



LMC Brussels Update – April 2014

Animal health – The Parliament voted through the report by Marit Paulsen MEP on the Commission’s proposal for a revised animal health law – published in May 2013 a part of a package comprising also the proposal on official controls. The report puts emphasis on prevention, e.g. with better animal husbandry and more responsible use of veterinary medicines – it calls in particular on Member States to pay particular attention to antimicrobial resistance – and emergency measures that the Commission should be empowered to adopt to tackle outbreaks of diseases that have a major impact on public health and agricultural production, such as Bluetongue or African swine fever. This Parliament’s first reading position will now be discussed in the Council working group and the Greek Presidency expects to come up with compromise texts by the end of June 2014.

African Swine fever (ASF) – Considering how little progress was achieved by bilateral discussions on the ongoing Russian ban on imports of pigs and fresh pork from the EU, the EU has decided to resort to the WTO's dispute settlement procedures by requesting formal consultations with Russia. After 60 days, if consultations have failed to resolve the dispute, the EU may request the WTO to set up a panel to rule on the legality of Russia’s measures. At the same time, a recently published EFSA opinion shows that the risk that ASF is endemic in Georgia, Armenia and the Russian Federation has increased from moderate to high since 2010, particularly due to challenges in outbreak control in the backyard production sector. The scientific opinion is available at: <http://www.efsa.europa.eu/en/efsajournal/doc/3628.pdf>

To support of surveillance and emergency measures for the protection against ASF, the EU Member States endorsed a Commission decision providing for a possible EU financial contribution of 30 % for the costs paid by Lithuania and Poland for compensating pig owner for losses caused by early slaughter of pigs in the infected areas. An EU Regulation for exceptional support measures to the pig meat market in Lithuania was also adopted. It provides for aid to producers of pig meat in respect of the slaughtering of animals (inc. piglets) reared in the established ASF infected areas.

Food Chain – A Commission proposal creating for the first time, a common financial framework covering the whole food chain has been endorsed by the European Parliament. This framework with a budget of almost €1.9 billion (out of which 65% will be allocated to animal health programmes, 20% to official control programmes and 7% on emergency measures) covering the period 2014-2020 aims at creating one single, clear and modern financial framework for animal health, animal welfare, plant health and official controls. It will underpin the animal, plant and control package of reforms adopted by the Commission in May 2013. For more information on the EU common financial framework for the food chain, please see: http://ec.europa.eu/food/animal/diseases/index_en.htm

CAP reform – The secondary legislation which lays out detailed rules for the implementation of the CAP reform has now been approved by both the Parliament

and the Council. To respond to concerns raised about Ecological Focus Area (EFA), the Commission has decided to adjust the coefficient in the Annex – in time for implementation of the reform in 2015 - such that 1 hectare of a nitrogen-fixing crop such as *alfalfa, clover or lupins* can be equivalent to 0.7 ha of EFA (rather than 0.3 ha in the original text) in order to make the option more attractive. The Commission has also announced its intention to adopt a second wave of delegated acts after the European Parliament recess following European elections.

CAP funding – The Commission today claims a total of €318 million of EU agricultural funds unduly spent by Member States (some of these amounts have however already been recovered from MS). For the UK , corrections include €190 000 for weaknesses related to animal premiums - non-application of reductions and exclusions in respect of bovine animals, €7.89 million for weaknesses related to cross compliance and €890 000 for weaknesses related to rural development - deficiencies in Natural handicaps and Agri-environment measures. Details of the individual corrections, by Member State and by sector, can be found at: http://europa.eu/rapid/press-release_IP-14-377_en.htm?locale=en

Emissions from agriculture – The UN Economic Commission for Europe's Task Force on Reactive Nitrogen (UNECE) carried a study which aims at quantifying how much food choices affect pollutant nitrogen emissions, climate change and land use across Europe. According to the UNECE's estimations, if all people in the EU halve their meat and dairy consumption, this would reduce GHG emissions from agriculture by 25 to 40%, and nitrogen emissions by 40%. The full report will be published next month but the executive summary is already available at: http://www.clrtap-tfrn.org/webfm_send/555

At the same time, FAO's estimates of greenhouse gas emissions (GHG) show that agricultural emissions from crop and livestock production grew from 4.7 billion tonnes of carbon dioxide equivalents (CO₂ eq) in 2001 to over 5.3 billion tonnes in 2011, a 14% increase. However, given that they are not growing as fast as emissions from fossil fuel use in other sectors, their share out of total anthropogenic emissions is actually decreasing over time. Emissions of enteric fermentation were dominated by cattle, contributing 74% of all enteric fermentation (55% non-dairy cattle; 19% dairy cattle), followed by buffaloes (11%), sheep (7%) and goats (5%). Global emissions from enteric fermentation are projected to increase by 19% and 32% in 2030 and 2050, respectively, reaching more than 2,500 Mt CO₂ eq in 2050. The FAO report on agriculture, forestry and other land use emissions is available at: <http://www.fao.org/docrep/019/i3671e/i3671e.pdf>

Promotion – The Parliament approved a draft agreement on the new EU promotion policy for agricultural products simplifying the selection process of programmes (Member States will no longer be involved as proposals will only be assessed at EU level) and substantially raising the EU co-financing rates (up to 85% in the case of food crisis). The list of eligible products has also been extended so as to cover, among others, food products. In addition, the use of national origin and brands has been made possible under certain conditions to be further in an upcoming implementing act. The text is now expected to be adopted by the Council in the coming months.

EU-Ukraine – The Parliament and the Council adopted a Regulation temporarily reducing or removing customs duties on Ukrainian exports to the EU. The idea is to advance the implementation of the tariffs section of the Deep and Comprehensive Free Trade Agreement (DCFTA) negotiated between the EU and Ukraine by means of autonomous trade preferences. For sensitive products a partial liberalisation is achieved by the granting of tariff rate quotas (TRQs) of 12 000 tons/year for beef meat, 40 000 tons/year for pork meat (among which 20 000 tons available only for certain CN codes) and 1500 tons/year for sheep meat (with a linear increase in 5 years to 2250 tons). The preferences will be granted until 1 November 2014 – when it is expected that the DCFTA will apply. A number of safeguard controls aim to prevent market-distorting surges impacting adversely on European companies and industry.