

Newsletter CEPM

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



CEPM
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> Editorial: And now, what?

For years, the European agriculture has been the victim of a planned process of destruction. This is a long-standing problem. It goes back to the first reform of the CAP in 1992 and the unfortunate Uruguay Round agreements, which led to a drastic drop in prices - partially compensated - and free access to our market for oilseeds from North America, Brazil, Argentina, etc., with no customs duties.

A second layer of negative measures was added in 2010 with an increase in standards and controls. Then a third layer, a deadly one, with the Green Deal, compulsory fallow land, phytosanitary restrictions, the water war, decreasing incomes... in short, quantitative and qualitative deflation. The EU is producing less and importing more. Worse still, it is importing maize, fruit and vegetables, and meat produced under conditions that our producers are denied because they are in contradiction with our environmental criteria. In short, we are thinking with our feet...

Faced with this situation, what are our prospects? The forced enlargement of the European Union to 9 new countries - including Ukraine - which, without any prior analysis or impact study, will overturn the economic, social and democratic fundamentals of an already paralysed European Union. Optimists tell us that these enlargements will not be completed by 2030. That is not our opinion. We believe that in 2030, the CAP will be extended to Ukraine, whether or not that country is a full member of the Union.

With the fundamentals of the CAP frozen by the untouchable WTO agreements, there will be no option but to share a budget on which pressure is growing. Under these conditions, what prospects are we offering our farmers, the people who feed us?

Simplifying administrative constraints is necessary (although already very difficult), but not enough. The CAP needs to be rethought around two key ideas. Firstly, we need to bring all the new technologies into the production process, as the Chinese and Americans have been doing for some time. Secondly, we need to take our sovereignty back into our own hands: stop free trade agreements and renegotiate with the World Trade Organisation.

A return to Community preference is not a dirty word. It is neither right-wing nor left-wing. It expresses a principle of reason, the one that made the original CAP such a success. We need to rediscover its principles and spirit. And finally give a vision of the future to European farmers, who want to make a dignified living from their profession, and are constantly expressing their desire to do so.

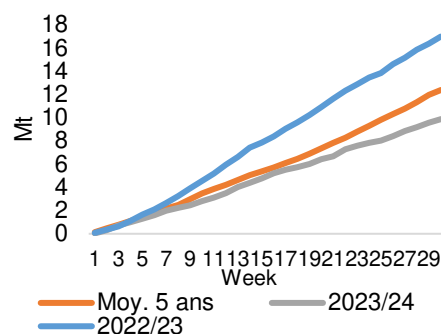
Céline Duroc
Permanent Delegate CEPM,
General Director AGPM

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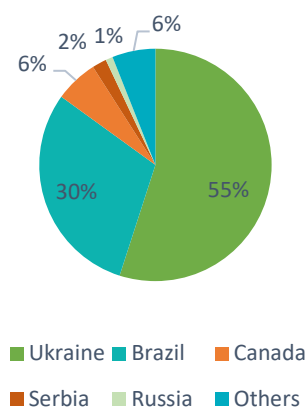
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MAIZE KEY FIGURES:

Cumulative European imports of corn from 1st of July 2023



Origin of European imports of corn from 01/07/2023 to 22/01/2024



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EUROPEAN CONFEDERATION OF MAIZE PRODUCTION • CONFÉDÉRATION EUROPÉENNE DE LA PRODUCTION DE MAÏS

■ 23-25 avenue de Neuilly - 75116 PARIS • Tél. + 33 (0)1 47 23 48 32 - Fax. + 33 (0)1 40 70 93 44

■ Square de Meeùs 21 - 1050 BRUXELLES • Tél. +32 2 230 38 68

THE FARMERS' REVOLT SEEN - IN SITU - FROM THE EUROPEAN QUARTER

For once, it's impossible to get to the office by car. You have to come by tramway or subway. Buses don't run either. Within a radius of one square kilometer - the Place du Luxembourg being the epicenter, facing the European Parliament - there are tractors as far as the eye can see. In the two main axes, rue de la Loi and rue Belliard, as well as in the adjacent streets, tractors occupy the entire space head-on. We have heard 1,300 tractors. We don't know. In reality, we've never seen such a peaceful invasion of the European quarter.

