
The latest EU agriculture, environment & trade news

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INFORMAL COUNCIL: Future CAP & young farmers on agenda, FAO job in the margins;

The future design of the Common Agricultural Policy (CAP) post-2020, with a particular focus on generational renewal will be the main theme of the Informal Agriculture Council in Sofia* in early June (3-5), following the unveiling of the legislative proposals on June 1. At a time when only 5.6% of all European holdings are managed by farmers below 35 years & over 30% of those employed in the sector are older than 65, attracting new blood into the sector must be a "key priority for the new programming period post-2020", according to the Bulgarian Presidency. "These figures raise concerns about the competitiveness of future European agriculture & its capacity to ensure food security & sustainability in the coming decades", officials outline.

A 5-page steering document entitled '*Generational Renewal in Agriculture in the context of the CAP post-2020*' will form the basis of the 'formal' Ministerial discussion on Tuesday morning (June 5) in Sofia's National Palace of Culture - the largest, multifunctional conference & exhibition centre in south-eastern Europe & official Presidency venue. The background paper puts forward a number of key questions to structure the discussion - i) *to what extent do the current EU measures aimed at generational renewal contribute to attract & retain young farmers in the agricultural sector?*; ii) *which initiatives implemented at national level have proven their capacity to involve more young people in the sector?*; iii) *what should be improved in the CAP post-2020, in the context of the new delivery model, to increase the effectiveness of the measures & stimulate the process of generational renewal in the EU.* Officials point to the key barriers that make it difficult for young people to enter the sector *inc.* access to land, access to funds or capital, access to specialised education & improving professional qualification. "The existing public perception of agriculture as an unattractive or old-fashioned profession compounds the problem even further", they add.

In the margins, Bulgarian Agriculture Minister Rumen Porodzanov will present the state of play on the nomination of a 'single EU candidate' for the FAO Director-General election next year. At the time of going to press, it is still unclear if the hopefuls will attend the gathering, with high-profile candidates from the NL & DE understood to be in the running. *An agreement on the successful EU bid is expected in the margins of the Council in Lux next month (June 18), allowing the individual to launch his/her global election campaign with the support of the EU (in particular the High Representative & the EU Delegations) & Member States. The formal nomination of the single candidate by the government of the Member State concerned would take place towards the end of the year/beginning of 2019. The election of the new boss at the UN agency is pencilled in for June 22-29, 2019, at the 41st FAO Conference.*

During the visit, delegates will travel to the village of Zvanichevo, Pazardzhik (close to the Maritsa River) in Southern Bulgaria, Chateau Copsa Winery (Karlovo) & the Museum of Roses in Kazanlak – the so-called Valley of the Roses. In the margins, Member State representatives will hold a Special Committee on Agriculture (SCA) on the future design of the CAP post-2020 (June 4). In tandem, NABU (BirdLife in Germany), the Bulgarian Society for the Protection of Birds (BSPB), the Association 'Europe & Us', BirdLife Europe & the European Environmental Bureau (EEB) are organising a conference on the implementation & outlook for the CAP in Bulgaria & Europe. The international workshop on the '*CAP at a Crossroads - Unity in Sustainability Makes Strength*' will be held at the Earth & Man National Museum - one of the biggest mineralogical museums in the world - on June 4-6. *More details at <https://eu2018bg.bg/>

SANTE NEWS: Court confirms validity of neonic restrictions; Industry dismayed; MRLs;

Court dismisses calls to annul neonic restrictions: The General Court of the EU has confirmed the validity of restrictions on three neonicotinoids, rejecting a claim by the manufacturers that they were invalid, but has upheld a claim that restrictions on the use of fipronil should be annulled. The ruling on May 17 covered restrictions, imposed in 2013 on the insecticides clothianidin, thiamethoxam & imidacloprid, all neonicotinoids & fipronil (a phenylpyrazole) because of the risks those substances pose to bees. Bayer CropScience, AG which produces imidacloprid & clothianidin, Syngenta Crop Protection AG (thiamethoxam) & BASF Agro BV (fipronil) brought proceedings for the annulment of the new rules. The chemical giant Syngenta also sought payment of compensation of €367.9 million*. Luxembourg-based lawyers dismissed

