



LMC Monthly Update - February 2019

Brexit

Another month has passed without real developments. Prime Minister May and her team have travelled to the continent several times for “constructive” talks but no substantial progress. The EU-27 is basically “waiting for concrete, realistic proposals from London on how to break Brexit impasse” as Tusk summarized. Leaders are becoming more vocal about their frustration, with Juncker even recognising he had “something like a Brexit fatigue”. Meanwhile the EU contingency preparation continues, including a new outreach campaign for EU businesses. The EU agri-food sector, concerned by the impact of a no-deal particularly for meat and cheese, have contributed to this task by sending to the EU a detailed list of specific measures the sector would need. The European Commission (EC) has clarified that contingency measures do not “in any way compensate for the lack of preparedness or replicate the full benefits of EU membership or the favourable terms of any transition period, as provided for in the Withdrawal Agreement”. They also stressed these proposals are “temporary in nature, limited in scope and will be adopted unilaterally by the EU”. Member State have also stepped up their preparation, including the publication of the Irish Bill and the Dutch communication campaign starring a fluffy Brexit Muppet.

EU Organic logo for halal meat

The EU’s Organic production logo cannot be placed on meat from animals slaughtered in accordance with religious rites without first being stunned, as stated in the European Court of Justice (ECJ) ruling published this month. The ECJ finds that such a practice fails to observe the highest animal welfare standards as it is insufficient to remove all of the animal’s pain, distress and suffering. The objective of the Organic logo of the EU is to reassure consumers that products have been obtained in observance of the highest standards, in particular in the area of animal welfare. Consequently, the rules of EU law do not authorise the placing of this logo on products derived from animals slaughtered without being pre-stunned. Worth noting that this ruling contradicts the Opinion of the ECJ’s Advocate General – something very unusual.

Polish beef scandals

EU auditors have been visiting Polish slaughterhouses following January’s scandal regarding illegally slaughtered beef. Although the full report will not be ready until end of March, preliminary findings were presented during a Standing Committee this month. Auditors appear to have identified serious violations on meat inspection rules and the EC has requested Polish authorities to implement an urgent action plan to remedy this situation. The Polish meat industry has already issued, in collaboration

with the Polish authorities, a 10-point Action Plan to introduce a “zero tolerance” approach regarding illegal slaughter. In addition, the Czech Republic and Slovakia have announced they will be carrying out checks on all deliveries of Polish beef after having identified the presence of salmonella in batches coming from this country. Polish authorities have suggested the possibility to retaliate and the EC is working with Poland to draw up a salmonella action plan. An atypical BSE was also identified in a farm near the Czech border. Although this event does not affect the official BSE risk status recognition of Poland, the timing is particularly inconvenient for the sector.

Antimicrobial resistance

The European Food Safety Authority (EFSA) and the European Centre for Disease Prevention and Control (ECDC) have released a joint report showing that antimicrobials used to treat diseases that can be transmitted between animals and humans (e.g. campylobacteriosis and salmonellosis) are becoming less effective. The joint report presents data referring to 2017 and collected from 28 EU Member States from humans, pigs and calves under one year of age. It confirms the rise in antibiotic resistance already identified in previous years. In addition, worth noting the European Court of Auditors is conducting an audit on the EC’s and relevant agencies’ management of key activities and resources to support Member States as well as EU research aimed at fighting AMR. They have already published an audit preview (preparatory information gathered by ECA before the start of the audit).

EU State Aid rules

The EC has adopted revised rules on state aid in the agriculture sector, raising the maximum aid amount that can be distributed per farm over three years without need for prior EC approval (*de minimis* aid) from €15,000 to €20,000. The ceiling for each EU country will be set at 1.25% of the country’s annual agricultural output over the same three-year period (up from 1% in the current rules). In addition, if a country does not spend more than 50% of its total national aid envelope on one particular agricultural sector, it may increase even further the *de minimis* aid per farm to €25,000, and the national maximum to 1.5% of the annual output. The creation of a mandatory central register for countries that opt for the highest ceiling is also required. The increased ceilings come into force on the 14th March and can apply retroactively to aids fulfilling all the conditions.

General Food Law

The EP and the Council have reached a provisional agreement on a new regulation on the transparency and sustainability of the EU risk assessment in the food chain, which reviews the General Food Law and eight legislative acts dealing with specific food chain sectors. Once formally adopted, it will come into force from late 2020. The new rules will grant greater transparency of the scientific studies supporting requests for market authorisation – studies will be made public “without delay”, still protecting

confidential business information. The EC will be able to request EFSA (the European Food Safety Authority) to commission verification studies in controversial cases and risk communication will be improved.

Updated Crisis Management Plan

The EC has adopted a Decision which updates its plan and procedures for crisis management in the field of safety of food and feed. The new General Plan draws on the lessons learnt from crisis in recent years, like E. coli in 2011 or fipronil in 2017, which have shown the need for enhanced coordination between the different authorities in the EU and national levels. It also takes into account the conclusions of the evaluation of the General Food Law Regulation which had flagged the need for a stronger focus on crisis preparedness.

Water reuse for irrigation

The EP has endorsed plans to counter water scarcity by facilitating the reuse of treated wastewater for agricultural irrigation. The draft law defines minimum quality standards for reclaimed water to be used for irrigation and sets out obligations for production, distribution and storage operator, as well as risk management measures. The measure can potentially lead to reuse 6.6 billion cubic metres of water by 2025, compared to the current 1.1 billion cubic meters per year and would require an investment of less than €700 million. EU co-legislators will start negotiations on this file once the Council sets its own position.