

Brussels, 8th July 2019

... / ... (2019)

DRAFT MINUTES
Meeting of the Civil Dialogue Group
**ARABLE CROPS – COTTON, FLAX AND HEMP – DRIED FODDER, ENERGY AND
NON-FOOD CROPS SECTORS**

25/06/2019

Chair: Mr. **Max Schulman**

Organisations present: All Organisations were present, except Europa Bio, ECVC, EFFAT, ELO, Fertilizers Europe, IFOAM EU, SACAR

1. Approval of the agenda

The agenda of the meeting was approved.

2. Nature of the meeting

The meeting was non-public.

3. List of points discussed

COTTON, FLAX AND HEMP SECTORS

- *Market situation and prospects, new market developments*

The **Commission** presented the data received by Member States regarding the three sectors.

As regards to cotton, it informed that data given by the Member States wasn't complete: Bulgaria and Greece did not report properly. The total recorded surface is to date 320,000 hectares.

As regards to flax, Commission informed that price are raising reaching 3,500€ per tonne. The total recorded surface under flax is of 124,000 hectares. Data from France were not communicated in detail.

Hemp fibres market is also rising, with a total annual yield of 169,000 tonnes and a global surface of 27,000 hectares. Germany failed to communicate detailed data.

a. *Cotton*

The **Greek cotton Industry** (FDE) recorded in Greece a total surface under cotton of 256,000 hectares in 2017/2018 and 273,000 hectares in 2018/2019. In the last campaign, Greece produced 295,000 tons of ginned cotton.

The **Spanish cotton producers** (COGECA) informed that the Spanish surface under cotton is of 63,000 hectares, mostly eligible for aids. The average price of unginned cotton was of 0.45/0.55 € per kilo. The surfaces under integrated production is on the rise, compared to 2018: a total area of 50,072 hectares was recorded.

The **Spanish cotton Industry** (FDE) highlighted that a proper market analysis is missing.

The **Chairman** invited the participants to send the relevant information to the Commission.

b. *Flax*

COPA presented the data regarding the 2017/2018 campaign (as 2018/2019 campaign ends by the end of June and data were not available yet).

157,000 tonnes of long fibres were traded at an average price of 3,10€ per kg. The European flax market is growing and producing a better quality product. Surfaces increased as well (+11% from 2018), reaching 73,000 hectares over three countries (Belgium, France and the Netherlands).

The short fibre production also raised reaching 90,000 tons.

Exports to China are stable in quantity, while prices are rising, due to a high demand. Other Asian markets are growing fast. On February 10th, 2020, a world forum on flax will be organised by CELC (The European Confederation of Hemp and Flax).

c. *Hemp*

EIHA informed the Group that it launched a tender for data collection on volumes and surfaces in order to better monitor the hemp production in Europe.

COPA stressed the importance of monitoring the certified seeds market: it would be useful to cross-check the information on the sale of seeds with hemp production in order to have consolidate and comprehensive data. The last campaign recorded 170,000 tons of hemp seeds produced. New countries are active in the market such as Lithuania, Germany and Italy. The demand of particular varieties for automotive industry applications is rising.

COPA claimed that a proper certification and marketing rules should apply to hemp seeds and products in order to better manage the market and anticipate its needs. Moreover, the breeding industry in Europe should be reinforced so it can deliver adapted seed varieties.

The **Chairman** suggested that at the next meeting a representative from the seed sector could deliver a presentation on this topic.

EIHA claimed that the EU market is lacking varieties of seeds adapted to new uses and specific geographical areas. An increase of THC level from 0.2% to 0.3% would allow a better breeding and a more competitive EU seed production. It added that import requirements for seeds should be harmonised with international standards.

COPA also highlighted the importance of recording the sale of hemp derived products such as flowers.

- *Presentation of the European Cotton Alliance*

Mr Antonios Siarkos presented the new European Cotton Alliance and they work to develop a trademark for EU cotton: the industry and production pledge to enhance the product quality and the sustainability of the supply chain, in order to increase the value of the product.

COPA and **COGECA** welcomed the initiative and highlighted the importance of working on quality in order to boost the sector.

- *CAP post 2020*

The **Commission** explained the status of coupled support for hemp and flax in the CAP text under discussion. The main novelty should consist in a necessary justification of coupled support use by Member States. While the European Parliament asked to exclude non-food crops, the Council presidency proposed a raise of the budgetary limit and an extension of the list of sectors.

No changes were proposed for the specific aid in the cotton sector.

