

Review of the MARKETS IN FINANCIAL INSTRUMENTS DIRECTIVE (MIFID):

The Views of COPA-COGECA, COCERAL, FEDIOL and EUROMALT on the European Parliament Report and the Council Compromise Proposal

COPA-COGECA, COCERAL, FEDIOL and EUROMALT welcome the positive steps forward on MiFID taken by the European Parliament in its report of 26th October as well as by the latest European Council compromise proposal. Our associations would like to express their position on exemptions, position limits and reporting in view of the trilogue discussions.

The particular nature of the agricultural commodities markets must be taken into account to allow the operators in the food supply chain hedging the typical risks linked to their physical businesses.

Our associations are pleased to note that the European Parliament recognized the crucial role played by well-functioning agricultural markets and reflected it in sound amendments on exemptions, position limits and reporting. COCERAL encourages the European Council to swiftly adopt its political compromise, which is also going in the same right direction as currently proposed by the Presidency.

Article 2 – Exemptions

The framework for exemptions provided by both the Parliament report and the Council compromise proposal is appropriate to allow agricultural markets' operators to hedge their risks. This ensures price stability for operations and ultimately for the consumers of finished products.

COPA-COGECA, COCERAL, FEDIOL and EUROMALT favor the role attributed to ESMA to establish the criteria for determining the ancillary nature of an activity. ESMA's technical expertise will guarantee the effectiveness of the exemptions for ancillary businesses: the co-legislators should not impose on ESMA too strict elements for determining the criteria.

Article 59 - Position Limits and Checks/Controls

Our members support a flexible approach to position management to account for the very rapid changes that can occur in the agricultural commodities markets and which expose operators to price risk movements on physical goods.

COPA-COGECA, COCERAL, FEDIOL and EUROMALT welcome the distinctions between position limits and position checks or controls: the Parliament and the Council have recognised the need to provide for a special arrangement for hedgers in the agricultural commodity derivatives markets, as positions are objectively necessary to reduce the risks related to their physical businesses.

We also appreciate the wording on convergence in the Parliament text. Convergence is essential for the commodity markets to properly function and to improve the confidence in these market instruments as risk-hedging and price discovery tools for farmers, traders and processors. We are concerned that the wording on convergence is not included in the proposed European Council compromise.

Article 60 - Position Reporting

COPA-COGECA, COCERAL, FEDIOL and EUROMALT welcome the introduction of a weekly aggregated position report by categories of traders and the recognition that care needs to be exerted in order to protect confidentiality.

copa*cogeca
european farmers european agri-cooperatives



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COPA-COGECA is the united voice of farmers and agri-cooperatives in the EU. Together, they ensure that EU agriculture is sustainable, innovative and competitive, guaranteeing food security to half a billion people throughout Europe. Copa represents over 13 million farmers and their families whilst Cogeca represents the interests of 38,000 agricultural cooperatives. They have 70 member organisations from the EU member states.

COCERAL is the European association of cereals, rice, feedstuffs oilseeds, olive oil, oils and fats and agrosupply trade. It represents the interest of the European collectors, traders, importers, exporters and port silo storekeepers of the above mentioned agricultural products. COCERAL's full members are 31 national associations in 19 countries. With about 2700 companies as part of COCERAL national members, the sector trades agricultural raw materials destined to the supply of the food and feed chains, as well as for technical and energy uses.

FEDIOL represents the European vegetable oils and proteinmeal industry. With over 150 facilities in Europe, the sector provides over 20.000 direct employments. Our members crush and refine approximately 56 million tonnes of basic products a year for the food, feed, energy and oleo chemical markets.

EUROMALT represents the interest of the European malting barley processors and malt producers. EUROMALT's full members are national associations in 12 countries. With about 187 facilities in Europe, the sector process approximately 11.5 million tonnes of malting barley of European origin to produce 9 million tonnes of malt for the brewing industry in the EU. It provides around 28,000 direct employments. The revenue from EU malt exports is today approximately 850,000,000 euros with no export subsidies.