



## REPORT ON AREPO'S PLENARY MEETING

20 February 2014 – Brussels

Mr Rabboni, President of AREPO, opened the plenary meeting. In his speech, he thanked the participant and the speakers. He also addressed a special thanks to the Member regions and to the Secretary General for the trust showed with the decision to extend his presidency mandate for another year, with the aim to assure continuity in the relationship between the association and the new European institutional actors. In line with this goal, the President introduced the meeting, presenting a proposal of working programme for the next semester and the results achieved:

### Proposals:

- Creation of a **memorandum on AREPO activities and proposals** for the new members of the AGRI Committee of the EP (June) and for the new Commissioner for Agriculture (November); organization of one or more **AREPO events**, to introduce the positions of the association to the new institutional actors.
- AREPO must be active and proactive on current issues, in particular:
  1. the correct and successful implementation by the MS of the new elements related to quality contained in the new EU regulation on rural development;
  2. delegated acts of Quality Package (optional quality terms);
  3. the new regulation proposal on promotion and information policy;
  4. the review of EU regulation on organic farming.
- Initiatives to strengthen AREPO representativeness and the effectiveness of its lobbying activities towards the European Institutions:
  1. Proposal to organize ad hoc initiatives with the aim of promoting new members participation to the association, with particular attention to observers regions and the regions with an important presence of a quality productions.
  2. Intensification of cooperation with other regional European networks on agriculture, to build widest and most complete relationships and to collaborate with other local actors:
    - a. Euromontana: proposal to hold the next General Assembly on 21<sup>st</sup> October in Bilbao, in conjunction with the European Mountain Convention (held in Bilbao, 22-24 October), to emphasize the close link between the mountains production and the agricultural quality production;
    - b. ERIAFF: evaluation of the possibility of joint initiatives to access Horizon 2020 funds, with common innovation projects related to quality;
    - c. IFOAM EU: joint work on the review of regulation on organic farming, evaluating the members expectations and the possibility to share common positions;
    - d. AREV and AREFLH: continue the collaboration, promoting, whenever possible, joint lobbying actions directed at the European institutions.



### Achievements:

The President pointed out that, thanks to the good work done by the association, important and recognizable results were achieved, enhancing the reputation and credibility of the association:

- In 2013, 26 regions paid the membership fee, a record since the creation of the association.
- The association's budget for 2013 is positive; this allows to propose a reduction in the membership fee, after 2 years of budget deficit and one year of balance, due to investments for the promotion of AREPO position of the European institutions.
- AREPO is a permanent member of the Advisory Committee on Quality of the Commission.
- AREPO has found a new visibility with its own page on Wikipedia.

The President then gave the floor to the Secretary General, who discussed the following items:

- **Vote on AREPO's budget for 2013:** unanimously approved. Before the vote, the Secretary General presented to the members the audited financial statement that has been sent last week to all members. Thanks to cost containment (the cost in the last 3 years have almost halved) the budget for 2013 is positive (+41.000 €).
- **Budget proposal for 2014:** the principal expenditures previewed are: 1) AREPO biennial event (in December 2014 in Brussels) to present AREPO to the new PE and Commission; 2) the second GA in Bilbao (October 2014); VIE contract; 4) budget for an intern in innovation policies.
- **Vote on proposal to lower the membership fee:** the new quota of 4.500€ has been unanimously approved. It represents a decrease of 10%, which corresponds to the average decrease observed in the budgets devoted to agriculture in the AREPO regions. AREPO must demonstrate to have analyzed the situation of crisis and must make an equivalent effort. The Assembly rejected the proposal to decrease the quota to 4.000 €, preferring to reduce it gradually if necessary.
- **Vote for the new auditor:** unanimously approved.  
The General Assembly take note of the resignation of Mr. François Machenaud, leaving his duties as regular auditor, and decides to appoint, on the proposal of the Board of Directors:
  - "Mr. Victor-Louis CANO, domiciled in rue de la Blancherie, Immeuble Bistre, Aquilae, 33370 Artigues-Près-Bordeaux, as regular Auditor;
  - The company 3G AUDIT, located in rue de la Blancherie, Immeuble Bistre, Aquilae, 33370 Artigues-Près-Bordeaux, as deputy Auditorfor a period of six financial statements, that is until the conclusion of the Ordinary General Assembly, called to approve the financial statements ended on December 31, 2018. "

The Secretary General then gave the floor to **Juan Andres Guitierrez**, President of Euromontana and representative of the Basque Country for AREPO, for a presentation on the possibilities of cooperation between AREPO and Euromontana.