The Commission also presented the new strategic plan model and possibility for Member States to allocate budget for sectoral measures in hemp and flax sector.

The **industry and production representatives** welcomed the inclusion of hemp and flax as eligible crops for sectoral aids.

COPA insisted on the need to extend this possibility to the cotton sector.

- *Novel Food status of hemp products*

The **Commission** presented the state of play on classification of hemp products in the Novel Food catalogue, which was modified in January 2019 in order to clarify the novel food status of cannabinoids. It reminded that the catalogue is not binding but only indicative. If food business operators can demonstrate the history of consumption of these products before 15 May 1997 in the EU, they can submit a consultation request to a Member State following the requirements of Commission Implementing Regulation (EU) 2018/456. To date, around 15 applications for the authorisation of CBD in foods in the context of the novel food regulation have been submitted to the Commission. EFSA is now verifying the suitability of an application for pure CBD in foods from Czech Republic which was submitted in accordance with the former novel food regulation.

EIHA claimed that hemp products containing the same CBD level as in the raw product should not be considered as Novel Food and reported that many proofs of flower leaves and extracts consumption can be found around Europe.

COPA and **COGECA** endorsed EIHA claim and urged the Commission to intervene in setting marketing standards able to stabilize and enhance the sector.

- *Gossypol in cotton seeds*

The **Commission** informed that the limit of gossypol level in cotton seeds was proposed to be raised from 5,000 mg to 6,000 mg. This decision was voted in April 2019 and it is now under scrutiny period until October 10th.

COPA and **COGECA** welcomed this regulatory change and thanked the Commission.

<i>DRIED FODDER, ENERGY AND NON-FOOD CROPS SECTORS</i>

- *Market situation and prospects*

The **Commission** informed the CDG on the market situation and prospects for cereals, oilseeds and protein crops, and sugar presented an updated version of the balance sheets. All presentations were made available via CIRCA BC.

FDE/CEFS commented the sugar market crisis that hit farmers and sugar manufacturers and asked the Commission not granting concession on the import levy in the Mercosur negotiation.

Regarding the ethanol balance sheet for 2018, the presentation was not made available via CIRCA BC because it contains provisional data. The deadline for the final notification by the Member States is fixed on 15th July. The final balance sheet will be published at the end of July. The ethanol production is stable; increasing use of cereals and decreasing use of sugar is observed. Exports increased and imports decreased.

COPA asked the Commission about the volume on imported corn used for ethanol but the Commission does not have such figure.

C.I.D.E regretted that the Commission does not provide a balance sheet for dried fodder. The Commission replied that dried fodder is included in the EU protein balance sheet recently updated.

- *Report on market developments and policy evaluation aspects of the plant protein sector in the EU*

The **Commission** presented the report made available last November.

Bioenergy Europe asked the Commission about the impact of RED II on the EU protein deficit.

Pan Europe asked the Commission whether the Eco-Scheme can be crop specific.

The **Commission** said the new CAP should capture the environmental benefit of legumes and indicated that Council tried to dilute the proposed green architecture.

C.I.D.E made a presentation on the environmental advantages of alfalfa in terms of ground water protection, enhanced biodiversity that are approved by scientists and be proven with scientific methodologies. C.I.D.E reminded the negative impact of the ETS Regulation on the alfalfa dehydrated industry. The presentation was made available on CIRCA BC. It was highlighted that, in France, the agri-environmental scheme for a certain production of alfalfa and harvest method arranged under contractual relation has proved to be a success because the compensation was not sufficient. C.I.D.E asked to set up in the CAP post 2020 an eco-scheme including a compensation of 200 €/Ha in order to reward the environmental benefits of cultivating alfalfa. Cropping alfalfa produce more protein per hectare than soybean.

An **NGO** asked to protect grasslands in the next CAP, to promote the use of wood in bioenergy and to promote agroforestry.

- *Commission strategic long term vision for climate-neutral economy by 2050*

The **Commission** made a presentation available on CIRCA BC.

COPA asked the Commission to clarify the position of the EU Council. The Commission indicated that some Head of States did not approve the date of the target. COPA claimed that LULUCF must be used primarily to compensate emissions from agriculture, before compensating emissions coming from other sectors like transportation. COPA underlined the inconsistency between different EU policies.

An **NGO** recalled the role of bioenergy for replacing fossil fuels. It claimed that the use of wood in bioenergy should not have negative impact on biodiversity. The Commission responded that

sustainability criteria will be in place for solid biomass and the strategy would not increase the imports of biomass.

