Dear Commissioner,

European farmers and their cooperatives are convinced that a good and timely compromise that safeguards both the economic and environmental performance of the farming sector can be reached on the CAP. We have high expectations from the next and hopefully final round of discussions.

The Common Agricultural Policy determines the support for millions of farmers who provide for our food security, our strategic independence, and the sustainability of our territories, tied to the respect of some of the highest production standards in the world, which the EU is so proud of. It is thus imperative to safeguard the importance of the CAP in all its three dimensions, also given the central role of this common policy and of the farming sector in the Future of Europe.

In view of the upcoming super-trilogue, Copa and Cogeca would like to share with you, in the enclosed background note, our main views on the three regulations.

Faithfully yours,

CC: Mr Wolfgang Burtscher, Director-General of DG AGRI
**Background note**

**Definition of active/genuine farmer**
Copa and Cogeca welcome the provisional agreement reached in order to ensure a clear simple definition all across the EU. We have asked for a clear definition based on real and effective agricultural activity, without excluding the eligibility of those farmers who have established additional sources of income to secure their livelihood (e.g. part-time farmers and agri-tourism). All this while allowing a degree of flexibility for the Member States to adapt it to their real needs and conditions, in line with past legislative changes (Omnibus). This should not lead to distortion of competition across MS nor create divergent approaches in the EU.

**Capping and redistributive payment**
Copa and Cogeca oppose mandatory capping as this is neither a beneficial nor a fair approach to ensure a “fairer distribution of payments” as all farms, regardless of their size and structure, face significant economic pressure.

Copa and Cogeca could instead accept, as a compromise, a voluntary approach to be applied only to the basic income support for sustainability (BISS) and allowing for the full deduction of salaries.

**Coupled support**
In terms of coupled support, this must continue under precise and limited conditions to support sectors, especially livestock production, in regions where other policy tools are not available or are less efficient, while keeping distortions of competitions to a minimum. We would have preferred Member States to be free to identify the sectors that should benefit from this, rather than having a list of eligible sectors specified at EU level. We nevertheless recognise that coupled support should be maintained at the current level at least.

**New green architecture**

**New enhanced conditionality**
While ensuring the commonality of the policy, the new enhanced conditionality needs to consider the differences among MS and fit the agronomic practices and the reality on the ground, while ensuring simplification compared to the current situation.

In addition, it is important to ensure that it sets the basis for and provides a sufficient room of manoeuvre to incentivise farmers to more ambitious practices in eco-schemes and in pillar II measures.

In general terms, a particular attention should be given to farmers who participate in small farmer schemes who should be exempted from new conditionality requirements. Copa and Cogeca support an immediate and “de facto” recognition of organic farmers as well as other more environmentally-friendly production systems that are duly certified as compliant with all or part of the new enhanced conditionality rules.

**GAEC 1: Maintenance of permanent grassland based on a ratio of permanent grassland in relation to agricultural area**
Copa and Cogeca would like to emphasize the need for grassland to be managed at national/regional level, based on a ratio, as it is today and not at holding/farmer level. There is always the last resort option for MS to apply it at individual level in case there is a risk that the area of permanent grassland (PG) falls below the ratio. Any provisions regarding grasslands can only be accepted provided that they are simple, realistic and that they do not disrupt day-to-day farming practices. When it comes to the reference year, clarity is key in fulfilling this standard. The reference year should also reflect MS situation and the respective production systems.

Regarding the definition of permanent grassland, Copa and Cogeca supported the definition proposed by the European Parliament, provided that it does not dramatically change the reference area or leads to a situation where there is a decline in the number of hectares. It is important to ensure the possibility to recalculate the reference area every time the definition of permanent grassland changes, should this be needed.
GAEC 2: Protection of wetland and peatland

Appropriate/effective wetland and peatland protection will prove to be an issue in the countries that have a large share of this land under agriculture use. That is why, we call for common sense, simple, non-bureaucratic and practical approaches. Copa and Cogeca welcome the progress made in the previous trilogue meetings in order to ensure that area covered by this GAEC does not lose its agricultural status. In this respect, we welcome the reference to the fact that Member States, when establishing the standard for GAEC 2, shall ensure that on the land concerned an agricultural activity suitable for qualifying the land as agricultural area may be maintained. Copa and Cogeca support that specific practices, such as low tillage, the use of adequate machinery, water table/nutrient/soil management, etc., are used to protect carbon-rich soils, as long as the economic agricultural activity and agronomic practices continue/are allowed. This should set the basis for providing incentives to encourage good farm practices on such areas through other measures of the CAP.

