

Minutes

Meeting of the Working Party on **Flowers and Ornamental Plants** held on **30-31 October 2023**

Present on-site

L. Malfatto, N. Antelli, C. Tinelli, D. Onofri, M. Passebon, J. Vancayzeele, P. Tuszynski, A. Michiels, G.L. Boeri, G. Missanelli, A. Alberto, L. Malfatto, J. Schevel, A. de Witte, J. Auerts, A. Vitolins

European Commission (DG AGRI): C. Combette, T. Lopez-Garcia-Husach, M. Feuillet, F. Schlafke

Present online

B. di Rollo, G. Harring, J. Brunton, K. Lorenzi, L. Bazzana, M. Persson, P. Tuszynski, S. Mamias (Union Fleurs), L. Andrzejewska, J. Vancayzeele.

Secretariat

M. Dubois, M. Antonova, N. Curley

Summary and conclusions

30 October 2023

1. Approval of the agenda and of the minutes of the previous meeting

- ✓ The minutes were adopted without changes. Points regarding VAT and Plant health have been added to the agenda.

2. Roundtable of market situation and discussion with Market Unit DG AGRI

- ✓ The European ornamental plant market has shown mixed performance across different countries within the EU. Various factors, such as the weather, economic conditions and changing consumer behaviour have influenced the market. There was an overall trend toward greater emphasis on environmental considerations and sustainability in the industry.
- ✓ Some countries reported stable turnover and steady sales, particularly for bedding and balcony plants, with higher prices. However, turnover may be lower in 2023 than 2019.
- ✓ Changing consumer behaviour, including smaller purchases in garden centres, increased online shopping and a focus on environmental considerations, was reshaping the market.
- ✓ There was a growing emphasis on environmental and sustainability factors in the industry, with policies promoting planting and a shift in terminology to use "environmental" in place of "ornamental".



- ✓ Common challenges across countries include rising production costs, energy concerns, and uncertainties related to future economic conditions and water availability.

3. Trade agreements with third countries

- ✓ Ms. Catherine Combette, Head of Unit International Aspects in DG AGRI, presented the state of play of the various trade negotiations: Thailand was in early negotiations with no market access offered yet; Malaysia and the Philippines are expected to start negotiations in early 2024; negotiations with India are uncertain, with the EU proposing liberalisation of trade; New Zealand has concluded negotiations with parliamentary ratification expected in early 2024, and finally, potential negotiations with China remain a topic for the future. An agreement with Australia has not been reached, and the status of future negotiations is unclear.
- ✓ Ms. Mamias (Union Fleurs was invited to speak on this point of the agenda) highlighted the importance of India not being a signatory to the UPOV convention on plant rights and calls for the European Commission to take this into consideration in the negotiations.
- ✓ The Italian delegation emphasised the importance of intellectual property for breeders and the need for reciprocity in imposing limitations on EU producers. They expressed concerns about the competition from countries like Japan, India, and China, especially in the cut flowers sector, and call for common international rules to ensure fair competitiveness and address pest risks in trade.

4. Discussion on the activities of the WP

a. Promotion of the horticulture sector in the framework of the Green Deal

- ✓ Members emphasised the key role of the ornamental sector to contribute to the European Green Deal and expressed concerns that it was often overshadowed by food-related discussions. The group discussed the importance of effective communication and suggested creating a European Manifesto to highlight the sector's significance for a greener and healthier Europe.
- ✓ They considered launching the manifesto during an event (e.g., at the European Parliament or Essen trade fair) for a wider audience. The importance of packaging ideas effectively and presenting the positive aspects of the sector were highlighted.
- ✓ The secretariat was to gather the manifesto done at national level to start working on a European document which brought together the main ideas.

b. Use of Plant protection products

- ✓ In the weeks preceding the meeting, the President of the WP together with Presidents of other sectoral WP have been discussing the importance of joining forces when it comes to communicating the needs of the sector concerning the use of plant protection products.
- ✓ The Italian delegation has initiated the drafting of a white paper that will provide a clear list of products commonly used in their sector. They proposed that this paper be adopted as a working document for our group and other sectors of Copa Cogeca. The primary objective was to effectively communicate to politicians the specific products and resources utilised within the sector (the document will be published on Agri-Pulse).



