



> Editorial: On European sovereignty

The only advantage of crises is that they pose real problems and provide real solutions. This is the case with COVID 19, which demonstrates the importance of being in control at home. Land, agricultural production, food diversity, rural development, etc. are all indispensable goods. The objective is not to protect them, but to value them.

It is in this sense that we can criticise the ambiguity of the Green Deal. The European Union's objective of achieving carbon neutrality by 2050 is based on an ecology of economic decline based on a regression of the factors of production and on a rejection of innovation that goes against the needs of the Union. This same punitive approach also applies to a kind of standardisation of food in pure contradiction with the diversity of territories and the promotion of local production.

But the Green Deal, which is very (too?) ambitious in its overall objectives, is also very timid in refusing to tackle the real problems, first and foremost the zero-duty imports of cereal substitute products and the distortion of competition with our competitors. Possible carbon taxes worryingly remain hypothetical, whether it be taxes at the EU border or the recognition of a carbon credit for agriculture.

As for the 2021-2027 budgets, the figures are pharaonic, but here too they are rather decreasing and very conservative because they are disconnected from the fundamental reforms that European agriculture has been demanding for decades.

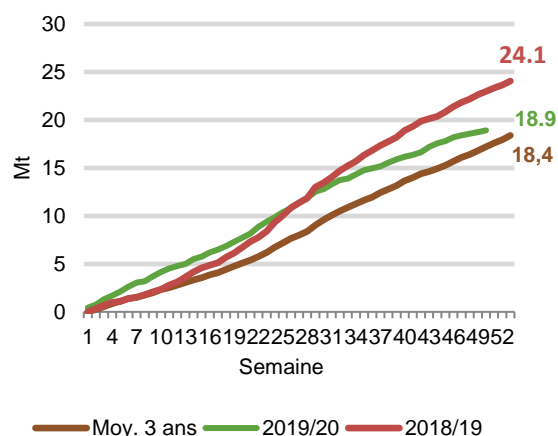
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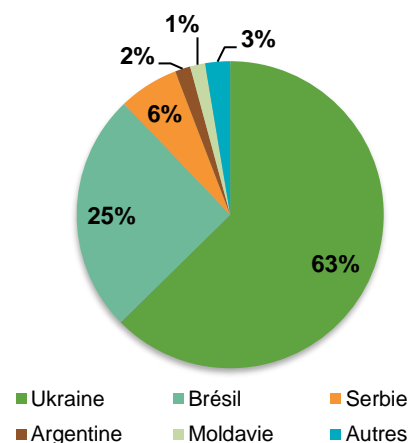
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KEY FIGURES:

Cumulated EU maize imports from 01/07/2019 to 15/06/2020



Origin of EU maize imports from 01/07/2019 to 15/06/2020



GREEN DEAL: THE COMMISSION IS ON THE WRONG TRACK!

On May 20, 2020, after a 2-month delay related to COVID-19, the Commission officially published its communications on two pillars of the Green Deal, the 2030 Biodiversity Strategy and the "Farm to Table" Strategy.

During its Board Meeting on Tuesday 26th May, the CEPM analysed the two strategies, likely to guide the CAP reform. On climate, food, health, and energy, and especially at a time when these challenges are immense and when our fellow citizens expect answers that will lead to greater sovereignty and the protection of their values, **the Commission is steering EU agriculture down the path of degrowth without taking into account the lessons of the coronavirus pandemic.**

Committed maize growers at the service of the EU...

Deeply European, the maize growers gathered within CEPM invest year after year to change their practices, progress, reassure and satisfy the aspirations of their fellow citizens. Fully invested in the **challenges of food and energy sovereignty**, they wish to go further and show responsibility by taking an active part in balancing the world's leading production while contributing to the fight against climate change. Beyond its extraordinary production potential, through its ability to store carbon in the soil and its capacity to provide clean energy (biofuels, biogas), **maize provides solutions that the EU cannot ignore.**

... but not in the direction of degrowth.

However, the "Farm to Fork" and "Biodiversity" strategies, deployed under the Green Deal, aim to divest themselves of this asset by pursuing senseless numerical objectives: 10% of non-productive agricultural land, 50% reduction in plant protection products and 20% reduction in fertilizers, 25% development of organic agriculture and who cares if the market is not there! Has the Commission even measured the impact of these figures? There are **huge**

production losses throughout Europe and massive imports of products produced using methods that are banned in Europe.

