



# Alyn Smith

MEP for Scotland

## Agriculture News Winter 2015

Hello, and welcome to my winter edition of the Agriculture newsletter.

As you'll know by now, the European Commission has presented a €500 million "comprehensive package" of measures to support farmers but the proposed measures fail to deal with the root cause of the current dairy sector problems.

Many questions remain, however. Although the Commission has presented the measures as comprehensive, €500 million across the entire EU will not go far unless it is specifically targeted to investments with the potential to exact real, wholesale change in the sector. We do not know if this €500 million is entirely new money for new programmes, or if it is reserved purely for 'targeted aid'.

It is a mistake to place so much faith on measures like promotion programmes which simply result in dumping surplus production on markets with contracting demand, like China. This will do nothing to rectify the supply-demand imbalance but just undercuts producers in developing countries. We don't need to encourage additional production when the world market is already oversupplied. The time for sticking plaster remedies has passed.

There is no mention at all of measures to help manage the supply of milk production – so nothing to deal with the root of the problem. The measures on the supply chain are simply not good enough – we don't need yet another High Level Group to tell us what we already know – we need legislative proposals to eliminate unfair trading practices and to redress the imbalance of power in the supply chain.

In other news I've been calling for country of origin labelling since 2009, so I'm happy to back the campaign

by Which? for country of origin labelling on dairy products.

It's no secret that the dairy sector is struggling, and I think there are a lot of resources in the EU toolkit that we can use to take advantage. For example, the UK Government could be pushing mandatory written contracts, promoting producer organisations and, yes, labelling milk and dairy products with their country of origin.

I've been doing my part in trying to buy Scottish but labelling is a tricky issue - you can have a cheese produced in Scotland but made from milk imported from Northern Ireland, for example.

When asked, Agriculture Commissioner Phil Hogan said the prohibitive administrative costs are a major barrier to making country of origin labelling mandatory, as the Commission is trying to reduce the burden on member states.

So, for the time being, voluntary labelling is our best option. I would suggest that clear, prominent, and easy-to-understand country of origin labelling would be a good way to maintain consumer confidence.

It is vital that we are able to trust our food, be clear about its origin, and able to make an informed choice.

As always, feel free to get in touch at the usual address - [alyn.smith@europarl.europa.eu](mailto:alyn.smith@europarl.europa.eu). Otherwise, wrap up warm and enjoy the rest of the month!

Yours aye,



# Agri MEPs hear the CAP view from Scotland

Scotland's unique environment and the limited powers of the Scottish Government have stirred up a whole lot of issues around the new Common Agricultural Policy. Richard Lochhead, Scotland's Agriculture Secretary, flew over to Brussels to talk to Parliament's Agriculture Committee about how CAP is being implemented in Scotland and outlined his five demands for Europe:

- Postponement of inspection demands to allow for early payments to farmers to be made
- Further CAP simplification
- An appropriate share of the recent EU aid package for farmers
- Concrete measures to be taken to address supermarket/retailer power over producers, and
- A guarantee that the UK government in future cannot hijack convergence money due to Scotland

Our agricultural sector is different to the rest of the UK, we do politics differently here, and the UK's obstructionist approach to CAP negotiations hasn't exactly proven to be a guide on how to make friends and influence people.



Scotland's farmers are still out of pocket thanks to Westminster, losing out on around €230 million (€60 million every year until 2020) of money that only comes to the UK because of Scotland's poor budget allocation. Seeing the funds go elsewhere is infuriating and it is right that my colleagues in Europe were made aware of this.

But I'm hopeful that this will result in greater scrutiny by the EU to ensure that CAP money is distributed to the quarters where it is intended, rather than leaving it to the Member State Government.

## Farmers need legal protection from unfair trading practices

I'm pleased to have gained significant support for Scotland's farmers from other Agriculture MEPs as we voted for tough legislative action against Unfair Trading Practices (UTPs).

