



## LMC Brussels Monthly Update - November 2018

### Brexit

Big step forward this month as the negotiating teams of the EU and the UK reached on the 14th November a technical agreement on the Withdrawal agreement (WA) and on an outline of the political declaration on the future relationship. The [585-page draft legal text](#) sets out the provisions to [ensure an orderly withdrawal](#) from the EU, including a transition period that will last until the end of 2020 with the possibility to extend it one time for a maximum of two years and a specific protocol setting the terms of a [legally operational backstop](#) to ensure that there will be no hard border in the island of Ireland. Intense negotiating efforts continued for a few days more to finalise the [draft Political Declaration](#) and solve the Gibraltar issue raised by the Spanish government, who threatened to withdraw support for the overall agreement as they considered it did not include explicit assurance on the Spanish role in the future negotiations on Gibraltar. As the issue was solved with a [written legal interpretation](#) by the UK government, [EU leaders endorsed](#) on the 25th November the proposed WA and Political Declaration, which must be now subject to ratification by both the European Parliament and the House of Commons before the 29th March in order to avoid a no-deal scenario, which cannot be ruled out – at least as of now. In fact, additional information on preparedness and contingency work in the event of a no-deal was [published by the Commission](#) and some Member States such as [France](#) (information in French) earlier this month.

### Crisis reserve

The European Commission (EC) [will reimburse](#) 444 million euros to European farmers, originally deducted from direct payments for 2018 under CAP to create this year's so-called agricultural crisis reserve. The amounts concerned will be reimbursed to farmers as of 1st December 2018. The damages caused by adverse weather conditions during this spring and summer have been addressed by other measures, including derogations from certain conditions related to greening payments and higher advanced payments for 2019, so it has not been necessary to unblock the crisis reserve in 2018. The amount available for the UK is 39.617.734 EUR.

### Future CAP

The European Court of Auditors (ECA) has published an [assessment](#) of the new Common Agricultural Policy proposal pointing to significant weaknesses. Auditors consider it falls short of the EU's ambitions for a greener approach and direct

payments are not appropriate for addressing many environmental concerns, nor is it the most efficient way of supporting viable income. The EC, represented by Commissioner Hogan, [rejected](#) the auditors' conclusions, particularly as regards the environmental ambition and direct payments.

### Animal Welfare

The ECA has examined the welfare of farm animals and the overall implementation of the latest EU strategy. The auditors visited five Member States: Germany, France, Italy, Poland and Romania. The [report](#) published this month points to certain successes of the animal welfare policy, but warns of a gap between its ambitious goals and practical implementation. Overall, the auditors found good practice, particularly regarding the consistency of official inspections, but also saw a need to focus on areas and business operators with a higher risk of non-compliance. The auditors conclude by making a number of recommendations to the EC including more effective enforcement guidelines for compliance, strengthening the links between cross-compliance and animal welfare, and action to better address animal welfare through rural development policy.

### Monitoring of TSEs

EFSA has published its [third summary report](#) on the monitoring of transmissible spongiform encephalopathies (TSEs) in the EU for 2017. For the first time since BSE has been reported, no cases of classical BSE in cattle (out of 1,312,714 animals tested) were reported in the EU in 2017.

### Gene editing

Reactions to the European Court of Justice (ECJ) ruling on mutagenesis continue. The EC's Group of Chief Scientific Advisors has published a [statement](#) providing their perspective on the regulatory status of gene editing. They recommend revising the existing GMO Directive, which is no longer fit for purpose, to reflect current knowledge and scientific evidence, and to promote a broad dialogue on this. It also calls for robust and independent evidence to be provided in a systematic and transparent way to the ECJ when dealing with complex scientific issues. They recognise that factors other than scientific evidence (such as ethical and social considerations) should be considered in policy-making and jurisdiction but these must be clearly identified and communicated as such in a transparent way. A similar position is defended in a [paper](#) endorsed for leading scientists representing more than 85 European plant and life science research centres and institutes, proving the solid consensus among the academia community.

## Meat markets

According to the latest [FAO's report on Global Food Markets](#), the outlook for global supplies of agricultural commodities in the 2018/19 marketing season will remain broadly in line with earlier expectations. In particular, global meat output is forecast to reach 335 million tonnes (in carcass weight equivalent) in 2018, less than anticipated but still 1.5% up from 2017. Production was revised downwards in China, US and Brazil, while raised for the EU and Australia. World meat exports in 2018 are forecast to hit a new record, up 2.6% from 2017. Compared with January 2018, the overall meat price index weakened, mainly reflecting the availability of ample export supplies, especially of bovine and pigmeat. Import restrictions associated with African swine fever also weighed on pigmeat prices. By contrast, ovine meat prices increased.

## Antimicrobial Resistance

Another step forward was given in the fight against AMR this month with the adoption by the Council of [new rules on veterinary medicines and medicated feed](#). The text will be officially published in the coming weeks and will be applicable three years later. In addition, a [report](#) from the European Medicines Agency shows that the overall sales of veterinary antimicrobials across Europe have decreased by more than 20% since 2011. This continues the downward trend seen over the last years, confirming the positive effect of EU guidance and national campaigns for prudent use. However, the situation across Europe is not homogenous, with 6 countries recording an increase of more than 5% in sales during the same period. The Eurobarometer has also published the [results of a survey](#) carried out in the EU-28 in September 2018. Results show a decrease of the use over the last 10 years. 56% of the respondents agree that sick farm animals should be treated with antibiotics if appropriate (UK has the highest score 77%) and 38% are aware of the EU ban on the use of antibiotics for stimulating growth in farm animals.

## Climate change

The EC has adopted a [strategic long-term vision](#) for a climate-neutral economy by 2050 covering nearly all EU policies going in line with the Paris Agreement objectives. The strategy highlights agriculture is the EU's largest source of non-CO2 greenhouse gas (GHG) emissions. The paper points at the increasingly important role of innovation, and notes agricultural practices that positively influence the carbon stocks in agricultural soils and to the role that agriculture has to play in producing sustainable biomass for use in the bio-economy and the energy sector.

## Plant Proteins

The EC has adopted a [report](#) on the development of plant proteins in the EU, showing there is a high demand but variable self-sufficiency rate (e.g. 79% for rapeseed and 5% for soya). Thus the EU imports annually some 17 million tonnes of crude protein of which 13 million are soya based from countries such as Brazil, raising concerns about the sustainability of the sector due to its influence on deforestation – in fact, Brazilian producers were this month in Brussels to showcase their efforts against illegal deforestation in an attempt to avoid being caught in the same discussions as Palm oil. Meanwhile, the soya area in the EU has doubled to almost 1 million hectares since the CAP reform in 2013 and pulses production has almost tripled since 2013. While animal feed remains the most important outlet (93%), the food market for plant proteins is seeing double-digit growth, driven by demand for meat and dairy alternatives. The report also presents policy proposals such as further support for farmers, and promoting the benefits of plant protein via the EC's promotion programme (some €200 million in 2019).