

FINAL

Minutes of the meeting of the Civil Dialogue Group on Organic Farming on 2 December 2014

1) Approval of the agenda and minutes of the previous meeting on 24/4/14

The Chair asked the group to approve the agenda and minutes.

2) Election of the Chair and Vice-Chairs

Elections for the Chairmanship of the Civil Dialogue Group (CDG) on Organic Farming were due to be held during its first meeting.

The Commission had received two candidates for the position of Chair: Christopher Stopes from IFOAM and Ms Andersen from Copa-Cogeca.

Mr Stopes thanked the participants for their contributions during his time as Chair and informed the Commission and participants that he wished to withdraw his candidacy for the position of Chair. He would instead stand for the position of Vice-Chair.

The Commission then moved to elect the Chairmanship with a show of hands. Ms Anderson and Mr Stopes were unanimously elected as Chair and Vice-Chair respectively of the CDG on Organic Farming.

Ms Anderson thanked the participants for their expression of support. She then initiated a round table discussion for members to briefly introduce themselves.

3) Presentation of the new system of CDGs

The **COM** explained its reasoning behind the reform of the Advisory Groups. The Commission Decision (2013/767/EU) setting up a framework for civil dialogue in matters covered by the common agricultural policy was published in the Official Journal of the EU on 17th December 2013. Taking that as a legal basis, the Commission opened 14 calls for applications for organisations wanting to participate in the new Civil Dialogue Groups on 1st April 2014. The Commission received applications from 103 organisations. The decision on the composition of the Civil Dialogue Groups was adopted on 18th July 2014 with 68 organisations participating, namely twice as many than under the previous system. 53 seats were allocated in most of the groups. It was not possible to switch experts for the morning and afternoon sessions of the CDG meetings.

IFOAM EU stated that it was necessary to have observers to write the minutes for the Chair and Vice-Chair.

EOCC was in favour of the new CDG system and its objective to achieve greater transparency. EOCC asked if communication via CIRCABC would be upgraded, so that the Commission could publish documents before the meeting, and if participants could also upload documents.

CELCAA asked about how the CDG participants would contribute to the strategic agenda.

The **COM** replied that they had recognised the need to have one observer for logistical reasons, to write minutes for the Chair. CIRCABC was a tool restricted to members. The strategic agenda was to be decided on by the Chair of the group.

The Chair explained that the draft strategic agenda on organic farming would be circulated via CIRCABC to all stakeholders in due time, before being adopted.

4) Practical implementation of the action plan

The **COM** presented their ideas on implementing the action plan. The previous action plan had been adopted in 2004 and included 21 actions, including creating a new logo. The new action plan had 18 actions to be implemented by 2020 and two recommendations. The three priority areas were producers' competitiveness, consumer confidence and the external dimension.

The Commission representatives explained which actions had already been completed and which remained pending under the priority on competitiveness. These included action to provide information on CAP instruments, awareness of the EU schemes and logo, and research and innovation. Under the priority on consumer confidence, actions included those on synergies between accreditation bodies and competent authorities, integrating organic production legislation into the TARIC database, and electronic certification for imports and goods on the internal market. The Commission representative also addressed the third priority area on the external dimension of organic farming, in particular the issue of cooperation with trade partners from developing countries, the multilateral agreement between leading organic partners across the world, statistical data on trade with third countries, the codex alimentarius and increasing the protection granted to the EU organic logo in third countries. The Commission representative concluded that the Commission was making significant progress on this, with some actions already completed. The action plan provided a strategic framework for the development of the sector .

IFOAM EU asked a question on the availability of MS rural development programmes and on how to involve stakeholders in the organic seed database, suggesting a discussion platform. In addition, IFOAM EU stressed that in some cases the implementation of the Rural Development Program by some Member states of region were not in line with the European Organic Action plan.

