

Minutes of IFOAM EU Farmers Interest Group meeting, 22 June 2018, Sibiu, Romania

Farmers: Kees VAN ZELDEREN, Biohuis (NL), Laurent MOINET, FNAB (FR), Kurt SANNEN, BioForum Vlaanderen (BE), Thomas FERL, BIO AUSTRIA (AT), Gertraud GRABMANN, BioAustria (AT), Laima KAMAITIENE (LT), Jurgita MAUJOKAITYTE (LT), Edita KARBAUSKIENE, Lithuanian Association of Organic Farmers (LT), Aina CALAFAT, SEAE (ES), Yves JAN, FNAB (FR), Heiner GROESCHNER, Bioland (DE), Uli ZERGER, Bioland (DE), Sebastian MITTERMAIER, Naturland (DE), Hans BARTELME, Naturland (DE), Jerome BOULICAULT, FNAB, (FR), Milen STOYANOV, Agroeco (BG), Albena SIMEONOVA, Agroeco (BG), Avraham CIOCE-ANU, Bio Romania (RO), Katerina URBANKOVA, ProBio (CZ)

Office: Eric GALL, Nicolas DE LA VEGA, Isabella LANG

Minutes: Isabella, Eric

Discussion	Actions/Decisions	Responsibility/Interest	Remarks/Relevance to IFOAM EU office activities
Welcome			
		Laurent Moinet	
Fairness in the food supply chain			
<p>Eric presents the current draft proposal of IFOAM EU regarding Unfair Trade Practices (UTPs).</p> <p>EC lists 8 UTPs – we want to review it and add more UTPs - More clarification needed on how competent authorities need to implement it.</p> <p>Paolo de Castro rapporteur: EP wants to go very fast because of the elections and wants to finish before. He is not willing to expand proposal to the small only the big ones. E.g. if you are a SME and a buyer you are not covered. Concerns from several farmers were raised around one main problem: more bureaucracy.</p> <p>The proposal from IFOAM EU office was: expand it to everybody, no matter which size, but: Do we know what it actually means? –</p>	<p>Decision: “Loss leader” to keep in position paper; “Most favoured customer clause” to be clarified but expected to be not in line; “Loss on sale” not in line.</p> <p><u>Question on scope:</u> not to extend to non-SME buyers, unless it is clear that it will not create added administrative burden for small shops (so it depends on how this is implemented).</p>	<p>Silvia Schmidt</p> <p>Eric Gall</p>	<p>IFOAM EU office is drafting a position paper and will send it for board approval in July.</p> <p>For further information contact Silvia silvia.schmidt@ifoam-eu.org</p>

<p>Which administrative burden would be applied? – basically not; in general more paper work maybe but you have the possibility go to court if you feel treated unfair</p> <p>Problem: could cost much more paper work which is not acceptable for small family run businesses.</p> <p>Feedback (slide 11) – loss leader is very important, very good to add because it has very negative effects. Already several MS have regulated it but not on EU level.</p> <p>Most favoured customer clause – In BE they have milk with A and B price. If you deliver to much you only get a B price. Thomas: Shelve price is high and therefore its understandable.</p>			
Review of FG activities			
<p>Update from General Assembly by Thomas</p> <p>9 motions proposed and 7 adopted, 2 were withdrawn before the vote.</p> <p>Thomas explained the motions relevant to FG that were discussed at the General Assembly:</p> <p><u>Motion 2: Have sector representative in future for trade.</u> Laurent presented the discussion during the GA: point raised by France because farmers representation is weakened if this motion is adopted. They proposed that processors and retailers should be maybe the same. FG could have either one more place or put these two groups together. Finally, it hasn't been endorsed but we could keep it in mind as farmer group to bring it up in the future and be aware of this changes in structure.</p>	<p>ACTION: Need to include the question of sector representation in board discussions to strengthen role of FG</p> <p>DECISION: All candidates for the farmers group steering committee approved with consensus. Chair: Laurent MOINET(FR); Kees VAN ZELDEREN(NL), Kurt SANNEN (BE), Thomas FERTL (AT), Aina CALAFAT ROGERS (ES), Hans BARTELME (DE)</p>	<p>Laurent Moinet</p> <p>Thomas Fertl</p> <p>Isabella Lang</p>	

