



LMC BRUSSELS MONTHLY UPDATE

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Brexit—Intensity of negotiations has been stepped up in August. Three rounds of talks have been held, and some [progress](#) was made on protection of personal data and issues related to security and foreign policy. The tone of negotiators has significantly improved since Raab replaced Davis, but major points of disagreement remain, namely the Irish border and geographical indications. [Barnier](#) showed some flexibility on the deadline to finalise the legal text of the Withdrawal agreement and the political declaration on the future relationship – it could be October or beginning of November, but insisted no later than that, in order to allow enough time for the ratification process before the exit day and avoid a no-deal scenario. On another note, the European Parliament’s Brexit Steering Group [has reacted](#) to reports that the UK Home Office is considering processing applications for “settled status” by EU citizens on an alphabetical basis. MEPs fear that “such an approach would be complicated, arbitrary and could create unnecessary confusion and uncertainty”, with those citizens at the end of the alphabet at risk of not getting their status confirmed until the end of 2020 or later. Director-General of the WTO Roberto Azevêdo also [had some words](#) on Brexit earlier this month, warning about potential disruptions for the UK from a no-deal Brexit, as he considers “very unlikely” that the government will have agreed tariffs and quotas with all other WTO member countries between now and March.

Drought—[Additional measures](#) have been announced by the European Commission to support farmers dealing with drought. In particular, farmers will be able to receive higher advanced payments (up to 70% of their direct payment and 85% of payments under rural development) already as of mid-October 2018 instead of waiting until December to improve their cash flow situation. 14 Member States have applied for this option (including the UK). The EC has also announced [a package of actions](#) complementing measures [announced in July](#) and aimed at increasing the availability of fodder resources for livestock. The new package includes the possibility to consider winter crops which are normally sown in autumn for harvesting/grazing as catch crops, to sow catch crops as pure crops, and to shorten the 8-weeks minimum period for catch crops to allow arable farmer to sow their winter crops in a timely manner. This package will be voted by Member States in the coming days and formally adopted by the end of September. Some Member States have also put forward their own support measures. In particular, Germany has [announced](#) €340 million aid programme.

African Swine Fever—The disease continues its expansion throughout Eastern Europe, particularly Romania, where the number of affected regions rises to 10 and more than 117,000 pigs have been culled. In addition, [ASF was for the first time reported in China](#), with a total of five outbreak being reported during the month of August. More than 24,000 pigs have been culled, but the enormous speed of the spread (from the north of the country to the south – some 2,100 km – in just 3 weeks) together with China’s pig density (half of the world’s pigs are here) are among the main reasons for escalating worries, not only in China but in other neighbouring countries as well. Although there is still no conclusive evidence of the source of the infection, the FAO has already pointed at the movement of pig products, rather than live pigs, as the likely cause of the spread.

EU-China Summit—The [20th Summit between the EU and China](#) was held on the 16th July in Beijing. The EC President Jean-Claude Juncker and the European Council President Donald Tusk represented the EU. China was represented by Premier Li Keqiang. They agreed a [Joint Summit Statement](#) illustrating the depth of the EU-China relationship and the positive impact it can have in addressing global and regional challenges such as climate change, common security threats, the promotion of multilateralism, and the promotion of open and fair trade. The EU and China also confirmed their firm support to the rules-based multilateral trading and committed to co-operate on the reform of the WTO to

help it meet new challenges, establishing a joint working group to this end. Good progress was made on the ongoing Investment Agreement negotiations, and they committed to conclude the negotiations on an Agreement on Geographical Indications before the end of October. In the area of food safety, they agreed to promote the highest standards and take the regionalisation principle into account, as well as expanding market access for food products.

EU-US Trade—The EC [has delivered the first concrete follow-up](#) to the EU-US Joint Statement agreed on the 25th July during Juncker’s visit to Washington: the creation of a bi-monthly reporting mechanism on the evolution of trade in soybeans from the US to the EU. Bi-monthly reports will include information on the volume of imports from the US, the share of US soybeans in total imports, changes in the US share and price movements, and will be part of the EC’s contribution to the Executive Working Group set up by Presidents Juncker and Trump. It consists of senior advisers of both presidents, led in the EU side by Commissioner Malmström. The members of the Working Group will keep in regular contact to scope how to best implement the Joint Statement. The [first report](#) has already been published, showing that imports of US soybeans to the EU have been increasing. Although this increase has been presented as a result of the agreement, it is largely symbolic, as the EU was already likely to take more US soybeans given the drop in prices due to the 25% tariff China imposed on US soy in the context of the trade dispute currently going on.

Animal Welfare—On-farm killing may be a source of welfare concern for animals given that the methods used to cull small numbers of animals on farm are diverse and may differ from those applied for routine slaughter. A [report](#) included in an EFSA publication analyse the methods that are commonly used in the EU to perform on-farm killing of several animal species (cattle, small ruminants, pigs and poultry) and/or categories, and under different scenarios, and their associated welfare outcomes. Two separate exercises were held for on-farm killing for disease control and for on-farm killing for welfare reasons. The report includes some tables comparing the assessment of all factors for several combinations of animal species – killing method.

GMO—The EC has adopted authorisation decisions of [five Genetically Modified Organisms](#) (GMOs) for food and feed use (the authorisation do not cover cultivation): 2 new authorisations (maize MON 87427 x MON 89034 x NK603, maize 1507 x 59122 x MON 810 x NK603) and the renewal of 3 existing authorisations (maize DAS-59122-7, maize GA21, sugar beet H7-1). The authorisations are valid for 10 years, and any products produced from these Genetically Modified Organisms will be subject to the EU’s strict labelling and traceability rules.

Austrian Presidency—Austria has taken on the rotating presidency of the Council of the EU for the second half of 2018. In the field of agriculture, the [Austrian presidency’s priorities](#) will include CAP reform, the proposal on unfair trade practices, EU Protein Plan, implementing the Bio-Economy Strategy, and other dossiers on forestry, veterinary and phytosanitary matters. Plant health and transparency and sustainability of the EU risk assessment in the food chain, as well as transparency of authorisation procedures followed by EFSA will also be a highlight. In addition, Austria has a keen interest in the CAP’s Pillar II so the next gathering of AGRI ministers – Informal Council meeting – will focus on rural development. It will be held at Schloss Hof, on the border with Slovakia, from the 23rd to the 25th September.