

# EU Farmers & Agri-Cooperatives

MAGAZINE

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**Interviews with  
Copa & Cogeca  
Presidents, MEPs,  
Ciolos, Greek Minister...**

**Copa-Cogeca  
manifesto for  
European elections**





## Copa-Cogeca Secretary-General Pekka Pesonen outlines priorities for EU agricultural sector in Copa-Cogeca 2014 Manifesto for European Parliament Elections

In the run up to the European Parliament elections in May 2014, Copa-Cogeca Secretary-General Pekka Pesonen outlined priorities for the EU agriculture sector set out in Copa-Cogeca 2014 manifesto for the European Parliament elections.

In particular, a strong EU agriculture sector is vital for growth and jobs, economy and society, Mr Pesonen said. “We urge European Parliament to maximise the huge potential of the European agriculture, forestry, aquaculture and fisheries sectors. They are good for the economy, for the environment, for growth and employment especially in EU rural areas and ensure quality food supplies for consumers across the world”, he said. The EU’s agri-food chain is in fact the biggest economic sector, creating growth and jobs and employing over 40 million people from the input industries to farming, processing, marketing and sales which has knock-on effects on other sectors. It helps member states to overcome the current economic crisis. At the same time, it provides annual EU-28 production worth over 400 billion euros. Farmers also make a serious contribution to combatting climate change and diversifying energy supply, he stressed.

Copa-Cogeca therefore urges candidates in the European Parliament elections to campaign for the maintenance of a European agriculture sector that is sustainable, competitive, resource efficient. To achieve this, investment in the sector must be stepped up significantly, research and innovation encouraged. The food chain also needs to work better to enable farmers to get a better return from the market. In

addition, fair and balanced bilateral free trade agreements are crucial, he added.

It will also be important to examine the additional bureaucracy and red tape emerging from the new CAP reform. Bureaucracy and red tape under the CAP must be minimised. Copa-Cogeca also urges MEPs to give priority to implementation of the new CAP, Mr Pesonen said

Finally, he urged MEPs to maximise the potential of the agriculture, forestry, aquaculture and fisheries sectors, including the bio-economy, in providing additional sources of income for farmers and creating new business opportunities. Forests and other wooded land cover over 40% of the EU area and are a key driver for growth and employment in EU rural areas at the same time as protecting eco-systems. The new EU Forest Strategy recognises the vital contribution the forest sector makes to the Europe 2020 Strategy and promotes opportunities to further develop the bio-economy. The competitiveness of forests therefore needs to be enhanced and the contribution forests make to the rural economy should be highlighted in future legislative proposals. The multifunctional role must also be promoted. Copa-Cogeca urges MEPs to ensure this, he said.

Wrapping up, he insisted that renewable energy like biofuels, the bio-economy, aquaculture, fish farming have enormous potential to help boost growth and jobs. The case for using biofuels is strong. They are beneficial in terms of reducing oil dependency and greenhouse gas emissions, stabilising commodity markets, boosting employment in rural areas and ensuring vital animal feed supplies. Investment in these sectors must be stepped up, biofuel use encouraged and research and innovation boosted, he stressed.







## Copa President Albert Jan Maat stresses agriculture must be at heart of new EU Commissions' work programme and play strong role in Parliament elections

Copa President Albert Jan Maat urged the EU Commission and European Parliament to prioritise agriculture in their upcoming work programmes and to step up investment and innovation, stressing it is a fast growing economic sector with food demand set to grow by 60% by 2050.

Speaking in Brussels, Albert Jan Maat said the European agriculture sector is an excellent player, ensuring safe, quality food produced in a sustainable way at the same time as boosting growth and jobs in rural areas, protecting the environment, biodiversity. It is crucial to step up investment and innovation in the sector to meet upcoming challenges, like rising food demand. "Agriculture must be at the heart of the new Commissions' work programme and play a strong role in Parliaments elections", he insisted.

Faced with the upcoming EU-US free trade talks, he said that EU negotiators must defend our EU agriculture sector. It is crucial for Copa-Cogeca that any agreement is fair and respects consumer expectations and EU production standards and ensures regulatory convergence where possible. In particular, the use of hormones and other growth promoters in meat production and the chlorination of chicken is not allowed in the EU. This must be respected by the US. "There is no place for hormone treated beef in Europe", he warned.

Non-tariff barriers must be tackled. For example, in the fruit and vegetable sector, phytosanitary barriers prevent European fruit from entering the US market. This must be addressed. EU dairy producers face barriers when trying to market Grade A milk products. High EU animal welfare rules are also applied in the EU and imports should apply the same standards.

The new Commission and Parliament also need to ensure farmers have a stronger positioning on the market, he said. Producer organisations, like cooperatives, should be encouraged as they play a key role in helping farmers to get a better return for their product. EU competition policy needs to be adjusted to take account of this, he added. Albert Jan Maat also believes that contracts are needed in the private sector between producers and supermarkets so that producers are rewarded a higher price

when they respect higher welfare requirements. Developments as in France, where it is no longer possible to sell agricultural products under cost price, are good signs that change for the better is possible, Mr. Maat added.

Wrapping up, Albert Jan Maat urged the EU to not go beyond the political deal on Common Agricultural Policy (CAP) reform made last Summer when drawing up detailed rules to implement the new CAP, known as delegated acts. He also highlighted the need for less red tape, which can stifle innovation, warning too many rules are being fixed in Brussels, like the EU nitrates directives, but its more effective and sustainable to determine this at local level.





## Cogeca-Cogeca speaks to EU Agriculture Commissioner Dacian Cioloș

**Commissioner, the European Commission has finally published the so-called Delegated Acts relating to CAP reform. What are the main points clarified in the CAP delegated acts which have been agreed by the EU Commission?**

*They cover all the issues which were not covered in sufficient detail in the basic acts and which the co-legislators [Council and European Parliament] delegated powers to the European Commission to define.*

*With these Delegated Acts, we believe that Member States now have all the details they need to be able to progress with finalizing their rules for implementing the reform – which they need to submit to the Commission before August. For me, this is absolutely vital for farmers across the EU as they want clarification of the rules that they face from the start of next year. We have worked very hard to ensure that the deadline can be respected, but of course it's now up to Member States and MEPs.*

**Do you believe they are in line with the CAP reform deal struck last Summer?**

*Yes. We have adjusted the drafts on the basis of points raised by MEPs and Member States, but of course we cannot go further than what is stipulated in the Basic regulation. For example, for Ecological Focus Area the basic regulation states that this must enhance biodiversity. We have struck a balance between the elements of flexibility that are in the basic act, for example as regards the categories of crop permitted on EFAs, and the clear and fundamental aim of EFA in the basic act to improve biodiversity. This way Member States will be able to define which crops and technologies should be used on their territory, as long as there is a clear benefit for biodiversity.*

**You have just amended the coefficient for growing nitrogen-fixing crops on Ecological Focus Area. Is that with immediate effect? And why did you make that change?**

