

## Title: LMC Brussels News Update October 2020

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### EU-UK Trade Negotiations

The ninth and last round of formal EU-UK negotiations took place at the beginning of October. While progress had been made in a number of areas, the main sticking points remained unresolved. Therefore, the 15 October deadline initially set by PM Johnson for a deal was missed. However, after a number of public statements from both sides that led many people to fear a no-trade-deal outcome was looming, both parties agreed on the need to come back to the negotiating table as a deal is “within reach”, as pointed out by Barnier recently. Since then, both sides have agreed to intensify negotiations, with talks now taking place daily – weekends included. We have clearly entered a decisive phase and the general feeling is we will know the outcome in two or three weeks. Ideally, the deal should be agreed by early November to allow enough time to go through the process of ratification to enter into force on 1 January, when the transition period ends. With some two months to go before the end of the transition, the AHDB has just launched a blog series called “EU Exit Perspectives”.

### EU Methane Strategy

The European Commission (EC) has published an EU strategy to reduce methane emissions associated with human activity in Europe and internationally. It includes legislative and non-legislative actions in three sectors – agriculture, energy and waste. In the short term, the strategy encourages voluntary and business-led initiatives to improve reporting and tackle methane emissions at the global level. EU legislative proposals are planned for 2021. One of the priorities will be to improve measurement and reporting of methane emissions. In addition to stepping up measurement, verification and reporting standards, the EC will support the establishment of an international methane emission observatory in partnership with other international organisations. In the agricultural sector, the EC will support setting up an expert group to analyse life-cycle methane emissions. The group will look at livestock, manure and feed, and an inventory of best practices and available technologies will be developed. The EC is also planning to promote dietary changes through the actions announced in the Farm to Fork Strategy.

## Future of EU Livestock

The EC has published an external study prepared by two independent experts looking at the future of the EU livestock sector and how it can contribute to a sustainable agricultural sector. The study assesses the economic and social importance of the sector and its environmental challenges, inviting the reader to avoid oversimplification of the debate. It highlights the EU livestock production's efficiency and warns against the risk of production displacement if European production is reduced. It also underlines the importance of considering the different production systems, which have different positive and negative environmental performances, and stresses that the economic and socio-cultural importance of the sector cannot be ignored. According to the study, the livestock systems should evolve to providing a range of goods and services, rather than being guided solely by the goal of production, and innovation will be crucial to reduce the negative impacts. This includes the use of agro-ecological approaches, technology, and increased circularity.

## Public opinion on EU food & farming

The EC has published the latest EU-wide survey of public opinion about agriculture and the Common Agricultural Policy conducted in 2020 in the 27 EU Member States. 95% of the respondents think that agriculture and rural areas are important for their future but perceptions are mixed when it comes to the relationship of agriculture and climate change: 69% think EU farmers need to change the way they work to fight climate change. Most Europeans (55%) agree that agriculture has already made a major contribution in fighting climate change. However, 42% (13 percentage points more than in 2017) consider agriculture is one of the major causes of climate change. Providing safe, healthy food of high quality remains the most mentioned objective of the EU in terms of what people think should be its focus, and 92% of respondents are in favour of continued EU subsidy payments to farmers for carrying out agricultural practices beneficial to the climate and the environment. Eight in ten respondents give importance to short supply chains and knowing the geographical area of the products' origin. At the same time, six in ten say trade agreements between the EU and other countries have been positive both for EU agriculture and themselves as consumers.

## EU response to Covid-19

The Council has adopted the recommendations (not legally binding) to coordinate Covid-19-related measures affecting free movement in the EU. Member States should not refuse entry to people travelling from other Member States. If restrictions are deemed necessary, the EU recommends quarantine and/or test after arrival. However, this should not apply to citizens with an essential reason to travel and national authorities should inform at least 48 hours in advance before entry into force of any restriction. In addition, given the resurgence of the infections in the last weeks, the EC has launched an additional set of actions to help limit the spread of the virus. This includes promoting a common approach and effective testing and making full use of contact tracing and warning apps across borders (a solution to link national apps across the EU has been launched, although not all of them are included yet). The EC is also negotiating agreements with producers to make vaccines available as soon as proven safe and effective and has launched a new joint procurement for medical equipment for vaccination to give Member State better and cheaper access to the tools needed to prevent and treat Covid-19. To help maintain the supply of goods and the economic fabric of the EU, the EC is also proposing to extend the Green Lane approach. The Council has also asked the EC to draw up a contingency plan for the European freight transport sector. Despite all these measures, all EU countries are undergoing severe output losses as a consequence of the pandemic, although some have been hurt more than others. A recent policy paper explores the factors behind the different degree of economic contraction among EU countries.

## EU Promotion Policy

In the framework of the ongoing review of the EU Promotion Policy, the European Commission has published an independent study that provides an assessment of the effectiveness, efficiency, relevance, coherence and EU added value of the different measures implemented under this policy. The study found that the EU Promotion Policy is relevant, brings clear EU added value, and supports the overall objective of strengthening the competitiveness of the EU agri-food sector. Promotion programmes (simple and multi) are also found to be effective in supporting the objectives of the policy. Measures implemented through the EC's own initiatives (such as participation in fairs and high-level missions) were found to be highly effective in gaining access to third country markets. However, the study finds that the design and quality of the monitoring and evaluation system is not strong enough to facilitate accountability so it should be reviewed to ensure it is fit for purpose. This study will provide the basis for an EC report concluding the evaluation of the policy (planned for December 2020) and it will also feed into the review of the policy (planned for 2021).

