



LMC Monthly report: October 2015

Sheep forum – The Commission has created a sheep forum to examine the future development of the sheep sector in the EU in the context of stagnant consumption. It will be chaired by John Bryan, former President of the IFA, and will involve representatives from the production, processing and trade parts of the sheep meat industry as well as representatives from Member States with a significant sheep meat industry. The first meeting will be held mid-November, aiming to identify the main challenges of the EU sheep sector in terms of production, sustainability, competitiveness and marketing. Two further workshops are foreseen next year to be based around specific themes. A final report is expected by mid-2016 with recommendations on the future of the EU sheep sector.

EU support to the livestock sector – €420 million of EU aid will be available to Member States to provide targeted support to farmers in the beef and veal, milk and milk products, pigmeat and sheepmeat and goatmeat sectors. National envelopes are given in Annex to the Regulation (€36 million for the UK*). They were calculated on the basis of 2014/2015 national milk quotas and national pig population, and proportionate to the observed farm gate milk and pig carcass price decrease, the degree of dependence from the Russian market and the impact of the drought on feed crop production and price.

Short-term Outlook – According to the Commission short term outlook, pig meat production is expected to increase further in 2015 in spite of the low prices. However, the first signs of decrease in the reproductive herd could be observed recently. Poultry meat production continues its steady development. Good exports of meat and live cattle to Turkey bring relief on the beef market, where supply increase is driven by the dairy herd development. The rising availabilities of meat on the EU market translate into a further 2% increase in EU per capita consumption, after the strong recovery already observed in 2014.

Food promotion – The EU has now adopted its 2016 work programme for food promotion policy, setting out the strategic priorities for promotion measures in terms of products, schemes and markets to be targeted, and the corresponding allocated budgets. A total of € 111 million will be available in 2016 – with € 30 million ring-fenced for dairy and pig meat promotion to react to their difficult market situation (including €21 million for programmes targeting third countries).

Export to Canada – The Canada has re-opened its markets for imports of European beef from 19 EU Member States. By re-authorising 19 Member States at once, Canada recognises that the EU functions as a single entity with uniform and harmonised rules and standards, where enforcement is overseen by the European Commission. The recognition of the single entity by a significant trading partner is an important boost for trade negotiations with other countries outside the EU. The Commission is seeking that a similar approach be adopted by other trading partners. Hopefully, this market opening will also send an important signal to the EU's trading partners worldwide that EU beef is safe, and that imports of EU beef should be swiftly resumed.

African Swine Fever (ASF) - The US now recognises the EU regionalisation system put in place to contain the spread of ASF. Until now, the US restricted or prohibited imports of pork and pork products from regions where ASF existed. Such regions were listed on the APHIS website individually. The new rule means that from now on the list will simply refer to any restricted zone in the EU, as established by the EU. This recognition will help to avoid trade disruptions in the event of an

outbreak of the disease. Trade in pork products between the EU and the US was valued at approximately €335 million, in 2014 alone.

Food waste - Key findings of a recently published EU survey confirm that date marking ("use by" and "best before") is poorly understood by Europeans. Just under half (47%) of Europeans surveyed understand the meaning of "best before" labelling and somewhat fewer (40%) are aware of the meaning of "use by". The majority of Europeans also emphasise individual responsibility when it comes to reducing food waste. Nearly two thirds (63%) of those polled said that food waste can be reduced by individual consumers making better decisions when shopping and planning meals, and by making use of leftovers rather than discarding them, while over half (56%) said that they could reduce food waste by making use of the freezer. The Commission is set to propose initiatives against food waste as part of a new "circular economy" package to be presented in early December this year.

GHG emissions - A report published by the European Environment Agency reveals that the EU is on track towards meeting and overachieving its 2020 target for reducing greenhouse gas emissions. EU's gas emissions decreased by 23% between 1990 and 2014 and reached the lowest levels on record. Latest projections by Member States show that the EU is heading for a 24% reduction by 2020 and is already working towards its 2030 goal of an emissions reduction target of at least 40%.

Biodiversity – At least eight out of ten Europeans consider the various effects of biodiversity loss to be serious, according to a recent Eurobarometer survey on biodiversity. At the same time, conclusions from the Mid-term Review of the Biodiversity Strategy highlight that at current rate of implementation, biodiversity loss and the degradation of ecosystem services will continue throughout the EU and globally. The report shows that there has been no measurable progress in the status of agriculture related habitats and species covered by EU nature regulation over the past 4 years. Achieving the 2020 biodiversity targets will require substantial implementation and enforcement efforts as well as a more setting coherent priorities underpinned by adequate funding – in particular in the sectors of agriculture and forestry which together account for 80% of land use in the EU.

Agriculture and Climate change – During the October Agricultural Council, Ministers held an exchange of views on the contribution of agriculture to climate change on the eve of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP 21) which will take place in Paris from 30 November to 11 December this year. The discussions highlighted agriculture's positive contribution to climate change mitigation. At the same time, the importance of knowledge transfer from research to agricultural practice as well as the necessary involvement of farmers and the need for more research financing in this area were underlined. The President of the Agriculture Council will prepare a letter informing the President of the Environment Council of the outcome of this debate.

GMOs - The Parliament has rejected the Commission's proposal to allow EU member states to restrict or prohibit the sale and use of EU-approved GMO food or feed on their territory. The proposal was modelled on another EU law, on GMOs intended for cultivation, which entered into force in early April. This law allows member states to ban the cultivation of EU-approved GMOs on their territory. But whereas cultivation necessarily takes place on a member state's territory, GMO trade crosses borders, and a national "sales and use" ban could prove difficult to enforce without reintroducing border checks on imports. MEPs were concerned that the law on the sale and use of GMOS might prove unworkable or that it could lead to the reintroduction of border checks between pro- and anti-GMO countries.