the actions brought by Bayer & Syngenta *inc.* the compensation claim in relation to the neonicotinoids clothianidin, thiamethoxam & imidacloprid. It ruled that the Commission had succeeded in demonstrating, given the risks identified by the European Food Safety Authority (EFSA), that the three substances no longer satisfied the approval criteria. The EU's executive was entitled to take into account new studies which had become available, showing concerning findings on the effect of the new substance on bee health. As for fipronil, the Court annulled restrictions under Regulation 781/2013 on its use in crops in greenhouses & on seeds of leek, onions, shallots & brassica vegetables intended to be sown in fields & harvested before flowering. According to the Court, the restrictions were adopted, "without first having assessed the consequences of its action, as against the possible consequences of its inaction, for the various interests at stake." "By failing to conduct such an impact assessment, the Commission breached the precautionary principle," it said. *Go to www.curia.europa.eu & enter T-429/13, T451-13 or T-584/13 under Case No;

Court decision on neonics dismays industry: Crop protection industry leaders & the companies involved have expressed disappointment over this week's ruling to reject a call by manufacturers to annul restrictions on neonicotinoid use. Director of Public Affairs, Graeme Taylor, at the European Crop Protection Association (ECPA) said his association respected the verdict of the Court, but found it, "particularly unfortunate that in two of the three cases the Court decided to dismiss." Experts had acknowledged that bee health was influenced by "multiple & complex factors." Bayer also expressed its disappointment & said it would assess potential legal options. The company had decided to pursue legal action because it believed the legal basis for the Commission's decision was uncertain. Syngenta described the ruling as "disappointing & unfortunate." The EU's executive had "relied on a hypothetical risk" to implement restrictions on the neonicotinoids, "outside legally approved regulation." The handling of the case reflected Syngenta's "more general concern" at the Commission's approach to science in agriculture. The company called for "predictable, transparent & science-based regulation."

Meanwhile, Pesticides Action Network (PAN) Europe, which along with other NGOs had intervened in the case, described the four substances as "highly toxic to bees". Martin Dermine, PAN Europe's Health & Environment Policy Officer said NGOs "had to fight many misleading arguments from the agro-industry." The restrictions were based on an EFSA Bee Guidance Document, which Dermine said the verdict showed to be "an essential tool to protect bees from the harmful effects of pesticides." Greenpeace echoed this sentiment, with EU food policy adviser Franziska Achterberg saying the ruling "sets the EU's priorities straight - its primary duty is to protect people & nature, not company profit margins".

EFSA finds current glyphosate exposure levels safe: The European Food Safety Authority (EFSA) has completed reviews of the maximum levels of glyphosate allowed in food & feed & found no risk to human health at current exposure levels. In a 230-page paper*, on human health effects (published on May 17), the Parma-based agency concluded that although there were "major uncertainties" because of gaps in data, "the indicative exposure calculations did not indicate a risk to consumers." The review - covering all crops treated with glyphosate - includes a risk assessment which shows that current exposure levels are not expected to pose a risk to human health, EFSA said in a statement. For this assessment EFSA compared the diets of adults & children in the EU with the safe intake values that EFSA recommended in 2015. A second review, also published on Thursday covered the impact of glyphosate & its residues on animal health. In a 22 page-paper**, the food safety watchdog said that the chemical was not expected to have an impact on cattle, sheep, pigs, horses & selected poultry species, "on the basis of the available data."

*See <http://www.efsa.europa.eu/en/efsajournal/pub/5263>

**See <http://www.efsa.europa.eu/en/efsajournal/pub/5283>

CHINA TRADE MISSION: Hogan leads trade mission in Shanghai; Food safety promotion;

