

Newsletter CEPM

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



CEPM
maiz'EUROP'

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> Editorial: Yes to solidarity with Ukraine but also with our producers!

If it is obvious that the day after the attack on Ukraine by Russia it was necessary to support the Ukrainian people, the war has consequences that did not stop at the borders of Ukraine.

Indeed, in the spring of 2022, it was urgent to get the stored grain out of Ukraine and to organise the flows set up by land and rail as an alternative, albeit imperfect, to the maritime lines halted by the conflict. Europe has thus invested a lot of energy in organising these "solidarity lanes". But these movements had a major impact on the border areas where these new flows were initially intended to pass. The massive arrival of grain in neighbouring countries unfortunately has very negative effects for local farmers. CEPM and its members have been denouncing this situation for a long time and have only been able to observe the impact on markets in Poland, Romania, Bulgaria, Hungary and Slovakia. Especially since these market tensions, with dramatically low prices, have come on top of a very difficult year in 2022 for European maize production, which has been confronted with drought and heat waves.

Farmers in these countries have had to make their voices heard and firmly express their distress in order to be listened to by their own countries, and finally by the Commission. Aid schemes will be put in place, and we are delighted for the farmers who will benefit from them. This solidarity must also be expressed. But these problems should have been better anticipated rather than waiting for states to have to remind us, through unilateral safeguard measures, that European territory is not free of difficulties. Management measures must be taken to limit the destabilisation of local markets.

CEPM gives its full support to its members and to all European and Ukrainian maize growers.

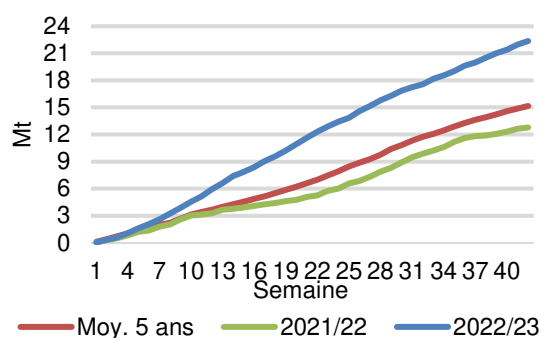
Céline Duroc
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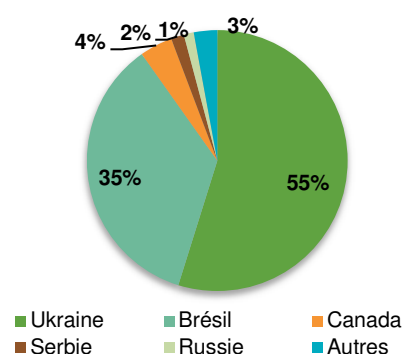
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MAIZE KEY FIGURES:

Cumulative European imports of corn
from 01/07/2022 to 16/04/2023



Origin of European imports of corn
from 01/07/2022 to 16/04/2023



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SUR: NEW TIMELINE DEFINED IN PARLIAMENT

Whilst many in the European Parliament received with good news the Council decision requesting the Commission to provide additional data on the SUR proposal – thinking it would delay the process altogether – lawmakers on 15 March 2023 agreed on an indicative calendar to get things done.

The news come after AGRI rapporteur Clara Aguilera announced she would not publish her report before July – the deadline on which the Commission had to present its additional data. As a reminder, although the ENVI Committee is the committee responsible for the file, AGRI still has exclusive competencies on a handful of articles relating to the Common Agricultural Policy. Therefore, parliament cannot decide on a position without both committees agreeing on the proposal.

With the new dates set, now the European Parliament will likely have its report approved on 2 October, during the plenary session. The plenary vote follows a vote in the AGRI Committee on 19 July and a vote in the ENVI Committee on 11 September.

At the same time, Member States in the Council are working on the more technical details of the proposal. A general approach is expected only after the end of the Swedish Presidency.

The CEPM will continue to follow closely the developments concerning the SUR proposal. In particular, we advocate for new rules not to undermine the competitiveness of the EU maize sector, which has been largely impacted by Russia's invasion of Ukraine and a deteriorating trade balance over the years.

NGTs: DISCUSSIONS INTENSIFY AHEAD OF COMMISSION'S PROPOSAL

On 7 June, the European Commission is expected to unveil a raft of new legislative proposals, including a review of current rules on plant breeding material (including seeds), an EU law on soil health and a regulatory framework for new genomic techniques (NGTs). Although all these measures are important for the agricultural sector, the last one remains highly criticised, especially by NGOs and environmental movements.

NGOs argue that plants produced by NGTs should be regulated under the current GMO framework. They argue that new rules would lead to less stringent regulatory requirements for companies and greater consumer exposure to (new) GMO products.

At the level of individual legislators, certain trends are emerging and continue to clash. In the Council, Austria, Slovenia, Germany, Bulgaria and Hungary remain cautious about the proposal, while Belgium, Estonia, Denmark, the Czech Republic and France support new rules. In the European Parliament, the Greens are the

biggest opponents of the proposal, while the Renew Europe group is one of its biggest supporters. Despite the differences, an agreement will have to be found between the different institutions on this issue, which is essential for maintaining the competitiveness of agriculture.

