

AGRA FOCUS

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Merco-sure?

Argentina's election of Mauricio Macri on Nov 22 as President raised fresh hopes for a free trade deal between Mercosur countries & the EU this month. Macri's pro-business & pro-trade agenda is a break from the more protectionist approach of his predecessor. But the move will reignite fears among EU farm lobbies that sensitive sectors such as beef could be harmed by a surge in imports. Trade Ministers from Ireland, France, Poland & Hungary expressed concerns at Council this month. Paris said a deal could see a 70% rise in beef imports.

[See pp.27]



DG SANTE given a make-over

p.19

Xavier Prats Monné, Director-General of DG SANTE, the Commission's health & food safety arm, only started his new job on Sept 1. But already he has overhauled its work, including new appointments, a reform of the units & new priorities such as food waste & novel foods. Sabine Jülicher was promoted to the post of Director for 'Food & feed safety, innovation'.

19 countries apply GM crop ban

p.22

Requests from 19 countries to be excluded from sales of genetically modified crops for cultivation gained approval this month, with biotech firms deciding against challenging them in court. The move comes after the EU agreed on giving them new powers in a bid to end years of stalemate on the issue & avoid awkward legal spats after previous bans were invalid.

EU in power spat over school food

p.10

Talks on reforming school food schemes, to ensure the best use of resources, have stalled as MEPs insist on powers to decide on key issues such as the budget. At the Farm Council this month, only a handful of countries were willing to give ground to MEPs and no date has been set for the next trilogue meeting.

Hogan launches aid for pigmeat

p.4

"The time is right to act", EU Farm Commissioner Phil Hogan told Agriculture Ministers on Nov 16 as he launched plans for EU aid for private storage of pigmeat, a measure designed to help low prices recover. The scheme should begin in Jan & includes new products such as lard.

Top weed killer set for EU renewal

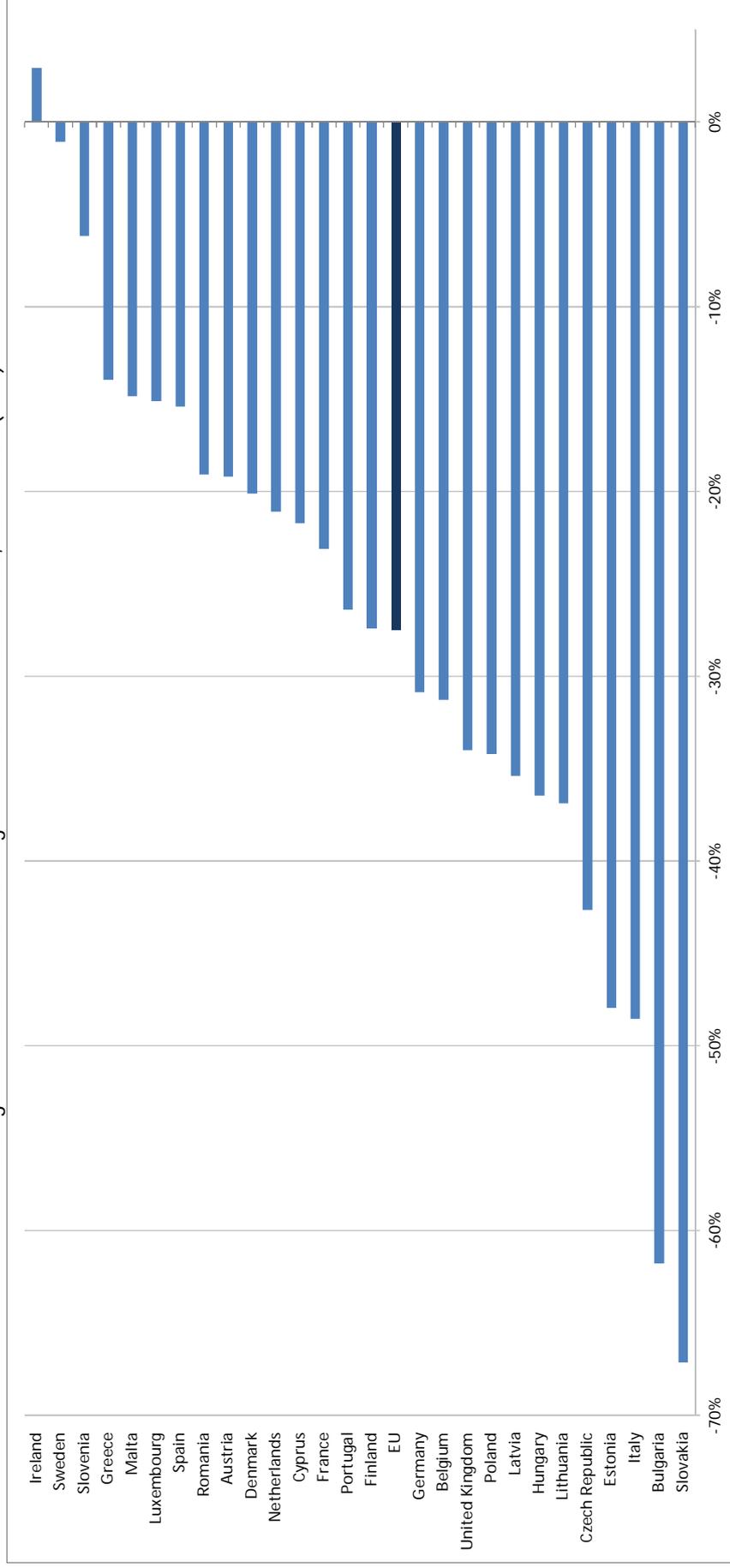
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Glyphosate, the world's most widely-used weed killer, is "unlikely" to cause cancer, the EU food safety watchdog EFSA said in a peer review this month, a finding that starts the EU process for renewing the approval of the herbicide, used in Monsanto's Roundup. A US reassessment is expected in 2017.

