



Paris, 30 April 2020

POLITICAL OPINION

requesting the reinforcement of the exceptional measures in the Common Agricultural Policy (CAP) to address the consequences of the Covid-19 pandemic, and affirmation of the effective primacy of the CAP objectives over European competition rules

- (1) Having regard to the Treaty on the Functioning of the European Union (TFEU), in particular its Articles 39, 40, 42 and 101,
- (2) Having regard to Regulation (EU) n° 1308/2013 of the European Parliament and of the Council of 17 December 2013 establishing a common organisation of the markets in agricultural products (widely referred to as the “CMO”),
- (3) Having regard to Regulation (EU) n° 2017/2393 known as the “Omnibus” of the European Parliament and of the Council of 13 December 2017, amending in particular on certain points the provisions of the abovementioned Regulation n° 1308/2013, including the declarations of the European Commission published in the annexes to the Official Journal of the European Union,
- (4) Having regard to Directive (EU) n° 2019/633 of the European Parliament and of the Council of 17 April 2019 on unfair trading practices in business-to-business relationships in the agricultural and food supply chains,
- (5) Having regard to the resolution of the European Parliament of 14 February 2017 on the annual report on EU competition policy and in particular its points 79, 80, 81 and 82,
- (6) Having regard to the judgment of the Court of Justice of the European Union (Grand Chamber) of 14 November 2017, in case C-671/15, *President of the Autorité de la Concurrence v Association des producteurs vendeurs d’endives (APVE)*,

- (7) Having regard to the legislative proposals on the reform of the Common Agricultural Policy for the period 2021/2027, published by the European Commission on 1st June 2018,
- (8) Having regard to the report on the “New competition rules for the agri-food chain in the CAP post 2020” drawn up at the request of the AGRI Committee of the European Parliament by Professors Antonio Iannarelli and Catherine Del Cont and published on 14 September 2018,
- (9) Having regard to the first European resolution n° 130 (2016-2017) of the Senate, dated 8 September 2017, on the future of the Common Agricultural Policy (CAP) through to 2020,
- (10) Having regard to the second European resolution n° 116 (2017-2018) of the Senate, dated 6 June 2018, in favour of preserving a strong Common Agricultural Policy, combined with maintaining its budget resources,
- (11) Having regard to the third European resolution n° 96 (2018-2019) of the Senate, dated 7 May 2019, on CAP reform,
- (12) The European Affairs Committee of the Senate:
- (13) States that the difficulties being encountered by agriculture in the Member States on account of the Covid-19 pandemic justify the introduction of temporary exceptional mechanisms to guarantee fair prices for European farmers in light of the drastic reduction in potential outlets inside and outside the single market;
- (14) Asks that the European Commission, exercising its powers under the provisions not only of Article 219, but also of Article 222 of the “CMO” Regulation, take all emergency measures required by the circumstances of the Covid-19 crisis, including by derogating from the general framework of competition policy to allow farmers to come to agreements;
- (15) Calls for these exceptional measures to include the introduction of private and public storage aid on a sufficient scale to address the exceptional crisis being faced by the Member States, in order to avoid a massive fall in agricultural production and the risk of depriving the Member States and also many third States of essential foodstuffs;

- (16) Notes that the health and economic crisis linked to Covid-19 has highlighted an obvious fact that has too often been neglected in public debate in recent years, which is that the CAP enables us to feed European citizens and to provide for their collective self-sufficiency, thus avoiding adding a food crisis to an already acute health crisis;
- (17) In these conditions, asserts that the CAP is in no way an “old” policy and should not be subjected to severe “budget cuts” like those of around 15% in real terms being considered for the 2021/2027 period;
- (18) Insists on the contrary on the highly strategic nature of the CAP as the foundation of European food sovereignty;
- (19) In these conditions, calls for the general economy of the CAP reform project being negotiated since 1st June 2018 to be reconsidered, giving up, while there is still time, on the prospect of a “renationalisation” of this policy, implying a transfer of bureaucracy without any real benefit for European farmers and with a risk of additional distortions of competition within Europe;
- (20) Likewise, asks that priority should henceforth be given to the objective of European Union food sovereignty when drawing up the “farm to fork” and “biodiversity” components of the so-called “new green deal” strategy currently being prepared at the initiative of the European Commission;
- (21) Asserts that on top of the current possibilities for transfers between the two pillars of the CAP, compensation for losses of activity among European agricultural producers further to the Covid-19 pandemic will require additional spending exceeding the amounts initially provided in the CAP budget for 2020;
- (22) Calls for specific additional measures to enable the vine and wine sector to cope with the Covid-19 pandemic, including distillation and private storage aid, which should not be financed solely on the available funds of the national aid programmes, which are clearly insufficient today;
- (23) Considers that it is necessary to increase the budget (currently €400 million) allocated to the multiannual agricultural crisis management fund the European Commission proposes to create for the CAP 2021/2027, replacing the current system which has been totally inoperative hitherto;
- (24) Calls for the introduction of a special safeguard mechanism for the sugar sector due to the slump in sugar and ethanol prices caused by the oil crisis that is unfolding parallel to the Covid-19 pandemic;