CEPM considers that the rapid approval of an adapted European framework for NGTs is essential to achieve the objectives of F2F and the Green Deal while providing farmers with the necessary tools to adapt to the regulatory obligations arising from these initiatives. In particular, it is essential that this framework allows for the evaluation of varieties of interest rather than focusing on techniques that will continue to evolve. Furthermore, EU agricultural markets cannot be considered in isolation from global markets, in particular from those trading partners that have already developed their own NGT frameworks (US, India, Canada, Japan and the UK). There is therefore an urgent need to move forward on this issue.

TRADE: OPPOSING THE SIGNATURE OF MERCOSUR

On 7 March, the EU's chief negotiator, Rupert Schlegelmilch, travelled to Buenos Aires to meet with his counterpart to present a new insert to strengthen climate commitments in the EU-Mercosur trade agreement. The insert aims to address the many criticisms that have been made since the first agreement in principle in 2019, including those from France and Belgium.

Negotiations have resumed at a faster pace since Lula's inauguration as president. Nevertheless, many believe that the current text is far from ideal. French President Emmanuel Macron is pushing for mirror clauses insisting on the need to respect the Paris COP26 agreement. Austria is mobilising its allies in the Council to shed light on the impacts of the agreement on the competitiveness of EU agricultural products. Finally, in the Netherlands, opposition MPs passed a motion calling on the Dutch government to withdraw its support for the agreement.

This does not mean that the agreement has only opponents. After his recent tour of South America, Olaf Scholz is seen as the main supporter of the trade pact.

Spain and Portugal, former colonial powers in the region, also support Mercosur. The Spanish presidency of the EU Council in July 2023 could give a "new impetus" to the conclusion of the agreement as early as 2023.

The European Commission has always been a free trader and remains so. The agreement with Mercosur, if it were to happen, would be a major shock to European agriculture. It would destabilise sectors that have already been weakened, in particular the European maize sector, by successive reforms of the CAP and significant trade concessions.

Signing Mercosur at this time would increase distortions of competition with third countries that are far from applying the rules and production standards required of European producers. CEPM therefore believes that it should be opposed.

THE EUROPEAN COMMISSION PREPARES THE FUTURE CAP

The new Common Agriculture Policy (2023 – 2027) has barely started and there are already talks about the future CAP that will run from 2028 to 2034.

On 23 March, during a meeting of the AGRI Committee, Commissioner Wojciechowski said the EU executive will issue a communication on the post-2027 Common Agricultural Policy in the fall. "This [communication] will form a good basis on which we can together define what the future CAP should look like," the Commissioner said, adding that the next CAP should focus on ensuring access to "safe and affordable food for all."

Whilst it is too early to say how the future CAP will look like, many agree that Mr Wojciechowski wants to leave his mark on the future proposal before the end of his tenure as Commissioner in 2024.

Based on his declarations, the upcoming Communication will likely touch upon so-called "4 pillars", namely: **I) Food security** via the provision of healthy and affordable food; **II) Stability** for the farming community in the face of uncertainties; **III) Sustainable production** with respect to the environment, climate and biodiversity; and **IV) Solidarity** with Ukraine and with each other in the EU.

Last but not least, recent reports from the European Court of Auditors on the mishandling of CAP funds will likely provide an additional element of attention both for the Commission and interested stakeholders.

UKRAINIAN IMPORTS: AN INSUFFICIENT RESPONSE FROM THE EUROPEAN COMMISSION

As a result of Russia's invasion of Ukraine, the European Commission set up "solidarity corridors" in May 2022, which were intended to facilitate Ukrainian export logistics, particularly for agricultural products.

Although these "solidarity corridors" have been very successful and have fulfilled their role, they have destabilised local markets in countries bordering Ukraine and severely penalised European cereal and oil-protein producers. This is particularly the case for maize producers in Ukraine's neighbouring countries (Poland, Romania, Bulgaria, etc.). Indeed, Ukrainian exports have saturated logistics and storage in these countries, making it difficult to market local maize. Moreover, while Ukrainian maize was supposed to transit through these countries to reach the deficit markets in the west of the EU (Benelux, Iberian Peninsula, etc.), local users preferred it to local maize, as it was cheaper, thus causing sharp price drops and putting farms at risk.

The national agricultural organisations alerted the European institutions in the autumn of 2022 to the impact of the "solidarity corridors" on their markets and asked for appropriate measures to be put in place. They were supported in this by the CEPM, which in turn alerted the European Commission, asking it to put in place corrective measures to these "solidarity corridors" as well as support measures for the producers concerned.

In March 2023, the European Commission decided to activate the CAP crisis reserve to the tune of €56 million to support Polish, Romanian and Bulgarian producers. However, this support was deemed too limited, both in its amount and in its geographical scope. 75 million for the first three countries as well as Hungary and Slovakia. This remains insufficient in view of the scale of the crisis, especially as no corrective measures have been taken.