GAEC 4: Establishment of buffer strips along water courses

Copa and Cogeca consider that while this standard provides for the obligation to establish buffer strips along water courses all across the EU, which will ensure a level-playing field for farmers, the provisions for the minimum width for buffer strips should be left at MS latitude because of different farm structures and size of parcels as well as specific local climatic conditions and soil characteristics. This would also allow for targeting this to the risk of nitrogen leaking and water protection needs in each MS and for setting up more ambitious eco-schemes and agro-environmental and climate measures. We consider that the implementation on the basis of the water distance provisions according to the EU Nitrates Directive (SMR) is sufficient and appropriate and is needed in order to ensure policy coherence. Moreover, the same coherence should be ensured when it comes to the application of pesticides and fertilizers. MS with many water courses should be allowed to adjust the standard according to the local circumstances.

It is equally important that these buffer strips can be counted for in the percentage of non-productive areas which the farmers shall establish under GAEC 9.

GAEC 7: No bare soil in most sensitive period(s)

No bare soil in most sensitive periods will be difficult to achieve and risks threatening food production. Copa and Cogeca support the use of specific practices, such as low tillage, the use of adequate machinery, water table/nutrient/soil management, etc., to protect carbon-rich soils, at a minimum level during the most sensitive periods, as long as the economic agricultural activity continues. Any requirement would need to make sense from an agricultural perspective, in line with the agronomic and climatic conditions as well as being easy for farmers to implement. Sensitive periods should allow for good agricultural practices.

GAEC 8: Crop rotation

Copa and Cogeca would like to reiterate the importance of allowing crop diversification and equivalent measures as alternative practices to crop rotation as well as the possibility for a secondary crop and we strongly hope that these will be reflected in the final agreement.

Copa and Cogeca have repeatedly said that the obligation for crop rotation could be accepted provided that a reasonable area threshold is established, that certified equivalent measures and joint action (enabling the involvement of multiple farmers to deliver crop rotation) and that the inclusion of crop diversification and other equivalent measures as alternative practices are allowed. We consider that these alternative practices can bring about agronomic and environmental benefits.

When protecting the soil, farmers should also be able to develop their land in line with good agriculture practices and allow for the crops to take hold. Having different crops on each parcel from one year to another might not bring the desired environmental benefits. It is fundamental that its implementation does not lead to agronomical and environmental counterproductive effects as well as a drop in production and farmers’ income, with an administrative obligation to seed crops which are not adapted to the soil and/or the parcel’s specific conditions.

In addition, we consider that both crops under water, permanent crops, semi-permanent crops (e.g., forage seeds crops), as well as farms with a high share of permanent grassland should be exempted and we welcome the progress in this respect.
Flexibility in farmers’ choices for rotation must be maintained, therefore the introduction of leguminous crops should remain a choice (potentially incentivised via an eco-scheme), and not become an obligation.

**GAEC 9:**
- Minimum share of agricultural area devoted to non-productive features or areas
- Retention of landscape features
- Ban on cutting hedges and trees during the bird breeding and rearing season
- As an option, measures for avoiding invasive plant species

Regarding the minimum share of agricultural area devoted to non-productive features or areas, Copa-Cogeca support the same percentage as the EFA under greening which we have today, meaning 5%, provided that (semi) productive features are also counted in this percentage as they can have higher environmental benefits than simple set-aside and are also crucially important for providing feed for animals in critical situation, such as during a heatwave.

In this respect, non-productive features should be calculated as a maximum of 2-3% of the farm’s arable land throughout the EU, but it should be possible for farmers to count non-productive areas and features on all agricultural land, given that often the most valuable features for biodiversity are found in the areas which have a more permanent character or in connection with areas of a more permanent character like e.g. permanent grassland. Thus, Copa and Cogeca support the inclusion of productive features plus catch crops and N fixing crops in the minimum share of 5% with non-productive areas and features accounting for 3% out of the 5%, and the maintenance of the flexibility of art. 46 of Regulation EU 1307/2013 and insist on the need to keep the system simple and operational.

