



## LMC Brussels Update – August 2016

**Brexit** - An [article](#) from Charles Grant suggests that the 27 EU Member States want Britain out before the June 2019 European elections, and before talks on the EU's next seven-year budget cycle get underway (the current ends in 2020), so they are unlikely to extend the two years period for exit negotiations under Article 50 of the Treaty on EU. There will be a gap between Britain leaving the EU and an FTA between EU and UK coming into effect, which will require an interim deal. Britain would also need attaining full WTO membership and Grant suggests that Britain's non-EU partners may not want to negotiate with it until it is a full member of the WTO and until they know what Britain's relationship with the EU is likely to be.

Commission President Juncker announced his intention to allocate the Security Union portfolio to Sir Julian King. Following the decision of Lord Hill to resign, David Cameron nominated Sir Julian King as the member of the European Commission of British nationality. This was later confirmed by PM Theresa May. Procedurally, the new Commissioner will be appointed by the Council of the EU by common accord with the President of the Commission after consultation of the European Parliament. An exchange of views between Julian King and the relevant Committee of the EU Parliament is scheduled for September 12.

**TSE** - A new [regulation](#) amends Annexes to TSE Reg 999/2001 to exclude atypical BSE from the definition of BSE. Certain provisions relating to the removal of specified risk material are also amended; the requirement to provide information on the label of the carcasses as regards the removal of the vertebral column, should be modified as follows: while so far a blue stripe must be indicated on the label of the carcasses or wholesale cuts of carcasses of bovine animals containing vertebral column when the removal of the vertebral column is not required, after a transitional period, a red stripe should be indicated on the label of the carcasses or wholesale cuts of carcasses of bovine animals containing vertebral column when the removal of the vertebral column is required. This provision should enter into force after a transitional period until 30 June 2017. Other amendments relate to prohibition of laceration, import requirements, requirements for recognition of negligible risk of classical scrapie etc.

**Food waste** - The Commission published the [composition](#) of the EU Platform on Food losses and Food Waste announced in the 2015 EU action plan for circular economy. The Platform brings together 70 member organisations (including COPA-COGECA, FoodDrink Europe, FEFAC, Europatat, European Crop protection Association and European Dairy Association), both from the public and private sectors, in order to maximise the contribution of all actors and support achievement of Sustainable Development Goal #12.3: *to halve per capita food waste at the retail and consumer level by 2030, as well as to reduce food losses along the food production and supply chains*. The Platform will support all players in defining actions needed all along the food value chain, promoting inter-sectorial cooperation, sharing best practice and evaluating progress made over time. Its first gathering is scheduled for 29 November.

**Lumpy Skin Disease** - EFSA published a [scientific opinion](#) on the effectiveness of different options for controlling the spread of lumpy skin disease. The work was requested by the European Commission following the rapid spread of the disease in Greece and Bulgaria and other Balkan countries. EFSA experts say that when vaccination is thoroughly applied, partial culling of affected animals is as effective in eradicating the disease as whole-herd culling, which is currently required under EU legislation. Experts recommend that vaccination is applied uniformly across all areas.

**Copper in feed** - EFSA [recommends](#) a reduction in the maximum copper content in feed for piglets. It estimates that the reduction from 170 mg to 25 mg Cu/kg feed for piglets would have the capacity to save 1,200 tonnes copper/year being spread in the field and thus, to reduce total copper emissions from farm animal production by about 20%. The maximum content of copper in complete feed for dairy cows and cattle should also be reduced, from 35 mg/kg of feed to 30 mg/kg, the Panel says. For most other animal groups the currently authorised upper levels are unchanged except for goats where the Panel recommends an increase, to 35 mg per kg.

**Organic farming footprint** - An [article](#) on Swedish farming finds that neither conventional nor organic is clearly environmentally superior. Organic is more environmentally friendly in the area of ecotoxicity while conventional farming's clearest strong side is land use. The article adds that this does not address the question whether

ecotoxicity is a great risk in contemporary agriculture, or greater or lesser one than any one of the other aspects (namely *climate, over-fertilization, acidification, energy use, and land use*). The article concludes that there is almost none of the documented positive climate effect or decreased pesticide use effect from the use of biotech varieties in these results.