EU FARMS SCALING UP

The EU was home to 10.8 million farms in 2013 working 174.6 million hectares of land, according to the latest statistics from Eurostat. Between 2003 and 2013, just over 4 million holdings disappeared, while the total area used for agriculture remained almost stable. This means increasing agricultural concentration, with the average area per holding growing by 38%, from 11.7 hectares in 2003 to 16.1 hectares in 2013, Eurostat said. The numbers of farms stopping business over the last decade was highest in Slovakia & Bulgaria, but the numbers grew in Ireland.

Change in the number of holdings in the EU Member States, 2013/2003 (in %)



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REVIEW

NEW ARGENTINE LEADER BREATHES NEW LIFE INTO MERCOSUR

Argentina's new centre-right leader Mauricio Macri, who won elections on November 22, has pledged to breathe new life into EU-Mercosur free trade negotiations, as he seeks to promote a trade liberal agenda & scrap export taxes. His arrival on the political scene marks a "turning point in South America, away from 'Bolivarianism'" & left-leaning governments and towards liberal & social policies", founding partner at *'Farm Europe'* think tank João Pacheco said this month. The EU has been engaged in on-off trade talks with South America's Mercosur bloc, which also includes Brazil, Paraguay and Uruguay, since 1999. But Argentina has long been seen as the main stumbling block towards a deal due to its protectionist approach. But with Macri at the helm, Buenos Aires' reticence is expected to subside. By contrast, Brazil has pressed hard for an agreement to gain greater access to the EU for its highly-competitive farm exports such as beef & sugar. With its struggling economy & falling currency, Brasilia is expected to put increased pressure on the other Mercosur countries to secure a deal. "We have to recover Mercosur's dynamism", Macri said in his first press conference on November 23, hoping to "make progress in the talks with Europe & converge on the Pacific Alliance". EU Trade Ministers from Ireland, France, Poland & Hungary expressed concerns at the re-launch of the talks - largely on account of agricultural sensitivities - at the Council meeting in Brussels on November 27. Key agricultural-producing countries such as Ireland & France emerged the most vocal, saying they were not in favour of an exchange of offers on the basis of what the Mercosur trade bloc has already put on the table - the liberalisation of 87% of tariff lines. The EU is pushing Mercosur to increase its offer to 90% tariff coverage, but it is still unclear if offers will be exchanged before the end of the year. Vulnerable sectors include the meat sectors - beef in particular - sugar & ethanol, with commentators suggesting a "lower level of ambition compared to the EU-US trade deal" & "lower quotas" for sensitive agricultural products.

But farm lobby groups have warned the EU's agriculture sector has little to gain from a deal & vulnerable sectors such as beef could see production badly hit by a surge in imports. This is one area where the Irish Farmers' Association will focus on once it emerges from its current state of turmoil as people get to grips with the staggering revelations about pay packages & pension plans. In the past, the 88 000-strong lobby group vehemently opposed a deal with Mercosur, as they say it would herald the death knell for the country's beef industry. The President of the Irish Farmers' Association Eddie Downey resigned on November 25, amid the controversy surrounding former general secretary Pat Smith's pay package (nearly €1 million over 2 years) & severance deal worth a staggering €2m.