The **COM** stated that it was important for organic farming to be visible under rural development programmes. The Commission was limited in how it could influence the MS, but was trying to push as much as possible, including by sending to Member States several letters stressing on the need to reinforce use of funds for organics. The database on organic seeds was recommended to all stakeholders and there were several tools that the sector could use to develop this database and the Horizon 2020 programmes in order to create such a platform, which could be co-financed using public money.

EOCC asked about the difference between electronic certification for imports and certification on the internal market.

Copa-Cogeca asked whether the COM would become some kind of central facilitator for the database on organic farming and stressed that significant involvement from the Commission was needed if the organic seed database and regulation should become a success. They also enquired about the timeframe in view of having consolidated working figures on surface areas, stocks and consumption. Work on the TARIC database was progressing.

The **COM** clarified the differences between the two electronic certificates and would provide further details at the next meeting of the CDG. The legislative proposal on seeds suggested that MS established a public database on seeds. The COM published regular statistics, facts and figures, with the next batch to be published next year.

ECVC pointed out that there was nothing in the action plan about local production and distribution, as opposed to international trade.

Copa-Cogeca asked which actions could target raising awareness of the EU organic logo and whether there could be a link with possible actions on promotion.

EOCC asked how information on the casebook of fraud would be communicated and how this could be used.

The **COM** stated that local actions were included in the action plan, i.e. group certification that would hopefully be attractive to small farmers. The EU's organic logo was the most well-known EU logo. The COM promoted tools to benefit the organic sector as much as possible. There were infographics on this, which could be downloaded. There were several ways to promote the sector.

The COM was open to suggestions on the most appropriate way to spread information on the casebook of fraud.

5) State of play of the reform of the organic farming sector: information on discussions at the European Parliament and Council

The COM reminded participants that the review package was composed of three elements: the legislative proposal, the action plan and the request for a negotiating mandate for the international trade of organic products.

The action plan and its 21 actions was in the process of being implemented. The Council met in June 2014 and agreed on the negotiating mandate in order to improve access to third countries and provide new opportunities for organic farmers.

The main objectives of the Commission's proposal were to guarantee and encourage the sustainable development of the sector, to secure fair competition by harmonising both EU rules and rules with third countries, to establish risk-based controls, to ensure consumer confidence and to improve the fight against fraud. The COM would also like to attract more small farmers due to current figures on small-scale local production. All of the aforementioned objectives could not be achieved under the current rules.

In order to guarantee fair competition, any remaining derogations should apply to all, as opposed to having an "à la carte" system, which would lead to additional burdens, difficulties for controls and distortions to competition due to differences across the EU and with imports from third countries. The rules should be simpler, less burdensome and less costly.

The same rules on residue contamination should apply to everyone and the COM proposed supporting this through RD or national payments.

Annual controls should be replaced by risk-based controls, with a greater focus on those who posed a more serious risk.

The Commission had introduced the possibility of group certification to support small farmers. This would permit certification in groups, instead of individual certification for small farmers, which was not allowed in the EU.

As for trade with third countries, control bodies in said countries ensured that our standards were respected, based on equivalent rules. But there were 63 different standards and the COM suggested using one single EU-compliant standard, as was the case in the USA, Canada and Japan. Yet, the equivalence system would remain in place when negotiating equivalence agreements with third countries.

The proposal on the timetable was adopted in March 2014 and forwarded to all EU Institutions.

MEP Mr Häusling was the COM AGRI rapporteur in the European Parliament. The COM had met with him and the shadow rapporteurs, and there was a general agreement on the aim. The European Parliament's report was scheduled to be adopted in May/June 2015.

At the Council, this file was a top priority during the Greek and Italian Presidencies. A first reading of the complete text took place under the Italian Presidency. The conclusions of the Council meeting in December would be inherited by the next Presidency and serve as a benchmark.

The Economic and Social Committee adopted an opinion in October and the Committee of the Regions was about to adopt their opinion as well.

