
The latest EU agriculture, environment & trade news

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EP & GERMAN PRESIDENCY STRIKE DEAL ON LONG-TERM MFF BUDGET (2021-2027)

European Parliament negotiators & the Council Presidency have reached a compromise on the Multiannual Financial Framework (MFF) for 2021-2027. The outline of a deal, struck on Nov 10, which still has to be endorsed by the Council, Parliament's President & group leaders, & will be subject to votes in the Committee on Budgets & plenary was reached after ten weeks of talks. It includes an accord on new own resources. MEPs got €16 billion above the package agreed by Heads of State & Government in the early hours of July 21, *inc.* €15bn for flagship programmes including those designed to provide protection from the COVID-19 pandemic, provide opportunities for the next generation & preserve European values. There is an extra €1bn to increase flexibility ready for future needs & crises. The main source of the extra funding is competition fines, in line with MEPs' long-standing demand that money generated by the EU should stay in the Union's budget.

Negotiators came up with a roadmap for the introduction of new own resources, given that the sides have agreed to avoid the need to repay debt from the recovery fund from either cutting well established investment programmes or increasing GNI-based contributions from Member States. Instead, new funds will be introduced over the next seven years. As well as a plastics-based contribution from 2021, the roadmap includes an Emissions Trading System (ETS) based own resource, which may be, to ensure reduced EU emissions do not mean higher levels elsewhere, linked with a carbon border adjustment mechanism (from 2023) & a digital levy (also from 2023). There is also the possibility of a financial transaction tax based resource, or one linked to the corporate sector or a new common corporate tax base, from 2026. Parliament also made sure that the three institutions will meet regularly to check how Next Generation EU recovery funds are being spent. There is also a new procedure which sets up a 'constructive dialogue' between Parliament & Council, on the basis of an assessment by the Council, to assess the budget implications on the basis of treaty Article 122, which was used to put the recovery instrument in place & does not provide any role for MEPs. The agreement provides for improved climate & biodiversity tracking methods to make sure at least 30% of the EU budget & recovery spending will support climate objectives & at least 7.5% of annual spending is dedicated to biodiversity from 2024, rising to 10% from 2026. The promotion of gender equality will also be a priority in the new budget.

The members of the Parliament's negotiating team were Johan Van Overtveldt (ECR, BE), Chair of the Committee on Budgets, Jan Olbrycht (EPP, PL), MFF Co-Rapporteur, Margarida Marques (S&D, PT), MFF Co-Rapporteur, José Manuel Fernandes (EPP, PT), Own Resources Co-Rapporteur, Valérie Hayer (RENEW, FR), Own Resources Co-Rapporteur, & Rasmus Andresen (Greens/EFA, DE). Van Overtveldt said that the shift towards more research & innovation, which began with the 2020 Budget would be continued. It was "imperative for our growth, job creation & competitiveness." The deal meant that the recovery plan could finally be activated. He urged the Council to "take responsibility for ratifying the agreement reached." Olbrycht said the EP had achieved historic results, "not only by securing additional funding for future-oriented programmes, but also by ensuring the long-term budget is flexible." Socialist Marques noted that it was the first time the European Parliament had achieved a deal which increased spending over what was agreed by the Council. "This means more money for programmes that are important to all Europeans, like health, research, Erasmus, Creative Europe, humanitarian aid & NDICI (Neighbourhood, Development & International Cooperation Instrument)," she said. The House had "come out of these negotiations with a stronger role in the Next Generation EU," the Portuguese MEP from Bombarral added, calling it "an important achievement to increase transparency & democratic accountability." Fernandes said the "historic" deal meant that "we will create new sources of revenue without overcharging EU citizens." Hayer said that "we have just reversed the course of history towards a less intergovernmental Europe," calling it a "historic moment." Green MEP Rasmus Andresen said the new budget would "deliver on climate & biodiversity." "By implementing the do-no-harm principle, we will have a strong tool to kick climate-harming projects out of the European budget," the 34-year-old Essen native added.