In personnel news, the new Director General of DG SANTE Xavier Prats Monné, who took over the reins on September 1, completely revamped his department this month. Sabine Jülicher, a German national who has worked as Head of Unit for 'Authorisation of medicinal products, European medicines agency' since January 2013, became a Director dealing with the safety of food, feed & innovation in the shake-up. Jülicher, who replaced acting Director Michael Flüh & becomes the only female Director, has worked for the Commission since 1999 & became a Head of Unit in 2008. Michael Scannell (IE), who heads the current Directorate for the Food & Veterinary Office, will lead the newly-created Directorate for 'Food chain: stakeholder & international relations'. Meanwhile, ex-Farm Commissioner Dacian Cioloş was nominated as Romania's caretaker Prime Minister, taking the reins of the first technocratic government since communism fell in 1989. The move follows the resignation of Victor Ponta on November 4, amid mass anti-government protests over corruption, the need for political reform and a deadly nightclub fire that took the lives of nearly 50 people. Cioloş will lead his country for the next 12 months until the general election scheduled for December 2016. Cioloş' return to the limelight has led some commentators to suggest he will land a plum number at the UN's FAO or the World Bank once his duties as Premier are over.

EU NEWS

FARM COUNCIL

SIMPLIFICATION; PSA FOR PIGMEAT; SCHOOL FOOD SCHEME IMPASSE;

EU Farm Commissioner Phil Hogan unveiled a further package of technical changes to rules for implementing the Common Agricultural Policy (CAP) at this month's Farm Council on November 16 and announced moves to reopen Private Storage Aid for pigmeat early next year. The latest series of amendments relate to on-the-spot checks, young farmers and voluntary coupled support and should already apply next year, with plans to reduce the number of Commission level CMO regulations from around 200 presently to 40 delegated and implementing regulations also in the pipeline. All eyes were on Farm Ministers (from 6pm) during the public debate on the revision of school food schemes, where only a handful said they were willing to give ground to MEPs - particularly on budgetary issues. Although Luxembourg Farm Minister Fernand Etgen is "optimistic" of a deal by the year's end, no date has been set for the next trilogue following the suspension of talks on November 11.

Kicking off just after 10am, Ministers broadly welcomed the implementation of market measures under the €500 million farm support package recently adopted by the Commission, but a number of delegations from IE, CZ and ES fear a further slump in dairy prices when production peaks in the spring-time. In other market news, the Commission launched agricultural market dashboards providing valuable market data for five additional sectors - beef, cereals, pigmeat, sugar and poultry. Meanwhile, EU Health Commissioner Vytenis Andriukaitis urged countries not to engage in bilateral talks with Russia towards lifting the ban on EU food imports. In response to an AOB point on Moscow's SPS embargo on breeding pigs, fat, lard and offal - raised by BE - the EU Health chief confirmed that he had requested meetings with Moscow officials "with the aim of reaching an agreement for the resumption of trade". As expected, Italy's plea to aid the sugar beet sector, including a call to redirect a €12/tonne "production charge" back to the sector, was shot down by Hogan. But the EU Farm chief is open to the idea of allowing industry representatives attend the expert group on sugar. The Czechs also provided a debrief on a meeting of directors-general on hunting and game management in the EU-28 that took place in Prague on September 1 and 2. Council proceedings were wrapped up at 6.30pm.

EU FARM CHIEF UNVEILS LATEST WAVE OF CAP SIMPLIFICATION INITIATIVES

Farmers will be subject to less on-the-spot controls in 2016, national capitals will have greater flexibility in the implementation of voluntary coupled support and farmers will have the possibility to submit 'collective claims' for agri-environment and climate measures under rural development programmes in simplification plans unveiled by EU Farm Commissioner Phil Hogan this month. Describing CAP simplification as one of the "key political priorities" during his mandate, he said it was "on-going process" with "no big bang, but rather a series of announcements". Addressing the chamber after lunch, Hogan announced a reduction in the level of on-the-spot checks for 2016, allowing national administrations to implement a more targeted and risk-based approach to controls "where they will have the greatest effect". Where overall error rates are below 2% and countries' LPIS systems are up-to-date, it will be possible, for certain schemes, to reduce on-farm controls from 5% to only 1% of the sample size. This would relieve the administrative burden on farmers and national administrations alike, Hogan added. He also presented the option of "preventive preliminary checks" as part of the aid application process. Under the new rules, national administrations would identify problems with farmers' applications, allowing them to

provide corrections without any fines or disallowances, up to 35 days after the final date of submission. The preliminary check system would imply a better management of CAP funds and deal with a situation “where honest mistakes are made”, DG AGRI officials outline”. Farmers would also have the option to join forces in the delivery of agri-environmental and climate measures and submit a ‘collective claim’ for a project under rural development programmes. “This would allow farmers to come together to deliver public goods more effectively and efficiently than they otherwise could by acting alone”, the Irishman added.