It is important that buffer strips and areas with trees put in place under GAEC 4 can count towards the percentage of non-productive areas. In addition, it is important that all European farmers will be able to count all possible productive- and non-productive features as fulfilment of GAEC 9 to ensure a level playing field between member states.

The development of non-productive landscape features beyond the baseline should, primarily, be left to voluntary measures such as eco-schemes or ECMC, as these would fit better with farmers’ ambitions.

**Social conditionality**

Copa and Cogeca are very concerned that current discussions on social aspects in the CAP will lead to conditionality elements, with their implicit sanctions, to the support to farmers in the context of Pillar I BISS.

Such a move will represent a significant increase in bureaucracy and administrative burden for both national administrations and farmers. This would lead to doubling the consequences for the same labour law non-compliance with administrative penalty on top of court-imposed decision.

Whilst CopaCogeca fully support all applicable social and labour legislation, it does not agree with the inclusion of such legislation as conditionality for support under the CAP.

Labour rights are already established nationally through statutory law or collective bargaining. So there is no need to impose additional burdens on employers at EU level through the conditionality mechanism under the CAP. Breaking the link with the “traditional” CAP conditionality system does not eliminate the core problem but only complicates things further, opening the door for controls and assessments to be performed in the framework of the CAP by external bodies to the agricultural sector. Moreover, including new criteria through the CAP could undermine the autonomy of social partners nationally, and those are the best suited organisations to adjust legislative frameworks into the specificities of each subsector in agriculture.

To overcome these constraints Copa and Cogeca proposed to follow a more positive and constructive approach in which advisory services would include as an objective the “provision of advice and support to farmers (employing workers) on meeting and complying with existing national legislation in the areas of social and labour conditions”.
This would be complemented by the control and enforcement of existing national legislation in these areas (social and labour conditions) to be carried out by the national competent authorities outside the scope and structures (conditionality) of the CAP.

A progress report could be foreseen to monitor the uptake of the advisory services and the enforcement/control of existing national legislation.

**Eco-schemes**

Generally, it is important that the final political agreement on the future CAP is well balanced between increased ambition in the new green architecture and an economically viable, market oriented and competitive agricultural sector and that the future policy framework is simpler for farmers to use and deliver both on sustainability and competitiveness.

It is very important that eco-schemes will include significant incentive payments for all farmers and that they do not redistribute funds between farmers.

Copa and Cogeca would emphasize that basic income support for sustainability (BISS) must remain a fundamental part of pillar I to further ensure that farms have effective, direct and stable income support and that high EU standards are compensated. In order for this to happen, we have called for a significant percentage of at least 60% of the pillar I envelope to be dedicated to BISS. It is essential that income support is safeguarded and that there is no further decrease in this percentage as this a fundamental aspect/pre-requisite in engaging in the environmental and climate transition.

We would like to insist on the need for flexibilities when it comes to eco-schemes in the first years of implementation, and we very much hope that this will be part of the final deal. In this regard, we support the Council proposal to allow Member States using more than 30% for Pillar II agro-environment-climate measures to deduct these amounts from the eco-schemes ring-fencing in Pillar I (the rebate system). It is also important to prevent the loss of any funds allocated to eco-schemes should they be left unused (due to their annual nature). It is therefore important to introduce a flexible and transitional mechanism to prevent any loss of funds due to underuse of eco-schemes in the first 2 to 3 years of implementation of the future CAP. This should however not lead to distortion of competition between Member States nor disrupt the internal market.

We welcome the suppression of the delegated act putting forward a list of eco-schemes as this would allow MS to better target eco-schemes at their own needs. When it comes to the obligation to have eco-schemes with at least two lines of action/practices, we consider that a certain flexibility is necessary in order to allow MS design these on the basis of their identified needs. It is imperative to keep the system clear, economically-sound and simple for farmers to use in order to achieve the desired objectives and under no circumstances compromise the agri-environmental measures under pillar II that have proven to work.

