



## LMC Brussels Update - April 2016

**Rural Employment** - The EU Parliament has released a study on the role of the CAP in creating rural employment. Evidence suggests that Pillar I (direct payments) is at best maintaining jobs in the agricultural sector but not creating new jobs. Pillar 2 (Rural Development) is seen as having a positive effect on jobs. The diversification of agriculture and the regional niche markets are regarded as positive impulse for employment in the regions. Results however depend on the diversity of European agricultural systems and their reliance on CAP funding.

**Food waste** - In order to support achievement of the Sustainable Development Goal – to halve per capita food waste at the retail and consumer level by 2030, and reduce food losses along the food production and supply chains – the Commission will establish a Platform dedicated to food waste prevention. The Platform shall be composed of a maximum of 70 members representing public and private sectors. A call for applications for private sector organisations with expertise in food waste prevention will run until 27 May 2016.

**Animal diseases** - A report by the European Court of Auditors examined whether Member States' health programmes to eradicate, control, and monitor certain animal diseases worked well. The auditors visited seven Member States – Ireland, Spain, France, Italy, Poland, Romania and the United Kingdom – which represent 72 % of the total expenditure in this connection (the programmes involved EU funding of 1.3 billion EUR between 2009 and 2014). There have been some notable successes, for example, decreases in the number of cases of BSE in cattle, salmonella in poultry, and rabies in wildlife. While the assessment of specific veterinary programmes was overall positive, the report adds that eradication of bovine brucellosis and tuberculosis, and ovine and caprine brucellosis, posed continuing challenges in some Member States. In addition, the cost-effectiveness of programmes is difficult to determine, due to the lack of available models for analysis.

**Processed Animals Proteins** - The EU Reference Laboratory for Animal Proteins (EURL-AP) recently validated a PCR method for the detection of DNA of porcine origin. The reintroduction of PAPs from poultry into pigs' feed is however not on the agenda as there is still a risk of positive results in tests on the presence of pig DNA in feed, due to the presence of authorised material such as pigs' blood. More advanced methods are therefore deemed necessary. A proposal to reintroduce PAPs from pigs into poultry feed could however potentially happen at the beginning of 2017.

**Glyphosate** - Based on EFSA's positive risk assessment of November 2015, the Commission has proposed a draft implementing regulation to renew the authorisation of glyphosate for the maximum 15 years. A vote on the standing committee's opinion scheduled for 7-8 March 2016 was postponed as a result of divisions among Member States. This month, the European Parliament adopted a resolution calling for the Commission to renew the EU market approval for glyphosate for another 7 years only instead of 15 as originally proposed. MEPs also ask the Commission to launch an independent review of the overall toxicity and classification of glyphosate, based not only on data relating to carcinogenicity but also on possible endocrine-disruptive properties. MEPs also condemn as "unacceptable" the use of glyphosate for desiccation. A Standing Committee vote to adopt or reject the Commission proposal by qualified majority is tabled for May. If there is no such majority, it will be up to the European Commission to decide.

**Young farmers** – According to a recently published EU report, it seems that young farmers are not always aware that it would be beneficial to improve certain skills such as entrepreneurship knowledge, marketing, networking, communication and financial skills. Many farmers are used to managing their farm

in a traditional way and see no need to change this approach. When young farmers are looking for information, they will first consult other farmers, followed by farmers' association and agricultural advisers & consultants. Nearly 61% of EU young farmers consider the availability of land for purchase and 57% the availability of land for rent as the most difficult challenges they face, often due to land ownership laws, inheritance rules and land prices.

**Farmers' income** – According to the EU Court of Auditors, the system which the Commission set up to measure the incomes of farmers is not sufficiently well designed. The Auditors highlight that no representative data is available on the disposable income of farm households and there is no reliable system for comparing agricultural incomes with those in other sectors in order to justify CAP support for farmers. They recommend that the Commission further develop the main farm income measurement tools and ensure that the analysis of farmers' incomes is based on indicators, taking account of the current situation of agriculture.

**Food price index** – The FAO Meat Price Index was broadly unchanged from last month, at 146.4 points in March. The removal of excess supplies through the aid to private storage scheme at the beginning of the year has helped to keep pigmeat export prices steady in the EU and, by extension, in the international market overall. Sheepmeat prices also stabilized, reflecting the end of the seasonal peak in supplies from Oceania. Bovine meat prices remained essentially unaltered compared to the previous month, as international supply and demand remained well-balanced. According to FAO's first forecast for the new season, world cereal production in 2016 is set to amount to 2 521 million tonnes, just 0.2 percent off last year's large output and the third-highest global performance on record. The small decline in 2016/17 world cereal production would largely result from a lower worldwide wheat production, which is now expected to amount to 712.7 million tonnes, some 20 million tonnes less than in 2015. The decline mostly reflects smaller plantings in the Russian Federation and Ukraine, both affected by dry weather.

**#Livestock counts** - On April 21<sup>st</sup>, Copa-Cogeca launched a one year communication campaign to underline the multiple benefits of the EU meat and livestock sector for growth & jobs, vibrant rural areas, a balanced diet, and to show the high production standards EU farmers meet. On this occasion, Kathy Roussel, from the AHDB Brussels Office, was invited to present the key features of the EU lamb promotion programme jointly coordinated by AHDB, Interbev and Bord Bia. Amongst the tasty meat products served during the event, distinguished guests could enjoy lamb burgers cooked according to the new recipes specifically created for the EU lamb campaign.

**Mercosur** – In the second week of May, the EU and Mercosur will exchange revised market access offers specifying ways to increase mutual openness to each other's goods and services. Intense negotiations between the EU and Mercosur took place between 1999 and 2004. But after an unsuccessful exchange of market offers in 2004, the negotiations were halted. Since the resumption of negotiations in 2010, nine rounds of talks have taken place, preparing the work for a new exchange of offers. In view of the exchange of revised tariff offers, a majority of Member States at the April Agricultural Council expressed their opposition to the presence of quotas on sensitive products such as meat, in the European offer that will be passed on to Mercosur. They formally requested the Commission to examine the possible impact on EU agriculture before any decision is taken. The Commission confirmed that a study on the cumulative effects of on-going and upcoming trade talks on EU agriculture would be ready by September.

**Mexico** – The Mexican market is now open for fresh pigmeat from Spain, with a number of other EU Member States expected to gain access in the coming months: France should be the next in the line, followed by Germany, Romania, Italy and Poland.