IFOAM EU highlighted that the COM's proposal had been associated with a decrease in the size of the sector at the beginning. The impact assessment did not provide clear details on the repercussions of the contamination threshold, which was a failure. In addition, the Italian Presidency had carried out stellar work and deserved to be thanked for that. However, there should be no hasty conclusions drawn, because this could have a negative impact, given the complexity of the legislation.

Copa-Cogeca had noted a drop in conversions in organic farming, which posed certain questions in light of the new legislation. They advocated derogations as they were necessary to adjust and adapt because of the differences in farming in different sectors. Otherwise, in some regions with overly strict legislation, the gaps would increase.

The **COM** stated that the proposal had predicted a reduction after the new regulation, but that this would be followed by a steady increase in production, because of the current increase in consumption but stagnation in conversions. Some farmers wanted to join the scheme, but could not because it was too burdensome. Work should be done to increase public financing for seeds, to continue providing an incentive to produce them.

FoodDrinkEurope agreed with IFOAM's statement that the fear of the proposal failing could lead to a reduction in the size of the organic sector. They also supported Copa-Cogeca's statement on the risk of greater organic imports from third countries.

EOCC stated that the number of non-organic farmers was greatly influenced by the money available and the foreseeable consequences during the conversion period. Their reading of the proposal had thrown up even more questions. The COM had gone too far with the threshold limit, as there was no request to have harmonised sampling under EU regulation. It would be advisable to take one step backwards or to take two steps forward.

CELCAA stated that the current process should not be accelerated. They also asked how the environmental management system would be applied.

The **COM** stated that conversion was influenced by money and the cost of controls, which was why the Commission encouraged the MS to include Article 29 in their rural development programmes. The Commission would also look more carefully into pesticide levels, but would rather favour taking two steps forward. IFOAM had requested including the environmental management system in the proposal, obliging operators to improve their environmental management. The Commission has EMAS in mind, as they did not want to reinvent a system that already existed. They would also exclude micro-enterprises.

CELCAA asked a question on which countries would enter into the negotiations.

ECVC said that, given the figures on small-scale organic farmers, this group would also be affected by the end of the exemption on the use of conventional seeds and livestock.

EEB stated that they supported the Commission's desire to enlarge the organic sector. Regarding fair competition, nature was not "fair" across Europe, therefore an "à la carte" system was needed. Otherwise, there would be a real danger that the sector would shrink not only in the beginning, but also in the long run. Organic farmers were producing in a broadly non-organic environment and it was vital to support the sector to further develop it.

ERPA agreed with the aim of better growth and the idea of maintaining exemptions, for example, for organic chicken breeders.

The **COM** revealed that there was no priority list on the negotiations yet. 80% of organic farmers had holdings that were larger than 5 hectares, so there was only a small proportion of small-scale farmers in the organic sector. Research on seeds focussed on funding in particular, as this was a big issue for the sector. The selection of products that consumers wanted to have was enormous, and the idea of having organic bananas in supermarkets still played a role. The current rules on fair competition did not help farmers to convert, proving that the "à la carte" system was not supportive.

IFOAM EU stated that the process should not be too fast, given the complexity of organic farming regulation. In addition, it was essential to further coordinate with the sector and rural development policies and to provide harmonised rules to deal with the issues of coexistence and liability for pesticide residue. With regard to the introduction of a system for environmental management of non-farm operations, IFOAM EU emphasised that the bureaucratic burden must be minimised, meaning that EMAS was inappropriate for the purpose.

Pan Europe stated that exceptions were needed, as the sector developed differently in each Member State.

Copa-Cogeca underlined the problems with ending the feed derogation, given that insufficient crops were produced. Further action was needed, in particular on authorising the use of some processing aids for feed production.

ECVC explained that the debate on ending the possibility to have mixed farms was a real concern in Spain, because the percentage of mixed farms was currently high.

Copa-Cogeca underlined the problems of bringing the new regulation on organic farming into force during ongoing rural development programmes.