<p>Thomas explained the board perspective: it was also discussed but the processors and traders don't agree to merge, because they have a different agenda. Rather we could ask if certifiers need an own group. We need to discuss this maybe in the future and working methods might have to change. Maybe we could make it like in the parliament – certain topics you have to assign a leading committee group. Also one possibility could be to show IFOAM EU FG more publicly in the future and promote their work more actively.</p> <p><u>Motion 4 - Future interest group elect their sector representative themselves:</u> FG now elects their representative on its own. Needs to be endorsed by the board. What happens if its not endorsed? – No specific rule for that in statutes, possibly board must solve it by co-opting a person.</p> <p><u>Motion 5 – To make stricter rules for co-opting members by the board:</u> This motion was withdrawn.</p> <p><u>Motion 7 – Membership increase:</u> membership fee will be increased for all members by 20%. This will help to balance IFOAM's budget.</p> <p><u>Motion 9:</u> From IFOAM France about budget was withdrawn</p> <p>The new board is in place for 2 years. It is important to keep in mind that they don't represent a country or their organization in the board, but that they speak for the sector.</p> <p>Report from FG SC meeting (March 2018)</p> <ul style="list-style-type: none"> • Goal Is to prepare the agenda and discuss outstanding actions 			
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<ul style="list-style-type: none"> • Mapping of initiatives – would be good to have map to make a link with the farmers (KvZ committed to start the process) • Task force for implementing acts of organic regulation – no physical meeting so far. They will contact relevant stakeholders when needed • Copper analysis for a possible re-authorisation • Link with INOFO via Sebastian Mittermaier. Agreement, we are in contact with him before every FG SC meeting. We (TF) or (LM) are having a call with him. Works very well and on informal basis. • Ecofeed project (pig and poultry production), RELACS – phasing out critical inputs in organic farming <p>Priority Areas / Topics for exchange</p> <ul style="list-style-type: none"> • Biodiversity and seeds + transport and slaughtering was identified as interesting to discuss • There are projects of stress free, on-farm slaughtering <p>Sebastian gave a INOFO report:</p> <p>New chair– direct connection to IFOAM International world board. For INOFO biggest challenges is finance, 3 people at the moment. Not easy because worldwide divided (Ghana, Vietnam) not all are certified, PGS. Priority to find funding – had projects with Toyota Foundation and GIZ (German Federal Agency). Ifoam Asia doesn't has FG but INOFO role is basically like FG. In Africa we don't have this structure, so work remains to be done. Capacity building projects with green innovation centres could be possible in the future. Stage to find financial resources.</p> <p>Yves pointed out that the next IFOAM EU GA could be in 2020 in France linked with the world congress of IFOAM international –</p>			
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<p>considering to have a link with INOFO and FG at this event. No-body from the world board was at INOFO meeting, which is not a good sign from them.</p> <p>Election of new FG SC 2018-2020 Isabella explained the procedure, candidates presented themselves. No questions for candidates but comment from LT that next time it would be important to have at least one member from an Easter European country. All candidates approved with consensus.</p>			
EU policy and activity update			
<p><u>Organic regulation (poultry)</u> Eric explained that a lot of IFOAMs EU work was damage control</p> <ul style="list-style-type: none"> • ‘Organic variety’ is not clear yet, as well as heterogenous material definition. • No threshold for contamination has been set up on EU levels, MS who already have it can keep it but only for national products. • EC has to come up with 50+ Delegated and Implementing Acts which are drafted on previous EU and MS rules –a lot of work ahead of us in coming months. <p><u>General fear expressed that the poultry sector</u> is becoming too big and too industrialised. Some members uneasy of current developments.</p> <p><u>Multilayer</u>: JB: This is completely not in line with organic. Hans: On the other hand, if they can fly and walk maybe it’s also good because you need less concrete. So maybe it is also better, at least for the environment. There are many factors to consider.</p>	<p>DECISION: Endorse statement: Organic rules shouldn’t go below standards in conventional (technical requirements, space). We need to be better! Taskforce to provide input and involve FG as where this is possible including information on process and possibility to contribute.</p> <p>ACTION: Ask regulation unit to share information for more transparency.</p>	Eric Gall, Isabella Lang	ACTION: Upload expert group lists on the farmers group extranet