*It's true that in the original text, published on March 11, we defined a coefficient of 0.3 for the weighting of nitrogen-fixing crops grown on Ecological Focus Area. In other words 1 hectare of protein crops would only be counted as 0.3 hectares of EFA.*

*However, after various discussions, notably with COPA-COGECA, and more expertise, it became clear that such a coefficient would not address the right balance between allowing farmers to make use of the possibility to grow some protein crops on EFAs and the objective of enhancing the biodiversity. This option has to be effective, in particular in the*

*context of our deficit in plant protein production. As a result, I have decided to propose to change this to a rate of 0.7, which would already apply with the introduction of Greening at the start of next year. However, this must of course respect the EFA conditions defined at Member State level.*

**Which Delegated Acts remain to be done in the next Commission?**

*There are a number of rules which must still go through, most notably the new delegated acts for the wine planting authorisations. As the existing wine planting rights system only expires at the end of 2015, there is no major urgency. Nevertheless, we hope to be able to adopt these new rules in the autumn.*

*Let me also just add that the Commission will of course monitor closely how CAP reform is implemented and has the flexibility to adjust the Delegated Acts in future years.*

**What can you say about the recent Trilogue deal on the Promotion of EU agricultural products?**

*I am delighted that we have managed to resolve our differences and find a compromise on EU Promotion policy. Obviously we must wait for formal adoption by the Council and the European Parliament, but this is a great example of where the EU can take a fast decision on something which is clearly of benefit to all. Our trilogue deal came less than 5 months after we first tabled our proposal. This is really good news because we will be able to increase our annual budget for promotion from €60 million at present to €200 million in 2020. It was not easy, and all sides had to give ground, but I feel that this is a good deal which respects our basic aim of using EU funds more efficiently to promote European agricultural products and the Commission initiative to create a truly EU instrument for promoting a sector with such strong economic potential. Once this is adopted we will have a promotion instrument which is simpler and clearer for the beneficiaries with a consistent level of co-funding. This is good news for the agricultural sector in the EU as it will boost our capacity to find new markets in line with our trade strategy and our quality policy, and is therefore good news for EU taxpayers. For me, one of the key changes is the new emphasis that we will give to promoting products outside the EU in order to help establish new markets and to more multi-country programmes in order to establish better cooperation & therefore a more genuine European added value. The new rules will also allow better promotion of the specificity and quality of European agricultural products on the internal market.*

**What opportunities and challenges exist for the EU agriculture sector in the EU/US free trade talks?**



Clearly we have offensive and defensive interests in these talks. There is considerable potential for exports to the US market in future, but we must also be aware of sensitivities that our producers have. But I can assure you that the US also has particular sensitivities on agricultural market access issues. Let me also just underline that it is not just a question of market access, we are looking for other issues such as recognition of our system of Geographical Indications.

**Copa-Cogeca is pressing for regulatory convergence and the removal of non-trade barriers believing it to be key to the success of the talks – do you agree with this?**

Regulatory convergence was clearly identified in the February 2013 Final report of the High Level Working Group on Growth and Jobs, as one of the key elements for ensuring the success of the TTIP negotiations. On the one hand, the EU and the U.S. must ensure a higher degree of compatibility of each respective regulatory system, which should allow a better regulatory co-operation and reduce potential trade disruptions due to different regulatory decisions. On the other hand, existing non-tariff issues need to be addressed. For example, we need to address the lack of equivalence recognition for the EU under the U.S. “Grade-A” system applying to dairy products. This undermines the possibility for EU producers to export a large range of milk products, although these products can be exported by U.S. producers into the EU. Clearly this remains an important issue.

**We heard you criticized the EU Commission offer on market access? Why?**

I don't want to comment on these confidential negotiations, but my colleague Karel De Gucht is on record as having said that there was a considerable difference in the level of ambition of the initial US offer on market access and the EU offer. From what I have gathered after the most recent discussions, I believe we should now wait for the US to make an improved offer before we go any further.

**What do you think is the best way forward for the dairy sector – do you think additional tools are needed? Could additional measures be included in the EU Commission milk package review in June? What do you think of EU Farm Ministers recent discussions on this?**

This is a major question for me which we addressed in a special conference on the dairy sector last September, and which we are now discussing with Member States in the Council and with MEPs. As required under the rules of the 2012 Milk package, we are required to come forward with a report on the sector in the middle of this year. It is often difficult for some of those in charge to discuss and agree ways of managing a difficult market situation when market conditions are as good as they are at the moment. I believe we have a collective responsibility and it is important to give all the transparency necessary to the dairy sector, rather than wait for a crisis, if it comes.

**What are your priorities in the months to come?**

In the short term, I am of course watching the **EU pigmeat market** very closely and the effects of the totally disproportionate import ban introduced by Russia follow 4 cases of African Swine Fever in Poland and Lithuania. Obviously, I am working closely with

my colleague Health Commissioner Tonio Borg to find a rapid end to this unacceptable situation. Our patience is wearing very thin and I am in close discussion with Trade Commissioner Karel De Gucht over the prospect of taking Russia to the WTO on this point. So far, in the first few weeks of the dispute, I am relieved to see that the impact on the market has been relatively limited. However, in the restricted regions in Poland there has been a sharp drop in demand from consumers and processors, and so we have already invoked the new emergency measures available as a result of the reform to provide an aid package for income losses. For me, this is a particularly important outcome of the reform because it allows us the flexibility to react swiftly in such circumstances - and the market crisis reserve provides a budget to do so.

Other than that...

Clearly our experts are working closely with Member States on the **implementation of CAP reform** in all Member States – both for Direct Payments and for Rural Development. I have asked my services to keep a keen eye on the practical implementation of the reform from a farmer's perspective, so that it is not over-bureaucratic. At the same time, you should not forget that this is public money – and the pressure from MEPs and the Court of Auditors to ensure that funds are properly spent is as strong as ever – so we have to ensure that the system is watertight for EU taxpayers.

Last month we also published proposals to revisit **EU organic rules** – in particular to ensure that we have a coherent system for managing standards of imports which are genuinely equivalent to the rules that EU farmers face; another important point is to ensure we concentrate our inspections where there is truly a risk – and so we will reduce the need for an annual inspection for organic farmers

Other than that, I remain totally fully engaged and ready to act if needs be, for example on trade issues at bilateral or multilateral level. To give a concrete example, negotiations with China on Geographical Indications are making good progress and we are studying the possibility of getting a deal in the course of this year.

In the autumn we are looking to organize a conference, in coordination with the Italian Council presidency in the second half of the year, to discuss the future of rural areas across the EU and the contribution that the different CAP instruments can make.



## Cogeca President Christian Pees outline best ways for farmers and agri-cooperatives to market their produce and to benefit from growth in emerging economies

In the wake of rapid growth in emerging economies, Cogeca President Christian Pees outlined in an interview best ways for farmers and agri-cooperatives to better market their produce and to take advantage of the new market opportunities.

