

Newsletter CEPM

LES DERNIÈRES NOUVELLES DE LA PRODUCTION EUROPÉENNE DE MAÏS • THE LATEST NEWS IN EUROPEAN MAIZE PRODUCTION



CEPM
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Agriculture in the EU climate package

> Editorial : In the Commission's "Green Deal", it seems that the word "Deal" has been forgotten!

For the first time since the Delors era, the European Union has set itself a course in the form of a challenge: the Green Deal and its ambition to achieve carbon neutrality by 2050. The intention is laudable, but it is part of a bureaucratic logic that raises more problems than it solves.

Firstly, its translation into the Farm to Fork strategy for agriculture results in caricatured and disastrous objectives according to the impact study carried out by the JRC. So disastrous, in fact, that its results have been hard to make public.

The second concern, and it is no less important than the first, is that the Green Deal reinforces the precautionary principle to the detriment of innovation. This is true for agriculture, which is forbidden to use tools and techniques from which its competitors largely benefit, and for many other sectors. The Commission seems to imagine the 2050 horizon with a suspicious view of technological and scientific progress.

But perhaps even worse is that the Green Deal unfolds its legislative proposals in an authoritarian decision-making process, as if in the name Green Deal the Commission had forgotten the word "Deal", i.e. the indispensable link that such a project must create with society as a whole. The Green Deal is moving forward like a steamroller.

This is all the more alarming as the Green Deal tends to modify our way of life: new food or energy behaviours are expected to be "imposed" by reducing the freedom to choose what we consume, how we consume it, how we travel, how we stay, etc. And finally, without worrying about developments in the rest of the world.

The Green Deal tends to be translated into a huge tax package without much concern for its knock-on effects. It is therefore to be feared that it will be more of a problem than a solution, more of a disuniting factor than a unifying one.

Céline Duroc

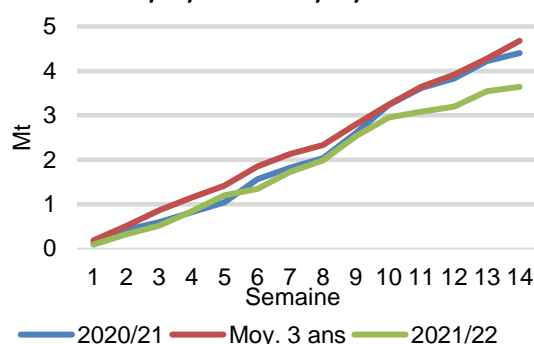
CEPM Permanent Delegate,
AGPM Director General

Summary

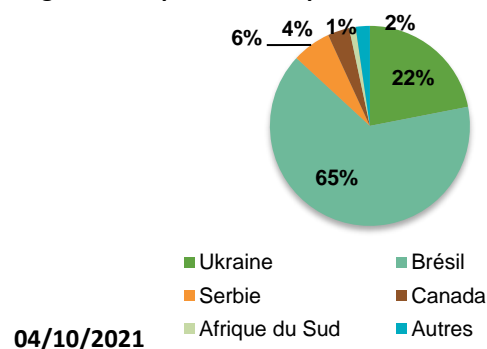
- Editorial : In the Commission's "Green Deal", it seems that the word "Deal" has been forgotten!..... 1
- Key figures..... 1
- The role of agriculture in achieving the EU climate target: setting the legislative framework..... 2
- Maize prices remain high 2
- F2F impact assessment by the JRC: mobilisation of CEPM via Agriculture & Progress..... 3
- CAP Strategic Plans: What next? 3
- Towards a revision of European seed legislation? 4
- Invitation to the Sorghum Congress..... 4
- CEPM Members..... 4

KEY FIGURES:

Cumulative European imports of corn from 01/07/2021 to 04/10/2021



Origin of European corn imports from 01/07/2021 to 04/10/2021



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THE ROLE OF AGRICULTURE IN ACHIEVING THE EUROPEAN CLIMATE TARGET:

SETTING UP THE LEGISLATIVE FRAMEWORK

On 14 July 2021, the European Commission published a new policy and legislative package (the so-called "fit for 55 [%]") aimed at adapting a number of existing EU climate and energy laws to be compatible with the new global greenhouse gas (GHG) emission reduction target of -55% by 2030 compared to 1990.

The package consists of 18 initiatives (legislative and non-legislative). Some of these proposals will directly impact on the agricultural sector and maize through the EU Commission's anti-biofuel G1 obsession, for example with the energy taxation directive, which aims to tax them as fossil fuels by 2033, or the maintenance of their cap in RED2; and the revision of the LULUCF regulation, which proposes GHG absorption targets integrating the agricultural sector, with a view to becoming a net carbon sink.