<p>Close door in the evening: This is common and absolutely necessary for the danger of animals.</p> <p><u>Air area for broilers from 4 to 2 m²</u> – this is in AT for example already standard for conventional farming so we can't go to this. Also for FR it is not at all considerable what we discuss here because some conventional quality schemes would then have stricter rules than organic.</p> <p>A meeting with animal welfare people and experts on poultry would be useful. BOELW has a poultry task force.</p> <p>Why so much focus on broilers? – in old regulation they were hardly mentioned and now they want to change that.</p> <p>Entire production rules will be published in the following weeks so FG can't only focus on poultry.</p> <p><u>Fattening brothers of laying hens</u> – we have projects in organic farming to avoid killing of male brothers. It's vital to raise the topic. This is an issue in Germany, discussion is ongoing. We agree that we need to come up with something more specific in this regard.</p> <p>At the moment it is impossible to read the regulation because it is very difficult. We need to find a way to make it simpler also to consult with the people.</p> <p><u>Summery:</u></p> <ul style="list-style-type: none">• FG calls to have the organic vision in mind			
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<ul style="list-style-type: none"> • Make it possible to contribute, therefore make it transparent who (which countries and experts) are represented in the expert group • SC needs to make sure to organize work on it • Not role of the FG to discuss technical details but it is important that it gets an overview of the process and members of FG have the possibility to input <p>Copper re-authorisation Isabella present stat of the art and mention event in November in Germany. Comment from FNAB on smoothing mechanism, but IL clarifies that it is only implemented at national level in a few countries, not at EU level. IFOAM EU will co-organise the European Copper Conference. The call for participation is open now and interested people from the member states are asked to apply and sign up.</p> <p>Kurt: we need a plan of the organic sector to get rid of copper</p>			
CAP discussion			
<p>Nicolas gave a presentation on the CAP and the relevant parts of the MFF (EU budget). The presentation was divided into 3 parts: IFOAM activities and legislative timeline; main aspects of CAP and MFF proposal recently publishes; open discussion with FG on policy options to define a CAP position.</p> <p><u>Legislative process and timeline:</u> Main CAP file on Strategic Plans will go to centre right group in European Parliament, liberals and socialists likely to get remaining 2 CAP regulations (CMO and Horizontal). There EPP Rapporteur candidates for main file: Michel Dantin (DR), Peter Jahr (DE), Esther Herranz-Garcia (ES). The Commission wants to have a CAP compromise by spring 2019, but this is unlikely with EU elections,</p>	<p>ACTION: IFOAM to draft CAP and MFF positions in summer 2018 on the basis of the discussion, use this position for advocacy in Brussels.</p> <p>ACTION: IFOAM to prepare a guide on implementation of strategic plan, in advance circulate excel sheet gathering list of agricultural measures that should be supported.</p> <p>ACTION: get back to the FG with more information on</p>	Nicolas de la Vega	

<p>more likely process will stretch into late 2019 or later. MFF (budget) expected to go faster because decision-making procedure is simpler, but delays are possible.</p> <p><u>Main aspects of CAP and MFF proposal:</u> Overall CAP budget to be cut -5% but without accounting for inflation. If you assume 2% inflation for 2021-27 period, it would be 15% cut over the years in total, a bigger proportion of the cuts would fall on RD.</p> <p>The greening was not very popular in general and it was proposed to remove greening payments. The greening requirements however to be part of basic requirements for all farmers (enhanced conditionality).</p> <p>Cap gives much more flexibility to countries to design its own plan, under Commission’s supervision.</p> <p>Main changes in pillar I: several new sub-categories, including Eco-Scheme mandatory for MS but not for farmers where organic farming is eligible, but unfortunately no ringfenced money. Also scheme for young farmers and another for small farms.</p> <p>Pillar II for Rural Development: maintained 30% ringfencing for environmental and climate; new instrument for risk management would give CAP money to banks to provide insurance.</p> <p>The Commission considers that 40% of CAP money contributes towards achieving international climate and environmental objectives, although this is hard to justify when looking at current proposal. Eric said that real implications are not clear and it should be better defined.</p>	<p>transparency provision in CAP</p>		
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Thomas highlighted that Eco-scheme can escape the “income foregone” logic that applies to the rest of CAP, this is a big opportunity to give farmers a top up for the value of their environmental efforts, and not simply compensating for lost revenues. This is a positive step for public good delivery, unfortunately in Rural Development “income foregone” still applies.

Eric said that in CDGs IFOAM raised question about double funding and the possibility to combine money from both pillars for organic farming, the Commission’s response was that they will be strict on double funding and it remains a general EU principle.