- *Brexit*

The **Commission** informed the group about the Brexit preparedness plan (https://ec.europa.eu/info/brexit/brexit-preparedness_en) and recalled that the UK published last March the import tariffs UK intends to apply on imports from the EU (<https://www.gov.uk/prepare-eu-exit>).

- *RED II*

The **Commission** made a presentation on the DA on ILUC-risk biofuels and informed on the next steps in implementing RED II.

There was not enough time to engage a debate with the stakeholders.

- *Rural development: implantation of article 13.e of R. 807/2014*

The **Commission** informed about the budget allocation of 2.6 billion over 7 years for bioenergy, giving examples from several programmes. The implantation is highly variable according to local conditions and the investments.

There was not enough time to engage a debate with stakeholders.

4. Conclusions/recommendations/opinions

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5. Next steps

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6. Next meeting

The Commission did not provide any tentative date for the next meeting.

7. List of participants - Annex

Disclaimer

"The opinions expressed in this report represent the point of view of the meeting participants from agriculturally related NGOs at community level. These opinions cannot, under any circumstances, be attributed to the European Commission. Neither the European Commission nor any person acting on behalf of the Commission is responsible for the use which might be made of the here above information."

List of participants– Minutes

Civil Dialogue Group

COTTON, FLAX AND HEMP – DRIED FODDER, ENERGY AND NON-FOOD CROPS. SECTORS

Date: 25/06/2019

MEMBER ORGANISATION	NAME	FIRST NAME
Bee Life-European Beekeeping Coordination (Bee Life)	SIMON DELSO	Noa
Confédération Européenne de la Production de Maïs (C.E.P.M)	COTTEN	Gildas
European agri-cooperatives (COGECA)	GONZALEZ MOLINA	Enrique
European agri-cooperatives (COGECA)	MASSET	Eric
European agri-cooperatives (COGECA)	IBAÑEZ ALVAREZ	Jose luis
European agri-cooperatives (COGECA)	DEJONCKHEERE	Dominique
European agri-cooperatives (COGECA)	SEVERI	Riccardo
European Agroforestry Federation (EURAF)	CROUS-DURAN	Josep
European Agroforestry Federation (EURAF)	SILVA	Pablo
European Biodiesel Board (EBB)	PAULA SANTOS	André
European Council of Young farmers (CEJA)	GIOIA	Giovanni
European Council of Young farmers (CEJA)	SARKALA	Tero
European Council of Young farmers (CEJA)	TROJAN	Václav
European Environmental Bureau (EEB)	PRESCHER	Andre
European Environmental Bureau (EEB)	RACAPE	Joseph
European farmers (COPA)	ELLER	Anton
European farmers (COPA)	NARDONE	Ivan
European farmers (COPA)	MATEOS GARCIA	Carlos

European farmers (COPA)	PAPILI	Roberta
European farmers (COPA)	MIRIZZI	Francesco
European farmers (COPA)	FEVRIER	Christophe
European farmers (COPA)	GOMART	Bertrand
European farmers (COPA)	MELNIS	Kaspars
European farmers (COPA)	BACHLER	Alexander
European farmers (COPA)	VAN DE BILT	Eugenie
European farmers (COPA)	SCHULMAN	Max
European farmers (COPA)	PROSKE	Sebastian
European Liaison Committee for Agriculture and agri-food trade (CELCAA)	KRUSE	Daniel
European Liaison Committee for Agriculture and agri-food trade (CELCAA)	JASKOT	Agata
European Liaison Committee for Agriculture and agri-food trade (CELCAA)	DEWAR	Flora
FoodDrinkEurope (FoodDrinkEurope)	CANCIAN	Giulia
FoodDrinkEurope (FoodDrinkEurope)	MARIE-CHRISTINE	Ribera
FoodDrinkEurope (FoodDrinkEurope)	BELZUNG	Marie-emmanuelle
FoodDrinkEurope (FoodDrinkEurope)	KASSE	David
FoodDrinkEurope (FoodDrinkEurope)	DUURSEMA	Eiko jan
FoodDrinkEurope (FoodDrinkEurope)	GUILLEMOT	Eric
FoodDrinkEurope (FoodDrinkEurope)	ROMANESE	Lorenza
FoodDrinkEurope (FoodDrinkEurope)	RIZZO	Dimas
FoodDrinkEurope (FoodDrinkEurope)	SIARKOS	Antonios
Pesticide Action Network Europe (PAN Europe)	MACEDO	Gonçalo
Stichting BirdLife Europe (BirdLife Europe)	EDWARDS	Luke
Total:		41