Under the package of initiatives, Member States would also be allowed to transfer funds between voluntary coupled support measures and modulate unit rates of aid depending on the economies of scale to further target payments at small farmers. In a bid to simplify rules applicable to the young farmers’ scheme, Hogan is also keen to grant national authorities greater discretion to take account of young farmers organised in legal bodies or partnership schemes so they can still qualify for targeted aid. Looking ahead to the first half of 2016, Hogan is eyeing the simplification of marketing standards, wine support schemes, producer organisations, carcass identification and trade mechanisms which would “imply major savings for the competent authorities”. The measures – applicable in claim year 2016 - received a positive opinion at the Management Committee on November 11 and are expected to be formally adopted by the Commission by mid-December.

Hogan “open minded” about opening ‘Basic Acts’

Hogan is keeping an “open mind” about opening the basic acts, saying it deserved “serious consideration” if it were to deliver further CAP simplification. Speaking to reporters after the Council, the EU Farm chief said he stood ready to look at the definition of an ‘active farmer’, as well as flexibility to modify rural development programmes to incorporate so-called financial instruments. During the course of the discussion on CAP simplification, the French delegation opposed the idea of opening the basic acts, while NL, UK, DK, SE and PL (for differing reasons) echoed the Commissioner’s thinking on the issue. Meanwhile, at the post-Council press conference, Hogan would not be drawn on plans to conduct a mid-term CAP review.

AGRI MINISTERS WELCOME €500M AID PACKAGE, BUT EYE FURTHER MEASURES

EU Farm Ministers welcomed the Commission’s €500 million aid package launched in September to help farmers amid a drop in prices, particularly in the dairy sector, but many said structural changes may be necessary to assist producers in the longer-term. In the first formal Council discussion on the market situation since the aid plan was unveiled after the summer break, most countries recognised a slight stabilisation in the milk sector. “EU dairy prices have generally increased since the end of August 2015”, the Luxembourg Presidency said in a note circulated ahead of this month’s meeting. “It would however be premature to talk about a steady recovery”, they said, noting that “the sectors experiencing persistent difficulties are namely sugar and pigmeat”. EU sugar prices are “at an historic low”, they said, adding that the EU’s executive was “closely monitoring” the market to assess whether possible measures were necessary. Many delegations also pointed to low prices in the pork sector, with Belgium’s Willy Borsus describing the situation as “catastrophic”, a point echoed by Austria’s Andrä Rupprechter. Making his debut appearance at Council, the newly-appointed Dutch Minister Martijn Van Dam, welcomed the private storage aid (PSA) measure for pigmeat, but said long-term structural changes were necessary, without going into details. PL mentioned a possible early slaughtering of suckler piglets. FR said the EU’s executive should discuss options for adapting the PSA measure in talks with Council early next year. IE, PL, ES, CZ and AT were among those calling for the PSA for pork to enter into force as soon as possible. Many countries including the UK and BE suggested the new agricultural markets taskforce, a body that will look at improving farmers’ position on the supply chain, needs to produce results as quickly as possible. Meanwhile, Belgium repeated earlier calls for a rise in the intervention price for dairy products, a move opposed by the Commission as well as countries such as NL and the UK. But a number of delegations *inc.* IE, ES and CZ

questioned whether the dairy sector could face the threat of further pressure on prices when production picks up again in the spring.