Changing course

European maize producers denounce a framework that does not allow them to meet current and future requirements. Far from rejecting any change in practices, they are first and foremost calling for the protection of European agriculture which, year after year, is increasingly weakened by unbearable distortions of competition. They also ask to be able to participate in global challenges by developing virtuous production for all markets and thanks to all innovations, particularly biotechnological ones. At a time when the EU is considering the regulation of biotechnologies, **CEPM recalls the need to ensure access to European producers and consumers to products derived from them.**

For Daniel Peyraube, CEPM President : « *Disregarding the lessons learned from the COVID crisis, which highlighted the need for abundant, local, quality food and the capacity of agriculture to respond to the climate emergency, this Green Deal today has all the hallmarks of a Black Deal. We are saying yes to the continued evolution of our practices but only if it really serves our fellow citizens. We refuse to sacrifice our own maize production to be replaced by imports produced under conditions that are not allowed in our territories. The EU must not be stubborn on the path of degrowth, but must give European agriculture the capacity to exploit its potential back. European maize growers are ready for this*».

NEW GENOMIC TECHNIQUES : THE BATTLE CONTINUES

In the framework of the impact assessment launched by the European Commission last March, the results of which will be made public in April 2021, CEPM is engaged as a representative organisation at European level.

The ongoing study is examining the potential of new genomic techniques to contribute to improving sustainability along the supply chain. These developments are anchored in particular in the Farm to Fork strategy, published on 20 May, and are based on the need to find new innovative techniques that make it possible in particular to speed up the process of reducing dependence on pesticides. Various elements will be studied:

- An inventory of the implementation and application of the legislation on GMOs ;
- Information on the status and use of NGTs in plants, animals and micro-organisms;
- An overview of the risk assessment of plants developed by NGT plants, prepared by EFSA;
- An overview by DG Joint Research Centre of current / future scientific and technological developments and new products that are, or should be, marketed.

The study will also take into account an analysis of the ethical and societal implications of gene editing. Following an initial meeting of stakeholders on 10 February, the Commission collected the various testimonies through a questionnaire.

In this context, the CEPM expressed the industry's point of view at European level in May, stressing the need for these techniques to be fully accessible to the agricultural sector, as they will make it possible to envisage breeding adapted to different problems and to respond to several challenges such as the consequences of climate change (tolerance to abiotic stress, extreme temperatures, drought, excess water, etc.), the appearance of new pests or the maintenance of high technological and sanitary quality.

Varieties derived from NGTs could thus offer multiple benefits to society, provided regulatory conditions allow them. Indeed, there is a need for an appropriate regulatory framework that will allow the practical implementation of NGT plants in Europe, both in terms of research and in the context of NGT-derived varieties placed on the market. The application of the GMO Directive does not seem to lead to this result. The regulatory framework governing NGT crops should therefore be oriented towards the evaluation of solutions, and thus varieties adapted to the needs of European farmers, the market and citizens, rather than to the techniques themselves, which are constantly evolving.

IMPORTING OUR SEEDS FROM UKRAINE: WHAT AN IDEA!

The COVID-19 crisis has demonstrated the need for the EU to maintain control over its strategic production sectors. This includes seeds. However, on 7 April, the Commission – on the initiative of DG SANTE – published an “equivalence” proposal allowing seeds produced in Ukraine to be certified and sold on the European market, despite such seeds not being subject to the same phytosanitary rules as EU producers.

For the Commission, it is simply a technical measure whose economic, environmental and social consequences have not been considered. No impact assessment has been done or even envisaged. Admittedly a public consultation was held between 7 April and 2 June, but we may say that, bar a miracle, the Commission proposal will be adopted by the co-legislators without any other kind of debate.

The “technical measure” label led COREPER I to adopt the Commission proposal de facto on 20 May, apparently without discussion. The Parliament for its part decided at

the level of the Conference of Presidents that the “technical nature” of the proposal justified a simplified procedure excluding any discussion or amendment!

Informed at the last minute, in other words when the Commission published the proposal, maize producers are clinging to a faint hope: the opinion to be delivered by the European Economic and Social Committee and a positive development in the European Parliament with a return to the ordinary legislative procedure. Amendments will therefore be possible.

It is quite frightening to observe such practices which contradict the ethics and better regulation commitments of the von der Leyen Commission. And it is very unpleasant to see how the COVID-19 health restrictions are making EU bureaucracy even more impenetrable and dominant. And all this in a context where the import of Ukrainian maize seeds in the EU will disrupt the income of European seed breeders.

MAIZE MARKET: DIFFICULTIES AHEAD FOR EUROPEAN MAIZE GROWERS

After the pandemic, the next crop year promises to be difficult for European maize growers

The coronavirus pandemic did not have as much impact on European maize prices as on prices across the Atlantic, particularly because of the smaller ethanol market. However, the 2020/21 crop year, which is about to begin, promises to be difficult for European maize growers.

Indeed, while the increase in maize acreage at the European level is to be welcomed, it should reach nearly 9 million hectares (an increase of 2.5% compared to the previous crop year), this is cyclical and mainly due to the problems encountered during the sowing of straw cereals and rapeseed in the autumn. In addition, most of the world's main production areas will also see an increase in acreage for the coming crop year, particularly among the world's main maize exporters (United States, Brazil, Argentina, Ukraine).

