



LMC Brussels update – September 2015

EU aid package - The European Commission presented a package of measures to address the difficult market situation and support in particular the dairy and pigmeat sectors. 420 million EURO will be provided to Member States through national envelopes to help their most affected livestock farmers. Member States will be allowed the maximum flexibility to target aid for appropriate measures and the Commission also offered to consider allowing national top-ups. In order to address cash-flow problems, the Commission is also raising the amount of CAP funds that can be paid early to farmers (from October 16 onwards) for CAP direct payments (from 50% to 70%) and area-based and animal-related Rural Development measures (from 75% to 85%). Flexibility is provided to member states for the controls of advance payments. Among the measures proposed is also a new and enhanced Private Storage scheme for pig meat, extended to fresh lard. Besides, the Commission is increasing the available budget for promotion programmes in 2016 by 30 million EURO for dairy and pigmeat programmes, with 70% of this targeted at export markets. Implementing rules for most of these measures will be adopted early October.

Cloning EP position - The EU Parliament adopted a position on the 2013 Commission's proposal for a Directive on the cloning of farm animals (which would ban the use of the cloning technique on EU farm animals). Justifying their position on animal welfare and ethical grounds, MEPs "beefed up" the Commission proposal by extending the ban to cover the reproductive material of animal clones, their descendants and any products derived from them. MEPs also voted in majority to make imports of such products illegal. They also voted to change the form of the legal act from a directive, which EU countries would have to transpose into their national laws, into a regulation, which would apply directly in all of them. Now the EU Parliament has to enter negotiations with the EU Council and both institutions will have to agree on a common position before any legal text is adopted.

GM imports law - The COMAGRI rejected the Commission's draft law that would give member states the power to restrict or prohibit the use of GM food or feed on their territory after these products have been authorised at EU level ("opt-out"). It fears that arbitrary national bans could distort competition on the EU's single market and jeopardise the Union's food production sectors which are heavily dependent on imports of GM feed. The COMAGRI opinion will now be scrutinised by the environment committee (12/13 October), which has the lead on this file, before the Parliament as a whole votes on the matter at the 26-29 October Plenary session.

Antimicrobial resistance (AMR) - The Commission published Guidelines for the prudent use of antimicrobials in veterinary medicines. One of the key deliverables of the 2011 Action Plan on AMR, the guidelines set out principles and measures to be considered by Member States when developing and implementing national strategies to combat AMR. A separate Document provides a number of practical examples.

Genetics study - The Commission launched a call for tender for a study on the conservation of genetic diversity of animals and plants. The objective is to deliver recommendations to valorise the use of neglected breeds and varieties in an economically viable way. Communication campaigns are also to be carried out. The deadline is 5 October 2015.

Feed additive ban - The EU published rules banning the use of *Bacillus Toyonensis* (found in the preparation Toyocerin) as an additive in animal nutrition for use for cattle for fattening, rabbits for fattening, chickens for fattening, piglets (weaned), pigs for fattening, sows for reproduction and calves for rearing. An EFSA opinion concluded that the additive poses a risk for the spread of genes coding for resistance to important antibiotics, and that it presents risks to those exposed, including those handling the additive and consumers exposed to contaminated animal products. The ban comes into force as of 7 September.

AGRI Innovation - The Commission launched a call for expression of interest for three new Focus Groups under the European Innovation Partnership for agriculture. Experts are invited to apply for participation on the following topics: mixed farming systems livestock/cash crops, benchmarking of Farm Productivity and Sustainability Performance, and reducing emissions from cattle farming. The Focus Groups will start working in October 2015 and are expected to present their results and recommendations within 12 months.

Outlook conference - The Commission will be organising an EU Agricultural Outlook Conference in Brussels on 1 and 2 December 2015. On the first day of the conference, EU AGRI Commissioner and US Secretary for Agriculture will discuss the challenges facing the farm sector. On the second day, DG AGRI will present its latest projections on the outlook for EU dairy, meat and arable crop markets for the next ten years.

EU exports - New data shows that one year into the Russian ban, total EU agri-food exports to third countries increased in value by 5.7% compared to a year ago. Major gains in export values have been achieved in the US (+16%), China (+33%), Switzerland (+5%) and in a number of key Asian markets, such as Hong Kong (19%) and the Republic of Korea (+29%). European exporters have increased their exports also to certain Arab countries: Saudi Arabia (+10%), United Arab Emirates (+14%) and Egypt (+26%). Analysing EU exports to third countries of the sectors affected by the embargo, in the period August 2014-July 2015, export values of bovine and poultry products increased by 23% and 5% respectively while the value of pig meat exports was in line with the previous year.

EU-Iceland trade - The EU and Iceland initialled an agreement on further liberalisation of trade in agricultural products. Since the entry into force of the 1972 Iceland-EU free trade agreement and of the EEA agreement, tariff barriers between the EU and Iceland have remained for a number of agricultural and food products. Currently 66.4% of EU agricultural products enter Iceland duty-free. With the new agreement, Iceland will increase the duty-free access to 91.3% of EU basic agricultural products in terms of trade value. In addition, the EU will benefit from increased quotas for beef (an additional 596 tons on top of the current 100 tons) and for pigmeat (additional 500 tons on top of the current 200 tons). The agreement will be forwarded to the relevant authorities in the EU and Iceland, for scrutiny and formal adoption before their final entry into force. Trade in agricultural and food products between Iceland and the EU is worth over € 236 million per year, on average.