

LMC

Livestock & Meat Commission

LMC Brussels Update – December 2016

Brexit - The EU27 had a short informal meeting to finalize procedural arrangements and reconfirmed principles, meaning the indivisibility of the four freedoms, the balance of rights and obligations and the rule "no negotiations without notification". They adopted the organisational structure with the European Council maintaining political control over the process, and the Commission as the Union's negotiator and Michel Barnier as the Commission's Chief Negotiator. The EP has already expressed its concerns about not being involved in the negotiations.

EU Council Presidency: From January to July 2017, Malta will hold for the first time this position.

Farmers' position in the supply chain - how to tackle unfair trading practices. The Commission should conduct an impact assessment, so as to propose an EU legislative framework or any other non-legislative measures to tackle UTPs. In this context, National systems in the Members States should be scrutinised. Further discussions on the food chain dossier will be held in January.

CAP: A public consultation on the future Common Agricultural Policy (CAP) will be launched in January 2017, so as to improve the resilience to market, enhance sustainability and support generational renewal. To offer rapid responses and reliable tools to support farmers during market crises and reduce price volatility, new targeted and effective public intervention should be designed to compensate the inevitable reduction of direct payments and increase farm sustainability. Accessibility to credit and reduction of administrative burdens should support young farmers' businesses. Eventually, financial instruments (FIs) use should be developed in 2017 to favour investment, especially in new technologies (smart farming and digital technology), so as to tackle climate change and improve farm management. Indeed FIs are considered a resource-efficient way of using public funding, although they can also entail high management costs and fees, as well as complex set-up procedures.

The Commission aims to come forward with specific legislative proposals in 2018, however given the political context, there is a serious reason to doubt that there will be possible to complete a post 2020 review of the CAP before 2019. In January, actions to be taken to implement the Cork declaration will be discussed between the representatives from the five EU institutions at the "Cork 2.0 – From reflection to action" event in Berlin.

European Fund for Strategic Instruments (EFSI): First COSME agreement guaranteed by the EFSI was signed between the European Investment Fund (EIF) and the Strategic Banking Corporation of Ireland (SBCI). Approximately 2,000 SMEs in Ireland will benefit from this agreement that will provide over EUR100 million of loans at attractive rates, among others in the agri-sector.

Food and feed expenditure: A public consultation was launched concerning the mid-term evaluation of regulation (EU) N°652/2014 on food and feed expenditure, which covers the spending for animal health measures, plant health measures, official controls and others activities. This mid-term evaluation focuses on the activities undertaken during the period of 2014-2016. The results will shape the future food and feed programme. Stakeholders are invited to express their opinion about the financial instrument and its future priorities until 17/03/2017.

Official controls along the agri-food chain: The Council revised rules to perform official controls. The new system simplifies the existing legal framework by establishing a unique set of control rules applicable to most sectors of the agri-food chain. Additionally, it covers marketing standards for agricultural products with respect to possible fraudulent practices. To prevent food fraud and scandals, the member states' authorities in charge of checking compliance with EU legislation through official controls, will have strengthened instruments (unannounced official controls and financial penalties on operators committing intentional violations). The work of national competent authorities will be carried out on the basis of multi-annual national control plans and be risk-based. The revised rules require member states to ensure that effective mechanisms are in place to allow for reporting of potential or actual breaches of the regulation, and a high level of transparency on the controls carried out (type, number and outcome...). The European Parliament is now expected to vote at a next plenary session (early 2017).

Zoonoses: EFSA and the European Centre for Disease Prevention and Control have just published a [report](#) presenting the results of the zoonoses monitoring activities carried out in 2015 in 32 European countries (28 Member States (MS) and four non-MS). A total of 4,362 food-borne outbreaks, including waterborne outbreaks, were reported. Bacteria were the most commonly detected causative agents, followed by bacterial toxins, viruses, other causative agents and parasites. The causative agent remained unknown in 33.5% of all outbreaks. Campylobacteriosis was the most commonly reported zoonosis and the increasing EU trend for confirmed human cases since 2008 continued.

