

**Opening Remarks, Press Conference
by EU Agriculture Commissioner Phil Hogan**

International Green Week, Berlin, January 15

- I am delighted to be in Berlin for the Green Week for the first time. As well as the Opening ceremony tonight, I will be attending the Opening Round tomorrow morning. I will also attend the Summit of Agri Ministers on Saturday – with more than 70 Ministers or Vice-Ministers expected to be present. Of course, this also provides the chance for a range of bilateral meetings. As this is my first Green Week, it provides a very useful occasion to meet various people for the first time.
- I'm sure you will have a range of topics you want to cover, but let me just address a few very topical issues first in the hopes that I can pre-empt some of your questions – namely on **Simplifying the CAP**, and in this context **I have an announcement to make to you today**, and then on the **Russian ban** on imports of EU products; and the situation on the **EU dairy market**.
- As far as **CAP reform** is concerned, I don't want to talk much about further changes in the coming years because I believe we should give farmers some stability and let them apply the new reform which has only just entered into force. In terms of implementation, each Member State is now applying the Direct Payment options it has chosen to introduce, and for Rural Development, we have approved the first Programmes, and the rest will follow in the coming months.
- We also do what we can to make the rules straightforward for those concerned. A good example are new guidelines on joint selling by producers. Let me briefly explain the background of this announcement:

- The 2013 reform of the EU's Common Agricultural Policy brought in rules to **strengthen producers' bargaining power** vis-à-vis a concentrated downstream sector such as processors or retailers. Strong cooperation is essential, especially for smaller producers.
- Producers in the sectors of olive oil, beef and veal, and arable crops can jointly sell their product through producer organisations. However, to **avoid the creation of monopoly power**, they can do so only under certain conditions.
- Today the Commission is publishing [draft Guidelines](#) on the relevant legal provisions, **for a [public consultation](#) of three months' duration**.
- The aim of these guidelines is **to help farmers and national competition authorities** actually make use of these rules, and to do so faster and with more confidence.
- **I invite all stakeholders**, in particular the producers in the sectors concerned, **to make use of this opportunity** to see, and tell us, whether their needs are met.
- The Commission will take all feedback into account before putting out the final guidelines later in the year.
- **This is an important announcement and a step forward in giving real power to smaller producers in the food chain.**
- Commission President Juncker has made a pledge to reduce red tape, and I have already committed to establishing a timetable for CAP Simplification before the end of October – in other words, before end of my first 12 months in office. But clearly, we must see how the reform is working in practice before we look to make changes.

- The **Russian ban** on imports of certain EU agricultural products – introduced in August – has affected certain products and certain regions more than others. Our main aim must be to find alternative markets – either within the EU (through higher consumption) or on other third country markets. In that sense, I hope that there are many non-EU visitors to the Green Week in the coming days who can appreciate the quality and tradition - and safety - of European food products, and the dedication of those that supply them.
- Clearly, it takes time to find alternative markets, and the Commission has responded using the various tools that we have at our disposal to try to ease the market situation. For example, we have provided Private Storage Aid for Butter and SMP; but we have also taken a series of additional measures, using the additional flexibility provided to the Commission under the recent CAP reform. The latest such intervention was the approval of additional support for dairy producers in Finland and the 3 Baltic States as they have traditionally been substantially more dependent on the Russian market than other producers – and the impact of the Russian ban is being felt. Although we live in a time where the CAP budget is tighter than ever, the Commission will continue to follow the market closely and consider further measures if and when appropriate.
- I have seen that there has been a lot in the media in recent days about the **Milk market situation**. It is true that this is partly due to the impact on demand following the Russian ban. However, it is also due to the steady increase in production levels in some regions following the high prices last year and in anticipation of the end of the quota regime later this year. Many actors in the sector have been looking forward to the end of the quota regime for many years. But the end of quotas also means that the sector must learn to read market signals. The establishment of our milk market

observatory is one step we have taken to improve market transparency – and the current figures make clear that prices are decreasing from last year's highs.

- Anyway, I'm sure you have a range of other issues you would like to address, so let's move on to your questions.