The Commission's numerous proposals must now go through the ordinary legislative procedure, with the adoption of the respective positions of the European Parliament and the Council of the EU before being negotiated in trilogues and then formally adopted. This process could take up to two years.

In addition, the Commission also published its roadmap on restoring sustainable carbon cycles in September 2021. Indeed, carbon removals through forests, agricultural practices or technical solutions will play a crucial role in achieving climate neutrality by 2050 as they will help to offset the most difficult emissions to eliminate. This initiative therefore aims to put in place a regulatory framework for the certification of carbon removals. The publication of this roadmap will be followed by a public consultation in Q4 2021.

MAIZE PRICES STILL HIGH

For this new crop year which is beginning, maize prices remain at high levels, above 200 €/t, a level not seen since 2013-2014.

This price level can be explained by the tension that reigns on the world cereal balance sheets (wheat and maize). Indeed, the main wheat exporters have suffered major climatic hazards (Canada, United States, Russia), which is reducing world production, not to mention the export restrictions in force in Russia, the world's leading exporter. Moreover, for maize, international demand, and in particular Chinese demand, remains dynamic, which limits the replenishment of stocks by the main exporters despite a record harvest expected in Ukraine (39 Mt) and the 2nd best harvest in history expected in the United States (381 Mt). In addition, Brazil, the world's third largest exporter, has suffered an intense drought and early frosts that have reduced the country's production to about 80 Mt compared with over 100 Mt in 2020. This adds to the pressure on supplies at a time when the US harvest is starting and the Ukrainian harvest is delayed by rain.

In the European Union, prices are also supported by downward revisions of production due to the summer drought in Central Europe, delayed harvests in France and the Ukraine, but also by freight costs that have risen sharply due to the global economic recovery, which is helping to limit imports from third countries.

How long can these high prices be maintained? Given the fundamentals, price support could last at least until the southern summer, February-March 2022, and the arrival of the first South American crops. This is why the weather situation in Brazil and Argentina, where the first sowings are starting, will be closely monitored; these countries are planning to plant record acreages with respectively 20 Mha (+1 Mha) and 7 Mha (+500Kha). At present, the recent rains are allowing for good progress

F2F IMPACT ASSESSMENT BY THE JRC : MOBILISATION OF CEPM VIA THE AGRICULTURE & PROGRESS PLATFORM

The report on the Farm to Fork strategy was recently approved by MEPs from the European Parliament's AGRI and ENVI committees. The strategy remains very ambitious in terms of environmental sustainability (and by imposing more and more constraints on farmers). CEPM, in conjunction with other European agricultural organisations and via the Agriculture & Progress Platform, has expressed its concern about the significant impact of the "Farm to Fork" strategy on European agriculture, particularly with regard to the objectives of reducing plant protection products and fertilisers. These consequences have been quantified by the EU's Joint Research Centre (JRC), whose report was published "on the sly" during the summer. The results were not taken into account by MEPs when they voted.

According to the JRC, the study shows that the objectives set in the "farm to fork" and "biodiversity" strategies will significantly reduce emissions.

However, the study also predicted that these reductions are likely to be significantly reduced if food production is shifted to countries with lower or no comparable standards, so-called 'carbon leakage'. The study concludes that 'farm to fork' measures will inevitably lead to lower incomes for EU farmers, who will undergo a 'difficult transition' due to the reduced production and yields that will result from the reduction in chemical fertilisers. While it is important to note that this is not a formal impact assessment but a 'technical report', the report follows calls from stakeholders for a full impact assessment of the EU's green targets. Stakeholders have asked Wageningen University to carry out another impact assessment on the farm-to-fork targets and the results are expected later this year.

STRATEGIC PLANS FOR THE CAP :

WHAT NEXT?

On 25 June 2021, negotiators from the Council of the EU, the European Parliament (EP) and the European Commission (EC) reached a political agreement on the main elements of the new Common Agricultural Policy (CAP). The agreement, which still needs to be validated by the European Parliament at its next session, introduces a "fairer, greener and more flexible" CAP. According to the Commission, Member States will have to describe in their CAP strategic plans how their "green architecture" will achieve the objectives and targets set at EU level, using the instruments available in the new policy.

The political agreement reached in June requires each Member State to submit a proposal for a CAP strategy plan by 1 January 2022. The Commission will then have 6 months to decide on the plan, leaving time for any necessary revisions. The aim, in principle, is implementation from 2023.