RED3: TRILOGUES CONCLUDED

Political agreements are being reached on the texts of the 55th package. The agreement on RED3 dates from 30 March 2023. The stumbling blocks were the ambition to develop renewable energies (RE), the framework for the use of forest biomass, and low-carbon nuclear hydrogen, which obtained flexibility for industrial use. The RED3 now targets 42.5% RE in 2030 with an option of 45% compared to 40% in the draft, and 32% in the RED2. RED3 proposes either a 14.5% reduction in the greenhouse gas (GHG) intensity of fuels, or 29% of RE in transport with the help of multiple accounts. All in all, this is a doubling of the transport target. First generation biofuels, such as corn bioethanol, remain capped in line with RED2. This is the lesser evil, as some MEPs wanted to take advantage of this to try to scuttle the European agricultural biofuel sector once again. One positive point is that the cap on these biofuels will be calculated on all transport and not just on land transport. Advanced biofuels will have to reach 5.5% in 2030, including 1% from hydrogen. On the other hand, for biogas, a gradual 80% reduction in GHGs

will have to be achieved for all installations, excluding transport use.

At the last minute, and with the help of countries such as Poland and Italy, Germany refused, for internal political reasons, to support the political agreement without immediate clarification from the European Commission on the continued sale of new internal combustion engine cars after 2035 running on synthetic fuels, so-called e-fuels. After a tug of war, Germany has accepted the Commission's proposal to amend the Euro6 fuel emissions regulation without touching the agreement on the CO2 regulation. However, it will need to obtain a majority on this delegated act. Finally, this was negotiated directly between Germany and the Commission only on fuels of interest to Germany. Only Italy has come forward at this stage to support biofuels, which is a particular focus for the CEPM.

NEW EU DATABASE ON INTEGRATED PEST MANAGEMENT PRACTICES

At the request of the European Commission, the Joint Research Centre (JRC) has [published](#) a new database on Integrated Pest Management (IPM) practices. The database is a visualisation tool that allows interested parties to search for IPM documents developed in the different Member States for specific crops or crop groups. In total, the database contains 273 guidelines and 1342 IPM practices. The aim is to encourage the use of an IPM approach that is best suited to local and regional agricultural and climatic conditions.

With the fast-track approval procedures for biological solutions, the European Commission hopes that this new database will help farmers in their efforts to implement the objectives set out in the recently proposed

Sustainable Use of Pesticides Regulation (SUR), as well as the obligations arising from the Good Agricultural and Environmental Condition (GAEC) under the EU's Common Agricultural Policy (CAP).

European maize growers take very seriously the need to apply and follow the latest developments in integrated pest management. However, it is important to protect crops effectively in order to avoid yield degradation and sustainability. When farmers lose solutions, they can easily find themselves in a technical impasse! CEPM will continue to support farmers' ability to have as complete a toolbox as possible.

Meetings of the CEPM and its member organisations 2nd quarter 2023

- **CEPM**
 - 30 May 2023: General Assembly and Administrative Council, Poznan - Poland
 - 31 May-1 June 2023: 2nd European Maize Congress and conference "Maize, a key to building our future", Poznan – Poland
- **France:**
 - 5 April 2023: Sorghum ID General Assembly and Board of Directors, Paris
 - 14-15 June 2023: "Les Culturelles" ARVALIS Institut du Végétal, Congerville-Thionville - Centre - Ile-de-France
- **Poland :**
 - May 31, 2023 : 40th anniversary of PZPK, Poznan – Poland

Civil Dialogue Groups Provisional timetable 2nd half of 2023

- ✓ **Civil Dialogue Group on the CAP Strategic Plans and Horizontal Matters** : 13.03.2023 / 20-21.06.2023
- ✓ **Civil Dialogue Group on Agricultural Markets** :
COP & Seeds : 14.03.2023 / Fruits et végétaux : 12.04.2023 / Spiritueux : 19.04.2023 / Sucre : 02.05.2023 / Vin : 05.05.2023 / Fibres : 17.05.2023 / Fourrages et cultures énergétiques : 02.06.2023 / Riz : 06.07.2023
- ✓ **Civil Dialogue Group on International Aspects of Agriculture** : 11.05.2023
- ✓ **Civil Dialogue Group on Organic Farming** : 12.05.2023
- ✓ **Civil Dialogue Group on Quality and Promotion** : 29.03.2023 / 28.06.2023
- ✓ **Civil Dialogue Group on Environment and Climate Change** : 17.03.2023 / 06.07.2023

CEPM Members



GERMANY	Deutsches Maiskomitee (DMK)
BULGARIA	National Grain Producers Association (NGPA) et 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 Terméktanacs (VSZT)
ITALY	Associazione Italiana Maiscoltori (AMI)
POLAND	Polski Związek Producentów Kukurydzy (PZPK)
PORTUGAL	ANPROMIS
ROUMANIA	Association Roumaine des Producteurs de Maïs (APPR)
SLOVAKIA	Zväz pestovateľov a spracovateľov kukurice (ZPSK)