What impact did it have on the Commission? Although alerted by the massive agricultural demonstrations in the Netherlands, then in Germany, France, Poland, Romania... the Commission should have anticipated. But it did not, and things went on as usual in the last quarter of 2023, and then again in early January. Business as usual! The tractor demonstration resonated through the Commission corridors like a cannon shot. No one was expecting it, and the shock was extreme. Also, there is growing concern about the outcome of the forthcoming European elections. A second trauma in the making?

Shortly before the demonstrations, Commission President Ursula von der Leyen had set up a ridiculous Strategic Dialogue on the future of EU agriculture. Ridiculous because it was merely consultative and placed under the chairmanship of Prof. Peter Strohschneider, a historian and sociologist to whom the German government had entrusted two years ago the steering of a joint farmers/NGO/academics group to reflect on the future of German agriculture. His recommendations

were not accepted by Chancellor Scholz. Ursula von der Leyen is proposing exactly the same approach to the world of agriculture - one that is inherently ineffective.

More directly linked to concrete problems, the Commission's services have been more operational. Their coordinated action has been to slow down or even freeze all current legislative projects. In particular, the key dossiers for CEPM: the SUR regulation (pesticides), abandoned as it stands. The important text on sustainable food systems has also been postponed, without any timeline. The Seeds and NGT dossiers are making headway, albeit at a slower pace as we await the European elections, finally putting the Green Deal back on track after ignoring the numerous warnings from agricultural players, starting with the CEPM.

Most importantly, while the Commission proposes a 90% reduction in CO2 emissions by 2040, it sets no threshold for agriculture. The figure of 30% had been proposed. It has rightly been withdrawn, as its implementation would have led to a recessionary effect on production and major changes in eating habits.

To sum up, we can say that the agricultural world as a whole must continue to put pressure on Brussels, and even intensify it; but the sectors, on the other hand, must make proposals and concentrate on their priorities. This is CEPM's strategy, as it maintains its demands on the NGT issue in particular, but also questions the essential adaptation of the CAP and production regulations.

MEASURES TO PUT FARMERS AT EASE... WE MUST DO BETTER

Anger has erupted in some member states as farmers' dissatisfaction with the EU's Green Deal intensifies. Farmers' concerns may vary from country to country, but there is a common thread across the Union: "the EU is behind the protests".

The EU is the target of the protests

Germany, Poland, Romania, Belgium, the Netherlands and France are the main scenes of protest, where messages against the EU's "Farm to Fork" strategy can be heard. Many believe that, rather than making farming

more environmentally friendly, the strategy is a factor in the programmed decline of agriculture. But the main concerns lie in the fear of the consequences of free-trade agreements. The February 1st demonstration by European farmers in Brussels is a case in point: a banner hanging on the wall of the European Parliament in Place du Luxembourg proclaimed "Free farmers, Stop free trade!"

Farmers fear that the EU-MERCOSUR agreement will allow imports under inferior production conditions,

while they face untenable sustainable production standards. In fact, the situation is critical. For instance, of the 178 active substances authorized for use on corn in Brazil and Argentina, 92 are banned in Europe!

Faced with the indignation of the farming world, very limited solutions have been found. Farmers' anger has only been partially appeased. Regarding the suspension of the obligation to set aside 4% of arable land, the Commission has given way by proposing a derogation for nitrogen-fixing crops and catch crops, without using of plant protection products. But this is not enough. As for the safeguard clause proposal prepared by the Commission for Ukrainian imports, it covers poultry, sugar and eggs, but does not include cereals, again leaving maize producers out in the cold.

No to Mercosur

As for the agreement with Mercosur, France renewed its firm opposition to this new wave of free trade, which would add further pressure to European farmers. President Emmanuel Macron also stressed that negotiations with Mercosur had been suspended thanks to his intervention. But a simple suspension is not enough, especially if it is denied by the Commission, which continues to push for it.

Concerns about free trade with Ukraine remain alive and well. Polish farmers have announced the blocking of all roads crossing the border with Ukraine, starting February 9. They hope to reawaken the European spirit initially attached to European agricultural sovereignty, which has been eclipsed by the desire to liberalize trade - even with Ukraine, because, despite the solidarity of peoples, agriculture must not be an adjustment variable.

