



LMC Monthly Update – November 2019

LMC Monthly Report - November 2019

- **New EU leadership**
- **EU Farm to Fork Strategy**
- **Antimicrobial resistance**
- **New Breeding Techniques**
- **Reimbursement to farmers**
- **EU Farming Employment**
- **EU Agri Promotion Budget**
- **Climate emergency**
- **US-EU Trade**

New EU leadership

The new European Commission (EC) headed by Ursula von der Leyen was approved by the European Parliament and [endorsed](#) by EU Member States in November. This was the last step of the process so the new [College of Commissioners](#) – without the UK representative, as the UK Government refused to suggest one – is in office since beginning of December until October 2024. This happens one month later than initially planned after MEPs did not approve the Commissioner-candidates put forward by Hungary, Romania and France, forcing them to come up with alternative candidates. The Belgian Charles Michel has also taken over his new role as President of the European Council, replacing the Polish Donald Tusk, and the French Christine Lagarde has taken office as President of the European Central Bank, meaning that all top EU leaders are now in their new positions for the next five years.

EU Farm to Fork Strategy

The work of the new EC will focus greatly on sustainability, as announced by the new EC President Ursula von der Leyen this Summer when she presented the [guidelines](#) for her mandate. In particular, she committed to put forward an EU Green Deal (to be published on the 11 December). This will lead to more specific policy proposals in specific sectors, including the food and feed chain. In this context, the EC is now working on a new Farm to Fork Strategy. This will be guided by the principle of “sustainable food systems”, which will try to strike the right balance between the different dimensions of sustainability (environmental, health and social dimension) across every step of the food chain, making sure interventions in one of them do not have spill-over effect in others. The Strategy will only be published in the second quarter of 2020, but preparatory work has already started and focus in identifying the challenges and trends for food and feed production system in the EU and globally.

Antimicrobial resistance

The European Court of Auditors has published a [report](#) assessing the EC's and EU agencies' management of key activities and resources to reduce AMR. Auditors concluded that EU action has brought some progress in veterinary and food related issues but there is little evidence to date that the health burden of AMR has been reduced. The prudent use of veterinary antimicrobials is generally improving in the Member States (sales dropped by 20% between 2011 and 2016) but there are still big differences between Member States and consumption of some antimicrobials is still too high. The new EU legal framework addressed some weaknesses and the CAP reform offers an opportunity to further strengthen the EU framework for dealing with AMR, but auditors also note that the antimicrobials market lacks commercial incentives to develop new treatments and although the EU budget is a major source of investment for research, EU funded public-private research initiatives have experienced delays and there have been no breakthroughs yet.

New Breeding Techniques

Following the controversial European Court of Justice ruling on New Breeding Techniques last year, the Council of the EU has adopted a [Decision](#) to request the EC to submit, by 30 April 2021, a study regarding the status of novel genomic techniques applied both for plant and animal breeding. For this task, the EC will request stakeholders' views (probably in early 2020). Any potential action in this field will be assessed at a later stage based on this study, meaning that it can take several years before a legislative proposal is put forward.

Reimbursement to farmers

The EC will [reimburse](#) €467 million to European farmers originally deducted from the 2019 budget direct payments and dedicated to this year's agricultural crisis reserve. This crisis reserve was not needed in 2019, so the amounts deducted from the budget for farmers' income support under the Common Agricultural Policy will be reimbursed to farmers by Member States as from 1 December 2019. UK farmers will be reimbursed a total of €40.93 million.

EU Farming Employment

The European Parliament has published a [study](#) on "EU farming employment: current challenges and future prospects", which examines the current structure of and latest trends in EU farming employment, with a particular focus on the drivers of agricultural labour markets and how they differ across Europe to discuss possible development paths for the European agricultural labour force. The study includes policy recommendations for the future Common Agricultural Policy.