## State of EU Nature

The EC has published its latest assessment of the state of nature in the EU, providing a comprehensive overview of the situation of Europe's most vulnerable species and habitats protected under EU nature law. The assessment is based on a technical report of the European Environment Agency and constitutes the largest and most complete health check of nature ever undertaken in the EU. It shows that the EU has not yet managed to stem the decline of protected habitat types and species of EU conservation concern. The key land- and water use pressures that have led to the degradation of nature still persist, resulting in a significant shortfall from the 2020 target of halting and measurably reversing the deterioration in the status of species and habitats. In its report, the EC concludes there is a need for a step-change in action to put Europe's biodiversity on a path to recover by 2030, as envisaged in the new EU Biodiversity Strategy. In this regard, the full implementation of the goals and targets proposed in this Strategy, as well as in the Farm to Fork Strategy is deemed essential.

## EU Biodiversity Strategy

EU Member States are "deeply concerned" about the global rate of biodiversity loss, as confirmed in the Council conclusions recently adopted by environmental ministers. The first EU-wide Ecosystem Assessment has proved that none of the EU 2020 biodiversity targets will be met. Therefore, Ministers have unanimously agreed on stepping up the EU efforts to address the biodiversity and nature loss. The Council stresses that protecting, maintaining, and restoring biodiversity and healthy ecosystems will contribute to boosting our resilience and prevent the emergence and spread of new diseases. The Council conclusions give political guidance for the implementation of the new EU Biodiversity Strategy and call for the integration of EU biodiversity policy in relevant future legislative proposals in sectors such as agriculture. Ministers also want the EC to propose legally binding nature restoration targets and a significant proportion of the 30% of the EU budget which is dedicated to climate action to be invested in biodiversity. In order to help monitoring the implementation of the EU biodiversity Strategy for 2030, the EC has already launched a new Knowledge Centre, a one-stop shop for science-based evidence on biodiversity.

### Market transparency & food crisis

The OECD has published a policy brief discussing the importance of market transparency and the different requirements for effective information-sharing in the agriculture and food sector. Despite all the disruption due to the pandemic, a food price crisis has been avoided so far and the OECD argues it is in part thanks to improved transparency in global staple crop markets. Transparency on market conditions and policies in agri-food markets can help reduce market uncertainty, expose bottlenecks, and highlight risks. This is essential to avoid panic buying or counterproductive policy responses, and to allow market participants and policy makers to develop more effective responses in times of crises. However, transparency is not automatic and require investment in gathering comparable information, monitoring market and policy developments and communicating clearly about the findings. Even more so during extreme situations, such as the Covid-19 outbreak, when market conditions change quickly, so increasing the frequency of monitoring and reporting is necessary to support informed decision-making. This is more easily achieved where there is an existing infrastructure to build on. Therefore, the brief concludes that efforts to increase transparency need to continue across the entire agri-food sector to minimise the risks of global food crises.

### European Commission initiatives in 2021

The EC has adopted its 2021 work programme containing the new legislative initiatives they plan to deliver next year. While managing the current crisis will continue to be the utmost priority, the work programme confirms the EC's resolve to lead the twin green and digital transformation. In particular, to achieve a climate-neutral Europe by 2050, the EC will table next year a "Fit for 55" legislative package to reduce emissions by at least 55% by 2030. This will include initiatives in a wide range of policy areas, including a legislative proposal for a Carbon Border Adjustment Mechanism aimed at reducing the risk of carbon leakage and ensure a level-playing field by encouraging EU partners to raise their climate ambition. The EC will also propose measures to implement the EU Biodiversity Strategy and the Farm to Fork Strategy. In addition, the EC is planning to review a number of existing initiatives, including a revision of the rules on Geographical Indications, with a view to simplify the system and make it more attractive to producers and understandable to consumers.

### Common Agricultural Policy reform

Both the Council and the European Parliament (EP) have agreed their respective negotiating positions regarding the Common Agricultural Policy reform proposals. This decisive step allows them to be able to enter into the negotiation phase with a view to reach an overall agreement on the CAP reform. The current CAP rules expire on 31 December 2020, so they will need to be replaced by transitional rules until the ongoing CAP reform is agreed and approved by the EP and the Council. The vote in the European Parliament attracted especial attention from the media and NGOs due to an amendment that had been introduced in an attempt to reserve meat-related names exclusively for products containing meat. The amendment was eventually voted down, in what UECBV qualified as a missed opportunity for clarification at EU level. However, a similar provision to prohibit the use of dairy names on non-dairy products was approved.

## RASFF Annual report

The EC has published the 2019 annual report of the Rapid Alert System for Food and Feed (RASFF). This is the tool used by European and national authorities to exchange information about measures taken in response to serious risks related to food and feed. In 2019, there were a total of 4,118 notifications reporting risks identified in food, feed or food contact materials that were placed on the EU market or detained at an EU point of entry. Of these, 1,173 were alerts (those that were already in the market and presented a serious risk) and 1,499 were border rejections. The rest were mainly notifications for information (for risks that do not require rapid action). The overall figures present a significant increase of 10% in original notifications compared to 2018. The largest part of those arose from official controls carried out at a business operator establishment in the internal market and 40% concerned controls at the borders. As regards the notifications sent by the UK, most of them concerned products originating in China. The most affected product categories were dietetic foods, food supplements and fortified foods and nuts, nut products and seeds.