Types of intervention eligible under pillar 2 no longer mentioned, this includes organic farming and other agricultural measures also. There are now only very general headings (e.g. risk management tools, natural constrains). This is not a risk for organic farming specifically – it is clear that it is eligible.

Discussion of policy options towards an IFOAM EU position on CAP and MFF:

Ecoschemes

Mandatory for MS to do earmarking of money but no minimum amount to spend. This can be ammended by the EP. Question is to get ring-fenced money in it.

Also very important to keep in mind the problem with possible double funding.

Greening:

It was mentioned the concern that crop rotation is one of main factors to calculate premium for organic farming. It would be a

<p>good thing for agriculture to include it as requirement in conditionality, but it is unclear how organic farming can then be differentiated and calculated in this aspect. Organic farming has to show that its standard in crop rotation is better, otherwise we have a problem in justifying the difference in prices.</p> <p><u>Design on national plans:</u> CAP proposal has 9 objectives, including 3 for the environment. Countries do not have to take all, but they have to explain to Commission if they omit any, and at least 6 have to be applied. There are doubts on the basis on which the Commission will decide whether a plan submitted by a country is acceptable. There are conditions to respect in the Horizontal Regulation, but the specifics are still not clear. KS explained that the commission is now working on that and how they will have the capacity to evaluate 27 plans in such short time – it is expected that DG AGRI’s services will have to be adapted.</p> <p>Albena reported that Hogan said there will be enough freedom for MS especially on climate related measures. She explained that this is a big danger for Eastern countries not to comply with environmental standards and go back in ambition. Rules must be stricter! It is important to make a point of this. Southern countries also worried about risk of “Subsidiarity”.</p> <p><u>Small farmers and Capping of direct payments:</u> Discussed merits of limiting money going to big farms and redistributing it among small holdings. Some members proposed to go further and be strict on Capping, particularly the deduction of salaries. Also big concern that big farmers will simply legally split their farms to get the same money and avoid the cap.</p>			
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<p>Other members said that most big farms are well-functioning family farms and being too rigorous on capping will harm the organic sector in many EU countries. It is understood that capping is not the central issue for the sector and was agreed to support the general spirit of the Commission's proposal but not to use so much energy on it.</p> <p>Heiner said small farming should be supported and said that there should be alignment with taxation stop people from splitting farms. We should focus on social security what farmers have to pay</p> <p>Thomas said that he is not really sure about figures. We do support capping. Only cut direct payment. As it is not a priority topic so maybe we don't have to go into detail and think about</p> <p>CZ: capping should be up to MS to decide how to introduce it. Not redistributed to small farmer but to Eco-S.</p> <p>Sebastian is not supportive but will not fight it.</p> <p>Laurent supports redistribution, particularly for the first 30 hectares.</p> <p><u>It was asked how the new rules on transparency will work. The IFOAM EU office will evaluate that and come back to the group.</u></p> <p><u>CAP budget under MFF (with discussion of Ecoschemes and RD):</u></p> <p>Thomas said we should go for keeping the budget and adjust to inflation and especially criticize the bigger cuts in pillar 2. Other members agreed and some asked to focus on organic farming no matter about the overall EU budget. Bulgarian members explained that countries want more money for pillar one because this works (i.e. it is easy), pillar two does not function well in BG and part of the money could not be spent and now must be returned. Germany many ask to focus on pillar II specifically, but others see opportunity in 1st pillar, what is important is how it is</p>			
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<p>spent. Laurent said that the total amount of the budget is important and supports maintaining the current level of expenditure. Kurt said that we need to keep IFOAM's vision to phase out direct payments in pillar 1 and use money for public goods, ex-ante there should be a discussion on the RD and specifically in each country how their proposed plans would impact organic farming. He also said that we should ask for high ringfencing if we want to get at least 20-30% of total CAP for the environment. Kees said that in the Netherlands organic farmers does not get money from CAP. He added that we need a strong pillar 2 and that the budget needs to be kept or increased, otherwise it will be the last CAP because people are leaving the countryside. Heiner said that because of Brexit and other factors it is not very likely to increase or even keep it at current level. We should stress that the budget should be maintained but should not put too much energy on it.