- (25) Emphasises the importance of reviewing the CAP and competition policy before opening any negotiations for a trade agreement, in order to place our farmers in the best conditions of competitiveness;
- (26) Reiterates the need to verify, before any free-trade agreement comprising an agricultural component is signed between the European Union and a third Country, that there is equivalence on the basis of reciprocal production standards between imported products and European products, without which European producers will be disadvantaged;
- (27) Notes with great astonishment, in the current context of acute economic crisis linked to the Covid-19 pandemic, the announcement by the European Commission of the conclusion of trade negotiations with Mexico, and expresses its perplexity in this respect;
- (28) Emphasises the need for an overall vision of all the trade negotiations underway, which implies that the European Commission should provide the Member States and national Parliaments with impact studies for the purpose of assessing, sector by sector and country by country, the *ex ante* and *ex post* consequences of the choices made in the various negotiations and their cross effects;
- (29) Stresses that aside from the crisis caused by the Covid-19 pandemic, whose repercussions are being felt in very many sectors and will have a knock-on effect on the supply of by-products for animal feed, European agriculture suffers from persistent disadvantages, including the insufficient consideration in competition law of the specific nature of agriculture on the one hand, and the structural weakness of producers in the face of ever-more-concentrated processors and distributors, on the other;
- (30) Asserts that as a general rule, the objectives of the CAP, which has demonstrated its vital importance, must therefore effectively prevail over those of competition policy;
- (31) Therefore stresses the need to go further than the progress achieved by the co-called “Omnibus” Regulation (EU) n° 2017/2393 of 13 December 2017, and the more modest progress in Directive (EU) n° 2019/633 of 17 April 2019 on unfair trading practices, whatever the reservations expressed by the European Commission in the singular “declaration” annexed to the said “Omnibus” Regulation and published in the Official Journal of the European Union of 29 December 2017;
- (32) Asserts, as does the European Parliament in its resolution of 14 February 2017 on the annual report on EU competition policy,

that the collective activities of producer organisations (PO) are beneficial provided that they contribute to achieving the CAP objectives defined in Article 39 of the TFEU and should therefore benefit in principle from a presumption of compatibility with European competition rules which are designed to protect only the interests of consumers;

- (33) Therefore asserts the need to reinforce the bargaining power of agricultural producers and to favour fairer sharing of added value throughout the supply chain;
- (34) Considers that in order to do so, there are grounds to develop the means of action of producer organisations and their associations in matters of price regulation, more particularly in such a way as to help the beef and veal sector which is facing persistent structural weaknesses resulting in income levels that are much too low for the producers;
- (35) Also calls for the deletion, in Article 152 of (“CMO”) Regulation 1308/2013, of the reference to Article 101(1) of the Treaty on the Functioning of the European Union (aiming to prohibit practices likely to distort competition in the internal market), insofar as the missions and objectives of producer organisations are necessarily outside the scope of application of competition rules;
- (36) Also calls for the practices of farmers and their associations to be deemed to contribute to achieving the aims of the CAP defined in Article 39 of the TFEU, in accordance with Articles 152 and 209 of “CMO” Regulation n° 1308/2013;
- (37) Asserts that it should be possible for agricultural producers to agree to minimum prices by collective bargaining;
- (38) Supports, therefore, the need to abolish the ban on price clauses in Article 209 (1) of “CMO” Regulation n° 1308/2013, in order to allow European farmers to practice common sale prices, as has been the case for American farmers since the Capper Volstead Act of 18 February 1922;
- (39) Emphasises, as does the European Parliament in its abovementioned resolution of 14 February 2017, that the “fair price” should not be regarded as the lowest price possible for the consumer, but instead must be reasonable and allow fair remuneration of each party within the food supply chain.