



CEDR

Comité européen de droit rural
European Council for Rural Law
Europäische Gesellschaft für
Agrarrecht und das Recht des
ländlichen Raums

**European Congress on Rural Law – 20–23 September 2017
Lille (France)**

Organized under the direction of the C.E.D.R.
by the French Association for Rural Law

Commission III

National report SPAIN

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1. USE OF MODERN BIOTECHNOLOGY

In Spain Law 9/2003 of 25 April, establishes the legal regime of the contained use, voluntary release and commercialization of genetically modified organisms (GMOs). And by Royal Decree 178/2004, of January 30, its development regulations were approved.

Recently the Royal Decree 364/2017, of 17 April, has introduced an amendment in the regulation of development. The objective is to apply the Directive 2015/412 of the European Parliament and of the Council of 11 March 2015 as regards the possibility for Member States to restrict or prohibit the cultivation of GMOs in their territory.

To this end, an Additional provision has been passed: "Measures to prevent cross - border pollution from the cultivation of GMOs in neighboring Member States where the cultivation of these GMOs is prohibited"

The Ministry of Agriculture and Fisheries, Food and Environment is responsible for adopting such measures. If implemented, measures shall be proportionate, non - discriminatory, based on the principle of prevention and precaution, as well as on the principle of individual case.

The conditions for implementing the measures are as follows:

- a) Effectiveness of prohibition in the neighboring Member State.
- b) Authorization or renewal of the authorization of cultivation of the GMO in the European Union.
- c) Risk assessment report of the National Biosafety Commission.
- d) Hearing the Community or Autonomous Communities in whose territory are to take effect.
- e) Monitoring, surveillance, control and sanction of these measures correspond to the Autonomous Communities.

No later than 60 days after the entry into force of the measures, it will be necessary to inform the European Commission about the rules adopted.

2. LIVESTOCK SECTOR SUPPORT (DAIRY SECTOR)

European and Spanish dairy sector is going through a difficult situation because of several factors that have led to a significant imbalance in the market and prolonged drop in prices paid to producers.

Therefore, both the European Commission and the Spanish Ministry of Agriculture have articulated numerous measures to support the sector, with short-, medium- and long - term.

Among the planned measures include the granting of direct payments to dairy cattle farmers. The goal is to provide short - term liquidity, so that their holdings can continue the activity until other measures to take effect and prices in markets recover.

Thus, Royal Decree 1077/2015, of 27 November, established temporary and exceptional direct payment to offset economic difficulties in the dairy sector ("liquidity support").

The payment is based on the Delegate Regulation (EU) 2015/1853, of the Commission of 15 October 2015, which made available to Member States 420 million euros (25,526,629 euros corresponded to Spain). To this amount, 20 additional million euros from national budget were added, based on "de minimis" support to the dairy sector. Total aid amounted to 45,526,629 euros as well.

Liquidity assistance went to farmers who had made deliveries of milk during April, May, June and July 2015. The aid was structured in two tranches:

a) A basic tranche to be received by all farms, equal for all, consisting of 0.0107 euros aid Per kilo of milk delivered. It will be limited to a maximum amount of 50,000 euros per beneficiary.

b) An additional complementary tranche, to producers in a more precarious situation (below previously established thresholds of profitability). In fact, a single amount of 300 euros per eligible animal (female cows) was paid. The maximum amount per farm was 10,000 euros.

From the administrative point of view, given the urgency of adopting measures that address the situation described and the principle of administrative simplification, these grants were awarded ex officio (without specific request or application). The basic tranche of this special support was paid together with direct payments from the CAP, to all beneficiaries who submitted their application in 2015.

For the same reasons cited above, Royal Decree 70/2017, of 10 February, establishes another exceptional aid to permit the adjustment of the dairy production sector.

The aid is based on the Delegated Regulation (EU) 2016/1613 of the Commission of 8 September 2016. The total amount of this aid is 350 million euros, of which 14,665,678 euros correspond to Spain.

Spain will allocate all the entire budget available to the dairy sector, which is especially vulnerable to shocks and imbalances in the market.

First, preferential treatment will receive small farms, located in mountain areas or on islands, and those that have contained or reduced their volume of cattle for various reasons. All beneficiaries will be obliged not to increase its inventory of animals in 2017. Obviously this measure is destined not to increase production of milk. An amount to be received by each eligible animal to a maximum of 75 animals per beneficiary will be established. You can not exceed 60 euros per animal.