**Land Footprint** - A [report](#) by the NGO Friends of the Earth Europe finds that the EU's Land Footprint totals 269 million hectares – with 40% of this used outside of Europe. 73% of the EU Land Footprint is related to the consumption of animal products, with the largest portions for meat (30%) and dairy (25% of the total, mostly cheese), the report says. The EU's use of overseas cropland increased by 34% between 1990 and 2009. Europe's meat and dairy industries are highly dependent on imported animal feed, largely due to increases in factory farming in Europe. However, it is the surging demand for vegetable oils, especially for non-food purposes like bioenergy, which is of particular concern. The NGO recommends the EU to develop policies that encourage a reduction in the consumption of land intensive products, in particular animal products, and to promote a reduction of industrialised livestock farming in the EU.

**Greening** - Following the introduction of “greening” obligations for farmers under the 2013 CAP reform, which applied for the first time in 2015, the [results](#) of a public consultation show that 90% of EU farmers are not prepared to do more for the environment if current levels of support stay the same. Over 50% of farmers think greening will have a negative impact on their production potential in the long term. Proposals for the simplification of greening measures are expected to be adopted in the autumn.

**Trade** - The value of EU agri-food exports for the 12-month period from July 2015 to June 2016 amounted to just over €129 billion, a 2.1% increase compared to 2014-2015, according to the latest [monthly report on agricultural trade](#) - with notable improvement in sales to the USA (+ €2.2 billion), China (+ €1,8 billion) and Saudi Arabia (+ €0.6 billion). The sectors which have shown the greatest gains over the 12-month period are pigmeat (+ €986 million), wine (+ €511 million) and live animals (+ €502 million), whereas there was a notable decrease from the value of 2014-2015 exports for raw hides and skins (- €1.1 billion), wheat (- €1.0 billion, after record export sales during the marketing year 2014/15) and milk powders (- €695 million). The monthly value of EU agri-food exports in June 2016 reached EUR 10.9 billion and the highest increases in monthly export values were achieved for pork (+58%), followed by meat offal and infant food.

**Russian ASF ban** - The [final report](#) of the WTO declared illegal the Russian import ban on live pigs, fresh pork and other pig products from the EU. The ruling concerns the ban imposed by Russia in early 2014 because of a number of cases of ASF in EU areas close to the border with Belarus. The panel acknowledged that Russia's refusal to accept imports of certain EU products and to adapt EU-Russia import certificates accordingly amounts to an EU-wide import ban. This measure is not based on the relevant international standards and violates the rules of the WTO SPS Agreement. DG TRADE commented that the ruling sends a strong signal to Russia, and all WTO Members, as regards their obligation to respect international standards, in particular the principle of regionalisation (allowing trade from individual areas of a country recognised as pest or disease-free, even if the health status in the rest of the country is not favourable). The WTO panel report can be appealed within 60 days. If no appeal is filed, the report will be adopted and Russia will be bound to comply with the recommendation. If it doesn't, the EU will be allowed to take retaliation.

**US market** - The USDA recently allowed fresh (chilled or frozen) beef from Brazil for export to the United States. In another decision, Brazil's Ministry of Agriculture allowed access for US beef and beef products to the Brazilian market for the first time since 2003, reflecting the US negligible risk classification for BSE by the World Organization for Animal Health (OIE).

**TTIP** - During the 14<sup>th</sup> round of TTIP talks, progress was made on 3 SPS articles, namely audits, import checks and the SPS committee. Notably, inspections would be included in the scope of the Article related to audits. Discussions about EU as a Single Entity are still difficult, and so are discussions on EU proposals on pre-listing of establishments. The Commission also received a negative reaction on visual inspection. The next round of negotiations is foreseen for October. An [EP report](#) provides an in-depth study on current issues in EU/US negotiations on TTIP.