During the debate on Mairead McGuinness' draft report on UTPs in the food supply chain (of which I am Shadow Rapporteur), MEPs agreed that voluntary initiatives have proven woefully inadequate in stamping out late payments, listing fees and retroactive changes to contracts.

The message is clear. Legislative action by Member States and the Commission is now required.

Scottish farmers know all about unfair trading practices from processors and retailers, from First Milk delaying payments to 1000 farmers by a fortnight while simultaneously increasing capital levy contributions, to Tesco advertising New Zealand lamb as Scottish (see below).

These are especially difficult to take while simultaneously having to deal with poor weather, the new CAP and volatility of prices. For far too long the European Commission has stuck its head in the sand on this issue: it has proved far too willing to talk rather than to take action. Enough is enough.

The UK's Groceries Code Adjudicator is a toothless tiger, one that either needs to gain teeth - my preference - or be shut down. It's not much of an enforcement body if organisations can bypass the Code merely by being a food manufacturer as opposed to a retailer, and their own survey showed that 70% of farmers still have issues with the Code despite the existence of the GCA.

We need legislative action at European level to ensure that buyers in all Member States observe minimum standards of good practice, and that the worst UTPs are stamped out across Europe. That was the overwhelming view of the committee too, and I look forward to working with my colleagues to take this report forward.

# The great European GM fight

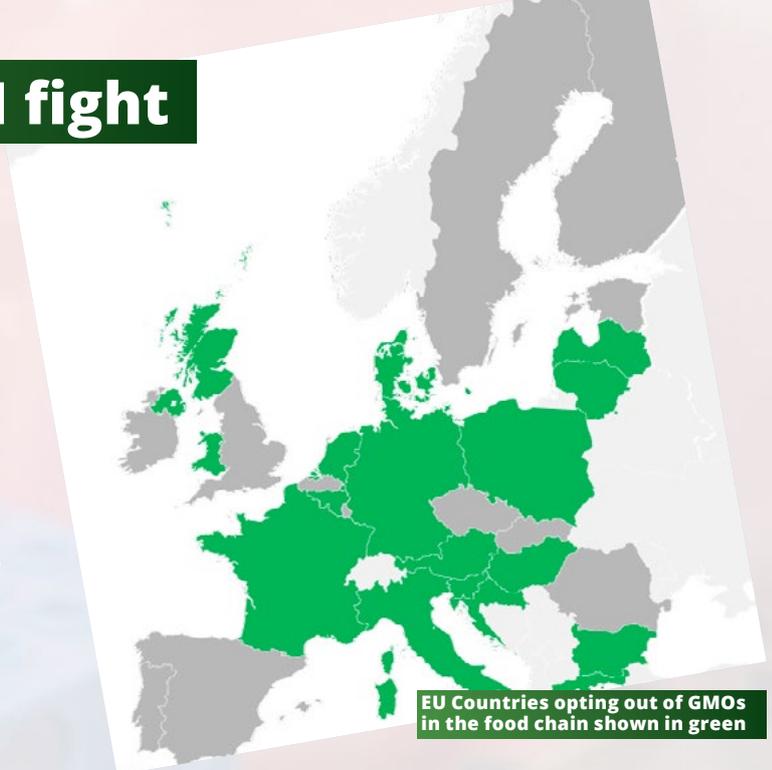
Half of EU countries have requested to opt out of GM cultivation in their territories, even if said varieties have been approved by the EU.

But that's not all.

Parliament's Environment and Food Safety Committee followed the Agriculture Committee in voting to throw out the proposals to allow Member States to opt-out of EU authorisations for GM varieties for use as food or feed.

This was a downright terrible piece of legislation from the Commission, and I'm pleased by the strong consensus we reached to reject it and tell the Commission to try again.

Allowing Member States and regions the right to opt-out from authorising the cultivation of GM crops is, to a certain extent, controllable. But to opt-out from the circulation of food and feed would cause grave difficulties for the free flow of goods in the internal market.



his nomination as President of the Commission, to democratise the authorisation process by taking into account the fact that overwhelming majorities of Member States routinely reject authorisations of GM varieties.