Cogeca President Christian Pees stressed “Consumption for many commodities is expected to grow in emerging economies, for instance for dairy products, the OECD-FAO predicts consumption to rise by around 30% by 2021. The OECD expects world food demand to rise by 60% by 2050. Growth is stronger outside the EU than inside. Agri-cooperatives, which are valuable management tools in the hands of farmers to make investments and add value to produce, need to be in a position to make use of the opportunities. International cooperatives must look at ways to add value in international markets. They can expand the business models which have already proved to be effective in EU markets. They need to cooperate with local farmers, distributors, retailers and understand the needs and preferences of local consumers”.

He continued “They need to adapt to new markets. For example, tastes are different in emerging economies like China than in Europe. Cooperatives must know the market and adapt their produce to meet local demand, including packaging. For example, in the case of China, the rate of failure for new entrants is high as you need to choose the target audience very precisely and choose which part of the market segment you want. For instance, taking the case of foie gras, restaurants at the high end of the market, need to be targeted. The market has to be well researched and analysed”.

Mr Pees runs a cooperative Euralis which produces foie gras which he will export to China. He is setting up a factory in China which would be managed by local and French operators. “The right mix needs to be chosen as local staff know the market and consumer habits better”, he explained. “European wine is also popular in China. The market share is growing and many French and Spanish wine cooperatives have installed

themselves there. Synergies can be found too between wine suppliers and foie gras”, he added.

He went on to point out that there will be a big increase in demand in cereal and beef demand in these countries as their purchasing power is increasing, causing a shift in demand. Agri-cooperatives need to be in a position to make the most of these growing opportunities.

Wrapping up, Mr Pees went on to explain that cooperatives cross their national borders in order to achieve economies of scale and more market power, in response to increasing concentration in the food supply chain. “In order to successfully collaborate with farmers in other countries, production and business structures need to be similar, whilst proximity, geographic, cultural, and linguistic aspects, are also important. With farmers and cooperatives up against increasing challenges, it is vital to be competitive and make use of the increasing market opportunities”, he said.





## Jerzy Wierzbicki , Chairman of Copa-Cogeca's Working Party on Promotion of Agricultural Products, broadly welcomes agreement on EU Commission proposal to reform EU promotion policy

In an interview, Jerzy Wierzbicki , Chairman of Copa-Cogeca's Working Party on Promotion of Agricultural Products, broadly welcomed the agreement on the EU Commission proposal to reform EU promotion policy, stressing it will greatly simplify administrative procedures and reduce red tape for industry.

Speaking in Brussels, Jerzy Wierzbicki said "The proposal responds to many of our demands, especially the urgent need for simplification of administrative procedures. This has been a key demand of Copa-Cogeca as a big problem with the policy up to now has been down to the very complicated procedures which has reduced the uptake of it. I am also pleased that it will be open to producer organisations, like cooperatives".

"In addition, we are happy that promotion measures will focus on both domestic and external markets. Promotion policy plays an important role in helping to ensure that European agricultural products are recognised both in Europe and worldwide. With the current spate of bilateral trade negotiations, for instance between the EU and US which will open US markets to agriculture imports from the EU, it will be particularly important to step up promotion measures in these markets so that consumers are aware of the great diversity and quality of European produce . But we want the same rules to apply both inside and outside the EU so that there are information and promotion campaigns internally and externally", he stressed.

Another key point of Copa-Cogeca's position is to make it possible to promote the origin of a product when it is not covered by EU legislation on quality policy and when it is a secondary message and he welcomed the fact that this has been included in the Commission plans. He was also pleased to see that our demands on policy for branding and the need for it to be relaxed slightly to enable pragmatic solutions to be found in EU programmes are also included in the Commission plans..

"Concerning the list of eligible products for the promotion campaigns, Copa-Cogeca welcomes the Commission plan to open the scheme up to include all agricultural products as well as to some food products which use agricultural ingredients (as listed in Annex I of Regulation (EU) No 1151/2012) as long as they use agricultural ingredients of EU origin", he said.



Copa-Cogeca aims to hold a workshop which looks at the direction of the future EU strategy and ensures that it fits in with the needs of the sector

The draft legislation was marked as a priority by the Greek Presidency and we welcome the fact EU Agriculture Ministers reached an agreement in March on the plans which should enable the new rules to be introduced in 2016.





## Copa-Cogeca Cereals Working Party Chairman Max Schulman highlights importance of fertilisers and need for futures market

With food demand expected to rise by 60% by 2050, Chairman of Copa-Cogeca Cereals Working Party Max Schulman highlighted

the importance of the smart use of fertilisers to meet this demand. Research needs to be stepped up to develop better products and a futures market for fertilisers should be developed, he said.

Speaking in Berlin, Mr Schulman stressed that agriculture is very dependent on fertilizer use. It is vital to enable farmers to produce efficiently with a minimum environmental impact. "We would not see the same yields without fertilisers. But research needs to be encouraged so that farmers have better fertilisers adapted to their needs and to growing conditions in their region to maximize the effect. A steady flow of fertilisers is also vital", he said.

He warned that fertilizers are a big expense for arable farmers, reaching up to 40% of input costs. A futures market for fertilisers, like in other market areas, is therefore needed to help family farmers better manage risk and to enable them to fix the fertilizer price in advance, he stressed.

He also pointed out that EU legislation like the EU nitrates directive and EU water framework directive make it increasingly difficult for family farmers to use fertilisers and the right balance needs to be found if we are to produce more, using the same amount of resources, to meet the increasing food demand.

In the United Nations International Year of Family Farms, Mr Schulman from Finland went on to highlight the importance of family farms not only for a competitive, productive agriculture sector, but also for rural areas, forming the backbone of rural communities. They help create growth and jobs in rural areas. They can be big or small – theres not one size fits all – but they are run by the family, he said.

To ensure family farms have a viable future, they must become more entrepreneurial. Investment in the sector must be stepped up and farmers-led research and innovation encouraged. Producer organisations, like cooperatives, must also be encouraged to enable family farmers to get a better return for their produce. Family farms also need to have access to internet and other infrastructures, in line with the rest of society.

The United Nations International Year of Family Farms 2014 was chosen in order to raise the profile of family farming and focus world attention on its role in alleviating hunger and poverty, providing food security and improving livelihoods whilst protecting the environment.







## MEP Alyn Smith outlines priorities for next mandate in European Parliament

MEP Alyn Smith (Greens/SNP, Scotland), who is running for re-election in May, presented his priorities for the next mandate of European Parliament 2014-2019 in an interview with Copa-Cogeca. Top of Mr Smiths' agenda for the next mandate will be the mid-term review of the Common Agricultural Policy (CAP) and the upcoming EU framework on EU animal welfare law.