Recovery package deal to boost farmers: The deal reached by Parliament & Council negotiators on the Next Generation EU recovery package on Nov 10, will boost the resilience of farmers, food producers & rural areas, say AGRI MEPs. Under the agreement, funds for rural communities will be frontloaded to 2021, when around 30% of the €8.07 billion aid will be paid & 2022, when the rest can be accessed, in contrast to the Commission's proposal which would have seen the money becoming available in 2022-2024. At least 37% of the recovery funding will go to organic farmers, as well as environment & climate-related actions & animal welfare. At least 55% of the fund will support young farmers' start-ups & investments. The support for investments by farmers & food processors that contribute to a sustainable & digital economic recovery can be up to 75% of the costs incurred, while MEPs also got the ceiling for the business start-up aid for young farmers from the Rural Development Fund increased from €70 000 to €100 000.

Rapporteur Paolo De Castro (S&D, IT) said that the European Parliament had "shown once again that it can lead & drive the EU legislative process," responding to the "real needs & calls for support from our citizens, our rural communities & our farmers & food producers." "We are showing concrete EU solidarity with a sector that, even in the darkest days of the COVID-19 pandemic, has never let EU citizens down", he added. AGRI Committee Chair Norbert Lins said that "we have managed in a very short timeframe to agree that the desperately needed financial aid for EU farmers, food producers & rural beneficiaries will be released swiftly." "Now we must quickly finalise the negotiations on the CAP rules for 2021 & 2022 so that, by the end of the year, we have relevant rules approved to help farmers to be more resilient in the future." The text on the recovery instrument is to be incorporated in the CAP Transitional Regulation. The new rules will then have to be endorsed by Parliament & Council, ready to come into force on Jan 1, 2021.

VdL, Hahn hail budget deal: Welcoming this week's budget accord between the Parliament & Council, Commission President Ursula von der Leyen called for the agreement to be finalised by the end of the year. "Help is needed for citizens & business badly hit by the coronavirus crisis," the German CDU politician said. "Our recovery plan will help us turn the challenge of the pandemic into an opportunity for a recovery led by the green & digital transition." For his part, Budget Commissioner Johannes Hahn noted that the deal would reinforce specific programmes, including Horizon Europe, Erasmus+, EU4Health under the Community's long-term budget. Spending on the budget & NextGeneration EU of more than €1.8 trillion, would "play an essential role to support the recovery & make sure traditional beneficiaries of EU funds receive the sufficient means to continue their work during these very challenging times for all."

Meanwhile, Michael Clauß, Permanent Representative of Germany to the EU, said the budget accord between the Council Presidency & Parliament was a "well balanced deal," which addresses issues raised by MEPs while respecting the Council's guidance. "We are now in a position to take the next crucial steps in the process," he said, referring to getting the final endorsement of MEPs & Member States. "We urgently need the recovery fund up & running in order to cushion the dire economic consequences of the pandemic," the German diplomat added. He hoped that "everyone understands the urgency of the situation & will now help to clear the way for the swift implementation of the EU budget & recovery package," stressing that "no one needs new hurdles & further delays."

EU PUBLISHES TARIFFS ON US EXPORTS WORTH \$4BN IN ON-GOING AIRCRAFT CASE

The Commission has published tariffs on US exports worth \$4 billion following the Oct 26 authorisation of countermeasures in the dispute over subsidies to Boeing. Published in the Official Journal* on Nov 9, the duties include 15% on commercial aircraft & 25% on a range of industrial & agricultural goods. The move follows authorisation by the WTO's arbitrator on Oct 13 [see AF79-20], with the new tariffs taking effect on Nov 10. The EU's executive said in a statement that Washington had not yet provided a basis for a negotiated settlement, part of which would be the immediate removal of US tariffs imposed on EU exports in the parallel Airbus case.

