



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

Brussels, 25 February 2013

**THE FUTURE OF THE COMMON AGRICULTURAL POLICY AFTER 2013:  
COCERAL views and recommendations ahead of the European Parliament Plenary vote**

**The Single Common Market Organisation**

**PRODUCER ORGANISATIONS AND INTERBRANCH ORGANISATIONS [ART. 106-116]**

COCERAL continues to be concerned about the extension of functions given to producer and interbranch organisations and their mandatory recognition in the grain and oilseed sectors<sup>1</sup>.

Extending competition rules for producer organisations (POs) beyond the current scope is contrary to the direction of market liberalisation that has been part of previous market reforms. The provision to allow POs to have a dominant position in a specific market will have a detrimental impact on the functioning of the cereals and oilseeds markets in the EU and globally.

Strengthening producers and interbranch organisation can reintroduce market management bodies and create a distance between producers and real markets indicators that govern supply and demand, in particular during periods of instability and price volatility.

Non-members of a PO or interbranch organisation should not be covered by the rules governing those bodies, except for in exceptional circumstances or to pursue specific goals which have to be clearly spelled out.

***COCERAL Recommendations:***

- Member states should have the discretion to recognise POs, interbranch organisations and their associations;
- Producer organisation should NOT be allowed to hold a dominant position in a given market. COCERAL members are against the deletion of article 106(d);
- POs should not go as far as managing supply of raw materials and be entitled to place it on the market or to enforce compulsory contracts. Instead this should be dealt with by the market participants as is currently the case.
- Rules governing POs and interbranch organisations should not be extended to non-members without clear conditions on the functioning of this provision.

**PUBLIC INTERVENTION [ART. 8-15]**

COCERAL warns the co-legislators about the negative implications of regular reviews of the reference prices for intervention and other market measures, as proposed by COMAGRI [Art. 7.1a].

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<sup>1</sup> Grain and oilseeds have very different characteristics as compared to the fruit and vegetable sectors where these entities already exist. They are non-immediately perishable commodities and component raw materials for further processing. Grain and oilseeds can be store for extended periods of time and transported over long distances as part of a global market.

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The introduction of variable reference prices for buying-in of commodities can destabilise the agricultural markets with no benefits for traders or for producers. Public intervention represents a solid and predictable measure, necessary to take market based decisions.

Traders are concerned on the possibility to determine buying-in prices per member state or per region of a member state, as proposed by the Commission. Such measures can determine market distortions by creating different conditions per member state or blocking commodities in logistically remote regions of the EU [Art. 13.2].

## ***COCERAL Recommendations:***

- Reference prices for market measures to remain clearly defined and fixed. They should not be based on variable factors and subjective decisions.
- Buying-in prices for public intervention should be EU-harmonised and avoid national or regional differences.

## **IMPORT AND EXPORT LICENSES [ART. 117-120]**

COCERAL welcomes the COMAGRI intention to adhere to the Commission's proposal as concerns the system for managing import and export licences.

The system for administering import and export licences should rely on market-based principles and ensure a level-playing field for both domestic and imported products, provided that they abide by the EU law, irrespective of their origins.

## ***COCERAL Recommendations:***

- To keep the current system of import and export licences.

## **Greening in the Direct Payment Scheme**

COCERAL welcomes the steps taken by the European Parliament 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 amendments proposed by COMAGRI offer some flexibility for crop diversification and recognise the role of national environmental schemes.

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

An erosion of the EU production capacity as a result of greening measures would turn the EU into a net importer of grain, shifting its current leading role as a net grain exporter. Today the EU is a reliable grain producer, exporting its cereals to the areas of deficit in the world. If this situation was to be reversed, the EU would absorb grain from the market and from those recipients that are most in need.

## ***COCERAL Recommendations:***

- COCERAL supports the direction taken by the European Parliament allowing more flexibility for producers to manage land and its production capacity.
- Ecological focus areas should not result in a reduction of the EU overall production capacity, turning the EU into a net grain importer.

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**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** [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.