Other key issues for Mr Smith include agreeing the Less Favoured Area (LFA) review and ensuring a workable EU dairy sector.

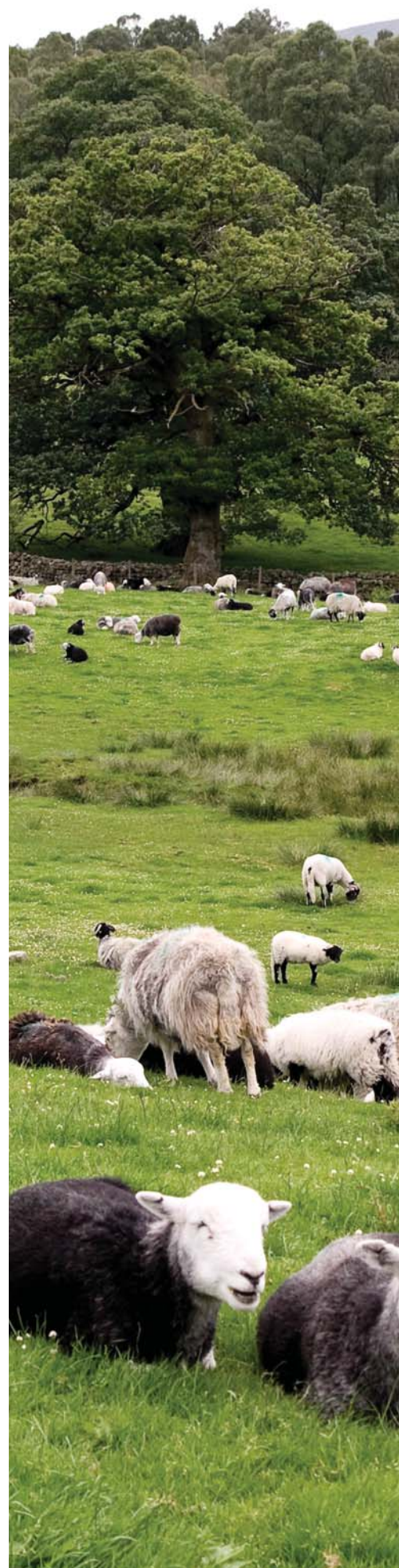
Speaking in Brussels, Mr Smith stressed "The CAP reform deal struck last Summer is not perfect but we achieved a lot. The CAP works tolerably well, ensuring quality food at stable prices for consumers and good welfare requirements. We must build on our achievements. In the mid-term review of CAP reform, we will need to check it is working properly and remedy any inefficiencies asap".

Mr Smith believes the future of agriculture in Europe lies in our ability to produce quality food. "We have quality products. Quality Scottish beef and lamb for example are exported at a premium. Let's bang the drum for that". He also believes it's important to encourage the development of cooperatives which can help farmers get a better price for their produce.

Another priority for Mr Smith in the next mandate will be to ensure we have coherent, clear EU animal welfare legislation. "It's currently scattered all over the place and we need a comprehensive animal welfare law, based on science" he said. He believes what's important is the treatment and conditions of animals during transport, and not imposing an overall 8 hour limit on journeys. "This will not deal with the animals stress", he insisted. "Rules must also be flexible according to the member state", he added.

He went on to highlight the need to promote better our good welfare practices and trumpet this to consumers. "The problem with animal welfare activists, they find the worst possible cases they can find and publicise them over and over again. We must work with industry and consumers and show the standards we have are world class"; he said.

Finally, Mr Smith wants to make the LFA review is agreed in the next mandate. It is particularly important for Scotland with 85% of Scotland classified as LFA. He also believes the dairy crisis still needs to be solved and ways to make the sector more viable and regulated in the future must be looked at, with the phasing out of quotas in 2015.



## Greek Agriculture Minister Athanasios Tsiftaris outlines Presidency priorities and vision of future of EU agriculture in interview with Copa-Cogeca

Outlining his vision of the future of the EU agriculture sector and of the Presidency's priorities; Greek Agriculture Minister Athanasios Tsiftaris stressed in an interview that the future of EU agriculture lies in quality and its diversity and this must be at the heart of EU policy. This will be the theme of EU Farm Ministers informal meeting in Athens, he said.

Key priorities for the Presidency also include completing the detailed rules to implement the new Common Agricultural Policy (CAP) reform agreed last Summer. It will be crucial to ensure that the delegated acts fully respect the political agreement and he is optimistic that key issues like the greening sanctions, calculation of the greening payment, definition of active and young farmers, will be settled.

He wants to ensure that there is a sustainable, competitive EU agriculture sector in the future and believes that a key strength of European agriculture lies in its huge diversity and high quality produce which must be promoted. Family farms are central to ensuring this diversity and quality, being the backbone of sustainable agriculture, he said. The issue is set to be debated by Ministers at their informal meeting in Athens on May 4-6. EU reports on local farming and direct sales, as well as the report on island products are consequently also priorities for the Presidency as well as the report on labelling the country of origin of meat in processed foods.

He went on to underline the high animal welfare standards which EU farmers have to comply with and which consumers are often not aware of and highlighted the need to raise consumer awareness by undertaking new initiatives to promote them.

Another key priority of the Greek Presidency is to agree the EU Commission proposal to reform promotion policy

of European products. The legislation will greatly simplify administrative procedures and reduce red tape.

Other priorities include making progress on the review on implementation of EU fruit and vegetable reform as well as revision of the EU school fruit and milk regimes. The proposal brings together two currently separate school schemes, the School Fruit Scheme and the School Milk Scheme, under a joint framework. In a context of declining consumption among children for these products, the aim

is to address poor nutrition more effectively, to reinforce the educational elements of the programmes and to contribute to fight against obesity. Copa-Cogeca believes however that the two schemes should remain separate, believing it to be more effective this way.

In addition, he aims to make progress on the upcoming proposal on organic production and labelling. The draft legislation aims to strengthen and harmonise production rules by removing exceptions and also improve the control system by putting all provisions into a single text. The risk-based approach to official controls is reinforced.

Organic agricultural holdings have to be managed entirely in compliance with the organic production rules and ingredients must be exclusively organic under the plan.

Finally, the Presidency will make progress on the upcoming bilateral trade liberalising negotiation, like between the EU and US, and it will be a top priority for Mr Tsiftaris to ensure that the EU system of geographical indications (GIs) which protects European quality produce like Parma ham from imitations is recognized.







## Interview with MEP Michel Dantin on priorities for next mandate in European Parliament

MEP Michel Dantin (EPP, FR), who is running for re-election in May, outlined his priorities for the next mandate of European Parliament 2014-2019 in an interview with Copa-Cogeca. Key priorities for Mr Dantin are ensuring a viable future for EU dairy producers as well as making sure that the EU keeps strictly to the political deal on Common Agricultural Policy (CAP) reform made last Summer when drawing up detailed rules to implement the new CAP.