As in previous years, Salmonella in eggs continued to represent the highest risk agent/food combination. European experts have noted an increasing trend of listeriosis since 2008, but they highlight that the number of affected people stabilised from 2014 to 2015. The decreasing EU trend for confirmed yersiniosis cases since 2008 continued.

The number of confirmed shiga toxin-producing Escherichia coli (STEC) infections in humans was similar to 2014. In food, STEC was most frequently reported in meat from ruminants.

Transmissible Spongiform Encephalopathies (TSE) in cattle, sheep and goats: EFSA in its [first EU summary report](#) on the monitoring of TSE provides results on data collected by all EU Member States (MSs), Iceland, Norway and Switzerland for 2015 on the occurrence of bovine spongiform encephalopathy (BSE) in cattle and scrapie in sheep and goats – two forms of TSEs. A low number of BSE cases in cattle were detected in EU MSs, none of which entered the food chain. Five cases of BSE in cattle have been reported in the EU (one of them in UK), out of about 1.4 million animals tested. 641 cases of scrapie in sheep (out of 319,638 tested) and 1,052 in goats have been reported (out of 135,857 tested) in the EU. Although in a number of MSs the decrease in classical scrapie is clear, at the EU level there is no clear decreasing trend in the occurrence of scrapie in small ruminants. Results obtained

from genotyping in sheep confirm that cases of classical scrapie are clustered among certain genotypes, and animals with these genotypes seem to account for less than 20% of the European randomly sampled sheep population. In total, 580 samples from species other than domestic ruminants were tested for TSE in three MSs, all with negative results.

European Agricultural Outlook conference (EU 28): In reference to the [EU agricultural outlook](#), world meat consumption is expected to increase by 13.5 %, or 42.6 million tonnes, between 2016 and 2026. This is less than in the previous decade, but still almost equivalent to a year's total meat production in the EU. Overall meat consumption per capita in the EU recovered by an unexpected 1.9 kg in 2015. The increase is expected to reach 68.4 kg/ca (retail weight) in 2016. By the end of the outlook period, per capita consumption is expected to remain stable, with poultry taking small proportions of market share from other meats. Still, 90 % of total EU meat production will go to EU consumers.

EU beef production continues to be driven mainly by dairy herd developments. After the increase in 2015 and 2016, it is expected to reach 7.5 million tonnes by 2026. The production of sheep and goat meat is expected to stabilise at current levels thanks to improved profitability and demand that remains steady despite higher prices. Pigmeat production is now expected to expand only marginally (by less than 1.3 % by 2026 compared to its 2016 high levels). Pigmeat exports are expected to grow steadily, supported by sustained world demand and low feed prices. Price competition from the USA and Brazil is expected to be strong, however. Further detailed data are also issued in the [Agriculture statistical book](#).

Export: For the 12-months period November 2015 to October 2016, EU agri-food exports reached a value of €129.9 billion, corresponding to an increase by 1.9% in value terms compared to the same period one year ago as for the [monthly report on EU Agri-Food Trade](#). Export values increased in particular for pig meat (EUR +1.2 billion; +32% compared to export values in the 12-months period one year ago), meat offal, other meat and fat (EUR +477 million; +21%). Over this period, EU import values for agri-food products also went up for Ivory Coast by EUR +457 million (+15%), Peru (EUR +234 million; +13%) and Mexico (EUR +130 million; +12%). Australia, Switzerland, Ghana, Vietnam, Costa Rica and Guatemala also improved in agri-food exports to the EU by at least EUR 100 million each. On the other hand, the value of agri-food imports from Brazil decreased by EUR 1.2 billion (-9%) and imports from other important suppliers, Indonesia, the USA and Turkey went down compared to the previous 12 months period. Japan has now overtaken Russia as the 4th most important export destination of EU agri-food products with around €5 billion annually net-surplus for the last years. EU producers mainly export to Japan pork, wine and vermouth, cheese and spirits and liqueurs.