As a second step, it also will benefit integrated producer organizations or priority associative entities. The aim is to improve the organization of the sector and strengthen the position of the producer against the next step in the chain. This payment amount may not exceed 750 euros per beneficiary.

3. THE FUTURE REFORM OF THE CAP: THE POSITION OF SPAIN

Towards a new revision of the Common Agricultural Policy, the European Commission has launched a public consultation in early 2017, which will follow a communication on the future of the CAP.

With the intention of securing the Spanish position, on 27 and 28 March 2017 a "Building the future CAP Conference", open to all sector agents and players and autonomous communities, was held.

With the results of the comments and contributions received, it has been made a proposal for Spanish position regarding the initiative of the European Commission on "modernization and simplification of the CAP".

The proposal was presented and discussed into the Sectorial Conference on Agriculture and Rural Development, held on April 24, 2017, where a common position (dated April 27, 2017) was reached, which addresses several areas of the future CAP that will summarize.

A) With regard to questions of horizontal character

First of all, it is stated that the CAP has played and must continue to play a fundamental role in the European construction. The CAP should contribute to the equalization of the level of agricultural income to that of other productive sectors.

Future challenges facing agriculture are related to food security, due to the increase in world population, to the conservation of the environment and the fight against climate change. Also the depopulation and aging of many rural areas, given the lack of opportunities for young people and women, is a great concern.

Farmers and ranchers are and should be the main protagonists of the CAP. Agricultural holdings must be economically sustainable, as a decent livelihood, employment and maintenance of a living rural environment.

Europe presents a great diversity of productive models. Spain is one of the EU Member States with more diverse agriculture and livestock throughout its territory. The CAP should reflect that diversity and be flexible to suit the needs and characteristics (eg. Agriculture on mountains, Mediterranean, Ultraperipheral agriculture...).

The Spanish agri-food sector has a clear international vocation (export and diversification of destinations). Internationalization and the opening of markets are key issues. In this context, trade agreements with third countries must respect the standards required of Community producers.

The future CAP must take into account and connect to European consumers, to make them realize the benefits of this policy area and the need for their support.

B) Financing

The challenges and demands of the future CAP call for adequate and sufficient funding to remain an essential instrument for EU unity, especially in times of

uncertainty caused by Brexit, among other causes. Financing of aid and direct payments must be maintained at 100%.

C) Direct payments and aid to farmers and ranchers

Direct CAP payments should continue to play a key role in the future in order to stabilize producers' incomes, to maintain the production of certain vulnerable sectors and to contribute to the maintenance of the environment and the climate.

Focus should allocate direct payments to producers who make a genuine agrarian activity, which is respectful to environment and climate, providing services society is expecting from them.

Payments linked to production will continue to play a relevant role in keeping certain vulnerable sectors, particularly in less-favored areas or areas with natural limitations.

D) Specific support programs

Support programs for wine, fruit and vegetables and apiculture, linked to Mediterranean agriculture, play an important role in Spain and must be maintained in the new CAP, betting on the quality and added value of such productions.

E) Network security and risk management tools

The mechanisms of public and private storage have proven their validity and effectiveness to recover the balance between supply and demand, in situations of continuous fall of prices paid to the producer. The new CAP should not only maintain these mechanisms, but also update their functioning and implementation (preventive character), as well as introduce new instruments to alleviate market crises, all from a common European perspective.

Regarding risk management that may affect the holdings, farmers and ranchers should gain a better understanding thereof, as well as greater awareness of the need to adequately cover them before they cause damage. The CAP should not only promote such knowledge but also promote and encourage the use of agricultural risk hedging instruments and those that serve to stabilize incomes.

F) Chain approach

It is essential to insist on the improvement of relations between the different agents and links into the food chain. At the policy level, the CAP should implement such improvements, especially those that have an impact on combating unfair commercial practices, by introducing independent control authorities.

The CAP should reinforce the promotion of producer organizations and interbranch organizations, given its great work of structuring the agricultural sector.

It should also deepen the adaptation of the rules of competition in its application to the agricultural sector.

