



LMC Brussels Update - March 2014

CAP reform - The Commission has adopted 10 delegated acts to supplement the 4 Regulations adopted in December 2013 under the CAP reform package (direct payments, market measures, rural development and horizontal regulation). They provide clarifications on the most controversial issues of the CAP reform (definition of active farmers, voluntary coupled payments, greening, the young farmers' scheme etc). Most of them were well received except for the lack of explicit ban on the use of pesticides on ecological focus areas (EFAs) which remains heavily criticised by environmental organisations. The EP and the Council now have the right to object to these delegated acts within a period of two months – which can be extended by two additional months at the request of one institution.

ASF - EU Member States' experts endorsed revised control measures on African Swine fever (ASF) following the confirmed cases in Lithuania and Poland. The revised animal health measures identify three levels of risks for ASF:

- a) Very stringent restrictions in Sardinia to address the endemic disease in pigs and wild boar;
- b) A re-demarcation of the infected area in Lithuania and Poland along borders with Belarus where the disease is present only in wild boar;
- c) A buffer zone adjacent to the infected area in Poland and Lithuania to further prevent the spread of the disease.

The adopted decision will apply until 31 December 2017. At the same time, an EU Decision providing financial support amounting to €3.5 million for 2014 to combat the disease was also endorsed. The financing provided to Estonia, Latvia, Lithuania and Poland is for surveillance, bio-security, targeted awareness campaigns, and compensation to farmers for early slaughtering and emptying low bio-security backyard farms at risk. Specific support to the pigmeat market in Poland has also been endorsed, providing aid for producers of pigmeat in the established ASF infected areas.

In the meantime, possible mitigation measures to prevent the introduction of ASF through wild boar were considered by EFSA. Results show that drastic hunting is not an appropriate tool to reduce the risk of ASF in wild boar populations. If fencing may restrict wild boar movement, issues remain regarding the practical feasibility of implementing (emergency) fencing in North East Europe.

As far as UK is concerned, the results of an audit report to evaluate contingency planning in the event of outbreaks of epizootic diseases (and ASF in particular) highlights shortcomings related to the fact that the role of the National Disease Control Centre (NDCC) and the command structures in case of outbreaks in Northern Ireland or Scotland is not clear in the contingency plans: parallel command structures may impede coordinated actions, particularly if decisions have to be taken on controversial issues such as emergency vaccination.

Antimicrobial resistance (AMR) - EFSA and ECDC (the European Centre for Disease Prevention and Control) have published a joint EU Summary Report on antimicrobial resistance in zoonotic and indicator bacteria from humans, animals and food in 2012. Among *Salmonella* isolates from meat and animals, microbiological resistance to commonly used antimicrobials was frequently detected, at higher levels in isolates from pigs and turkeys than in those from broilers and cattle. For *E. coli* from pigs, microbiological resistance to commonly used antimicrobials was frequently reported at levels of 54.7 %. In the case of

cattle, levels of resistance to these antimicrobials fell within the range 34.7 % to 46.7 % in younger age groups, mainly fattening veal calves, but values were lower in older cattle, mainly adult cows. The full report is available at:

<http://www.efsa.europa.eu/en/efsajournal/doc/3590.pdf>

Cold chain - Following a request from the Commission, EFSA looked into whether or not it was possible to apply alternative core temperatures, higher than 7 °C under the current legislation, in combination with specific transport durations for the transport of carcasses after the slaughter, without increasing significantly the risk linked to the microbiological growth of potentially harmful microorganisms. The report confirms that it is possible to develop different combinations of carcass surface temperatures with specific transport time-temperature conditions that ensure pathogen growth is no greater than that achieved using the current chilling requirements (a core temperature of 7 °C followed by no more than 48 hours of transport). EFSA report is available at:

<http://www.efsa.europa.eu/en/efsajournal/doc/3601.pdf>

Meat Markets Outlook – After two successive years of contracted beef and pork domestic supply and demand, EU meat production and consumption is expected to recover in 2014. Some re-building of the dairy herd should lead to higher beef meat supply, while increased productivity in the pig meat sector could allow production to recover, following the strong decline in the sow herd observed in 2012 and 2013 linked to the implementation of the new EU welfare rules for sows. As for sheep meat, 2013 depicts slightly more positive prospects with net production and consumption still on declining path but at a much slower pace.

The outlook is available at:

http://ec.europa.eu/agriculture/markets-and-prices/short-term-outlook/pdf/2014-03_en.pdf

Origin of meat – The Council discussed the possibility of introducing a mandatory indication of the origin of meat used as an ingredient. Member States showed substantial diverging views on the issue. However even the “mandatory labelling supporters” (inc. France, Italy, Slovenia, Slovakia) acknowledged the need for further technical discussions on the different options, such as the threshold of meat present in the product that would trigger mandatory labelling, or the possibility to start with beef and then extend to other meat. On the basis of the discussions in the Council and the European Parliament, the Commission will consider what, if any, next step is appropriate. This decision might be influenced by the results of a recently published EU survey showing that a large majority of Europeans think it necessary to be able to identify the origin of all types of meat: 88% share this view, 60% of whom believe that this traceability is “totally necessary”. However only a small majority of respondents (53%, against 42%) are prepared to pay a little more (1-2%) to see information on place of origin appear on the labels of other types of meat. The EU survey is available at:

http://ec.europa.eu/public_opinion/archives/ebs/ebs_410_en.pdf

Promotion – Ministers finally reached a political compromise on the Commission’s proposal for promotion measures for agricultural products. They agreed to increase the EU’s financial contribution to promotion programmes on the internal market and in third countries to a maximum 75% (instead of 50 and 60% under the Commission’s proposal), the remaining being borne by proposing organisations. The percentage would be further increased to 85% (instead of 60% in the Commission’s proposal) in case of market disturbance or loss of consumer confidence. Trilateral negotiations were planned for March 26th and April 1st, in view of a first reading agreement with the EP before the European elections of May.

Geographical Indications - An EU study assessing the added value of PDO/PGI products shows that agricultural products benefitting from a Geographical Indication (GI) tend to achieve a price premium over the corresponding standard products. An essential “context factor” for obtaining a price premium is the presence among consumers of an adequate level of awareness, trust in and willingness to pay for GI products. The study also identifies

intrinsic product differentiation as a key factor for obtaining a higher gross margin: GI products which are significantly different – e.g. Scotch Beef – from the corresponding standard products tend to achieve more important advantages. The summary of the main results of this study is available at:

http://ec.europa.eu/agriculture/external-studies/added-value-pdo-pgi_en.htm

Organics - The Commission published a proposal for a new Regulation on organic production and the labelling of organic products. The proposal acknowledges that the current EU policy on organic production contains drawbacks (complex legislation and unclear provisions, deficiencies in the control system and in the trade regime, significant administrative burden, lack of opportunities for EU producers...). Therefore, elements of the new proposal include: harmonised production rules at EU level; a system of group certification introduced for small-scale farmers in the EU; specific provisions for enhanced traceability and fraud prevention. The Presidency of the Council will start the examination of the legislative proposal in the coming weeks. The full proposal is available at http://ec.europa.eu/agriculture/organic/documents/eu-policy/policy-development/report-and-annexes/proposal_en.pdf