Executive Vice-President for an Economy that Works for People & Trade Commissioner Valdis Dombrovskis, said the EU side had "made clear all along that we want to settle this long-running issue." However, "regrettably," the lack of progress in the dispute meant that "we had no other choice but to impose these countermeasures." Removal of the tariffs would be a "win-win for both sides, especially with the pandemic wreaking havoc on our economies," the former Latvian Premier (2009-2014) said, noting that "we now have an opportunity to reboot our transatlantic cooperation & work together towards our shared goals." According to the Commission, the EU tariffs strictly mirror the measures taken by the US. The list of products facing a 25% levy includes some fish products, types of cheese, including cheddar, some fruit & vegetables, for example grapefruit as well as ketchup, nuts, wheat, cereals & sunflower oil.

The US's top trade official has expressed disappointment over the imposition of tariffs by the EU in the ongoing dispute over aircraft subsidies. US Trade Representative Robert E. Lighthizer complained in a statement that Washington was "disappointed by the action taken by the EU today." "The alleged subsidy to Boeing was repealed seven months ago," he insisted, attacking Brussels for having "long proclaimed its commitment to following WTO rules," when its announcement showed that "they do so only when convenient to them."

*<https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=OJ:L:2020:373:FULL&from=EN>

REFORM TRILOGUES KICK OFF, BUSY SCHEDULE BEFORE XMAS, DEAL BY JUNE 2021

The first “super” trilogue on the reform of the CAP took place on Nov 10, with the Commission represented by Vice-President Frans Timmermans & Farm Commissioner Janusz Wojciechowski, with Germany’s Federal Minister Julia Klöckner tuning in remotely. Discussions at the first meeting covered all three of the reform proposals, the Strategic Plan Regulation, Common Market Organisation (CMO) Amending Regulation & Horizontal Regulation. At this week’s meeting, the Parliament, Council & Commission put forward their positions on the key elements of the reform package & agreed working arrangements, including a timeline for the forthcoming political trilogues & technical meetings.

In a statement issued after the hybrid face-to-face/remote gathering, the EU’s executive said it was “determined to play its full role in the CAP trilogue negotiations, as an honest broker between the co-legislators, & as a driving force for greater sustainability to deliver on the European Green Deal objectives.” The aim was to agree a policy framework “that is fit for purpose & effectively responds to the higher societal expectations in terms of climate action, protection of biodiversity, environmental sustainability & a fair income for farmers.” AGRI Committee Chair Norbert Lins was pleased that “we have managed to start trilogue negotiations on the future shape of the EU farm policy so early after both the Parliament & Council approved their negotiating mandates.” The German MEP wanted to see “significant progress,” during his country’s Presidency, which lasts until the end of the year. The EPP euro-deputy said he could “guarantee that Parliament will approach the negotiations with an open mind,” & hoped the Council negotiators would also be willing to compromise. His compatriot Peter Jahr, Rapporteur on the Strategic Plans Regulation, stressed the need to deliver reform “as soon as possible in order to provide clarity to Member States & to our farmers.” He wanted the reformed CAP to “continue to support the production of high-quality food that is also accessible & affordable for all in the EU.” “It is clear that we will have to build bridges to deliver a positive result for our farmers & citizens & for the environment,” the German EPP MEP said. “We must all be prepared to compromise if we want to reach a deal by the end of June next year.” Rapporteur on the Common Market Organisation (CMO) Regulation, Éric Andrieu called for farmers to “get a fair & stable income to carry out the green transition.” The French Socialist insisted that “markets cannot self-regulate themselves ... that is a myth.” He wanted the Commission to have more power, to “become a real regulator of the agricultural sector.” Ulrike Müller (RE, DE), Rapporteur on the Financing, Management & Monitoring Regulation, said there was “more at stake than just producing food.” “It is about the multifunctional role of agriculture & forestry,” she added, stressing the need to maintain “the social fabric of rural areas, produce high quality food, & protect the environment.” After the Nov 10 meeting, which covered all three legislative texts, future trilaterals will deal with each CAP Regulation separately. The next meetings between the institutions are tentatively scheduled for Nov 19, Dec 1 & Dec 10 (Strategic Plans), Dec 2 (Common Market Organisation) and Dec 4 & 18 (Financing, Management & Monitoring).

