



LMC Monthly Update - May 2019

EU elections

European elections took place this month and were a “good omen for the EU”, in Donald Tusk’s words. The turnout (50.94%) was the highest since 1994 and although the [results](#) leave us with a fragmented and polarized European Parliament, the feeling overall is that the “populist wave” has been contained. Eurosceptics and far right populists did better than ever but they are also remarkably fragmented and unlikely to be invited into any ruling coalition. The two traditional big groups – the European People’s Party (179 seats) and the Group of Socialists and Democrats (153 seats) – retain the top two positions but both have lost lots of support. The Liberals (ALDE plus Macron’s Renaissance list) (105 seats) and the Greens (69 seats) are among the big winners, becoming the 3rd and the 4th main groups respectively, and they are deemed to be key in building a controlling majority. The negotiations to form a ruling coalition and to choose the candidates for the EU’s top jobs have already started and although they will be for sure not easy, [leaders](#) are expecting to wrap up the whole process before the summer break.

CAP and GHG emissions

Following a Freedom of Information request from WWF, the European Commission (EC) has published an [external study](#), dated from October 2018, pointing out that the CAP has failed to adequately address emissions from agriculture. The study, aimed at analysing the relevance, effectiveness, efficiency, coherence and EU-added value of the climate action of certain key CAP measures, shows that while GHG emissions that are attributable to agriculture are 20.7% below their level in 1990, they have been rising slightly since 2012. Although some measures have had a positive impact on emissions (e.g. greening measures under income support), the study shows more contrasted results for others. In particular, voluntary coupled support (income support linked to production for a sector undergoing difficulties) in the livestock sector has led to a net increase in GHG emissions, while not being able to quantify it. The study also includes recommendations for the future CAP. When asked about this study, Commissioner Hogan said that it points out the need to do more, and fast and focused his answer in the changes the new CAP will introduce to achieve so.

CAP deadline

The European Commission (EC) has approved a [decision](#) to allow EU Member States to extend the deadline for farmers to submit their applications to receive CAP support until 15 June (normally, the deadline is 15 May). The extension is voluntary, so every Member State can decide whether they extend it or not, and it only applies

to applications and payment claims relating to the year 2019.

Market transparency

The European Commission (EC) has presented a [proposal](#) to enhance market transparency in the way prices are reported throughout the food supply chain. The new rules aim at tackling the asymmetry of information between farmers and other actors in the food supply chain and will cover the meat, eggs, dairy, fruit and vegetables, arable crops, sugar and olive oil sectors. Each Member state will be responsible for the collection of price and market data, and will then communicate the data to the EC, who will in turn make the monitoring available in its agri-food data portal and EU market observatories. The EC recommends that the Member States do not target small and medium-sized enterprises to reduce the administrative burden. This proposal is published for a 4-weeks' public consultation period. It will then be adopted by the EC and will enter into force six months after its adoption. This long-awaited proposal will complement the [directive banning unfair trading practices](#) (in force since April 2019) in empowering weaker and smaller actors of the food supply chain.

Food trade

FAO's latest [Food Outlook](#) projects worldwide food imports to drop 2.5 percent in 2019 to US\$ 1.472 trillion. Published twice a year, FAO's Food Outlook assesses market and production trends for an array of foods including cereals, oilcrops, milk and meat. Notable highlights are that the Russian Federation is consolidating its recent ascent to top status as the world's largest wheat exporter and Brazil's rapid emergence as the world's No. 2 maize exporter. The global impact of the spread of African Swine Fever is also discussed. It estimates that the disease could cause a near 20% decline in China's hog inventories. Pigmeat imports are projected to rise by 26%. Imports of other meats, including bovine and poultry meats, are also expected to rise. At the same time, fewer pigs in China should translate into lower demand for feed grains and oilseeds, in particular soybeans.

Veterinary residues in animal products

The European Food Safety Agency (EFSA) has published a [report](#) summarising the monitoring data collected in 2017 on the presence of residues of veterinary medicinal products and certain substances in live animals and animal products in the European Union, showing high rates of compliance with recommended safety levels. The percentage of non-compliant targeted samples was 0.35% (1,273 out of 360,293), comparable to the previous 10 years (0.25%-0.37%). The report provides data per sector (including bovines, pigs, sheep & goats, and milk) and type of substance (including hormone and anti-bacterials, among others). The lists of non-compliances (specifying the Member State of origin) can be found in the annexes.

Animal Welfare

The European Commission is [evaluating](#) the EU Strategy for the Protection and Welfare of Animals 2012-2015. This evaluation follows the recommendation made by the European Court of Auditors in its special audit report on animal welfare and will assess if the EU Strategy has delivered its initial objectives and if they are still relevant today. Citizens, experts and stakeholders are invited to give their feedback before 14th June 2019.

New Breeding Techniques

Following the European Court of Justice ruling on NBT last year, the Netherlands – supported by Estonia – have [tabled](#) a point in the agenda of this month's Agricultural Council meeting to request the EU institutions to come up with a unified EU approach regarding the implementation of the EU GMO legislation with regard to mutagenesis and other NBTs. The request was supported by all the delegations who took the floor (15) but the EC explained that any new initiative would have to be undertaken by the new executive after the elections.

Feed Protein Balance Sheet

The EC has published its latest "[EU Feed Protein Balance Sheet](#)", which provides a comprehensive overview of EU feed supply. The figures show a contrasting situation with a high self-sufficiency rate for products low in protein content, but low for products with high protein content, such as soya beans. Overall, the EU produces only 29% of what it consumes in products with a protein content of 30 to 50%. Looking at the total EU use of feed consumption, about 80% of the feed is from EU origin, which is a positive trend.

Biodiversity

A new Eurobarometer [survey](#) shows that Europeans are increasingly concerned about the state of the natural world, with some 96 % of the more than 27,000 interviewed citizens from the 28 EU Member States saying that we have a responsibility to protect nature and that this is also essential for tackling climate change. Results show that the biggest perceived threats to biodiversity are air, soil and water pollution, man-made disasters and climate change. Intensive farming, intensive forestry and over-fishing are increasingly but not yet fully recognized as major threats to biodiversity (although the UK is above the EU average on this question). At the same time, the European Court of Auditors is [currently carrying out](#) an audit to assess whether the EU's agriculture policy has contributed to maintaining and enhancing biodiversity. The audit report is expected to be published by mid-2020.