

<p style="text-align: center;">Minutes of the Advisory Group on Cereals, Oilseeds and Protein Crops 29th June 2012</p>

1. Agenda

The meeting was moderated by Mr Henning EHLERS, Chairman of the Advisory Group. The agenda was approved.

2. Minutes

The Advisory Group approved the draft minutes.

3. Market situation

Cereals: There was a continued deficit for maize and once again a decrease in global end-of-year stocks for all cereals combined. Wheat stocks would reach 180mt and end carryover for the main export countries achieved a very low level (near 2007). The wheat export price had been influenced by US maize production, which is severely impacted by growth. The ratio between Maize and wheat has become normal. The pace of EU exports was steady, albeit slower than in recent years, in particular in France, Germany and Romania. Durum wheat production had continued to drop at 35 Mio. T. (idem to 2007 level) and end carryover should be very low at the end of 2012/2013 campaign. Barley stocks were stable and reaching their lowest levels for the past five years. The impact of extreme climatic conditions in EU would not affect significantly the level of the EU production (-3%).

Oilseeds: 2011/12 soya consumption was above production with recent cuts in South-American regions according to USDA estimates. In Europe, surface area would increased by 3.7% and production by 1.5% in 2012 if compared with the 5 years average, however the protein crop surface area and production fell by almost 3%.

A representative of trade sector highlighted that the current cuts on US production would be cover before next spring. The tense situation on EU cereals production would be exacerbated by the US weather condition and the condition of Ukraine export was under question. The representative of farmers expressed the interest of farm saved seed to recover the area destroyed by the winterkill. The problematic was the production would not respond to the market demand. This show the need to keep a flexibility at farm level. The CAP proposal on diversification would be a handicap. A representative of the industry called to increase the protein plan under the new CAP. Environmental NGO has supported the measure on diversification and requested the recognition of “cas de force majeur”. The farmers' representative underpinned the need to increase the public support on breeding to improve the productivity of pulses varieties, the negative impact of the ILUC factor and the GM policy in Europe.

The Commission representative reminded that EU is relatively more competitive for wheat production than for protein production meaning that a decrease of the area used for wheat production in EU would have to be compensated by a higher increase of the area used for wheat production elsewhere.

4. AMIS structure

A representative of the Commission presented the methodology of AMIS and suggested a specific meeting link to the next advisory group meeting.

The farmers' representatives supported the ad-hoc working group. The environmental NGO highlighted his disappointment on the AMIS work and not matched the expectation of the G20. The main issue dealt remain the food security.

5. GM dossier

A representative of the Commission informed the advisory group that the opinion of the European Food Safety Authority concerning the MIR 162 application had been presented to member States at the 12 June meeting of the Standing Committee for the Food Chain and Animal Health (SCFCAH). The representative explained that authorisation procedure required a 30 day comment period and that following this the Commission would present at the next SCFCAH meeting 10 September a Decision for vote. If there was no qualified majority vote at this meeting the Decision would be referred to an appeal committee under the new comitology procedures which could be convened 2 weeks after the vote. It is hope that adoption of a Decision for MIR 162 could be completed mid October. A trade representative underlined this decision would be to late to alleviate an extra pressure on the market.

6. Update on bilateral trade negotiations

The chairman informs in absence of new development nobody from the unit was attended the meeting.

7. Initiative on sustainability

A representative of the Commission presented a roadmap to assess the sustainability of the European agriculture and to identify the flow of inputs.

The representative of farmers expressed the willing to exchange on the problematic. The representative of environmental NGO appreciated this initiative and willing to contribute also.

8. any other business

The next meeting would be held on 28th September 2012.

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