EU Agri Promotion Budget

The EC has just adopted the [2020 promotion policy work programme](#), which outlines the main priorities for the €200 million the EU will be devoting to promote European agri-food products in and outside the EU next year. More than half of this budget (€118 million) will go

towards campaigns pursuing markets outside the EU with high-growth potential, such as Canada, China, Japan, Korea, Mexico and the US with a focus on some specific sectors, including dairy and cheese. Within the EU, the focus will be on promoting healthy eating and increase the consumption of fresh fruits and vegetables “in the framework of balanced diets”. The calls for proposals for the 2020 campaigns will be published in January 2020 and will be available for a wide range of bodies from EU Member States active in promotion activities.

Climate emergency

Ahead of the [UN COP25](#) Climate Change Conference taking place in Madrid at the beginning of December, the European Parliament has approved a [resolution](#) declaring a climate and environmental emergency in Europe and globally and calling all relevant actors to urgently take concrete action. MEPs urge the new EC to fully assess the climate and environmental impact of all relevant legislative and budgetary proposals and ensure they are aligned with the objective of limiting global warming to under 1.5 degrees and that they are not contributing to biodiversity loss. They also urge the EC to address inconsistencies of current policies through a far-reaching reform in areas such as agriculture, trade, transport, energy and infrastructure investment, and they acknowledge their own institutional responsibility to reduce its carbon footprint, calling for specific measures such as agreeing a single seat for the European Parliament.

US-EU Trade

The European Parliament has given its [green light](#) to the [agreement](#) with the US to increase their share of hormone-free beef into the EU (up to 35,000 tonnes) within the already existing Tariff Rate Quota from January 2020. The overall amount of this TRQ (45,000 tonnes) does not increase, which means that the other countries benefiting from it (namely Australia, Uruguay and Argentina) have agreed to lower the amount of their own exports to the EU within the TRQ. Although this measure comes as a result of a longstanding trade dispute between the US and the EU, MEPs were keen to highlight it should be seen as a gesture of goodwill from the EU and an attempt to de-escalate trade tensions with the US, setting a precedent for a negotiated solution for the Airbus-Boing dispute. In this context, MEPs have also adopted a resolution calling for [rapid support to food producers penalised by the tariffs imposed by the US](#), including market support, and increased efforts to promote EU agricultural products abroad and remove barriers that still prevent EU exporters from fully using opportunities under EU trade agreements.

Pesticides

The EC has published the [first results](#) of two Harmonised Risk Indicators (HRI) established under the Directive on the Sustainable Use of pesticides to estimate risks of pesticides in human health and/or the environment. The first results show that the risks associated with plant protection products have declined since the entry into force of this Directive in 2011. In particular, the first HRI estimates the risk associated with the plant protection products sold and used in the EU and shows a reduction of 20% between 2011 and 2017. However, the second HRI, based on the number of emergency authorisations granted by Member States, shows a 50% increase in the same period. A second report on the sustainable use of pesticides in the EU is due for early 2020.

EU dispute on frozen fries

The EU has brought a [dispute](#) to the World Trade Organization (WTO) against unlawful anti-dumping measures imposed by Colombia on frozen fries from Belgium, Germany and the Netherlands following the anti-dumping duties imposed by Colombia a year ago. The duties applied to European imports over a period of two years range from around 3 to 8%, restricting access to the Colombian market affecting almost 85% of EU exports of frozen fries to this market, worth over €19 million a year. The next step now will be a 60-day long consultation to give the EU and Colombia the opportunity to find a negotiated solution. If this is not the case, the EU can request that the WTO set up a panel to rule on the issues raised.

African Swine Fever

The European Food Safety Authority has carried out a new [risk assessment](#) to estimate the potential for African Swine Fever to spread across nine disease-free countries in south-eastern Europe (Albania, Bosnia-Herzegovina, Croatia, Greece, Kosovo, Montenegro, North Macedonia, Serbia and Slovenia). They found out that chances of the disease spreading among these countries within one year of introduction are very high (66-100%). However, the chances of the disease spreading west into other EU Member States within the same time frame are very low (0-15%). This estimate was based on the comparison of the indicators present in the nine disease-free south-east countries and the already affected countries in the same area, such as Bulgaria and Romania, where there was no evidence of ASF spread to other EU Member State within one year. Improved surveillance, communication and collaboration are identified by EFSA as key to control the spread of the disease.