Hogan leads agri-food business delegation in China: EU Farm Commissioner Phil Hogan held a series of "productive meetings" with Chinese Ministers *inc.* Vice Premier Hu Chunhua, Agriculture & Rural Affairs Minister Han Changfu & Market Regulation Minister Zhang Mao as part of a trade mission this week (May 14-19). The Irish Commissioner led a 70-strong EU agri-food business delegation to the SIAL trade fair in Shanghai*, where the EU will be the Region of Honour with its own pavilion, with representatives of businesses with a turnover of over €1 trillion, including the wines & spirits, fruit & veg, olive oil, dairy, meat, cereals & confectionery sectors from 23 Member States. While the main group travelled on Friday to Shenzhen (May 18), Hogan was due for meetings in China's Customs Ministry. Speaking at a press conference at the EU Delegation in Beijing, Hogan said the Chinese market was of "significant strategic importance for the EU agri-food sector," noting that the industry's exports to China doubled between 2012 & 2017 from €6 billion to €12bn. Chinese agri-food exports had also increased significantly. The EU Farm chief pointed to the 8 million tonne gap in the Chinese beef market, forecast by the Chinese Meat Association for the medium-term, which represented a volume equivalent to the EU's entire annual beef output. "This represents a huge opportunity for European farmers," he said. During his visit, he had pressed for a broader opening of the Chinese market for beef. "I expect good news on this front in the coming weeks & months, with FR, the NL & DE next in line," he said. Vice Premier Hu & Minister Han are both due to visit France in the coming weeks. He would also like to see further progress on the bilateral deal on Geographical

Indications (GIs) - a reciprocal agreement that will cover around 260 EU high-quality products & the same number of Chinese foodstuffs - which he says is “within touching distance”, signalling a possible accord at the 20th EU-China Summit at the end of July. “We also hope to achieve a level playing field in the burgeoning organics sector,” he said, with sources suggesting this would be a key priority in 2019. China’s insistence on certification for all food products was disproportionate, creating an unnecessary administrative burden for “low risk products such as biscuits and wines/spirits”. The EU, US, Japan, Mexico, Australia & New Zealand “have signed up to a common line on this”, he added. The Commissioner welcomed Chinese assurances that recent government reorganisation in the country, which included changing the roles of government bodies & the creation of new Ministries, was designed to facilitate doing business there. “We now very much look forward to these pledges being put into action to allow more market access & a level playing field for our companies doing business in China,” he said. During his fourth visit to China in the last three years, he noted that food safety & traceability, a European strength, attracted “a huge premium amongst Chinese consumers.” There was high demand for EU food & drink & digital retail, up to 15% of retail, including food, in China, was revolutionising trade. “European exporters should pay close attention to this trend,” he said. Business delegates accompanying him on the trip spoke of Hogan’s boundless energy, commitment & enthusiasm, despite flight cancellations from Beijing to Shanghai & delayed luggage arrival, with sources speculating on his plans to remain on for a second term, possibly in charge of trade. *www.sialchina.com

EU industry promotes food safety model in China: The EU meat industry, led by the European Livestock & Meat Trades Union (UECBV) & representatives from BE, DK, IE & NL*, used Hogan’s visit to China to organise a meat forum in Shanghai on May 16. The aim was to highlight the food safety model operated by the EU, with its high level of quality & safety for beef & pork. Hogan & his compatriot Minister Michael Creed (Agriculture Minister) spoke at the event in the margins of SIAL China - Asia’s largest food exhibition. The Irish Commissioner described the forum as “an excellent example of how we like our EU promotion policy to work.” “One of the main objectives of the promotion policy is to encourage beneficiaries to work together & look for synergies,” he added. Creed called it “a testament of the power of collective action & collaboration.” “We have a particular opportunity this week to present the Irish beef sector following the recent success in obtaining access to the Chinese market [see AF31-18],” Creed said. “We are also keen to build on existing trade links in other areas including dairy, pig meat & seafood.” The Macroom man signed a memorandum of understanding, committing to an Irish presence at the China International Import Expo Shanghai later this year. “It is a great honour for Ireland to be invited by the Chinese authorities to participate in this November’s event in Shanghai,” he said. “This initiative which is being personally driven by the President of China, Xi Jinping, will have an expected attendance of 185 000 Chinese buyers.” “An event such as this, which is being promoted by the Chinese Government, offers the ideal opportunity for Irish food exporters to do business & enhance relationships,” he said.