- Update on **optional quality term "mountain product"**:
  - Despite the **derogations for processing outside the mountain areas** are excessive (30 km from the mountain area), they have been limited to the existing dairy farms. Furthermore, there is the possibility for MS to introduce additional restrictions to the derogation. There were also improvements over the **flexibility in nutrition** (minimum provenience from mountain areas: 60% for ruminants and 25% for pigs).
  - **Euromontana** recognizes that the EC proposal is simplistic, but believes that reject it and begin again the process will not change the result. Therefore the association adopted a position of critique acceptance of the optional term. They will work to emphasize the importance for Member States to restrict the exceptions.



- Possibilities of **collaboration** between AREPO-Euromontana:
  - Proposal to hold the next AREPO General Assembly (October 21) at European Mountain Convention, to be held in Bilbao on 22 to 24 October, 2014. The definition of a territorial approach for the development of mountain regions, in order to build a link between landscape, territory, products and local culture, has been identified as the main theme of collaboration. The Secretary General added that the development of this theme can be applied to any area of high tourist value; for this reason, participation is not restricted to mountain regions.

Then the MEP, Member of the COMAGRI, **Eric Andrieu**, presented his initiative report on **regional brands** and thanked AREPO for the sensitivity demonstrated on the subject. In particular, Andrieu said that local brands should not be seen as a source of competition for quality products. Instead, he presented regional brands as a tool for local development, with the potential to create synergy, dialogue and collaboration between all rural stakeholders and sectors, through a comprehensive territorial project. In this perspective, the agriculture is essential but not sufficient for the development of the territory. Other economic sectors must be involved to achieve an integrated development.

#### **Presentation of Greek and Italian priorities in agriculture in the context of EU Presidency in 2014:**

- **Sotiria Konstantopoulou**, Permanent Representation of Greece to the EU: Greece is committed to bring to completion the CAP reform, with the adoption of delegated acts, and to reach a political agreement on the promotion policy. The discussion on the revision of the regulation on organic farming will be opened. Moreover, the Greek Presidency will work on the simplification of the Programme "Milk & Fruit scheme in school" and on the review of POSEI for the outermost regions.
- **Francesca Cionco**, Permanent Representation of Italy to the EU: despite the delay in setting the agenda of the Italian Presidency, the main guideline is sustainable, innovative and environmentally sound development of agri-food sector, a priority in close correlation with the Expo 2015.
  - willingness to reopen negotiations with the EC on income stabilization tools (insurance and mutual funds) contained in the second pillar, which have not been sufficiently valued;
  - the focus of the activity will be the review of the regulation on organic farming, an important sector in Italy which, together with Spain, is the largest producer of organic products;
  - the dossiers that will not be concluded by the Greek Presidency will be resumed by the Italian Presidency (probably promotion policy and the "Milk & Fruit in schools" programme).

#### **Presentation of Crete Region Strategic Plan and regional policy results by Vice-governor of Crete, **Theano Vrentzou Skordalaki**:**

- Among the top priorities of the Strategic Plan stand the promotion of a healthy diet and a sustainable, environmentally friendly production, the transparency and traceability and the promotion of local products.
- Creation of the trademark "Crete" that certifies quality agricultural products from the island, with the aim of protecting the cultural heritage of the Cretan diet, to spread the Cretan products in new markets and to create a bond between the primary sector and tourism, by promoting Crete as a gourmet destination.

The Secretary General presented the technical analysis carried out by the AREPO services on promotion policy (see documents), introducing the intervention of the Minister of Agriculture of La Rioja, **Iñigo Nagore** on the report of the NAT Committee (CoR):

- The promotion policy is a priority for the Greek Presidency and the EC that have made a commitment to reach a political agreement before the EP elections.
- The NAT Commission report has identified the following critical points in the EC proposal:
  - **Budget:** substantial increase, but this increase may not be sufficient to counterbalance the losses in the sector that will be caused by trade agreements under negotiation (i.e. USA). An additional effort is required.

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- **Eligible products:** a major expansion is required, opening the program to products that are not covered by Annex I to the Treaty.
- **Wine:** should not be deprived of the opportunity to obtain funding for campaigns featuring just wine.
- **Internal market:** not only information actions, but also promotion actions must be permitted; fixed distribution of funds between expenditure on the external market (75%) and expenditure on the internal market (25%) must be removed.
- **Annual program:** MS and regions should be involved in the development of the program and in the selection process. In addition, the program should last more than one year (2 or 3 years).
- **Funding:** proposal to increase funding up to 75% for multi-country programs and programs aimed at third countries. **It is essential to reintroduce the co-financing of MS/regions.**
- **Emergency procedure:** introduction in the EC proposal of a legal basis in order to consent to the Commission to react quickly in crises situations.
- **It is recommended that the European Commission gives greater recognition in the proposal to the European regions** that play a fundamental role in the promotion of quality food products.