5. A.O.B

a. VAT

- ✓ A WUR report on VAT for ornamental plant products in NL and EU showed that an increase in VAT rate (from 9 to 21%) could harm the turnover and employment in the supply chain. The calculations suggested that a VAT increase in NL alone would result in a €200 million loss in the ornamental sector's turnover at wholesale prices, and if other EU countries followed suit, it could lead to a more significant impact on the country's exports and primary production, with a potential drop in turnover of €930 million and various economic repercussions.
- ✓ In France, there was a draft budget law for 2024 aimed at reducing the VAT rate on food products from 10 to 5.5%. This was seen as positive news. However, there was some concern that further discussion might lead to ornamental products being moved to the higher 20% VAT rate as opposed to benefiting from the lower rate. In 2017, Austria experienced an increase in VAT (now 10%) which was not an issue per se; it did, however, create discrimination between the products with different tax levels.

b. Plant health

- ✓ The French delegation has raised concerns about the strategy for combating *Xylella fastidiosa*. Other countries have advised strict management as well as the implementation of buffer zones to prevent the spread of the vector.
- ✓ In Belgium, Japanese beetle (*Popillia Japonica*), which was already present in Switzerland, has created some worries for the sector as European law does not provide for restrictions.

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6. State of play on the Sustainable Use of Pesticides Directive (SUR)

- ✓ Marina Antonova presented the latest developments concerning the SUR. The file was currently in the hand of the European Parliament for an upcoming vote in plenary (November), while the Council is working on a note on targets and on sensitive areas. The Secretariat was analysing the potential outcomes after the votes in Committee.
- ✓ The Chair reiterated that the issue with PPPs was not only covered by the SUR, as cut-off criteria would also impact the sector. Some members were in favour of the rejection of the proposal, as many aspects were unrealistic and not applicable for the sector.

7. Presentation on the Soil Monitoring and Resilience Law (SMRL)

- ✓ Niall Curley presented the proposal and the latest development concerning the SMRL that aims at recovering healthy conditions for EU soil by 2050. The work was starting at the EP and was expected to finish around March during the Belgian presidency.

8. New Genomic Techniques (NGTs)

- ✓ The Secretariat gave an update concerning the NGTs file currently discussed at the EP. Copa Cogeca recently published its position paper.



9. Exchange of views about next summer's meeting

- ✓ A proposition for a summer meeting in Kenya themed around trade was presented (see HOR(23)05114). The Secretariat suggested that members reflect on this proposition, while looking for a plan B. A final decision was to be taken during the next informal meeting at the IPM in Essen on 26th January.

Conclusion and special remarks

The Chair thanked the members for their participation and the interpreters for their work. The next meeting of the Working Party would be an informal one at the IMP fair in Essen.

Since CDGs have been deleted, the Secretariat has proposed to organize a WP meeting twice a year. This will take place in a two-half-days format to allow discussions with the European Commission and potentially other stakeholders too.

Background Documents

Invitation and agenda HOR(23)04612 for the Working Party Meeting and minutes HOR(23)01922 from the last meeting.

PPT Presentation - Copa Cogeca Working Party on Flowers and Ornamental Plants 30-31.10.2023 - Market situation and other topics – HOR(23)04985

Observations made by the two Vice-Chairs WP Flowers and Ornamental Plants - Meeting of 30 and 31 October – HOR(23)04846

State of play for SUR by Marina Antonova – HOR(23)04903

Presentation from Niall Curley on the Soil Monitoring and resilience Law - EN(23)04210

Draft Position Paper on Soil Monitoring and Resilience Law – EN(23)04569

Position Paper on the Commission's proposal on plants obtained by certain new genomic techniques – SEM(23)04027

Proposition on Summer Meeting 2024 at the International Floriculture Trade Expo in Nairobi by Royal Flora Holland and Glastuinbouw Nederland HOR(23)05114.

Calculating the effects of increasing the VAT on ornamental plant products in the Netherlands and the EU – <https://edepot.wur.nl/638533>