IFOAM EU stressed that equivalence in trade needed to be maintained, as opposed to compliance.

EUROCOOP said that demand had increased in several countries, however it seemed that the proposal might not be able to satisfy this demand.

Copa-Cogeca advocated moving to compliance on trade rules in order to encourage organic production in the EU.

ECPA mentioned that their companies were providing solutions for organic producers and that they supported the adoption of measures to increase consumer confidence in the sector. Looking at the bigger picture, organic farming would not be able to feed the entire world population.

The **COM** stressed that the process needed time. There would be no advantage in delaying this process any further with a new proposal from the Commission. Even if the Italian Presidency wanted to reach a partial general approach, nothing could be agreed on until everything was agreed on. As for trade, imports were undermining conversion in the EU. The global system was unique and used a system of reverse discrimination. In addition, farmers in third countries were already applying compliance, and there were sufficient transitions towards the new system.

6) Commission's plan on implementing rules

The **COM** informed the group that no implementing acts would be adopted in 2015, meaning that the legislative procedure would not start before completion of the review on the current legislation. This was an issue of priorities and resources as well as making sure that political discussion on the review is taken at the appropriate political level.

IFOAM EU mentioned that poultry and wine were very sensitive sectors, and that the reports on poultry and glasshouse production from EGTOP should be used, quickly, to inform further development of the regulation.

Copa-Cogeca asked about the provisional dates for new rules on poultry and glasshouse production.

The **COM** explained that the calendar available at the moment covered the review of the legislation and not poultry and glasshouse production. The EGTOP reports would not be outdated as the issues would not change overnight.

7) EGTOP: update on the EGTOP working plan, mandates and reports in particular vis-à-vis poultry and glasshouse production, and food

The **COM** explained that EGTOP had been set up at the end of 2010, with a set of rules of procedure. In 2011, two reports on feed and food were published. Others were published in 2012, 2013 and 2014, totalling eight publications.

During upcoming discussions with the Council and Parliament on the legislative review, EGTOP would reduce its workload and only adopt two reports per year.

IFOAM EU asked whether a speedier process could be developed to approve files on Basic Substances that are not in conflict with the organic principles and objectives, noting that the current approach delays the adoption of innovative techniques by organic operators; and enquired about the state of play with potassium phosphonate in wine.

Copa-Cogeca asked how the adoption of processing aids for feed could be implemented and wondered whether a new system would be defined to allow a better production of EU organic seeds.

ERPA asked how the EGTOP report on poultry would fit in with the delegated act under the new regulation.

The **COM** stated that the rules on poultry, glasshouse production and the authorisation of potassium phosphonate were all implementing rules, so were not at the same level as the Council regulation. These rules could be changed by an implementing or delegated act.

AREPO asked a question on the use of stevia.

The **COM** explained the state of play of adopting or using these Basic Substances and pointed that the different substances was assessed and questioned by EFSA.

8) State of play of the implementation of the CAP in the organic farming sector, in particular Article 29 of Regulation (EU) No 1305/2013

The **COM** provided detailed information on the state of play of the implementation of Article 29 in the programmes it had received from the Member States.

IFOAM EU asked about the budget allocated to the organic farming measure and how this could be interpreted. The estimated budget announced by the COM did not seem sufficient for them to develop the sector. They also asked about the support for certification costs in the RDPs.

The **COM** reiterated that the implementation of this measure depended on the willingness of the Member States, and the Commission was trying to push them as much as they could. They said they would clear up the question on certification costs very soon.

9) A.O.B

ECVC informed participants that there was discrimination between farmers regarding the implementation of the Nitrates Directive.

The **COM** explained that the Nitrates Directive was linked to environmental legislation and not specifically organic farming legislation, which was why ECVC should write a letter to the Commission explaining this issue, so that the Commission could provide an answer.

The provisional dates for the next CDG meetings on organic farming are scheduled on 17/04/2015 and 10/12/2015.

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