Speaking in Brussels, Mr Dantin stressed that it is vital to ensure that the upcoming texts for the delegated acts under CAP reform, notably for the Single Common Market Organisation (CMO) which have not yet been discussed by MEPs or EU Ministers, correspond to the political deal on CAP reform agreed last Summer.

Faced with the removal of milk quotas in 2015, another top priority for Mr Dantin is the future of the EU dairy sector. He believes extra measures will be needed once quotas disappear and he has a few ideas in mind. He hopes to develop these further during the next mandate, once the EU Commission has released a report in June on application of the EU milk package and developments on the dairy market. The Commission will also determine whether extra measures are needed in the sector and whether additional actions are needed to better anticipate and prevent market crisis which re-occur in this sector.



EU Agriculture Ministers debated the issue this year but remained divided on how best to deal with the situation post 2015 with some saying safety net provisions should be complemented by more targeted measures to address market volatility and others saying existing measures are sufficient. A number of member states who exceeded quota this year also called for the milk superlevy not to be applied. Talks are set to continue.

Mr Dantin aims to find best ways forward for the future of the EU dairy industry and hopes to examine new proposals from Copa-Cogeca and the dairy sector too on the issue.

Another priority for Mr Dantin is to restore consumer confidence after the fraud case last year concerning horsemeat mixed with beef products. The test results, which were carried out in response to the fraud, confirm that it was not a food safety issue but rather one of fraud in the food chain and not at farm level. Mr Dantin wants to ensure that the coordinated monitoring plan which was agreed is implemented and controls and sanctions stepped up to avoid such incidents happening again. Transparency in the food chain must also be increased, he stressed.

Referring to the upcoming EU-US free trade talks, Mr Dantin highlighted the need to get a good agreement and not one at any cost. In view of the differences, he believes it will take a long time to negotiate. The two sides have so far exchanged offers to increase market access for agriculture products. The EU offered to lift 96% of existing import tariffs, retaining protection for a few sensitive products – pork, beef and poultry. Offers on SPS should be exchanged in the Summer. For Copa-Cogeca, regulatory convergence and lowering of non-tariff barriers and a reduction of red tape is key to success of the talks. For example, U.S. labeling, packing and shipping regulations on olive oil from the EU can also increase the price of the product by up to 50 percent by the time it is unloaded in a U.S. warehouse. EU dairy producers face barriers when trying to market Grade A milk products. EU production standards also need to be respected.

Wrapping up, before he got his train to France, Mr Dantin said a reflection process on the future of the CAP after 2020 need to be started to look at new management tools. He does not believe enough research and assessment was carried out in the last reform.



"Use of the right form of nitrogen fertilizer is of great importance as different products have different environmental impacts"

*Daniella*

"Combining good agricultural practice with Directly Available Nitrogen (DAN) fertilizers enhances my nitrogen-use efficiency and minimizes my environmental losses"

*Danny*

"DAN fertilizers will put enough food on my table. Even when i am grown up"

*Dani*

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## Farmers from across the world unite to underline vital role of family farms for food, for the environment, for growth and jobs

In the wake of the United Nations International Year of Family Farms (IYFF) 2014, farmers from across the world united in Brussels in February to underline the crucial role of family farms in ensuring good quality food for consumers, growth and jobs. They are the backbone of rural areas. They outlined key measures needed to ensure family farms have a viable and competitive future. This is more important than ever in a world of increasing uncertainty, market volatility and rising global food demand.

The move came at a high-level event “North-South Family Farming. How to Respond to the same Challenges?” organised by Copa-Cogeca and the World Farmers Organisations in Brussels. The event included panel sessions on the role of family farming in tackling specific challenges facing the agriculture sector as well as on what policy tools are needed. High-level speakers participated in the event including FAO Ambassador for the International Year of Family Farms (IYFF) Gerd Sonnleitner, Upa President Lorenzo Ramos, Boerenbond President Mr Vanthemsche as well as key representatives from Africa and the EU Commission.

Copa-Cogeca and the World Farmers Organisation (WFO) want to ensure that family farms – big or small, intensive or extensive - have a competitive future and quality of life comparable to other sectors which young people want to be a part of.

Speaking at the event, Copa-Cogeca Secretary-General Pekka Pesonen said “Family farms account for a major part of the millions of people employed in the world's agriculture sector. They are a key driver for growth and jobs in rural areas across the world, providing a wide, diverse array of good quality food produced in a sustainable way to meet the demands of millions of consumers, at the same time as caring for the environment. Family farms are the way forward. With demand expected to rise by 60% by 2050, investment in the sector must be stepped up”.

Marco Marzano, executive director WFO said “Farmers from all over the world should join forces in order to develop sustainable strategies based on an exchange of experience and knowledge. At the same time, they need framework conditions. The model of Family Farming provides the necessary flexibility and resilience to respond to global challenges in agriculture and rural development”.

To ensure generation renewal in the future, family farms – in all their forms - must be an economically viable and profitable activity. To meet increasing challenges like high input costs, extreme market turbulence and variable weather conditions challenges, Copa-Cogeca and the WFO urge governments and heads of state from all over the world to ensure that:

- A reliable political framework is established which ensures family farms have access to land and natural resources, property rights and so on;
- investment in the sector is increased significantly and farmer-led research and innovation encouraged with knowledge transferred to farmers;
- the right conditions are put in place to set up producer organisations like agri-cooperatives to enable farmers to join forces to market their produce; add value to produce to get a higher return and better manage the extreme market volatility;
- farmers are given sufficient training and education, including practical on-farm education, to give them a competitive future;
- the irreplaceable contribution of women to family farms is acknowledged across the world;
- young farmers are given support as they face difficulties when setting up;
- unfair and abusive practices in the food chain are tackled so that farmers have a better chance to generate income from the market;
- family farms have access to internet and other social infrastructures, in line with the rest of society;
- family farmers are active farmers and family owned enterprises, irrespective of size

The United Nations International Year of Family Farming in 2014 focuses world attention on the role of family farms in alleviating hunger and poverty, providing food security and improving livelihoods, whilst protecting the environment and biodiversity. It is crucial to have a dynamic, modern, resilient agriculture in the future which gives family farms a viable future.



## Plant breeding and workable rules on animal welfare priority for MEP Marit Paulsen for next mandate in European Parliament

MEP Marit Paulsen (ALDE/SE), who is running for re-election in May, said a key priority for her in the next mandate of European Parliament 2014-2019 is to get realistic rules agreed on animal welfare that strike a balance.

The move comes in the wake of the upcoming EU framework on EU animal welfare law. “I am not an animal rights activist. I am a farmer and I am sure that good animal husbandry is good for animals, the economy and for food. It is part of a whole vision”, she said in an interview with Copa-Cogeca. “We need a level playing field across the EU and harmonized rules”, she added. The EU has high welfare standards and consumers perception of these need to be improved, she indicated.