SUSTAINABILITY “ONE OF THE KEY DRIVERS” IN BRAZIL’S AGRI-FOOD SECTOR, EXPERTS

Brazil can go on feeding the world, finding ways for its agriculture to become more efficient & sustainable, while at the same time protecting the Amazon forest, according to three farming experts from the country who spoke to European journalists in a virtual meeting on Nov 10. Celso Moretti, President of the Brazilian Agricultural Research Corporation (Embrapa), Marcos Fava Neves, Professor & expert on global food & agribusiness & Marcelo Vieira a farmer & member of the Brazilian Rural Society (SRB), stressed the drive for sustainability in the Latin American country, with science & technology bringing new, more efficient farming methods.

Moretti explained to the meeting, facilitated & moderated by George Candon, Strategy Director at the Brussels-based H+K Strategies, that Brazil had “made a fast transition during the last 50 years, driven by science & technology.” “Sustainability is now one of the key drivers,” he added, with the introduction of systems designed to minimise greenhouse gas emissions, such as integrated livestock, crop & forest farming, something which also helped growers to increase their income. A second key driver was the move to replace chemicals such as fertilisers & pesticides with biological agents. The Embrapa President cited examples including the use of bacteria on soy roots to fix nitrogen. The use of apps to monitor crops & gene editing to develop new varieties that could survive drought, or be reduced with fewer pesticides, were further examples of how science & technology were driving change. Professor Fava Neves added that, driven by digital technology, farmers were increasingly using crop protection products or fertilisers only where they were needed, something he described as “farming by the square metre.” Improved communication & digital technologies also meant better links between consumers & farmers “The pandemic has accelerated this,” he said. Questioned on whether Brazil would be trying to sell gene edited crops in Europe, Fava Neves said that “we have to be very careful with the gene topic.” He stressed the difference between gene editing, “which is much more light,” & conventional genetic modification. Sales of the products should be “market driven,” he continued, noting that the combination of European law, which puts gene edited products through the same approval process as GMOs, & the attitude of consumers in the EU to new plant breeding techniques meant that crops should probably not be sold in Europe. Farmer Marcelo Vieira, however, pointed out that genetically modified crops could be more “environmentally safe.”

In response to a question from *Agra Facts* on whether Brazil's digital infrastructure was up to the needs of digital farming across the country's vast area, Moretti pointed out that precision agriculture using drones could still happen without digital connection to an app. It was however, "good to have a connection in the fields," & the country had a strategy to connect farming to the internet. Connectivity was, however, "a challenge," with only 30% of holdings having access to broadband or high speed internet. Vieira, who explained that he was taking part in the call from his farm, said that satellite technology could sometimes provide the necessary connection, for example for steering drones used to drop biological controls. The three speakers were challenged on what Brazil, with a population of over 213 million, is doing to combat deforestation. Vieira insisted that sugar, produced a long way from the Amazon, played no part in the loss of ancient forests, while livestock production had expanded, but on a reduced area. Strict government controls were designed to prevent damage to the Amazon forest. Celso Moretti explained that 85% of Brazilian agriculture took place outside the Amazon biome, with soy production, for example, taking place near the Equator, but outside the forest region. He insisted that "it's not an empty space," however, with 500 cities & 25 million people living in the Amazon area. With 50m hectares of degraded pasture which could be brought back into agricultural production, Brazil had space to increase its output of food without affecting the rainforest. "There's no doubt we are going to go on feeding the world," Moretti said.

ApexBrasil & ELO joint F2F event (Nov 23): The Brazilian Trade & Investment Promotion Agency (ApexBrasil) & the European Landowners' Organisation (ELO) are hosting an event on sustainable transition, carbon farming & precision agriculture "inspired by the Farm to Fork Strategy" on Nov 23 from 2pm (CET). Key speakers include H.E. Marcos Galvão, Brazilian Ambassador to the EU (since Feb 2019), who previously served as Secretary-General of the Brazilian Ministry of Foreign Affairs, Ambassador to the WTO & Japan, Thierry de l'Escaille, Secretary-General of ELO since 1996 & Deputy CEO of the RISE Foundation and Dr. Jonathan Brooks, Head of Division on Agricultural & Resources Policies at the OECD, who works in the area of agricultural policy, trade & development.