We welcome the progress in the trilogue negotiations on the eco-schemes for animal welfare and the payments per livestock unit.

**Environmental, climate and other management commitments**

The agri-environment-climate measure should continue to play an important role in the future. It needs to be more attractive and adapted to working practices on the ground (with corresponding incentive margins), local needs and farmers’ and forest owners’ actual circumstances. Collective and cooperative approaches should be promoted.

Payments for commitments going beyond EU legislation (including those on animal welfare) should be made according to the same EU baseline.

We support the revision clause according to which where an SMR or GAEC is amended, it must not impact the ability of farmers to receive full benefit of the scheme to its originally provided end while he/she continues to respect the initial terms.

We support the European Commission proposal under article 65 (6).

For result-based payment schemes, the starting level must be defined, otherwise the result may not be quantifiable or comparable.

While more details would be needed when it comes to the possible measures to be supported, this should rather take the form of a guidance list in order to leave the flexibility to MS to develop the measures which are best suited for their needs.
Areas facing natural or other specific constraints (ANCs)

Copa and Cogeca strongly oppose the exclusion of areas facing natural or other specific constraints (ANCs) from the eligible interventions that contribute to the environmental objectives and that are part of the 30% or of the revised minimum ring-fencing of the budget dedicated to agri-environment-climate measures.

The ANC measure helps farmers in these areas to continue to sustainably manage agricultural land. It also plays an essential role in preventing land abandonment, contributing to biodiversity, the natural landscape and to tackling climate change. Therefore, the importance of ANC support cannot be ignored, and it must continue to be part of the toolbox of environment and climate measures.

Investments

We welcome the withdrawal of the amendment requesting an environmental assessment prior to investments as this would have led to additional costs that would not have necessarily been justified, as well as damaging delays where planning permission would have been required, bringing another layer of administrative burden.

We welcome the provisional agreement according to which investment support must remain available for a reasonable period of time (24 months) after a new requirement becomes legally compulsory to give farmers a proper opportunity to get their business up to standards.

MS must have flexibility as to the percentage which goes towards climate related investment given the different realities, local conditions and needs, as well as for setting differentiated level of supports for environment, animal welfare, young farmers, etc.

We support the provision on irrigation without the requirement for an ex-ante environmental impact assessment.

There should be the possibility to increase the co-financing aid level for land purchase: 30% for aid, with the use of financial instruments and 40% for land purchase by young farmers even without the use of financial instruments.

Also, it should be possible to increase to 90% the percentage of aid for innovative investments with a “double performance” in terms of economic sustainability and environmental sustainability.

Investments targeted at setting up of start-up for young farmers, collective investments, protecting areas facing natural and other specific constraints, supporting operations in the framework of the EIP, improvement of animal welfare standards, restoration of production potential, preventive measures should be eligible at a co-financing rate of 100%.

Risk management tools

We welcome the inclusion of risk management tools as part of the interventions under rural development. The proposed measures are better fitted to crop/weather related income losses rather than to address the volatility impact of dairy and grain markets, or indeed the consistently poor incomes in certain sectors (beef/sheep). Income risks relating to volatility are often managed privately, for example through fixed price or forward pricing contracts.

We consider that risk management tools must be mandatory for Member States but voluntary and complementary for farmers. These must be designed in line with MS SWOT analysis and assessment of needs, allowing public, private or public-private systems in the national legislation. Therefore, any type of risk management tools, including (re)insurance schemes and mutual funds should be allowed and be flexible enough to fit the reality in the ground. These can be complemented by for example, Mutual Funds and/or facultative Insurance schemes and /or Income Stabilization Tools. The financial contributions to premiums for insurance (re-insurance) schemes or other risk management tools, should also include the administrative costs of setting them up and implementation costs and the maximum rate should be increased to 85%.

We are against the option to grant up to 1% or an upper percentage of direct payments to risk management tools as this would mean a further decrease in the envelope for direct payments.

Cooperation

We consider that this measure should not only support the setting up of new forms of cooperation, but it should also support the already existing ones.
Advisory services

Any EU initiatives regarding advisory services and innovation systems must build upon those that already exist at MS level and focus on delivering added value.