The EU is China’s largest pork supplier, exporting 1.4 million tonnes in 2017, with a value of over €2 billion. The forum also aimed to establish a partnership with China, which currently only imports beef from Hungary & Ireland among EU nations. Following French President Emmanuel Macron’s visit to China in Jan [see AF02-18], French exporters are expected to be allowed export beef before the summer break. Industry representatives say the NL is “next in line”, before the end of 2018. Others such as BE, DE, ES & UK have applied to the Chinese authorities, but they are at the beginning of a lengthy procedure. Demand on the Chinese market - population over 1.3 billion - is expected to rise by 1.4mt per annum, with the market currently dominated by Latin America, Australia & New Zealand. **Four MS running a campaign in China on EU beef & pork, co-financed by EU promotion funds;*

EP DEBRIEF: Agri MEPs’ OK on integrated farm stats; Call for action on ‘dual quality’ foods;

Agri MEPs confirm accord on integrated farm stats: AGRI MEPs this week confirmed the provisional agreement reached between the Bulgarian Presidency & MEPs on the modernisation & improvement of the European framework for collecting integrated farm statistics (April 11). The Committee voted in favour by 34 votes to 3, with 4 abstentions. Ambassadors from the EU-28 endorsed the deal on May 8. The new rules address shortcomings identified in the evaluation of the European Agricultural Statistics System (EASS) by streamlining & updating the collection of farm-level data within a single framework, as well as greater flexibility for the rapid introduction of new data collection. Bulgarian Agriculture Minister & current Council chair Rumen Porodzanov said “sound & comparable data are the basis for evidence-based policy-making ... with these improved rules we will have better farm-level statistics for the implementation & monitoring of CAP without the additional burden of data collection”. The regulation will be submitted to the EP plenary in early July (2-5), followed by Council’s rubberstamp, before it enters into force.

COMAGRI urges action against dual quality products: AGRI MEPs are calling for the introduction of penalties for companies that sell different quality products under the same label in different EU countries. COMAGRI voted an opinion on ‘dual-quality’ foodstuffs by 41 votes to one with one abstention on May 16, for the Internal Market Committee (IMCO), which leads on the file. Bulgarian Socialist MEP Momchil Nekov, rapporteur on the dossier, said “we have sent a clear signal to citizens that we have heard them, we have heard their concerns & it is unacceptable to have goods looking the same but with different quality in

different Member States.” “We need to make this stop,” Nekov said. The Committee is pushing for a change in the 2005 EU Directive on unfair business to consumer practices to say that unless it is justified, for example by the need to source local products or adapt to local preferences, products with different quality or ingredients should be marketed under different labels, with severe penalties & possible market bans for operators failing to comply. Some ideas floated by the Committee include the faster introduction of local brands & the concept of a reference product, against which branded foods could be compared. They encourage consumers to identify where product quality varies & want the EU to develop the capacity to deal with the issue within its institutions. The Committee’s ideas will be scrutinised by IMCO in July (11-12).

IN BRIEF: Beet growers “extremely worried” over market; UK organic land areas on the rise;

Beet growers “extremely worried” over market: European sugar producers are “extremely worried” about the crisis level of prices, Eric Lainé newly-elected President of the International Federation of European Beet Growers (CIBE)* told the organisation’s Congress in Ghent this week (May 16-18). *Lainé has been President of the French sugar beet growers’ association, Confédération Générale des Planteurs de Betteraves (CGB) since 2007 & is a member of the Bureau Cristal Union Cooperative Group. He was appointed Vice-President of CIBE in Dec 2007 & First Vice-President in May 2014. Based in Saint-Memmie, in the north-eastern département of Marne, he cultivates 160 hectares of sugar beet, cereals & alfalfa, selling his beet for processing to Sillery sugar refining mill (Cristal Union). The sugar producer replaces Bernhard Conzen (DE) as President of the trade association.*