Another top priority for Ms Paulsen in the next mandate is to continue her initiative on plant breeding and open the door to a debate on this. “So much of science and the development of new technologies has walked over to the United States. I want to take it back. The EU’s biological and genetic diversity must be protected and the development of more adaptable crops encouraged. We have to save genetic diversity and make it more modern and productive”, she insisted.

Research and investment into plant breeding must be stepped up to develop crops capable of adapting to different environmental conditions and be safe for health and the environment, in order to meet future challenges like high food demand and poor weather conditions, Ms Paulsen believes.

According to FAO, the diversity of cultivated crops declined by 75% in the 20th century and a third of today’s diversity could disappear by 2050.

The other key issue for Ms Paulsen in the next mandate is to make it profitable for farmers and foresters to be environmentally friendly. “My long-term dream is to change farmers income based payments to payments for the environmental and public goods that they provide. If we look at all the problems of climate change, we need farmers and foresters to help solve this. They have the biggest tools available to them, but they must be paid for it”, she said.



“Food can be bought in a shop but there is no market for climate change. It is my long-term strategy to make it profitable for farmers and foresters to provide those services”, she said.

Wrapping up, Ms Paulsen stressed “I believe in agriculture and forestry in Europe. I want to defend European diversity. In my opinion, agriculture and forestry are the most important tools to handle the biggest challenges to humanity”.





In an interview, Copa Vice-President Xavier Beulin underlined the opportunities to be had

for European farmers and agri-cooperatives from developing relations with Mediterranean countries like Egypt, Tunisia, Turkey, Lebanon, Algeria and the need to take advantage of them.

The EU is pressing ahead with trade liberalising negotiations with the US which are difficult, yet Europe is in a good position to benefit from further developing trade deals with the Euro-Mediterranean countries, Mr Beulin said. In these countries, the population is increasing, with a high proportion of young people. Demand for cereals, poultry, dairy products is growing there and the EU is in a good position to make use of these market opportunities, he said. They are on our doorstep, he added.

He continued "More balance is required in the EU current trade policy. We need to develop relations with the Mediterranean countries and invest more there.. There is a very important potential market right there on our doorstep. We are already very present in the US and China and we should be present there too".

The EU is the most important trading partner for the region. EU exports to the MED countries were worth around €120 billion in 2007. This represents 9.7 percent of total EU exports, or 45 percent of MED countries' imports. Exports from the MED countries to the EU represented around 7.5 percent of total EU imports, and 47% of MED exports, worth €107 billion, in 2007.

Turning to the trade liberalising negotiations between the EU and US, Mr Beulin saw both advantages and disadvantages from a potential deal. He warned that negotiations will be difficult and the EU Trade Commissioner is looking for an agreement at any price. "Will we be able to accept imports that don't meet the same requirements?", he asked. For example, the EU has banned using hormones in beef production and has prohibited the chlorination of chickens and this must be respected by the US. Imports must also respect the same welfare standards which are very high in the EU, he added. We also have tough greening measures under the CAP, he added. "We refuse to import n'importe quoi", he insisted

The two sides have already exchanged offers to further open markets. Under the market access offer, the EU made an ambitious offer, offering to lift 96% of existing import tariffs, retaining protection for a few sensitive products – pork, beef and poultry. But the EU was seriously disappointed with the US offer and Mr Beulin stressed that it must be improved. Copa-Cogeca believes regulatory convergence and lowering of non-tariff barriers is also key to success of the talks. For example, in the fruit and vegetable sector, phytosanitary barriers prevent European

## Copa Vice-President calls for more balance in EU Trade Policy and underlines benefits to be had from developing relations with Mediterranean countries

fruit from entering the US market. This must be addressed. U.S. labeling, packing and shipping regulations on olive oil from the EU can also increase the price of the product by up to 50 percent by the time it is unloaded in a U.S. warehouse. EU dairy producers face barriers when trying to market Grade A milk products. The EU system of geographical indications (GIs) which protects European quality produce like speciality wines from imitations must also be acknowledged.

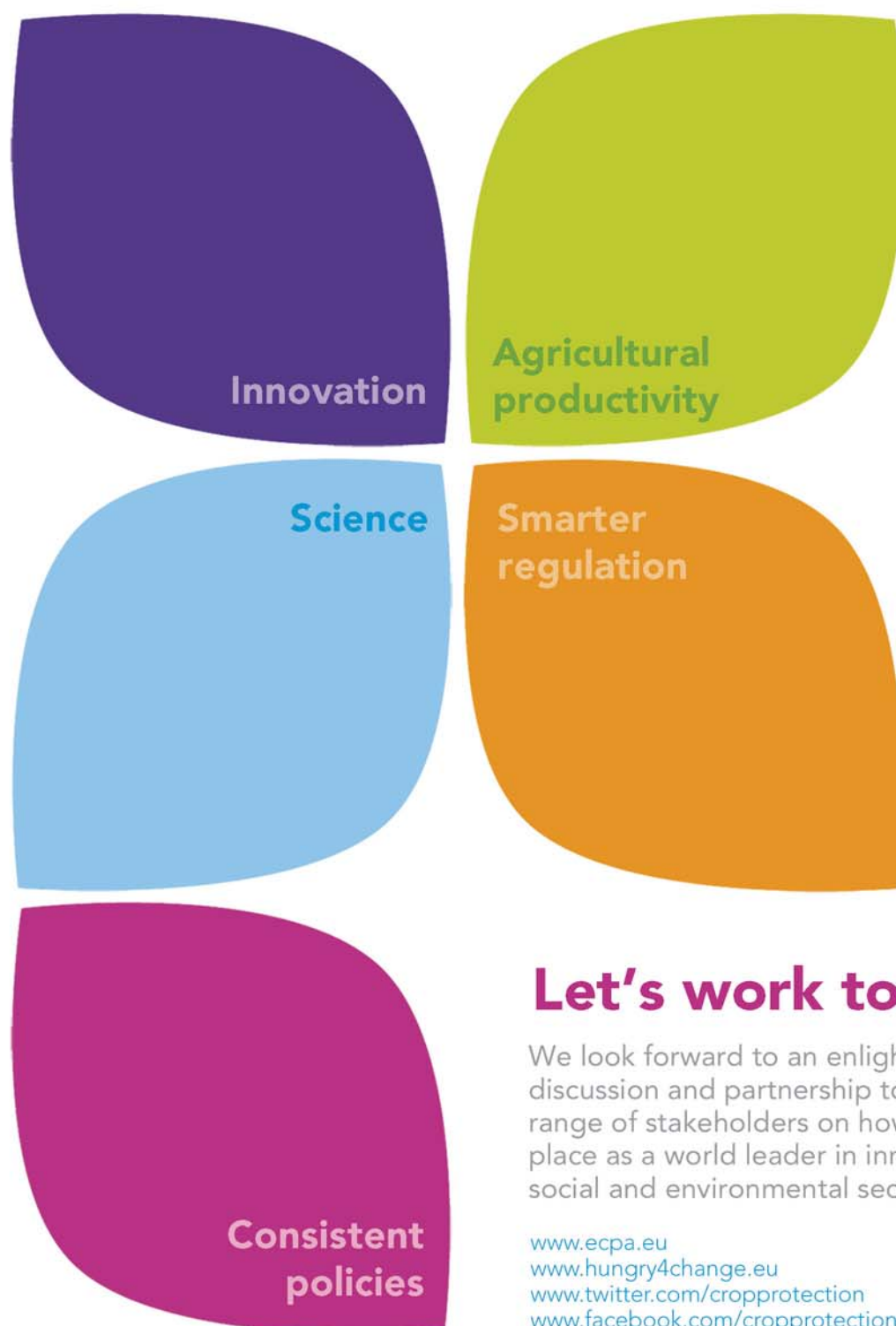




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## Copa-Cogeca autumn 2013 agriculture barometer shows concern amongst farmers about CAP reform, high input costs and poor weather conditions