One of the issues that most concerns the agri-food sector is the one that affects the formation of prices along the chain.

It is necessary to focus on information and transparency in this area so that all actors can act on an equal footing.

G) Rural development

Aging and depopulation are the main problems affecting the rural environment. In many areas of Spain population density is very low, among the lowest in Europe. In fact, 30% of Spanish farmers are over 65 years old, and only 4% are under 35.

The lack of opportunities for young people and women is one of the causes of the problem, which results in the alarming lack of generational change in agriculture and livestock.

The current instruments for supporting young people and women in the CAP are not sufficient or ineffective. The new CAP must address this issue as essential for the future, and make a qualitative and quantitative leap: the future of agriculture and the rural areas is at stake.

Areas with natural constraints should continue to receive sufficient support, in order to maintain productive activity, population and natural resources in these areas.

The agricultural sector is an engine of the Spanish economy, especially the rural economy. The mechanisms and measures of rural development policy must therefore remain a central pillar of the second pillar of the CAP, with the objective of modernizing and improving agricultural structures.

Aid for investments in agricultural, livestock and forestry operations can facilitate the achievement of climate change adaptation and mitigation objectives, as well as the preservation and improvement of the environment.

The application of the principles of the “circular economy” and the “bioeconomy” should be a prime opportunity for the rural environment. The CAP should incorporate measures to achieve synergies with such principles and policies.

The future CAP should place greater emphasis on promoting knowledge and innovation applied to the food industry, and its transmission through training. Among other objectives, this will allow to face the transition to more sustainable production models, with the use of fewer resources.

Finally, the CAP must adopt the principles of a knowledge-based society and intelligent agriculture, and make it easier for producers to benefit from the potential of information through new technologies, digitization and Big Data.

4. FOOD AID. FOOD SECURITY

4.1. The Regulation 223/2014 of the European Parliament and of the Council of 11 March 2014 on the Fund for European Aid for Disadvantaged people (FEAD), establishes the available resources of the Fund for the period 2014-2020, and the provision by Member State. FEAD will finance national programs that distribute food and / or basic material assistance to the most disadvantaged people, through partner organizations selected by States.

The European Commission, by Implementing Decision, dated December 17, 2014, approved the Operational program food aid for the most disadvantaged people in Spain. The actions of the program will be financed by the FEAD by 85% and the national budget by 15%.

The Ministry of Agriculture and Fisheries, Food and Environment, through the Spanish Agricultural Guarantee Fund (FEGA), is responsible for the purchase and distribution of food through a public tender procedure. Thus, the FEGA purchases the food from the awarded companies, which supply them to the storage and distribution centers that the Associated Distribution Organizations (OAD) have throughout Spain. The OAD, of national dimension, will distribute the food to the Associated Delivery Organizations (OAR), which directly deliver food to the targeted people. FEGA, according to the Operational Program, will handle annually the selection of the OAD and authorize OAR participating in the program.

In this area, it has been passed the Royal Decree 603/2016, of 2 December, on direct grants to the OARs in charge of food delivery and the development of accompanying measures under the Operational Program food aid.

4.2. In another vein, Royal Decree 511/2017, of 22 May, develops the application in Spain of the rules of the European Union regarding the school program consumption of fruits, vegetables and milk.

The EU regulatory framework is made up by Regulations 1308/2013 and 1306/2013, as regards the aid scheme for distribution in schools of fruits and vegetables, bananas and milk. In fact, today there is still a downward trend in the consumption of fresh fruits and vegetables and drinking milk.

The aim of the Spanish state standard is to establish the basic conditions for implementing the aid scheme for the distribution of fruit and vegetables, processed fruit and vegetables and banana products, milk and milk products to children in schools, in the framework of a school program fruit and vegetables and milk.

Recipients will be the students who regularly attend a school administered or recognized by the competent authority in education (levels of infant, primary and secondary education).

The applicant for the aid, as a rule, will be the provider of products or services, and exceptional the schools.

The following groups of products may be distributed in the school program:

A) Fresh productions of the fruit and vegetable sector and the banana sector.

B) Consumer milk and lactose-free versions thereof.

In order to promote the consumption of specific products or to meet the particular nutritional needs of children, it may also be subject to distribution in the program:

A) Processed products from fruit and vegetables.