The GM authorisation process is a tricky beast, and I understand the need to reform it. Authorisations proceed despite flawed risk assessments, the opposition of EU governments, and the objections of a majority of EU citizens.

But we threw out the proposal because it would have given no legal certainty to Member States opting out of GMO authorisations. As a lawyer to trade, I know a legally dubious guddle when I see it, and that's exactly what we sent back to the Commission.

The international appeal of Scottish food and drink is based on our hard-won reputation for clean, green, natural produce and with continued public scepticism on GM crops we would be foolish to put this at risk for the hypothetical potential benefits of an as yet unproven technology. GM science can continue to evolve in the lab, not our environment.



The message is clear: we will not simply wave through bad legislation.

The Commission's proposal was in a similar vein to the recent, successful, proposal to allow Member State opt-outs for cultivation of GM crops, and was heavily criticised by all stakeholders, pro- and anti-GM alike, as unworkable, legally dubious from a World Trade Organisation perspective, and as a violation of the single market and the principle of free movement of goods without cumbersome border controls.

It was also not in line with the commitment given by President Juncker, in his manifesto before



**@AlynSmithMEP**

Good news! Bloody nose for EU Commission on #GM feed proposals: "back to the drawing board"

[www.alynsmith.eu/meps\\_tell\\_commission\\_try\\_harder\\_on\\_gm\\_feed](http://www.alynsmith.eu/meps_tell_commission_try_harder_on_gm_feed)

# 'A Citizens' Agricultural Policy'

Without the CAP Single Farm Payments, around a third of Scottish farms would go bankrupt. But the current Common Agricultural Policy is not fit for purpose; indeed in my darker moments I think we have created a convoluted way to subsidise the profits of supermarkets.

With this in mind, I joined citizens, farmers, agriculture experts and the campaigning 'Nourish Scotland' group for their event on 'A Citizens' Agricultural Policy' in Edinburgh, and opened the floor to suggestions.

We are facing a global challenge of feeding a rising population. How we treat our food supply chain is of pivotal importance to how we exist as a species, and we have a broken supply chain in Scotland and in Europe.

CAP simplification is work in progress, but we also need to be realistic about the limits of it. Despite our best efforts, the new CAP we negotiated in many respects is more complex than before, and there is a strong case for starting with a fresh piece of paper for the next reform rather than more tinkering with a system I think is simply broken.



Alyn speaking at the Nourish Conference in Edinburgh

Right now, CAP doesn't serve our farmers. It doesn't serve our people. It serves the interests of large supermarkets while much of Scotland's land goes fallow and inactive.

CAP support is vital to Scottish agriculture, as it provides the support we need to guarantee a safe, secure and nutritious supply of local food produced to high quality and environmental standards, and so it must continue in some shape or form. The question is "how do we shape it so it brings the greatest amount of good for the greatest number of people?"

This isn't an issue for closed rooms in Brussels; it affects us all, and we all need to have a say.

## In brief

### Alyn backs NFU Scotland in Tesco labelling row

Tesco learned the hard way that if you can't just pay lip service to Scotland's farmers, after being caught out selling imported lamb underneath a banner reading 'The Best Scottish Lamb in Season'.

NFU officials visited a Tesco Extra store and made the discovery, prompting an angry reaction from the farming union.

According to the Groceries Code Adjudicator (GCA)'s own report, released in June, over half the complaints made to the GCA were about Tesco. I wrote to the GCA to ask what we could do about the Tesco incident but apparently this falls out of the GCA remit.

### Canada opens borders to Scottish beef

Good news from Canada as their market reopens to imports of beef from Scotland! This is particularly opportune since farmers are currently struggling with the closure of Russian markets.

The Canadian market has been closed to all EU beef since the BSE crisis of 1996, and since then we have worked hard to ensure a safe, clean food chain that consumers can trust.

## Stay informed

It's easy to keep in touch about my work on your behalf and on developments in the European Parliament:

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