IN BRIEF: Wine harvest; Consultation; UK Agri Act; NFU & Biden; EuropaBio chief; CPVO;

Pandemic woes overshadow wine harvest: Copa & Cogeca say that the EU has a good 2020 wine harvest in quantity & quality terms, with output at around 160 million hectolitres produced in key producing Member States, with 46.6m hl in Italy, 44.1m in France, 43m in Spain, 8.4m in Germany & 6.3m in Portugal. Hungary & Austria produced smaller amounts of 2.5m & 2.3m hl respectively. However, the news is overshadowed by fears about the pandemic era market, the trade situation & producers' viability, with the farm lobby pushing for a "long-term vision & investment plan" to "properly address the needs & challenges ahead." Thierry Coste, Chair of the Copa & Cogeca Wine Working Party called this year's harvest "beautiful, qualitative & of reasonable abundance," factors which would all be "good indicators for this period if there was no COVID-19 crisis." The arrival of the second wave of the pandemic & political uncertainties "will require the implementation of additional market support measures in 2021," he said, expressing concern as well about the need to handle the environmental requirements of the new CAP, "in a period of chaotic dynamics of the market." The umbrella organisation's Working Party would like, as a key priority, to see the "establishment of a multi-year strategic plan to help the sector overcome the crisis & make the necessary investment towards a more sustainable future, which could be supported by the EU's Recovery Fund," he said. Adding to the uncertainty the sector faces are trade challenges, including the threat of Brexit without a deal by the end of the year, as the UK is the second largest market for European wine at €2.8bn a year, & the US tariffs that affect some of the EU's exports as a result of the ongoing Airbus-Boeing dispute. Coste said he was "happy to learn that Commissioner Wojciechowski has indeed asked DG AGRI services to consider the prolongation of the crisis measures & flexibilities," until Oct 15, 2021, although any such extension would have to be formally adopted by the Commission, while the relevant delegated regulations would have to follow the scrutiny procedure by Council & MEPs.

Commission consults on farm advice: The Commission launched a consultation* this week (Nov 10) on the effect of the CAP on knowledge exchange & advisory activities, seeking to collect views from stakeholders *inc.* farmers, national & regional authorities & the public until Feb 2, 2021. The responses will be fed into an overall evaluation of the CAP's success in meeting its objective of "fostering knowledge transfer & innovation in agriculture, forestry & rural areas," to establish whether the measures relevant to that aim are "effective, efficient, coherent, relevant & provide EU added value," the EU executive said. The groups particularly targeted by the consultation are farmers/foresters & their associations/organisations, farm advisers, training organisers, public authorities & agencies in Member States, academic/research institutions, researchers, experts, private sector stakeholders (& their associations), environmental & other NGOs, individuals & organisations wishing to contribute to the evaluation by voicing their opinions as citizens. The Commission explains that "knowledge exchange & innovation involve multiple actors, especially farmers/land managers," & those with whom they interact. DG AGRI officials stress the role of "training & provision of advice, generation & dissemination of innovation," in helping farmers to make decisions.

***<https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/2132-EU-agricultural-policy-Evaluation-of-its-impact-on-knowledge-exchange-and-advisory-activities/public-consultation>**

UK Agriculture Act becomes law: The UK's new Agriculture Act, designed to replace the CAP as the legal framework for British farming, became law on Nov 11. Environment Secretary George Eustice said the new rules would "transform the way we support farmers." Funds released by the phasing out of the Basic Payment Scheme (BPS) would be "centred around support aimed at incentivising sustainable farming practices, creating habitats for nature recovery & supporting the establishment of new woodland & other ecosystem services to help tackle challenges like climate change." The National Farmers Union (England & Wales) said that the Act's introduction was a "landmark" moment. Significant improvements had been made, recognising the importance of food production & security, since the Bill had first been published in 2018.

