack of scientific basis for capping first generation biofuels.

### BIOECONOMY AND THE MAIZE ASSET FOR 2030

According to CEPM, it is possible to combine the food and climate change objectives assigned to agriculture by abandoning the current and outdated vertical vision presenting agricultural uses as in opposition with each other. On the contrary, plants and in particular maize are extraordinary carbon pumps with complementary uses: food, energies and materials, carbon sequestration. Therefore, CEPM promotes bioeconomy, the economy of biomass based on a complementary approach. To fully take advantage its benefits, it is essential to rely on a productive, efficient and modern agriculture.

## A UNION COMMUNICATION...

CEPM remains active throughout the year to defend its positions. To do so, CEPM uses various tools and in particular press releases and a Newsletter allowing it to increase its audience and to promote its actions.

### ... VOCAL IN CIVIL DIALOGUE GROUPS

CEPM's presence in 5 Civil Dialogue Groups (Direct Payments and Greening/ CAP / Arable Crops / Environment and Climate change / International aspects of agriculture) is a permanent opportunity to make the voice of European maize heard, on the one hand to alert partner organisations (in particular

COPA-COGECA) on questions that could be harmful for maize, and on the other hand to be part of the debate on future proposals.

Jean-Michel Schaeffer has represented CEPM as Vice-President of the Direct Payments and Greening group for the first two years of their existence, demonstrating the recognition of CEPM's approach.

### Meeting between CEPM and Jerzy Plewa, DG AGRI DIRECTOR-GENERAL

On 1st July 2016, a CEPM delegation met with the Director-General and was given the opportunity to outline its priorities: implementation of the Common Agricultural Policy (CAP) and in particular of the greening policy, protection tools for producers faced with market volatility, on-going international trade talks, and sustainability of access to innovation. The issue of sorghum and its complementarity to maize cultivation was also tackled during the meeting.

The Director General paid close attention to CEPM's priorities, but without failing to underline DG AGRI's own objectives, in particular concerning CAP implementation and the necessity of striking a fair balance between drastic changes and gradual transitions, and some common ground between producers and green organisations. Mr Plewa insisted on the need for all stakeholders to be proactive, to drive new ideas and proposals in the current brainstorming phase of the future CAP.

