



LMC Brussels Update - February 2015

Rural Development - The European Commission approved the Rural Development Programme (RDP) for England, with a budget of €4 056 million available for 2014-2020. In total, 118 programmes are foreseen in all 28 Member States, backed by €9.6 billion of EU funding over the period 2014-2020 through the European Agricultural Fund for Rural Development. A factsheet provides a brief overview of how the challenges faced by England are addressed in its RDP, with respective targets and budget.

CAP spending - The European Court of Auditors estimates that the average error rate for rural development spending during 2011-2013 was 8.2 %, which is more than four times the materiality threshold. Investment measures (mainly grants to purchase agricultural and foodprocessing machinery) accounted for two thirds of the error rate, and “area-related” aid (including compensation for additional costs incurred by using more environmentally friendly farming techniques) for one third. As regards investment measures, public bodies were a significant source of error because of non-compliance with public procurement rules. For area-related aid, the main cause of error was non-compliance with farming commitments, which occurred due to low incentives for farmers to comply, a low control rate for commitments and a low sanction rate for non-compliance.

COOL - The European Parliament adopted a COMENVI resolution asking the Commission to come up with legislative proposals for mandatory country of origin labelling of meat used as an ingredient - in order to rebuild consumer confidence in the wake of the horsemeat scandal and other food fraud cases. According to a previous Commission report, introducing mandatory COOL for meat used as an ingredient would necessarily increase operating costs for business (by up to 50%) as more detailed information and a full traceability system would be required. This estimate is at odds with the predictions of a French consumer association (UFC Que Choisir), which foresees a cost increase of 0.67%. However the UFC Que Choisir study focuses entirely on beef. MEPs ask for a clearer picture. The EP resolution is non-binding on the Commission, which has not yet decided on any follow-up action.

PSA for pigmeat - A Commission Regulation to introduce Private Storage Aid for pigmeat in order to ease pressure on the EU pigmeat market has been adopted. Under the combined effect of Russian import barriers and the increase in EU production, pig prices have considerably decreased on all European markets. EU pig prices are 20% below the 5-year-average and gross margins are also more than 15% below the historical average - with many producers having been in a situation of negative revenue for a number of months. Under the PSA scheme, which enters into force on 9 March, the Commission finances a fixed amount of the basic costs of storage for certain pigmeat cuts, for a storage period of 90, 120 or 150 days.

Antimicrobial resistance (AMR) - Three EU agencies published a report analysing links between the consumption of antimicrobials and the occurrence of AMR in humans and food-producing animals, based on data from 2011 and 2012. The report finds that consumption of antimicrobials in food-producing animals was higher than in humans in 15 out of 26 countries. The strongest associations between consumption of antimicrobials and resistance in food-producing animals were found for the antimicrobials studied in relation to E.coli. In some cases, a positive association was found between antimicrobial consumption in animals and resistance in bacteria from humans, in particular for E.coli and Campylobacter.

EFSA also published an EU summary report on AMR in zoonotic and indicator bacteria from humans, animals and food, based on data from 2013. Resistance in Salmonella to commonly used antimicrobials was frequently detected in humans and animals (especially broilers and turkeys) and derived meat products. Multi-drug resistance was high (in humans 31.8%, in broilers 56.0%, in turkey 73.0%, and in fattening pigs 37.9%), and the continued spread of particularly multi-drug resistant clones reported in both human and animal (broilers, pigs and cattle) isolates is of concern. Resistance to commonly used antimicrobials in Campylobacter isolates was also frequently detected in humans and animals (especially broilers, pigs and cattle). The levels of resistance to common antimicrobials in E.coli isolates were high in meat from broilers considering all antimicrobials and all reporting member states, and lower in meat from pigs and cattle. Meticillin-resistant Staphylococcus aureus (MRSA) was detected in meat from broilers, turkeys, pigs and bovine animals. There was a large degree of variation between member states in the occurrence of MRSA in pigs: 20.8 %–97.8 % of animals/herd slaughter batches were positive in slaughterhouse monitoring.

