



LMC Brussels Update – October 2016

Brexit - Theresa May's decision to set a firm date to invoke Article 50 and launch the U.K. toward an exit from the European Union is the first good news to come from across the Channel since the June 23 referendum as EU Member states are keen to get some visibility for the future. However, May's concerns about on the meetings the 27 were holding without Britain (such as last month's summit in Bratislava) were coldly received. Member States still intend to meet informally to chart their post-Brexit future (next meeting is due to take place in Malta early next year). A couple of weeks later, Agriculture Commissioner admitted that "nobody knows what the future will hold adding that " *no new insight as to what the consequences of Brexit are for Ireland, the UK, cross-border relations or the UK's future relationship with the EU*".

Antimicrobial Resistance (AMR) – The Commission has published an [evaluation report on its AMR action plan](#). It shows that the EU plan acted as a symbol of political commitment, stimulated actions within Member States, strengthened international cooperation and provided a framework to guide and coordinate activities on antimicrobial resistance at international level. Furthermore the evaluation concluded that the Commission's actions were appropriate in view of the EU and national competences. The available evidence and the assessments made by Member States in recent years show that given the urgency of the threats of AMR, if no action is undertaken, AMR might result in 10 million deaths globally each year. The Commission intends to launch a second Action Plan in 2017. The new Action Plan will take the form of a Commission communication to the European Parliament and the Council will focus on supporting Member States, particularly in establishing, implementing and monitoring their National Action Plans, bringing together EU funds and instruments in order to promote innovation and research against AMR and strengthening its leading role in global fora, notably within the international organisations and with major trade partners.

EU Sheepmeat Forum – The fourth and final meeting of the EU sheepmeat forum took place in Brussels on October 13, with the members of the group agreeing on range of [policy recommendations](#) as potential responses to the problems and opportunities that the sector faces. The two key priorities are the need for a strong CAP support for sheep including coupled support and the need for a new sheep meat communication and promotion programme focusing on the internal market. The paper also highlights the key position of the UK in the EU sheep sector and, as a consequence, the huge impact on the sector of Brexit. The group therefore recommends that existing and historic trade flows are fully re-examined and a trade policy solution found that best accommodates the needs of the sector. The Commission will now inform the Council on the outcome of the Forum and these recommendations will also be discussed at the Animal Products Committee. In the meantime, in order to facilitate market monitoring, the Commission has established an online [sheepmeat dashboard](#) which will be regularly updated whenever new market data is available.

Promoting EU meat consumption - Commissioner Hogan pledged to an additional €15 million to promote meat consumption on the European market. When making this announcement, he also underlined the importance of "raising awareness of the high quality & sustainability of the unique, extensive livestock sector in Europe". The targeted promotion campaign would seek to "dispel some myths which have become accepted wisdom and help promote a return to the enjoyment of high quality beef, lamb and pork". It is expected that the

2017 Commission work programme for promotion of agricultural products will ring-fence some money for promotion activities in favour of the meat sector.

Short-term Outlook – The Commission has published a new edition of the EU short term Outlook for agricultural commodities. Cereals and oilseeds are facing the unusual situation of a bumper crop worldwide, but a poor harvest in the EU, especially for wheat and maize. Almost all EU Member States showed an increase in the production or a slowdown in the decline of pig production in the second quarter of 2016. Denmark, Austria and Belgium see their production still dropping, while the decrease in Germany started to slow down. In 2016, EU pigmeat exports are expected to reach a record level at 2.7 million tonnes (+24% on annual basis) thanks to the boost in exports to China. All EU countries exporting to China saw their exports doubling or tripling since the beginning of 2015. At the same time, EU beef gross production is expected to further increase by 3.3%, driven by higher slaughterings of mostly dairy cows, as the dairy sector faced market difficulties, and good export demand. In 2014 and 2015, per capita beef consumption in the EU recovered yearly by 1.3 and 1.7%. A further 2.1% growth is expected in 2016 thanks to ample availabilities on the market. The EU gross sheep and goat meat production is also expected to increase by 2.4% in 2016, mainly because of an increasing demand for live animals (+35%), while domestic slaughterings follow a modest 1% increase.

Trans fats - European Parliament has adopted a [non-binding resolution](#) on the same topic and calling for the introduction of mandatory limits within 2 years. The resolution emphasises that most of the EU population – in particular the most vulnerable people – lack information about TFAs and the health consequences of their consumption, which can preclude consumers from making empowered choices. MEP thus call further on the Commission to collaborate with the Member States with a view to increasing nutritional literacy, encouraging and enabling consumers to make healthier food choices and engaging with the industry to encourage the healthy reformulation of their products. The Commission is due to finalise its impact assessment in 2017 but this initiative would focus on industrial trans fats “ *given that ruminant trans fats sources generally contribute in a limited way to the total daily energy intake and ruminant trans fats are naturally present in foods that are important in the EU diet and cannot therefore totally be avoided.*”

Horizon 2020 - The European Commission and the US Government have signed an [agreement](#) which will enable European and American researchers to work together more closely on projects funded under Horizon 2020, the EU's research and innovation programme. With this agreement, researchers respectively funded by the US and the EU will be able to organise their cooperation outside the formal Horizon 2020 Grant Agreement signed for each project.

Climate change – The EU has ratified the Paris agreement reached in December 2015, thus enabling its entry into force on 4 November 2016. It sets a long-term goal of limiting the increase in the global average temperature to well below 2 degrees C above pre-industrial levels, and of pursuing efforts to limit this temperature increase to 1.5 degrees C. The Paris Agreement specifies the goals and lays down the general procedure for addressing climate change, but many details still need to be discussed and agreed by the Parties. For this purpose, the Ad Hoc Working Group on the Paris Agreement (APA) will meet the climate change conference in Marrakesh from 7 to 18 November 2016 to discuss technical issues and issues of implementation.