New results for the third quarter of 2103 from Copa-Cogeca agricultural barometer survey run between September and November 2013 in 10 Member States show that farmers were particularly worried about increasingly levels of red tape under the Common Agricultural Policy (CAP), developments in farm prices and adverse weather conditions. And although there was some improvement

in input costs, especially feed, many farmers still found high input costs like fuel costs particularly onerous.

Optimism in the agricultural sector nevertheless picked up in the UK, Belgium and Italy and declined slightly in Germany and in Poland. Overall, confidence remains at a low level, the barometer reveals. In the remaining countries, confidence deteriorated. Many of those questioned in the survey were concerned about both the present and future financial situation of their businesses.

Copa-Cogeca has run this barometer in collaboration with national organisations since 2010. The confidence indicator is published twice a year on Copa-Cogecas website (<http://www.copa-cogeca.be/StatisticsandEconomicAnalysis.aspx>), based on surveys with farmers in Belgium (Flanders), Germany, France, Italy, Hungary, The Netherlands, Poland, Romania, Sweden and the United Kingdom (England and Wales).

Looking at the UK, Lucia Zitti, Economist at the National Farmers Union of England and Wales, said "Confidence levels were at their highest in this survey for the UK, and also in Belgium and Italy. This is partly because weather was a lot better this time in the third quarter for the UK compared to the previous survey, she said. Confidence levels also improved a bit on average across the EU".

She pointed out that the main factors affecting farmers optimism in the third quarter was concern about increasing levels of red tape and bureaucracy under the CAP as well as high input costs which have risen by over 20%. English and Welsh farmers were also very uncertain about the future, as a result of negotiations on the future CAP which will apply in full in 2015. The survey was carried out between October and November of last year, when there was still a lot of uncertainty about the implementation of greening measures. "These factors constrain investment", she warned.

"The increased confidence levels in this barometer indicate farmers intention to increase production volumes in the UK", Ms Zitti said. "In the dairy and pigmeat sectors, confidence picked up in particular as a result of a drop in feed costs combined with higher prices. Confidence amongst farmers in the beef and sheepmeat sectors nevertheless remained static. These farmers were less confident compared to other sectors. In the arable crops sector, farmers were more positive about the future", she added.

"In the last 3 years, farmers have invested on average £220, 000 in their businesses in the UK, with investment higher in the poultry, arable, pork, and horticulture sectors, she said. Those that invested least were in the beef and sheepmeat sectors as profits were not so good", she added. In terms of incomes, these improved slightly in the third quarter of 2013 in the UK and profitably rose compared to 2012, she said. Overall, EU farms incomes dropped slightly by 1.3% across the EU though this masks big differences across Member States.

Farmers in the UK have also been hit badly by floods this winter which will show up in the next barometer report, whilst in other countries conditions have been more positive, she indicated.

The overall results show that if we are to meet upcoming challenges like growing world food demand, it is crucial to ensure that implementation of the new CAP reform will not add to farmers costs and investment in the sector is increased.



## Chairman of Copa-Cogeca Milk Working Party Mansel Raymond outlines ways to make use of increasing opportunities on the dairy market

In an interview, Chairman of Copa-Cogeca's Milk Working Party Mansel Raymond said the EU dairy market is firm and demand is on the rise, especially in the emerging economies like China and India, where OECD-FAO predicts dairy consumption to rise by around 30% by 2021. The OECD also expects global food demand to rise by 60% by 2050.

Dairy producers need to be in a position to make use of these opportunities and have confidence to look forward to a profitable dairy industry, Mr Raymond said.

"On the back of the increasing world demand and rising EU production, we need to see if we can take advantage of this extra demand", he added.

He pointed out that many producers will be facing a huge superlevy bill this year for excess production and we have to see if we can do something to alleviate this pressure. Adjustment of the fat correction coefficient could be one way to deal with this, he said.

With the phasing out of EU milk quotas in 2015, and farmers facing increasing challenges like extreme market volatility, there is also still a demand to see if something should be done in times of crisis and to ensure we are in a good position to make use of the growing market opportunities, he claimed. He believes that we must make use of already existing tools with priority given to market measures like public intervention, private storage; export refunds could be an option in times of crisis. There could also be an increase in intervention buying-in levels. The modernization of dairy cooperatives in rural areas should also be encouraged and facilitated. Other tools being considered include futures markets to take some volatility out of the market and insurance systems.

He also believes that the EU milk package which aims to strengthen contractual relations between farmers and processors and improve farmers' position, enabling them to get a better price for their milk, is a step in the right direction. Copa-Cogeca will hold a seminar in May to check how its being implemented in member states to see good practices and also look at market opportunities. The milk package has so far been implemented on a voluntary basis in UK, Belgium, the Czech Republic, Denmark, Estonia, Germany, Netherlands, Poland, Sweden and on a compulsory basis in Cyprus, France, Spain, Hungary, Lithuania, Latvia, Portugal, Slovenia, Slovakia, Italy Romania and Bulgaria.



The issue is also being looked at by the EU Commission and EU Farm Ministers. And so far Ministers remain divided on best ways forward for the sector, with some believing safety net provisions should be complemented by more targeted measures to address market volatility whilst others think existing measures are sufficient. The Commission will come out with a report on review of the milk package and market developments by the end of June. It will look at whether extra measures are needed in the sector and whether additional actions are needed to better anticipate market crisis.

Turning to the upcoming trade negotiations between the EU and US, Mr Mansel said the impact on the dairy sector and its opportunities must be assessed. We must also ensure that imports meet the same EU standards, he added.

Wrapping up, Mr Mansel stressed "The future looks positive. It will probably be more volatile than in the past. But Europe is well placed and competitive to meet the extra demand on world markets. A strong, successful dairy industry, with 750, 000 dairy producers in the EU, is also important to keep people working in rural areas and for the rural economy", he concluded.