The use of a Farm Sustainability Tool in the form of a digital application must not become compulsory at farm level, as it could become discriminatory in view of the unequal availability of quality broadband and the variability of IT literacy in the farming community.

We welcome the fact that the amendment on the 30% allocation to advisory services and technical assistance contributing to the environmental and climate objectives was withdrawn.

Sectoral interventions

On the sectoral interventions, with regards to the reduction of budget, the cut in sectoral measures in hops, wine and olives is not acceptable. There is a need to re-establish the same envelopes for the hops, wine and olives sectors. We believe that these sectors are fundamental to maintain the viability of rural areas in many regions of the EU. As perennial crops, they also provide much-needed environmental benefits.

Copa and Cogeca welcomed the Commission’s proposal to allow for producer organisations to be expanded as a tool for intervention in other sectors, in a multi-sectoral/multi-product approach and with the automatic recognition of existing cooperatives.

However, the EU support granted to these interventions should not come at the expense of the basic income support for sustainability.

For the wine sector, Copa and Cogeca call for the current separate plan (under Regulation 1308/2013) to be maintained in the future. This should include a sharper focus on the objectives and types of interventions relating to climate adaptation measures and sectoral measures, including the use of by-products for agronomical use.

A minimum percentage of expenditure for actions aimed at protecting the environment should be avoided and instead be replaced by priority criteria for environmentally friendly actions. Recognised POs and cooperatives exceeding the SME threshold that undertake investments and innovation measures in the CAP national plans should be eligible for support. Only SMEs and farmers associations, including cooperatives, should benefit from the highest co-financing rate. The limitation of the Union financial assistance at the maximum rate based solely on the SME dimension without addressing other elements, such as encouraging farmers to integrate and work together in the market, is a contradiction with the objectives of the CAP to achieve greater competitiveness and to rebalance the food chain. For this reason, it is necessary not to apply this limitation to producer organisations or cooperatives, which are no more than the sum of the singles agricultural holdings of their partners and owners. Otherwise, the regulation will keep an incentive to maintain the current level of atomization of the sector. Moreover, the role of cooperatives and POs in improving farmers’ position in the supply chain is of fundamental importance. Cooperatives can integrate the role of producer, processor and the marketer, helping to rebalance the food chain and bringing viable incomes to their members as well as offering a level of protection from the volatility. For this reason the above mentioned limits shouldn’t apply to cooperatives and POs: this will help them to better adapt to the market challenges, benefit from opportunities and continue to invest.

We support maintaining the wine promotion measure as it currently is (promotion of EU PDOs and PGIs) and, if possible, to extend the measure to wine tourism initiatives (combining the EP and Council proposals). Actions to promote wine tourism and to enhance the reputation of European vineyards could be very useful because these funds could also be used directly by winegrowers.

We urge the European co-legislators to confirm the inclusion of consolidation of wine markets in the objectives set out for the wine sector. Improving the competitiveness of the EU wine in third countries requires not only opening and diversification but also consolidation. Taking out consolidation would jeopardise the position of the operators on the market.

For the olive sector, Copa and Cogeca reject the EU financial assistance to be limited to 5% of the value of marketed production and the limit proposed for interbranch organisations that are no longer entitled to manage operational programs. With such a limit, POs risk to not being able to use the EU allocated budget.
We welcome the inclusion of adaptation and mitigation of climate change, improvement of prevention and resilience to pests, protection and enhancement of biodiversity and ecosystem services including soil retention, as well as the inclusion of interbranch organizations as beneficiaries of these interventions.

The Council’s proposal overturns the Commission’s approach, giving the possibility to the Member States to implement interventions with or without Producer Organisations. Such possibilities should be complementary and not alternative, leaving to the Member States the freedom to choose how to intervene.

The restructuring of olive orchards, which is an essential measure for the sector, should not be limited to phytosanitary reasons only. As regards traditional olive orchards, Mediterranean olive-growing is made up of many production systems of varying size and reduced competitiveness that often ‘resist’ in difficult orographic conditions and play an essential role in maintaining territories, biodiversity and, in general, the cohesion of rural areas. These systems must be preserved, otherwise they will be wiped out by international competitive pressure.

