



## LMC Brussels update – February 2016

**Market situation** - At the Agriculture Council, the Polish delegation briefed EU Ministers on the continued difficulties faced by the pig and milk sectors and asked for more financial resources to compensate for the impact of the Russian ban and the summer 2015 drought, export refunds for both the dairy and pig meat sectors, the increase of reference thresholds in the milk sector and the re-launch of the private storage aid mechanism for pig meat. Overall, EU Agriculture ministers broadly agreed that more needs to be done to tackle the current agricultural crisis. The Dutch Presidency of the Council called on delegations to submit suggestions on how to deal with the situation by February 25 ahead of a discussion at the next Special Committee on Agriculture on March 7. The Dutch will then table a summary paper on proposals to address the crisis and decide on appropriate approaches to stabilise the market at the next Council on March 14.

**Animal Health law** – The EU Parliament's Agriculture committee backed an agreement reached last year with the Council on the review of EU animal health law. Its focus is on the control and prevention of transmissible animal diseases, through principles of good animal husbandry and a responsible use of veterinary medicines. The text clarifies the basic responsibilities of key actors (farmers, traders, and animal professionals, including veterinarians and pet owners). The rules also recognise that animal health and welfare are linked and require that animal welfare is taken into account when considering the impacts of diseases and measures to combat diseases. The agreed text still needs to be endorsed by Parliament as a whole at the second reading, before it can be published in the EU's Official Journal and enter into force. It will become applicable 5 years after its entry into force.

**Veterinary medicines** - The EU Parliament Public Health Committee adopted a report on the Commission's legislative proposal on veterinary medicines. MEPs call in particular for limits on the preventive and collective use of antimicrobials. They also urge farm animal owners and keepers to use stocks with suitable genetic diversity, in densities that do not increase the risk of disease transmission, and to isolate sick animals from the rest of the group. The text also includes incentives to encourage research into new antimicrobials. The report will be debated at the March/April Plenary session.

**EU sheep meat forum** - The second workshop of the EU sheep meat forum focused on trade and marketing. Overall, participants seemed keen to engage with New Zealand regarding the timing of its imports to the EU around Easter. They insisted on the need to make sure that sheep meat is not forgotten in trade negotiations. They also asked the Commission to ring-fence funds for sheep meat under the new EU promotion policy. The next and final workshop will take place on 29th June and will focus on the sustainability of the European lamb sector. As for trade, a study on the cumulative effects of all trade agreements combined is expected to be tabled by DG Agriculture within 6 months.

**Promotion** - The calls for proposals for 2016 EU co-funded promotion programmes for agricultural products have been published. The annual work programme for 2016 gives priority to promotion activities in a selected list of third countries where there is the highest potential for growth, and to the dairy and pig meat sectors to react to their difficult market situation. A total of € 111 million will be available for promotion programmes selected for EU co-financing in 2016, including € 30 million ring-fenced for dairy and pig meat promotion. The deadline for submission of proposals is 28 April, and the list of selected programmes is expected by November 2016.

**Welfare at slaughter** - The Commission stated that systems restraining bovine animals by inversion or any unnatural position were not found better or worse in terms of animal welfare than systems maintaining bovines in the upright position. These conclusions are based on the results of a scientific study comparing the different systems. According to the study, no more than 8% of bovine animals were slaughtered without stunning in the EU in 2012, 84% of them in four Member States (France, The Netherlands, Spain and United Kingdom) involving approximately 400 slaughterhouses. Almost 80% of these animals were

slaughtered in rotating systems and the remaining 20% in upright ones. Inverted position appeared to be the most frequent restraint practice (approximately 60 %). During the last 30 years, except in the United Kingdom where inverted systems were banned, most of the slaughterhouses in the EU have invested in rotating system and have optimised their procedure accordingly. An animal welfare assessment was carried out on 1113 bovine animals and no conclusive findings could be established in favour of one of the positions (upright, lateral, inverted) at the time of bleeding. The study concludes that animal welfare outcomes depend more on operating procedures and skills of the personnel than on the position of the animals. The authors argue that introducing minimum legal requirements for restraint device will have much less positive impact than the development of standard operating procedures and training, foreseen by the EU Regulation on the protection of animals at the time of killing.

**African Swine Fever** - The World Trade Organisation sent a confidential interim report to the EU and Russia regarding their dispute on the Russian's ban on European live pig and pig meat exports introduced in January 2014 following ASF outbreaks in Eastern Europe. The interim report sides with the EU and Moscow and Brussels have 14 days to submit comments on the findings. The WTO final opinion is expected early April. However the final decision could be delayed until the end of the year due to the appeal procedure.

At the Agriculture Council, the Commission dismissed calls from Poland to reverse a decision to increase its area under restrictions to combat ASF, but agreed to a call for EU financial support to help Ukraine control outbreaks of the disease on the condition that Kiev submits a strategy.

**Biodiversity** - The EU Parliament adopted a resolution on the mid-term review of the EU's Biodiversity Strategy. The resolution notes that incorporating nature conservation into other policy areas such as agriculture is of paramount importance. MEPs urge the Commission and the Member States to assess and if necessary improve the effectiveness of greening measures in the context of the CAP. They ask the Commission to publish data on how many Member States have been permitting the use of pesticides and fertilisers in Ecological Focus Areas since 2015, and to make public the justifications given by Member States for their choice of greening measures. The Commission is due to publish a Staff Working Document in spring 2016 in which it will deliver its conclusions on the fitness check of EU nature legislation (Birds and Habitats Directives).

**Genetics** - An FAO report finds that 17 percent (1,458) of the world's farm animal breeds are currently at risk of extinction, while the risk status of many others (58 percent) is unknown due to a lack of data on the size and structure of their populations. Nearly 100 livestock breeds have gone extinct between 2000 and 2014. Indiscriminate cross-breeding is considered as the main cause of genetic erosion. Other threats identified include the increasing use of non-native breeds, the decline of traditional livestock production systems and the neglect of breeds considered not competitive enough. The regions with the highest proportion of their breeds classified as at risk are Europe and the Caucasus (31 percent of mammalian breeds and 35 percent of avian breeds) and North America (16 percent of mammalian breeds). These are the regions that have the most highly specialised livestock industries, in which production is dominated by a small number of breeds, says the report. In absolute terms, Europe and the Caucasus have the highest number of at-risk breeds but this may relate in part to their advanced state of breed inventory and monitoring compared to other regions.

**Exports** - EU agri-food exports to third countries last year reached a record value of 129 billion EUR, an increase of 6% on 2014. Major gains were made in exports to the USA (+18.5%) and China (+39%), which has overtaken Russia as the second export destination for EU products. Due to the embargo, Russia fell down to fourth position and annual EU agrifood exports to Russia decreased from EUR 9 billion (2014) to EUR 5.6 billion in 2015. The highest increases in monthly export values were witnessed for wheat (EUR +168 million compared to December 2014), vegetables (EUR +76 million) and pork (EUR +72 million) while lower values were recorded for milk powders and cheese (-963m EUR taken together) and fresh fruit (-341m EUR).