



EUROPEAN ASSOCIATION REPRESENTING THE TRADE IN CEREALS, RICE, FEEDSTUFFS,
OILSEEDS, OLIVE OIL, OILS AND FATS AND AGROSUPPLY

COMITÉ DU COMMERCE DES CÉRÉALES, ALIMENTS DU BÉTAIL,
OLÉAGINEUX, HUILE D'OLIVE, HUILES ET GRAISSES ET AGROFOURNITURES

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THE FUTURE OF THE COMMON AGRICULTURAL POLICY AFTER 2013: COCERAL views and recommendations on the Council's General Approach

COCERAL welcomes the Council's General Approach on the reformed CAP, as agreed on 19th March. The text agreed by the Council of Ministers designs a new CAP that continues on the path of market orientation with a special attention for sustainable intensification of EU agricultural production. **COCERAL encourages the Member States to pursue these principles in the upcoming trilogue discussions with the European Commission and Parliament.**

Views on the Single Common Market Organisation

Art. 143-145 - The activities of recognised producer organisations (PO) and interbranch organisation must respect existing EU competition rules. If competition rules for POs are relaxed until excluding their application or if POs will result in abusing dominant position, this will distort competition in the supply chain at the EU and global level. It will also create unfair competition and undermine the functioning of the internal market.

Art. 106.1(d) – COCERAL calls for this article to remain in the text, as a condition for PO's recognition.

Art. 106.1(c) – Crisis management must not be an objective pursued by POs. This would open the door to the reintroduction of market management bodies, which create distance between producers and real markets indicators that govern supply and demand. The creation of isolated market intervention pockets in the EU will also undermine the transparency and predictability of the agricultural policy, leading to further instability in the market and will add to price volatility.

Art. 109.1(c) - Grains and oilseeds markets do not require any compulsory contractual legislation. They are already well regulated with existing tools, such as futures markets and recognised contracts with arbitration rules at national or international level. Import/export of grains are generally based on very short market changes related to commodity prices or exchange rates and cannot be linked to long term supply contracts with producers. These would undermine the role of trade with negative consequences on the supply chains.

Art. 106.1 & 108.1 – Recognition of POs and interbranch organisation in agricultural sectors other than fruit and vegetable should be left to Member States to decide according to national circumstances and requirements.

Art. 7.1 – Reference prices should be maintained at the current level and should be fixed at a single level without variation. Reference price in the grain markets represents a solid and predictable measure, necessary to take market based decisions. The introduction of an element of variability in the reference price for buying-in of commodities can destabilise the agricultural markets with no benefits for traders or for producers.

Views on the Greening part of the Direct Payment Scheme

Art. 29-35 - COCERAL welcomes the steps taken by the Council to grant increased flexibility in the measures to green the CAP. Improvements have been made towards striking the right balance between productivity, competitiveness and protection of the environment.

The setting aside of ecological focus area is gradually phased-in and a degree of national flexibility is allowed for production in these areas, abiding to strict rules. Greening measures should not entail any reduction of the production capacity of the EU in a period of high price volatility in agricultural commodities and of increased need for supply worldwide.

COCERAL

COCERAL is the European association representing trade in cereals, rice, feedstuffs oilseeds, olive oil, oils and fats and agrosupply. 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** [Austria, Belgium, Bulgaria, Cyprus, Denmark, Finland, France, Germany, Greece, Hungary, Italy, Luxemburg, Poland, Romania, Slovenia, Spain, Sweden, the Netherlands and the UK] and **1 European association** [Unistock] 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. COCERAL has an associated member in Switzerland.