Regarding the expenditure under fruit and vegetable operational programmes covering “environmental and climate actions”, a minimum threshold of 15 percent for environmental and climate actions that seems to be agreed is very demanding as fruit and vegetable growers face increasing production costs and do not have sufficient income to further co-finance these actions. Therefore, Copa and Cogeca ask to grant the possibility to account for the purposes of minimum percentage of 15% the overall expenditure (of PO itself and its members) within the framework of other aid scheme / support of the regulation on CAP Strategic Plan and to keep a “3 actions option” as an alternative (not additional) to the minimum percentage.

The minimum threshold of 2 % for “Research & Innovation” seem to be too ambitious to be achieved through the operational programmes and could become too restrictive for a big number of POs. Therefore, we propose to eliminate this obligation and to replace it by an incentive via a higher EU co-financing rate of 80%.

Moreover, it is essential to introduce the eligibility of processed fruit and vegetables in all the objectives listed in article 41 as these objectives are strictly coherent with the pursuit of the F2F strategy in the CAP national strategic plans but also very important given the mandatory minimum percentages of expenditure of the operational programs for the environmental and climatic actions and research & innovation.

With regards to the honey sector, we welcome the budget increase for the national three-year beekeeping programmes. Nevertheless, this should be accompanied by an increase in Union co-financing from 50% to 75% for all measures included in those programmes. Copa and Cogeca call for a mandatory consultation of beekeeping organisations prior to the development of national programmes to ensure that support measures correspond to the sector’s real needs.

Member States should be allowed to decide on the sectors eligible for optional sectoral interventions within the CAP strategic plans, rather than having a limited list of eligible sectors.

**Transfers between pillars**

Copa and Cogeca have repeatedly underlined the importance of two strong pillars in the CAP and do not favour excessive transfers between pillars.

**Alignment to the European Green Deal**

While we support the European Green Deal general objectives, the European Green Deal targets are recommendations for Member States, and as such they have a non-binding character.

**CMO Regulation**

**Definitions**

We insist to include the definitions of sugar beet and sugar cane in the definitions and section on sugar as these amendments are a technical adaptation to consolidate the omnibus revision (notification of sugar beet prices).

**Marketing years**

We support the inclusion of table olives among the products that have marketing years.
Market management (public intervention and private storage)

Copa and Cogeca oppose any weakening of the market management measures in the form of public intervention. Public intervention is there to act as a safety net and give a signal to other parts of the chain that the price cannot fall below the safety net level. Therefore Copa-Cogeca supports the extension of public intervention to other sectors such as pigmeat, sheepmeat, poultry and sugar.

The removal of the automatic triggering of public intervention for common wheat is a step in the wrong direction. Public intervention requires a review of reference price to take into account higher production costs.

We welcome the withdrawal of the proposal to delete the fixed price for buying-in under public intervention and the quantitative limitations for buying-in at fixed price. Copa and Cogeca support the fixed price system before activating the tendering system as it gives more certainty to operators in times of crisis and does not accept this to be removed. Relying purely on the tendering system might not be beneficial for the overall market evolution. We take note of the change in wording regarding the provision according to which when fixing the level of the public intervention price, the Council shall take in account the best scientific, technical and economic advice when fixing the level of the public intervention price.

We support increasing transparency when it comes to the use of public intervention, but this should not go contrary to data protection.

We welcome the eligibility of table olives for the aid for private storage given its close link to the olive oil sector, which already benefits of the system of aid for private storage as instrument to regulate the supply and acting as safety net. We are disappointed that rice was dropped and would insist that it is also included. Dehydrated alfalfa should also be eligible for the private storage aid mechanism in the event of a crisis in the purchasing capacity of livestock farmers (dairy farmers, for example) and we regret that it is not included.

Marketing standards

We insist that the EP amendment concerning the prohibition of mixing of olive oil with other vegetable oils be maintained. Prohibiting such mixing is paramount for keeping the high standards and preserving the quality of the product, as well as for guaranteeing transparency of information for consumers.

It is absolutely necessary to clearly state the marketing rules of olive oil to avoid frauds and enhance the consumption of quality products. As it is not possible to determine in a mixture of oils the concrete percentage that corresponds to each one of them, the consumer does not have access to transparent information, which can be misleading and contribute to devaluing the image of the product.

