



LMC Brussels Update – January 2017

AMR: A BIOHAZ Panel (EFSA) study confirmed the risk for the development of antimicrobial resistance (AMR) due to feeding of calves with milk containing residues of antibiotics. Meanwhile, the European Food Safety Authority (EFSA) and the European Medicines Agency (EMA) reviewed the measures taken in the European Union (EU) to reduce antimicrobials use in animals and concluded that the use of antimicrobials in animals should be reduced to the minimum. Critically important antimicrobials for human medicine should only be used in animals as a last resort. There is also a need to re-think the livestock system by implementing farming practices that prevent the introduction and spread of the disease into farms and by considering alternative farming systems. In response, the Commission has launched a public consultation on possible activities to include in the 2017 Action Plan against AMR. The deadline to respond to the consultation is 28 April 2017.

Animal diseases and zoonoses: The Commission committed close to €150 million to fight against animal diseases (Bovine Tuberculosis, Rabies, Salmonellosis, Transmissible Spongiform Encephalopathies and Bovine Brucellosis). In addition, to tackle African swine fever, €9.5 million has been allocated in 2017.

Agriculture and Fisheries Council's work programme for the first half of the year 2017: The Maltese Presidency gives priorities to monitor the situation of the markets, to make progress in organic production, antimicrobial resistance and veterinary medicines and to discuss the adaptation of agriculture to climate change as well as effective water management.

EU-Canada Comprehensive Economic Trade Agreement (CETA): The international trade committee approved the CETA. The Parliament still needs to approve it at the February plenary session before it can ultimately enter into force.

EU-Mexico trade negotiations: The European Union and Mexico will hold two additional negotiating rounds in April (3-7) and June (26-29) 2017 as part of an accelerated negotiation schedule for a new, reformed Free Trade Agreement. The six proposals, representing the EU's initial negotiating position, aimed at modernising different elements of the current EU-Mexico agreement.

EU agri food trade: The monthly value of EU agri-food exports in November 2016 reached a new record level of €11.7 billion, which is € 813 million higher than in November 2015. Considering a slight decrease in agri-food imports from third countries, the EU now has a trade surplus in agri-food products at €19 billion over 12 months. The highest increase in export value over the last 12 months was recorded for pork (€+1.3 billion which represents +34% compared to export values in the 12-months period one year ago). Considering the EU export performance per product category over the last twelve months, the export values also reflect the recovery in meat offal, other meat and fat (EUR +0.5 billion; +21%). In relative terms, high increases in export values were also seen for oilseeds (+31%) and butter (+25%). On the other hand, similar to the development recorded for previous periods, raw hides and skins (EUR -1.2 billion; -41%), other cereals (EUR -947 million; - 33%), milk

powders (EUR -629 million; -15%) and wheat (EUR -397 million; -6%) lost most in export values over the last 12 months.

Cumulative effects of 12 future trade agreements on the agri-food sector : A study including specific results for producer prices and production volumes for a range of products accounting for 30% of the value in the sector concludes that significant gains are anticipated for the EU dairy and pig meat sectors. Besides, the study shows vulnerabilities for beef, both in terms of trade effects and a decline in producer prices. During the last Agriculture and Fisheries Council several delegations criticized this Commission study, which presents "serious methodological limitations". The assessment failed to capture all the impacts of past trade concessions, to disaggregate risks and benefits at national level of individual Member States and to include the barriers to trade as well as trade concessions, such as the tariff rate quotas. Furthermore, Ministers warned against unbalanced agreements and expressed concerns about possible agreements with direct competitors. Eventually, they asked the Commission to take full account of the sensitivities of specific sectors in the negotiations.

The EU Sheep meat promotion: This month the Commissioner Phil Hogan formally promised to open a dedicated budget for the promotion of EU sheep meat in 2018, following the priority recommendations of the EU Sheep Meat Forum. We are hoping that such an action would be effectively taken.

Animal Welfare: The Commission adopted the creation of a Platform on Animal Welfare to encourage dialogue between stakeholders. The aim is to improve a better application of EU legislation, promote the very high animal welfare standards and enhance voluntary commitments by business operators. In the coming weeks, a call for application will be published for the selection of the members of the Platform which will gather a maximum of 75 different participants (business and professional organisations, organisations from civil society, independent experts from academic and research institutes, EU and European Economic Area Member States, the European Food Safety Authorities and relevant international intergovernmental organisations like the World Organisation for Animal Health). The first meeting of the Platform will be held in the first half of 2017. Furthermore, we have been informed that a pilot project on best practices in slaughter and an audit of how the rules of animal welfare for pigs are applied by Member States should be conducted by the Commission in 2017. The Commission aims also at releasing a report on bovine restraint boxes. Eventually regulations on official controls along the food chain related to animal welfare should be adopted by May/June 2017.

Circular economy Package: Besides the outcomes of the 2015 Action Plan, the Commission presented its future actions. Thus, a Circular Economy Finance Support Platform will be established with the European Investment Bank (EIB) bringing together investors and innovators. The goal is to enhance the link between existing instruments, such as the European Fund for Strategic Investments (EFSI) and the InnovFin - EU Finance for Innovators initiative backed by Horizon 2020, and potentially to develop new financial instruments for circular economy projects. The Commission also calls on the European Parliament and Council to progress with the adoption of the waste legislation proposals, in line with the Joint Declaration on the EU's legislative priorities for 2017.

Food waste: The report on the role the EU plays in combating food waste published by the European Court of Auditors shows that despite the increasing importance of food waste on the political agenda, the Commission's ambition has decreased over time. Recommendations are made to tackle this problem. First the EU strategy should be strengthened and better coordinated. Second the Commission should consider food waste in

its future impact assessments and better align the different EU policies which can combat food waste. Eventually the Commission should encourage further exploitation of existing possibilities for donation. Meanwhile, the Environment Committee-MEPs amended the draft EU “waste package” legislation, prepared by the Commission, and announced an ambitious programme. The share of municipal waste and packaging waste (from households and businesses) to be recycled or prepared for re-use should be raised to 70% by 2030 (from 44% today), whereas the Commission proposed 65%. Landfilling should be limited to 5% by 2030 instead of 10% proposed by the Commission in the draft law. A five-year extension would be given, under certain conditions, for Member States which landfilled more than 65% of their municipal in 2013. A reduction target in food waste of 30% by 2025 and 50% by 2030, compared to 2014, should be applied. The four proposals in the package will be put to a vote by the full House at the 13-16 March plenary session in Strasbourg.

Unfair trading practices: The Supply Chain Initiative (SCI), which aims at tackling unfair trading practices on a voluntary basis, presented in its annual report an overview of progress and achievements. Mainly, the SCI should appoint a chair independent from national or sectorial interests. There is no need to recall that this initiative is controversial, as several stakeholders (MEPs, farm lobbies, Member States) advocate for an EU legislative action to tackle unfair practices.

EU Parliament Presidency: The European People’s Party’s Antonio Tajani was elected as the European Parliament president.