“European beet growers are extremely worried, all their fears expressed at our previous congress in 2015 are materializing,” Lainé told the meeting, attended by around 250 delegates. “The collapse in world market prices which reached a six-year low recently, undermined this first year without quotas,” he said. The EU average sugar market price was currently at its lowest ever. The latest quoted EU white sugar price (for Feb) was €372/tonne, up 0.3% on the month. For much of 2012 & 2013 the price was over €700. The London No. 5 sugar price is quoted at \$329.40/t (€279.76), having been over \$500 (€424) in early 2017. “Beet growers will have to face their lowest income to date,” he said. That was also the result of a weakened negotiating position with processors, while the “incomprehensible” decision by the Commission to ban neonicotinoids in pelleted beet seed was “too much.” He wanted to see urgent moves to strengthen the position of farmers in the supply chain, also calling for measures to improve the resilience of the sector, *inc.* a ban on of unfair trading practices, enhanced market transparency, implementation of risk management tools & introduction of financial support for research & development.

UK organic land area on the rise: The UK had a total of 571 000 hectares farmed organically, *inc.* land in conversion, in 2017, a rise of 1.9% compared with 2016, according to DEFRA figures released on May 17. Since the peak seen in 2008, the UK land area farmed organically has fallen by 30%, the department said in its 12-page analysis*. Organic methods are used on 2.9% of the total land on agricultural holdings in the UK. “There is a growth across the organic market for the first time in a decade from field to fork,” Martin Sawyer, Chief Executive of Soil Association Certification said. But he expressed concern that “without funding, infrastructure & research development, this growth across nations & regions cannot be sustained.” Another UK organic certification body, Organic Farmers & Growers (OF&G), said farmers see the potential of organic to give them “strong & resilient business opportunities ... in the face of so many policy & trading uncertainties posed by Brexit.” Roger Kerr, OF&G Chief Executive, said the organic area meant that “around 300 000kg of synthetic pesticide active ingredients & 40 000 tonnes of artificial nitrogen are consequently not applied on Britain’s farmland.” “With the report showing a 29.4% increase in UK land currently under organic conversion, it suggests more land will become fully organic in the coming years, which is hugely positive for the sector,” he said.

*See www.gov.uk/government/uploads/system/uploads/attachment_data/file/707613/organics-statsnotice-17may18.pdf

Poverty, climate change threaten hunger aims: Europe & Central Asia’s aim to achieve zero hunger is threatened by poverty & climate change, FAO Director-General José Graziano da Silva told an audience in the Russian city of Voronezh earlier this week (May 16). Graziano da Silva told the opening of the FAO’s Regional Conference for Europe & Central Asia that the region had made “substantial progress” reducing undernourishment, but in some countries hunger remained a major concern. “Persistent malnutrition & rural poverty in Europe & Central Asia call for still greater efforts if we are to achieve zero hunger by 2030,” he told the attending Ministers & top officials from 42 countries. According to recent FAO figures, some 14 million people in Europe & Central Asia, mainly in rural areas, are undernourished. In the central Asian country of Tajikistan, some 30% of the population is undernourished, while others such as Moldova (8.5%), Georgia (7%), Kyrgyzstan (6.4%) & Uzbekistan (6.3%) were among the worst affected. Achieving Sustainable Development Goal (SDG) 2 meant eradicating malnutrition, including micronutrient deficiencies & obesity, which is “driven by an overconsumption of processed foods high in salt & sugars”. He referred specifically to Malta, Turkey & the UK, where a high proportion of the population is obese. Countries must encourage healthy diets, while nutrition was “public issue ... a state responsibility”, he concluded.

TIMETABLE: Week ahead (in Brussels unless otherwise stated):