The Secretary General presented the latest developments on the Quality Package:

- Presentation to the Council of the **implementing act and of the transversal delegated act** of Regulation 1151/12 is expected in April. They must be published at the same time.
- **Delegated act for the Optional Quality Terms:**
  - **Mountain products** (see Juan Andres Guitierrez presentation);
  - **Island products:** the Commission report emphasizes that an optional quality term may not be the right tool to solve the structural problems of the islands. It is likely that a proposal for a delegated act for this optional term will not be presented.
  - **Local agriculture and direct sales:** the EC published the report. The original idea to create an optional quality term for direct sale has been overcome, since it does not represent a real added value. The problem with the definition of "local products" remains (direct selling, short circuits, local products or proximity products?). It is not clear if a proposal for a delegated act on an optional quality term on local products will be presented.

Afterwards, **Carlo Malavolta** of the Emilia-Romagna Region has presented the work done by AREPO on the measure of Article 16 of the RDP (see the report of the Technical Group on 3/12/13). Several regions have requested to continue to work together on the implementation of the two measures of Article 16. It is therefore proposed to develop a template of the measure fiche, introducing favorable interpretations on the key issues identified (e.g., definition of new participation, group of producers and the criterion for eligibility for promotion measure). The template will be submitted to an unofficial opinion from the Commission and it will be quickly distributed to the regions. This template would serve as a harmonization instrument, with the potential to strengthen the regions proposals at the time of the approval of rural development programs.

**For this reason, we asked to the concerned regions to send to the Brussels office ([policyofficer@arepoquality.eu](mailto:policyofficer@arepoquality.eu)) the drafts the measure fiche of Article 16 as quickly as possible, to facilitate the creation of the template.**

Presentation by **Emanuele Busacca**, Regulations Coordinator of IFOAM-EU, on the review of Regulation 834/2007 on organic agriculture. He put particular emphasis on the fact that IFOAM, while sharing the goal of improvement of the EC Regulation, believes that a more gradual approach is needed. The most important points of the Commission draft proposal are:

- **Structure:** return to the structure of the first organic regulation (2092/91) with a single regulation with annexes (current structure: one basic regulation and 2 implementing regulations). It is considered

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excessive to change structure again after only 5 years. Moreover, this structure decreases the stability of the sector as many key parts are in the annexes, which can be modified by delegated acts.

- **Scope:** not clear, it is difficult to define which products are included.
- **Immediate cut of all exceptional production rules:** exceptions are important for small producers, for the new MS and for the countries where organic production is not developed, because they permit a gradual conversion.
- **Conversion:** retroactive recognition no longer possible. Not justified in the case of production beginning in virgin soil.
- **The entire holding must be certified organic:** ideally positive but creates practical problems, since about 25% of organic farms are mixed: risk of losing a large part of organic farms.
- **Feed:** more restrictive rules, IFOAM agrees in principle, but thinks a gradual solution is required.
- **Control system outsourced to the cross-regulation:** control in the organic sector has specific characteristics, it is important to keep at least control implementation under organic Regulation.
- **Threshold for non-allowed substances:** IFOAM is against the focus on analysis, that cannot control all of the requirements, since the organic agriculture is a process, not a product.
- **Possibility to abandon the annual inspection:** inspection is actually very important to assure the consumer.
- **International trade** more focused on **compliance** rather than on equivalence: given the different socio-economic and climatic conditions, IFOAM supports the concept of compliance: it is important that the standards have the same goals, but there is no need to have identical standards. This could limit the import of organic products.

Since all AREPO regions are sensitive to the issue of organic farming, the Secretary General proposes to work in collaboration with IFOAM, submitting comments and questions directly to them and supporting their positions when possible.

Presentation by **Fabio Boscaleri**, Policy Officer for Agriculture of Tuscany Region and Coordinator of ERIAFF (European Network of Regions for Innovation in Agriculture, Food and Forestry), on opportunities for implementation of the operational groups on quality. The activity of **ERIAFF** is addressed to select common priorities among the regions, in order to promote cross-border cooperation and coordinated actions between operational groups.

AREPO is starting to work with ERIAFF. On March 6<sup>th</sup>, AREPO will participate in the meeting between the European agricultural networks, organized to find synergies and common priorities in innovation. On this occasion, common priorities and needs with respect to innovation will be defined, in order to build operational groups that can work each in its own territory, but creating synergies and inter-regional collaborations.

The President concluded the meeting by thanking AREPO speakers for the important contributions and by submitting the work program for the next 6 months to the vote of the AREPO members. **The Assembly approved the plan unanimously.**