NFU President Minette Batters, noting that it was "the first domestic legislation covering agriculture for over 70 years," described the Act's introduction as "a landmark moment for our food & farming industry," which would "set how we farm in this country for generations to come." The NFU had campaigned for the new legislation to recognise the role of farmers as food producers & "I am pleased it now does that much more robustly," she added. Changes had also been made to ensure "our farmers are not undercut in future trade deals by food imports that would be illegal to produce here," Batters added. The south of England farmer stressed that the issue of domestic farm policy was not "solved forever." Farmers were in uncertain & challenging times & it was crucial for the government to continue to work with the NFU & its members to "shape how they use the powers granted to them in the Agriculture Act," she insisted.

US NFU ready to work with Biden: The US National Farmers Union (NFU) says it was "ready to work with" President-elect Joe Biden, welcoming many of the future President's plans, particularly his undertaking to rejoin the Paris Climate Agreement. In a statement issued on Nov 7, NFU President Rob Larew pointed out that "the last four years haven't been too kind to family farmers & ranchers," citing "overproduction, rampant corporate consolidation, trade disputes, & climate change," as issues which had "kept commodity prices stubbornly low, causing farm debt to balloon & farm bankruptcies to proliferate." In his campaign, the election winner had said that he "intends to address many of the concerns we have expressed," the farm leader said, noting Biden's promise to rejoin the Paris Climate accord & to "provide farmers & ranchers the tools they need to implement climate-smart practices, both of which are top priorities for NFU members. Larew also hailed the Democratic politician's commitments on revitalising rural economies, reinforcing competition law & strengthening health care, as well as on tackling racial inequalities in agriculture, expanding rural broadband & promoting biofuels. "These are all reforms that we as an organization have advocated for many years," the organisation's former Senior Vice-President of Public Policy & Communications from Greenville, West Virginia said. "It is encouraging to see them incorporated so prominently into the President-elect's platform." The Delaware native's vision for America overlapped with that of the NFU, the former staff director of the House Committee on Agriculture added, saying that "we stand ready to work with the new administration to ensure that its policies & programs adequately represent the interests of family farmers & rural communities."

Dr. Skentelbery appointed EuropaBio chief: EuropaBio*, the European Association for Bioindustries, has announced that Dr. Claire Skentelbery will be its new Director General from Nov 23. Skentelbery's Doctorate from Lancaster University is in Biochemistry (1993-1997) & she has worked in the development of scientific networks & associations for more than 15 years. She started her career as part of the Cambridge biotech cluster & founded the Council of European BioRegions, a network of biotech clusters across Europe. She moved, with CEBR, to Brussels in 2009, also becoming Secretary General of the European Biotechnology Network. In Jan 2017, she became Director General of the Nanotechnology Industries Association - a non-profit international association supporting the commercial growth of nanomaterials worldwide, a role she held until recently. In a statement issued earlier this month, EuropaBio Chairman Andrew Topen expressed confidence that "EuropaBio & the European biotech sector will greatly benefit from her expertise & leadership." Skentelbery stressed that "biotechnology is central to a healthy & sustainable Europe," adding that "we are at a key point in time to deliver innovation, policy & economic ambitions." She looked forward to "working with the global biotech community with such a talented & motivated team."* www.europabio.org/

CPVO vacancy published: The vacancy notice for the job of President of the Community Plant Variety Office (CPVO) was published on Nov 10. The incumbent is Swedish lawyer Martin Ekvad (specialist in intellectual property & competition law), who has been in the post since 2011. The vacancy notice* explains that the Regulation establishing the Angers-based agency sets the term of President at five years, with a possible extension for a maximum of a further five years. The deadline for applications is Dec 10 at midday. The role calls for someone with management experience as well as technical knowledge of plant variety rights & familiarity with the working of the EU institutions. The new head of the 50-strong agency will have to have a University Diploma, or equivalent, corresponding to four years of study & at least 15 years of professional experience after graduation.

*https://cpvo.europa.eu/sites/default/files/documents/oj_joc_2020_379_a_0001_en_txt.pdf

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