Thus, the American maize acreage is expected to reach an all-time record of just over 36 million hectares, an increase of nearly 10% compared to the 2019/20 crop year.

With a return to trend yields, this could lead to a historic production level of just over 400 Mt. In spite of the projection of a higher use of maize, American stocks would increase by more than 50% to 83 Mt, their highest level since the 1987/88 crop year. As a result, and despite a stable stock/use ratio at the world level, maize prices will be under pressure during the next crop year. This is all the more the case in Europe since, with acreages up by nearly 8% to 5.4 million hectares, Ukrainian maize production could break a new record and reach 40 Mt.

The European Union will remain the world's largest maize importer in 2019/20

For the 2019/20 crop year, with 19.4 Mt of projected imports (18.7 Mt on 07/06), the EU would remain the world's leading maize importer for the third consecutive marketing year. The fall in volume compared with the previous crop year (24.1 Mt imported) is mainly due to better availability of straw cereals in the current crop year. Moreover, with nearly two thirds of European purchases, Ukraine remains the European Union's leading supplier. The EU thus remains a structural importer of maize and this situation is likely to be repeated in 2020/21, with the European Commission currently forecasting 16.4 Mt of imports.

In addition, customs duties, the last safety net for European producers in the event of a major crisis, are ineffective. Thus, since 27/04, due to the fall in American maize prices (ethanol sector crisis), customs duties have been triggered. These have been set at 10.4 €/t since 5 May. However, the multiplication of trade concessions, including duty-free quotas for Ukraine, weakens their scope. Thus, the Ukrainian quotas (1.225 Mt in 2020) were fully mobilized in April in anticipation of the triggering of this tariff protection. This can be seen in the European import figures with 63% of the volumes coming from Ukraine during the current crop year!

At a time when the coronavirus crisis underlines the importance of food sovereignty and when the Green Deal could increase distortions of competition with countries that do not produce according to our social and environmental standards, it is urgent to remedy this situation.

CLASSIFICATION OF ADVANCED BIOFUELS UNDER RED2

The Renewable Energy Directive 2018/2001 (RED2) makes a distinction between "first generation" biofuels (from crops adapted for human or animal consumption), "advanced" biofuels made from feedstocks specifically listed in Annex IX-A, biofuels made from animal fats or cooking fats (Annex IX-B) and "other biofuels". By means of delegated acts, the Commission may amend the list of feedstocks in Annex IX and thereby affect the classification of biofuels made from them.

As part of the preparatory work for its delegated act amending the list in Annex IX, the Commission recruited a consortium of consultants, which organised a public stakeholder consultation on the issue until 24 May. The objective of this work, more specifically, is to assess the raw materials listed in the Annex against the criteria of Article 28.6 of RED2 (sustainability, circular economy, market distortion, environmental impact/biodiversity and soil demand), as well as to assess the risk of fraud and mitigation options.

CEPM is therefore concerned by this study, which could lead to the classification of biofuel or biogas from intermediate or damaged crops as "advanced" biofuels in Annex IX instead of "1st generation". This would have an important influence on the accounting of biofuel incorporation targets by EU Member States under the RED2 Directive.

CEPM and its members have therefore taken a stand in favour of inclusion in Annex IX:

- **Damaged crops**, provided that they have been damaged by non-anthropogenic causes and documented as such (in order to avoid fraud). This would restore value to crops that no longer have the quality necessary for food or feed use.
- **Intermediate crops**, which are particularly interesting for biogas. The classification of intermediate crops in Annex IX as advanced biofuels/biogas would be subject to the precise choice of crops to ensure differentiation from 1st generation biofuels.



CEPM Members

GERMANY – *Deutsches Maiskomitee (DMK)*

BULGARIA - *National Grain Producers Association (NGPA)* and *Conseil des Organisations Agricoles*

SPAIN - *Asociacion General de Productores de Maíz de España (AGPME)*

FRANCE – *Association Générale des Producteurs de Maïs (AGPM)*

HUNGARY – *Vetőmag Szövetség Szakmaközi 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 pestovateľ'ov a spracovateľ'ov kukurice (ZPSK)*

Civil Dialogue Groups

Due to the outbreak of COVID-19, several meetings of the Civil Dialogue Groups were cancelled
The provisional calendar of CDG meetings is regularly updated.

- 04-06-2020 (Videoconference):** Stock taking of Civil Dialogue Group – Invitation to an exchange of views
- 09-06-2020 (Videoconference):** Webinar on the Farm to Fork strategy with Commissioner WOJCIECHOWSKI
- 17-06-2020 (Videoconference):** Arable Crops COP
- 02-07-2020:** Arable crops – Rice
- 08-07-2020:** Arable crops – COP flax and hemp
- 08-09-2020:** Arable Crops COP
- 11-09-2020:** Direct payments and greening
- 14-09-2020:** CAP