## CAP mid-term review priority for MEP Paolo De Castro in next mandate of European Parliament

In the next mandate of European Parliament 2014-2019, the mid-term review of the new Common Agricultural Policy (CAP) is a key priority for MEP Paolo de Castro (S&D, IT), who is running for re-election in May.

In an interview with Copa-Cogeca, Mr de Castro, who is currently Chairman of European Parliaments Agriculture Committee, stressed “In the next mandate, MEPs will work hard on the CAP mid-term review, looking in particular at how to reduce bureaucracy and red tape for farmers and see which areas need to be fine-tuned”.

He continued “We will look at how to produce more in the future to meet increasing demand, with an efficient use of resources. We have to be both environmentally and economically sustainable”.

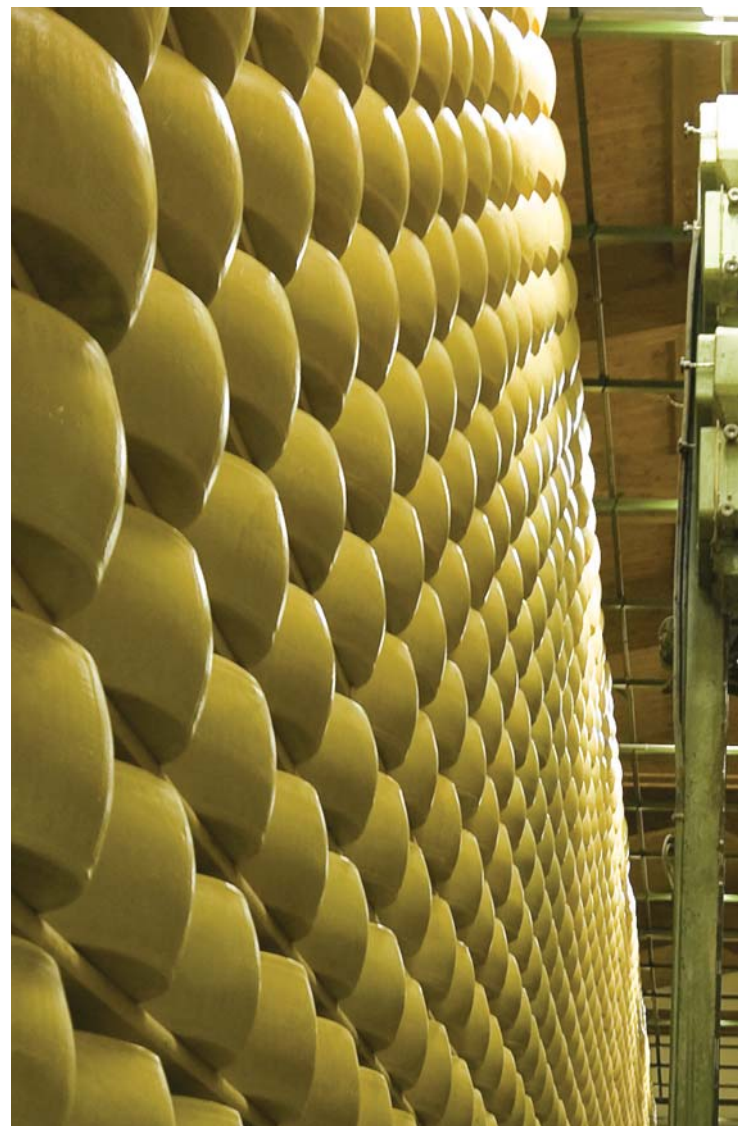
“In the case of soya, we import some 90% of our needs”, he insisted. He highlighted the need to improve EU protein crop production, like soya. Ways of further developing EU protein crop production are also being examined by Copa-Cogeca and research into new varieties has been prioritised.

In the review, Mr de Castro also aims to take another look at Ecological Focus Areas (EFAs) under reform. We need to re-think this instrument. We are not in a situation to reduce production, with food demand on the rise, and we will underline this in the mid-term review”, he insisted.

The move comes after a political agreement on CAP reform was struck in 2013, entering fully into force on January 1 2015

Another key priority for Mr de Castro is ensuring that a good deal is reached in the upcoming bilateral free trade talks between the EU and US. “We can be more offensive in the talks. The agri-food sector is an important industry and an agreement could enable us to export more wine, cheese and other products”, he said.

Wrapping up, Mr de Castro said the future of the EU milk sector is also a priority for him and he will look at best ways forward for the sector. Mr de Castro has also been Italy's Agriculture Minister three times as well as professor of agricultural economics and he believes agriculture will be a key issue for the next elections.



## ASAJA, co-partnered by Copa-Cogeca, hold major conference and photo exhibition on new CAP

Asaja, co-partnered by Copa-Cogeca, held a major European Conference in Sevilla and a cocktail reception in European Parliament for the launch of a photo exhibition on the new Common Agricultural Policy 2014-2020: Future for farmers, future for society and outlined priorities for the future.

The photo competition was launched in 2013 and winning entries from the competition were exhibited in European Parliament portraying modern images of agriculture, thanks to the CAP. The photo exhibition was hosted by Chairman of the Agriculture Committee MEP Paolo de Castro and the event was supported by DG Agri and organised by Asaja, Copa-Cogeca and ECPA.

Speaking at the event, President of Asaja Sevilla Riccardo Serra Arias and Copa Vice-President stressed “We have been working hard to show our citizens the importance of the CAP and the role played by farmers. We are proud of the fact that the last Eurobarometer showed that 92% of European are aware of the importance of agriculture for the European Union. I hope that that with this project we have contributed to raise this awareness”.

ECPA Director-General Jean-Charles Bocquet said “European agriculture faces huge challenges, not just in the coming decades but in the coming few years. With a rapidly growing global population, we must ensure that European farmers remain productive and competitive. That means we need a political landscape fosters innovation rather than discouraging it. At ECPA, we have a clear vision for how the new CAP can address the needs of farmers and of consumers, and we look forward to working with all stakeholders to achieve it.”

Copa-Cogeca Secretary-General Pekka Pesonen said “Communication to citizens on the benefits of the CAP and of the valuable work farmers do is vital and this communication campaign has been a great success. We feel that the pictures tell a story about the optimism in the farming community, especially the winning prize, of a family farm taken in the vineyard which has been passed down for generations. Family farms and agri-cooperatives play a crucial role, being the driver of rural economies, and producing quality food which respects high animal welfare and environmental standards.”

The Conference “The new CAP: Future for Farmers, Future for Society”, organised by the Spanish Farm Organisation Asaja and co-partnered by Copa-Cogeca was also held in Sevilla and attended by over 300 people across Europe. Speakers highlighted

that the agriculture sector is key for helping the EU survive the economic crisis. The communication campaign included city farm events in Spain by Asaja and also in Portugal organized by the Portuguese farm organisation CAP, attracting over 300,000 visitors. The photos were also exhibited in Portugal by CAP.