Adjustment of supply for PDOs and PGIs

We welcome the voluntary extension (at the request of PO or IBO) of the regulation of supply for products with PDOs and PGIs to other products than cheese, wine and ham (therefore similar to existing articles 150, 167, 172). This offers a good tool for GIs to ensure a better economic return.

We welcome the inclusion of the olive oil sector in the remit of article 167.

PDOs and PGIs

We support the amendment to article 93 to change under "a", point (i) "quality and characteristics" to "quality or characteristics". It is very difficult to link a subjective factor such as "quality" to a geographical environment. Therefore, the producer should be given the opportunity not to have to demonstrate that link, but just the link between the "characteristics" of his products and the geographical environment. We are not against the amendments of the Council, but we do not support them especially either. We do not support the amendment to introduce "A name traditionally used in a specific place" in the definition of designation of origin because it is too restrictive.

We can support the different versions proposed for the application of protection.
We support the articles on Preliminary national procedure, Commission scrutiny, Objection Procedure, Decision on protection as it clarifies and simplifies the procedure.

We support the proposal to introduce the fact that the name of a trademark is refused if it is already used by a GI. This offers greater protection against trademarks using GIs names.

We support the proposal to strengthen the protection against misuse for PDOs and PGIs, including when they are used as an ingredient. This provides greater protection for GIs.

We also support the proposal to introduce a classification between two categories of amendments to products specifications: amendments requiring an objection procedure at Union level ('Union amendments') and amendments to be dealt with at Member State or third country level ('standard amendments'). This allows for some simplification regarding the possibility to adapt GIs specifications.

We support the Commission’s proposal on cancellation as it simplifies the management of GIs.-
We support the Commission amendments to checks related to PDOs, PGIs and TSG as it improves and clarifies GIs protection.

**Producer organisations**

In reference to the EP amendment 238 to article 153, in what relates to paragraph 1, Copa and Cogeca stress that the derogation from “one producer, one PO” should not undermine the stable membership base and supply of cooperatives and POs as this would prevent them from achieving their objectives and nature. It is imperative that if this possibility is made available, it is included in the statutes of producer organisations and democratically approved by its members.

Copa and Cogeca reject the EP amendment 238 to article 153, in the part that concerns the proposal for a new paragraph 2a as it would give the possibility to the members of a producer organisation such as cooperatives to engage directly in contracts with buyers for some items like quality control, supply logistic chain.

The provisions of this article (see paragraph 3 of the EP amendment on article 153) do not apply to producer organisations in the milk and milk products sector as this sector has its own specific rules (articles 149 and 161 of Regulation 1308/2013).

In what regards fruit and vegetables, considering that this sector is covered under article 160, and given this sector’s specificities, the “one PO rule” and the “selling by the PO rule” should be applied in the same way as up to now (as established in the current Regulations 891 and 1308). Consequently, Copa and Cogeca consider that amendment 120 to article 160 should be rejected (as it goes beyond the current derogation set by art. 12.2 of Regulation 891) and amendment 238 to art. 153 (both paragraph 1 and the new paragraph 2a) should not apply to POs in the fruit and vegetables sector.

Copa and Cogeca have asked that the specific objectives and/or recognition criteria which producer organisations must ultimately meet (e.g. defining the legal status, determining the minimum number of producers and a minimum volume of marketable production, etc.) must be individually defined for each agricultural sector, so that the specific characteristics of each sector are taken into account. Therefore, and by way of derogation for the sugar and potatoes sectors, considering their specific needs, the provisions introduced by the EP mandate with amendment 238 to article 153 (both paragraph 1 and the new paragraph 2a)) should be enforced.

**Contractual negotiations in the milk and milk products sector**

We support the increase in the % of volume of raw milk at Union level covered by contractual negotiations as this may lead to an increase in the bargaining power of milk producers.

**Recognition of interbranch organisations**

We support the recognition of IBOs conditional on a balanced representation of the stages of the supply.
Import provisions

The WTO negotiations should continue to form the cornerstone of the EU’s trade negotiation strategy for the agricultural sector. From an EU perspective, it is essential that talks on production standards and all the aspects of sustainability (economic, environmental, and social) be accompanied by clear enforcement mechanisms.