While some technical elements of the legal framework still need to be completed by delegated and implementing acts, the agreement shifts the focus to the preparation, approval and implementation of CAP strategic plans. The preparatory work for the CAP strategic plans is now intensifying, and the Commission has promised to support the Member States in this work at various levels. This is done through informal bilateral contacts with Member States and stakeholders. For example, the Commission has recommended that, in order to strengthen efforts to reduce GHG emissions, France should promote on-farm GHG assessment tools to improve energy and climate performance. The Commission also advised France to promote a transition to high environmental value production systems, such as low-input approaches, agroforestry, agroecology and biodiversity, including integrated pest management, and to strengthen organic farming.

In September, the European Parliament amended and approved the "farm to fork" strategy, which is at the heart of the European Green Deal, aiming to make food systems fair, healthy and environmentally friendly, including a position on strategic plans. In the decision, MEPs stressed the need to reduce GHG emissions, restore natural carbon sinks and reduce agricultural emissions of carbon dioxide, methane and nitrous oxide in order to contribute to the EU's commitment to the Paris Agreement. Maize farmers undoubtedly have a role to play in this transition towards a more virtuous agriculture aligned with the European climate objectives!

TOWARDS A REVISION OF EUROPEAN SEED LEGISLATION?

The legislation governing the sale of agricultural seeds is based on a corpus of 12 EU directives, the oldest dating from 1966. With a view to simplifying and modernising this legal basis, the European Commission published in June 2021 its roadmap for the revision of European seed legislation. A first attempt at reform had already been launched in 2013 but was finally aborted in 2015, following the rejection of the Commission's proposal in the first reading in the European Parliament.

The roadmap specifies possible scenarios, ranging from a status quo to an alignment of definitions in the 12 directives or - the most ambitious scenario - to the complete harmonisation of the legislation in a single legislative text.

This roadmap will be followed by a questionnaire in the fourth quarter of 2021, but the CEPM has already mobilised on this issue by expressing its support for the objective of facilitating access to innovative seeds that meet the highest quality standards. For the CEPM, this system must be based on a demanding control and certification system, which must not be weakened by this legislative revision. Organic and conventional seeds must benefit from the same level of quality and innovation, so a common approach must be pursued in the legislation. Finally, new breeding techniques must be integrated so that they can be made accessible to European farmers.



CEPM Members

GERMANY	<i>Deutsches Maiskomitee (DMK)</i>
BULGARIA	<i>National Grain Producers Association (NGPA) et Conseil des Organisations Agricoles</i>
SPAIN	<i>Asociación General de Productores de Maíz de España (AGPME)</i>
FRANCE	<i>Association Générale des Producteurs de Maïs (AGPM)</i>
HUNGARY	<i>Vetőmag Szövetség Szakmaközi Szervezet és Terméktanács (VSZT)</i>
ITALY	<i>Associazione Italiana Maiscoltori (AMI)</i>
POLAND	<i>Polski Związek Producentów Kukurydzy (PZPK)</i>
PORTUGAL	<i>ANPROMIS</i>
ROMANIA	<i>Association Roumaine des Producteurs de Maïs (APPR)</i>
SLOVAKIA	<i>Zväz pestovateľov a spracovateľov kukurice (ZPSK)</i>

3RD EUROPEAN SORGHUM CONGRESS : JOIN US IN TOULOUSE ON 12 & 13 OCTOBER!



To register :

<https://www.sorghum-id.com/en/2021-congress-register-now/>

Meetings of CEPM and member organisations Q4 2021

- ✓ CEPM :
 - 11 October 2021 (online) : Board Meeting
- ✓ France :
 - 12-13 October 2021 : Sorghum ID Congress , Toulouse
 - 9-10 November 2021 : Maize Congress, Tours
- ✓ Germany :
 - 28 October 2021 (online) : DMK working group « Information and communication »
 - 11 November 2021 (online) : Meeting with maize seed breeders
 - 22, 23 November 2021 : Annual meeting DMK, Celle
- ✓ Poland :
 - 10 September 2021: Maize Days / Puławy
- ✓ Romania :
 - 15-16 November 2021 : Conference Copa-Cogeca and Romanian Alliance for Agriculture and Cooperation, Bucharest
 - 28-31 October 2021 : Participation of Sorghum ID in the International Indagra Exhibition, Bucharest

Civil Dialogue Groups Provisional schedule Q4 2021 (Online)

- 05-10-2021 : Arable crops - sugar
- 08-10-2021 : Direct payments and greening
- 18-10-2021 : CAP
- 22-10-2021 : International aspects of agriculture
- 22-11-2021 : Arable crops - rice
- 03-12-2021 : Environment and climate change