B) Cheese, curd, natural yoghurt and other fermented or acidified milk products (not containing added flavoring), fruit, nuts or cocoa.

In any case the products may contain sweeteners or artificial taste enhancer from the E620 to E650; they may contain only added salt or added fat in limited quantities.

The EU aid may be used to finance the supply and distribution, including logistics and distribution of eligible products. Aid may be increased to a maximum of 20% in case of products guaranteed by quality schemes recognized by the EU (biological production, etc.). The Autonomous Communities may also complement the maximum value applicable to the product with its own funds. Similarly, EU aid may be supplemented with national budget.

The following activities will also be eligible for funding from the EU:

A) Educational measures of accompanying;

B) Advertising costs, monitoring and evaluation of the school program.

Regarding educational accompanying measures they should be directly aimed at achieving the general objectives of the program, specifically:

A) To increase, in the short and long term, the consumption of the products covered by the school program and to reconnect children with agriculture and food production.

B) To promote healthy habits and behaviors related to the consumption of these products in the students of the schools, as well as to the promotion of other healthy habits as the physical activity.

As complementary objectives, these measures will be aimed at increasing students' knowledge by addressing related issues such as local food chains, organic farming, sustainable production or combating food waste.

Accompanying educational measures may also include distribution for tasting domestic agricultural products such as olive oil, boneless olives and honey.

5. FOOD SAFETY AND HYGIENE ON PRIMARY AGRICULTURAL PRODUCTION

Regulation 178/2002 of 28 January, established the general principles and requirements on food law, the European Food Safety Authority and procedures in matters of food safety. In short, it defined the Community regulation framework on food matter, with the objective, among others, to ensure the security and safety of food products from the EU.

To develop this rules, there were approved, among others, Regulation 852/2004 of 29 April on the hygiene of foodstuffs, and Regulation 183/2005 of 12 January, laying down requirements for feed hygiene.

In this regard, in Spain, Royal Decree 9/2015 of 16 January, on conditions of application of the Community rules on hygiene in agricultural primary production was passed.

The rules applies to farms that carry out their activities in the field of agricultural primary production, but not to those farms that fully allocate their production to private domestic consumption.

Farmers shall comply with the obligations about hygiene laid down in Annex I of Regulation 852/2004 and Annex I of Regulation 183/2005, as applicable.

Royal Decree 9/2015 implemented a General Registry of Agricultural Production (REGPEA), where farms shall be entered when RD 9/2015 applies to them.

The REGPEA, as well as being essential for compliance with Community legislation on food law, is also an essential element for the inspection services of any territory, being a valid and appropriate instrument for other purposes of agricultural policy. The objective is that operators of all steps of the the food chain are recorded in computer databases nationwide.

The REGPEA will be fed from the data of the different Autonomous Communities Registers already created. Each farm will be assigned a code to ensure unique identification.

So that, annually farmers must notify to the competent authority of the Autonomous Community all the information contained in the Annex of Royal Decree 9/2015, for the purposes of registration in the REGPEA. The newly established farms shall notify such information within the month following the beginning of its activity. Farms to abandon the activity, also should notify such a situation within the month following the cessation of its activity.

Thus, in the aforementioned Annex, the minimum information to be notified is collected:

- Name and surname, or company name.
- NIF of the farmer of the holding.
- Postal address.

- Contact information. At least one of the following routes of communication will be mandatory: Telephone, fax or email address.

- List of plots or SIGPAC sites that make up the farm, of which at least the following information must be notified: SIGPAC code of the same; Surface (Has.); Cultivation.

- Self-control on a voluntary basis: it will be possible to indicate if the farm carries out some type of self-control.

- Code or codes of the General Register of Livestock Farms (REGA): this field will only be necessary for those farms with mixed agricultural and livestock production.

In another hand, Royal Decree 9/2015 also aims at the creation and regulation of official control programs of hygiene in primary agricultural production. In fact, the Control Program of Primary Agricultural Production, will include verification of the obligations under the applicable Community regulations (vid. Art. 6.1). The program will be prepared annually by the Ministry of Agriculture in coordination with the Autonomous Communities. On it, objectives, guides and guidelines for the following year will be marked. When implementing this program, all Autonomous Communities shall inform the Ministry of Agriculture of the results of checks carried out the previous year.