Our external trade must therefore be based on balanced, fair and transparent rules to avoid distortion of competition. Agri-food imports from third countries must comply, as a general rule, with the production standards imposed to EU farmers given the need to ensure fair competition between the Union and third countries. If we face tighter restrictions on cultivation and higher production standards due to the EU framework (the Green Deal, F2F, the Biodiversity Strategy, the CAP), we expect to be treated fairly. We call for a science-based decision making.

During market crisis, imports must be managed according to consumer demand.

Therefore, in the context of the sCMO regulation we call for, as a minimum approach, a recital addressing the application of EU Health and environmental standards to imported agricultural products. This recital should also invite the Commission to present by the end of the first quarter of 2022 a report containing an assessment of the rationale and legal feasibility of such actions.

In addition, a Joint Statement by the Council of the European Union, the European Parliament and the European Commission concerning the application of EU health and environmental standards to imported agricultural products could further reinforce this political priority.

We welcome the reintroduction of provisions related to hemp imports.

EU Observatory of agricultural markets

We fully support the principle of market transparency and information. In this respect, we welcome the formulation identified, with the possibility to extend market transparency by putting in place observatories to other sectors.

Market disturbance

We welcome the withdrawal of the proposal to activate the exceptional market measures before the market management measures as this would have diminished the European Commission’s role in ensuring the public safety nets.

The proposed possibility given of adapting the entry scheme for fruit and vegetables through consultation with third countries that export to the Union is a step in the right direction.

We cannot support the proposed voluntary reduction scheme tied together with the measures to stabilise production in periods of severe market disturbances by imposing a levy on those producers increasing production. This does not take into consideration the differences between sectors, nor provides an indication on where the financing to cover these interventions would come from, and as such is unacceptable. The European Commission has indeed the flexibility, according to the current legal basis, to adopt delegated acts to take the necessary measures in case of market disturbance in a particular sector.

Copa-Cogeca consider that below cost selling is an unacceptable practice whereby through a combination of pricing and other actions a retailer sells products below its cost. This recurrent practice should therefore be forbidden and the necessary provisions included in the appropriate EU legislation.

Annexes

We insist on the inclusion of new definitions for beehive products in Annex II –part IX which are crucial for ensuring a harmonized EU market. A specific definition for royal jelly on quality for feeding processes of bees is needed. On bee venom, any medical references are problematic and EFSA’s scientific opinion would be required.
If the definition of the standard quality of beet at 16° is deleted from Annex III, part B Section 1, this definition should be included in Annex X, point II paragraph 2.

We take note of the EP move to withdraw its amendment to Annex VII – part III – point 5 – dairy denominations. With or without it, dairy denominations continue to be strongly protected at EU level in order to avoid misleading practices, ensure fair competition and transparency for consumers when it comes to nutritional properties and characteristics of the product, which we very much support.

This specific protection is quite relevant to avoid the misleading of the consumer and has been confirmed by the jurisprudence, notably through the European Court of Justice decision in the case C-422/16. Copa and Cogeca also strongly support the protection of meat denomination at EU level, to avoid misleading practices. Moreover, this should be extended to other types of agricultural products, for the same reasons. The use of the same term by products of different food categories should be avoided for the sake of fair competition and transparency towards consumers.

We support that Article 1 of the Commission Delegated Regulation 2016/1166 on the purchase terms of beet be included in this basic act in Annex X, point XI, 4a (new).

**Horizontal Regulation**

The agricultural/crisis reserve which is meant to be used for market measures and exceptional support measures should be fit for purpose by providing sufficient assistance with its allocated funding. The current agricultural reserve of only 400 million EUR failed to do that given the low allocated funding in the scope of the CAP budget and was thus impossible to use.

Crisis situations have been increasing in the past few years, all across the sectors, happening at the same time, with different origins and consequences. Therefore, we consider that the agricultural reserve should be a functioning flexible tool, a mechanism that would enable the Union to better respond to any EU-wide crisis, impacting any of the agricultural sectors, especially in economic terms. This should alleviate beneficiaries from the predicaments they are facing.

For this to happen, the reserve should work outside of the scope of the MFF with a substantially larger financial envelope and a clear activation mechanism.