- May 21** EU institutions closed for Whit Monday; Environment Commissioner Karmenu Vella in Utrecht (NL) for the official opening of EU Green Week 2018 '*Green cities for a greener future*' www.eugreenweek.eu/, meets Stientje van Veldhoven, Dutch State Secretary for Infrastructure & Water Management, participates in a Citizens' dialogue; Slow Food Terra Madre Balkans (until 23);
- May 22** Foreign Affairs Council (Trade) *inc.* adoption of decision recommending the opening of negotiations on free trade deals with Australia & New Zealand, Conclusions on the new architecture & methodology for the negotiation of deals, follow-up on the 11th WTO Ministerial Conference (Dec 2017), exchange of views on trade accords with Japan & Singapore and lunch-time discussion on EU-US relations (expiry of exemptions granted to EU by Washington on punitive steel & aluminium tariffs on June 1); Foreign Affairs Council (Development); Education, Youth Culture & Sports Council (&23) *inc.* approval of the organic regulation as an 'A' item; Commission chief Jean-Claude Juncker receives President of the Gambia Adama Barrow; Farm Commissioner Phil Hogan delivers opening speech at the European Network for Rural Development (ENRD) Seminar on '*Smart Villages*' in Brussels https://enrd.ec.europa.eu/news-events/events/enrd-seminar-smart-villages_en; Hogan receives Jim Collins, Chief Operating Officer at Corteva Agriscience, Agriculture Division of DowDuPont; First Vice-President Frans Timmermans receives Svenja Schulze, German Federal Minister for the Environment, Nature Conservation & Nuclear Safety; Commissioners Vytenis Andriukaitis (Health), Miguel Cañete (Climate Action) & Vella also meet Schulze; Vella delivers speech at the European Week for Waste Reduction (EWWR) Awards Ceremony; Commissioner for Research, Science & Innovation Carlos Moedas participates in the signing ceremony of the EU-Brazil Administrative Arrangement to support EU-Brazil cooperation in research & innovation; EuroCommerce inaugural digital lecture on '*The Future of Retail*' (Egmont Palace);
- May 23** Commission College *inc.* EU draft budget 2019, European Semester Spring Package, Capital Markets Union Package, Convergence Report 2018, Reduction of the impact of certain plastic products on the environment & proposal on waste water reuse; Juncker & College of Commissioners receive the African Union Commission & its Chairperson Moussa Faki, for a College to College meeting; Hogan receives Francesca McDonagh, Group CEO of Bank of Ireland; Timmermans delivers closing address at the Brussels Sustainable Development Goals (SDG) Summit www.csreurope.org/brussels-sdg-summit-2018; European Business Summit in Brussels (&24) <http://ebsummit.eu/>; Vella delivers a speech & presents awards at the 'LIFE Green Awards' ceremony; Working Party on Unfair Trading Practices; Conference on '*A CAP for small-scale farmers & citizens*' (at the EP) organised by European Coordination Via Campesina;
- May 24** Eurogroup; Juncker participates in a commemorative plenary session on the occasion of the 60th anniversary of the European Economic & Social Committee (EESC) *inc.* opinion on the future of food & farming (May 23); Juncker receives Prime Minister of Ukraine, Volodymyr Groysman; Budget Commissioner Günther Oettinger in Paris, participates in a debate on the future EU finances & MFF post-2020 at the French Senate; Andriukaitis in Vilnius (until 25) delivers a speech at the EPSU- HOSPEEM Conference, participates at the International Exhibition for Agriculture & Food Industry (AgroBalt 2018) www.agrobalt.lt/en/ (runs until May 26) & delivers a speech at the high-level political forum on food losses & food waste in the framework of the exhibition, 13th China-CEEC Agro-trade & Economic Cooperation Forum also takes place at AgroBalt;
- May 25** ECOFIN; Hogan receives Tony Murphy, member of the European Court of Auditors (ECA); Andriukaitis in Vilnius, participates in the International Conference on the '*Effectiveness & Sustainability of the Lithuanian Health System*' in the Seimas (Lithuanian Parliament) & meets Chinese Minister for Agriculture & Rural Affairs Han Changfu; Vice-President Jyrki Katainen (Jobs & Growth) receives Werner Hoyer, President of the European Investment Bank (EIB); Trade Commissioner Cecilia Malmström in Valencia (ES) participates in a Citizens' Dialogue, meets representatives of the Association of Businesswomen & Professionals of Valencia (EVAP), Ximo Puig, President of the Regional Government of Valencia;

Management & Regulatory Committees

- May 23** Community Committee on the farm accountancy data network (FADN); Standing Committee on Plants, Animals, Food & Feed – Plant Health;
- May 24** Committee for the Common Organisation of Agricultural Markets - wine; PAFF on Phyto-pharmaceuticals legislation (&25);

ENDS