With regard to Mercosur, one solution could be the introduction of mirror clauses making any trade preference granted for maize conditional on the non-use of active substances banned in Europe. This could be coupled with mirror measures aimed at banning the

import of maize treated with active substances that have been banned in the EU, sometimes for a very long time - such as atrazine, for example. However, these solutions rarely work, and are hard to guarantee. Mercosur countries are unlikely to accept such measures, or to guarantee their eventual application.

Ursula von der Leyen's smokescreen

At a time when the value chain of agricultural production is already suffering in the member states, the sector is faced with new free-trade measures and increasingly untenable demands for sustainability. To address these concerns, Ursula von der Leyen has set up a strategic dialogue on EU agriculture, which began on January 25, 2024. The name of this attempt, a "dialogue", seems to sum up the Commission's intentions: to give the impression of listening, without any concrete feedback.

At a time when the CAP is barely underway, the creation of this umpteenth advisory group on CAP issues highlights the Commission's inability to properly address the challenges currently facing the agricultural sector. The lack of transparency in the selection of members further calls into question the group's credibility. This solution does not seem equal to the agricultural world's call for help.

A future clash with the European elections

Contacts in Paris and Brussels agree that the European elections will be a major upheaval. Parliamentary dynamics are set to change, with some expecting nationalist or even anti-European parties to gain ground. This may not completely call into question the orientations of the Green Deal and the "farm to fork" strategy, but it could strongly influence the way they are adopted and the conditions under which they are implemented.

Agricultural Europe does not refuse to evolve, but it cannot do so alone, by being sold off to the competition and bearing all the costs.

UKRAINE: LIBERALIZATION CONTINUES

On January 31, the Commission proposed to maintain full trade liberalization with Ukraine until June 2025, much to the dismay of EU farmers and some Eastern European countries.

Trade liberalization measures between Ukraine and the EU are due to expire in June 2024. Under pressure from her own party, Commissioner von der Leyen has proposed extending the current measures, with one nuance. The regulation establishes a safeguard clause whereby imports of sugar, eggs and poultry are capped on the basis of average imports between June 2022 and June 2023 - a period marked by record imports of these products.

For cereals and oilseeds, there is no automatic safeguard clause, but the Commission has the option of adopting an

implementing act if it so wishes, in order to protect the market with measures it deems appropriate.

Ultimately, the Commission's decision to exclude cereals from the safeguard clause is a mockery to farmers. The unilateral measures taken by certain Eastern European countries, the record harvests in Ukraine and the farmers' protests across the continent should be reason enough for the EU to consider a radical change in the way support is granted to Ukraine and how its own producers are to be protected.

CEPM is mobilizing all possible efforts to bring the sector's concerns to the attention of political decision-makers at both European and national level.

Meetings of the CEPM and its member organisations 1st quarter 2024

- ✓ **CEPM - February 21, 2024 afternoon** : Board of Directors meeting, Lisbon
- ✓ **France - January 9-10, 2024**: ATS meeting - FNPSMS technical seed actions, Montauban
- ✓ **Germany** :
 - **January 19-28, 2024**: International Green Week, Berlin
 - **March 13-14, 2024**: Forage Conservation and Feeding Committee, Berlin
- ✓ **Portugal** :
 - **February 21-22, 2024** : 3rd Iberian Corn Congress, Lisbon
- ✓ **Romania** :
 - **February 8, 2024**: APPR Annual Congress, 9th edition, Bucharest
 - **March 6-7, 2024**: 3rd National Farmers' Football Championship. Social responsibility project led by FAPPR

Civil Dialogue Groups 1st semester 2024

- ✓ **Civil Dialogue Group on Agricultural Markets**:
Fibers: 14.02.2024 / COP & Seeds: 5.03.2024 / Spiritueux: 20.03.2024 / Wine: 14.05.2024 / Sugar: 06.06.2024 / Forages and energy crop: 13.06.2024 / Rice: 21.06.2024
- ✓ **Joint meeting on the CAP Strategic Plans and Horizontal Matters and on Environment and Climate Change**: 14.03.2024
- ✓ **Civil Dialogue Group on the CAP Strategic Plans and Horizontal Matters**: 11.06.2024
- ✓ **Civil Dialogue Group on Quality and Promotion**: 26.03.2024 / 25.06.2024
- ✓ **Civil Dialogue Group on International Aspects of Agriculture**: 11.04.2024
- ✓ **Civil Dialogue Group on Organic Farming**: 16.05.2024

CEPM Members



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