AMR Action Plan - The Commission published a progress report on the implementation of its five year Action Plan on Antimicrobial Resistance, adopted in 2011. Among the main actions targeting animals are the adoption of proposals on veterinary medicines and medicated feed (September 2014) which both address AMR through e.g. a

prohibition on the preventive use of antimicrobials. The EC proposal for a Regulation on animal health (May 2013) also aims to contribute to a better husbandry and to reduce the need for the use of antimicrobials. The three proposals are undergoing the ordinary legislative procedure in the European Parliament and the Council. The Commission services are also finalising Guidelines for the prudent use of antimicrobials in veterinary medicine, to advise Member States when developing national strategies. In cooperation with the US within TATFAR (the Transatlantic Taskforce on Antimicrobial Resistance), the EU is working on establishing an international working group to identify key knowledge gaps in understanding the transmission to man arising as a result of the use of antimicrobial drugs in animals.

Stunning - EFSA published an opinion assessing the results of three Spanish studies on electrical parameters for the stunning of lambs and kid goats. EFSA received last year the mandate to assess the use of a lower minimum current than 1 Ampere for electrical stunning of small ruminants. The studies were however considered inadequate and the reported results indicated inconsistencies of observed outcomes for different animal categories. The head-only electrical stunning and slaughter intervention failed to achieve immediate loss of consciousness and/or maintain unconsciousness during bleeding, and the head-to-body electrical stunning and slaughter intervention failed to achieve immediate loss of consciousness and cardiac ventricular fibrillation in all the animals. Consequently, a full assessment of the animal welfare implications of the proposed stunning procedure was not undertaken.

GHG emissions - A Commission report on EU agricultural GHG emissions finds that over the last two decades agricultural GHG emissions decreased by 23% at aggregated EU level, from about 600 million tonnes CO₂-eq in 1990 to about 460 million tonnes CO₂-eq in 2011. The report covers the emissions of nitrous oxide and methane and analyses different scenarios for the reduction of emissions. The main findings are that GHG mandatory targets for agriculture would be met through a reduction of production with the beef herd being particularly affected. Depending on the scenario considered, reductions in beef herd size are estimated between 31% and 54%. At EU level a major economic impact would be reduced consumer welfare due to higher prices for food, especially for meat and dairy products (e.g. consumer prices for beef meat are projected to increase by up to 31%). The report further explains that by reducing production in the EU, imports from outside Europe will increase, thus creating carbon leakage.

GMO cultivation – The Council has formally adopted new EU rules allowing member states to ban or restrict the cultivation of GMOs on their territory. The new directive gives member states more flexibility on the cultivation of GM crops at two distinct points in time: (i) during the GM authorisation procedure when a member state can ask to amend the geographical scope of the application; (ii) after a GMO has been authorised a member state may ban or restrict the cultivation of the crop on grounds such as those related to environmental or agricultural policy objectives, or other compelling grounds such as town and country-planning, land use etc. The new rules also provide that member states in which GMOs are cultivated must take care to avoid cross-border contamination into neighbouring member states in which these GMOs are banned.

EU meat production - According to latest EU statistics, in 2014 animal products (meat and dairy) accounted for 43% of the total agricultural output of the EU (58% in the UK). Between 2012 and 2013, EU pig meat production declined by 0.14 % to 21.9 million tonnes, bovine meat production declined by 4.0 %, and goat meat production fell by an estimated 11.5 %. By contrast, poultry and sheep meat production increased by 0.7 % and 0.8 % respectively. With a production of 5.5 million tonnes, corresponding to 25% of the EU total, Germany was in 2013 the main producer of pig meat in the EU, followed by Spain (16%). In the UK, pigmeat accounted for a total of 8,32 million tonnes of carcase weight. France (19.1 %), Germany (16.8 %) and the UK (13.5 %) made up roughly half (49.4 %) of total EU beef production in 2013. In Ireland and the UK a majority (62.6 % and 65.8 % respectively) of the beef produced came from heifers and bullocks. The UK (38.3 %) and Spain (16.8 %) contributed over half (55.1 %) of total EU sheep and goat meat production in 2013.