</p> <p>Laurent said that we already have problems in several countries with maintenance money in pillar 2 for organic farming running out, maintaining the second pillar will not be enough, we need to strengthen pillar 1. He said Ecoschemes are very much in line with organic farming and we need to tap into larger pillar 1 budget. Ideally, he would ask for 50-60% CAP budget going to environment, but no one will take this seriously, perhaps 30-40% ringfencing is a good compromise.</p> <p>Eric said that even if we get ringfencing, countries may still do what they want and support the wrong measures (greenwashing).</p> <p>Sebastian said that the first discussion with greening was very enthusiastic and great but at the end nothing came out. Hopefully it will not be the same for Ecoschemes. Also, we need to see relation of eco-schemes with 2nd pillar, there is a risk of hitting the barrier of double founding, here we need more clarity.</p>			
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<p>Albena supports strengthening Eco-schemes and stresses countries need mandatory rules to take care of the environment or else they will disregard it.</p> <p>Katerina said that organic should continue to be well supported in 2nd pillar and make Ecoschemes mandatory as top up for rural development.</p> <p>Uli: Eco-Scheme need to be strong before asking for a budget but then we should ask for a higher budget.</p> <p>Several members said that avoiding “income forgone” logic in Ecoschemes is a big opening point for public good deliver, we have to make use of that. It was asked to <u>extend income foregone beyond to also cover Rural Development.</u></p> <p>Thomas said that most of the best functioning measures are in pillar 2, and this is worth defending budget wise.</p> <p>Aina said that countries will take different approaches and even support organic farming differently, perhaps it is best to ask for overall ringfencing of climate and environmental budget.</p> <p>Thomas agreed with Aina’s approach.</p> <p>Eric agreed that it may be best not to mention the pillars.</p> <p>There was agreement about supporting to keep the proposed 30% in pillar 2 for climate & environment and in addition to request for a <u>new a ringfenced budget of 40% of the whole CAP for climate and environment.</u> There was agreement to ask to <u>maintain current CAP expenditure accounting for future inflation.</u></p> <p><u>Risk management:</u></p> <p>Nicolas explained risk management is new in Pillar 2 and would be mandatory for all member states, allowing banks to get CAP money to insure farmers.</p>			
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<p>Heiner said that we do not need it, this would encourage farmers take bigger risks without applying good agricultural practices, besides it gives farmers' money banks.</p> <p>Jerome is concern about risk management, there should be no money for it in CAP.</p> <p>Katerina said that risk management should be deleted - let the farmer deal with it.</p> <p>Thomas explained that in specific circumstances of extreme climate conditions risk management can be of help, but definitely not for market fluctuations.</p> <p>It was agreed that <u>risk management should not be mandatory for member states</u> and should play a much smaller role.</p> <p><u>Indicators:</u></p> <p>Nicolas introduced them briefly and explained IFOAM wants to prepare with the help of a consultant a guide to help member states to link them to sustainable farming practices. He also explained the importance of them to make national plans, where member states have to submit a draft in early 2020.</p> <p>Laurent said that there should be a list of positive measures and link them with the objectives. This would support strongly the Ecoschemes, but is also relevant for Rural Development.</p> <p>Thomas added that indicators are important and they may need improving, also organic farming is not well placed in the annex yet, it should be a result indicator.</p> <p>Concerning IFOAM's guide, it was discussed that we should support 10-15 agricultural measures which really work, very simple ones, that are easy to link to the environmental indicators. Try to fit them in the new words. Now we can start to put a list together which we can be presented to MS ministries so they keep it for the next CAP. <u>We can prepare Excel table with measures and then we share it in the Farmers group so they fill it in.</u></p>			
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<p>Wrap up: List of main requests agreed:</p> <ul style="list-style-type: none"> • Ringfencing for environment and climate, at least 40 % of the total CAP budget. • Strengthen Ecochemes by adding positive list of measures (at least indicative list), similar logic should apply for RD. • Strengthen indicators • Reject risk management, it should not be mandatory and play smaller role • Support spirit of proposal on small farmers and capping. • Support young farmers scheme 			
Capacity-building session			
<ul style="list-style-type: none"> • Presentation of farmers organisations – AT, IFOAM EU <p>IL holds IFOAM EU presentation on Capacity building. No questions were asked</p> <p>TF holds presentation on Bio Austria</p>		Thomas Fertl, Isabella Lang	ACTION: Office to follow up on this.
AOB			
Still open where to do next FG meeting. Organic Denmark has budget to host us in 2019. Also a joint meeting with the processors group is coming soon.		Laurent Moinet	
Conclusions			
The presentation with the conclusions can be found here.		Thomas Fertl	
End			