EU reopens pork private storage aid

Member States will vote on plans to open a new Private Storage Aid (PSA) scheme for pork on December 1, Farm Commissioner Phil Hogan announced at this month's Council in a widely-anticipated move designed to help prices recover after a dip due to oversupply. "The time is now right to act", Hogan told Ministers. The pigmeat sector "has suffered enormously in the last year", he told reporters at the post-Council press conference. The new PSA – that should begin in early January - follows an earlier scheme, launched in March, which ran for eight weeks and temporarily removed nearly 64 000 tonnes of pigmeat from the market at a cost of €7 million. The impact of this earlier scheme on prices was "rather modest", Hogan told reporters. EU pigmeat prices have slumped in recent months due to a rise in domestic production, a general seasonal price decline and restrictions on the Russian market, formerly a key export destination. The new PSA scheme will include fresh lard and allow removal from storage for immediate export (after a minimum storage period of two months and an aid rate cut), Hogan said. Key producer countries such as BE, FR, DK and NL pushed in the past for other 'fifth-quarter cuts' to be included such as fat, offal and trotters. The storage aid rate rises by 20% compared to the old scheme, part of an effort to encourage more take up among processors, while lower rates are expected to apply for fresh lard as it is less expensive to store. Hogan had until now resisted previous calls to launch a new PSA measure, saying in the past that the market had to find its balance after the previous scheme launched in March.

EU urged to seek Russia pork ban opening

The EU's executive must step up talks with Russia to ease its ban on EU food imports to allow the re-entry of live pigs, pork fat, lard and offal, which Moscow restricted for sanitary rather than political reasons, a Belgium-led group said, pointing to a crisis for producers. "The pig sector in Europe is facing a major crisis and no immediate improvement of the situation is expected", Belgian Minister Willy Borsus said in a statement backed by DK, NL, HU, UK, FR, ES, AT, PL, IE, FI and DE. Moscow introduced restrictions in January 2014 in response to African Swine Fever outbreaks in the Baltic countries and Poland, ahead of a wider ban on European food imports in August 2014 after EU sanctions over the annexation of eastern Ukraine. The EU lost out on over €385 million in sales due to the embargo (350 000t/yr) in 2015, Borsus said, claiming an end to the ban for these products could trigger a price rise between €0.05/kg and €0.10/kg live weight, a change that would benefit "all pig farmers". Russia refuses to recognize the EU's system of regionalisation to control disease outbreaks. EU Health Commissioner Vytenis Andriukaitis said two letters were sent by DG SANTE officials to their Russian counterparts requesting technical talks. But he said Russia's suggestion of new bilateral export certificates, allowing "a restricted number of politically selected" countries to restart exports but not others, was "unacceptable" as it would lead to discrimination. Instead both sides should discuss a revision of existing EU-Russia certificates for ASF-relevant commodities, he said. An EU challenge at the WTO is entering "its final stages", the EU's Health chief added.

Hogan again rejects Italy-led sugar aid plea

Farm Commissioner Phil Hogan again rebuffed calls led by Italy to table new aid for the sugar beet sector at this month's Council meeting, including a call to redirect money gained from a production tax to help producers, saying such measures were unjustified. In a repeat of an earlier appeal at Farm Councils in July and Jan – backed by RO, BE, SK, FI, ES, HR, SI and EL – Italy said the current "historically low" prices (falling from €738/tonne in Jan 2013 to €419/t in Aug and set to hit a predicted €392/t in 2017) "threatened the viability of sugar production in many Member States". "Many operators ... will be forced to leave production", it said. The Italian delegation suggested redirecting a €12/t "production charge"- which contributes to the EU budget - towards an aid for producers ahead of the quota regime ending on October 1, 2017 as well as

deploying existing crisis tools. But Hogan said diverting the levy would require new money to replace it in an EU budget already under pressure. Producers have had sufficient time to adapt, with €6 billion in taxpayers' money already paid out to support restructuring, Hogan said. The EU Farm chief was also keen to suggest that the existing expert group was a sufficient tool to address concerns rather than creating a new high-level group. But he was open to the inclusion of industry representatives at the meetings. The expert group met for the third time on Oct 29, while the next gathering is scheduled for February 25. PL, ES and BE spoke out in support of IT, while DE also acknowledged the difficult market situation and was open to measures to ensure a 'soft landing' when quotas end. The UK stressed the need to stick with the measures laid out in the 2006 sugar reform.

COUNCIL UNWILLING TO CONCEDE ON SCHOOL FOOD SCHEMES; NO TRILOGUE DATE;

Only a handful of delegations said they were prepared to give ground to MEPs during negotiations on the reform of subsidised school food schemes - granting them co-decision powers on key budget decisions at this month's Farm Council, while no date is yet set for the next trilogue meeting. Just before the public debate kicked off at 6pm, Luxembourg Farm Minister Fernand Etgen called on Ministers to show greater flexibility vis-à-vis the EP on the planned revision of school milk and fruit schemes, saying he was keen to conclude a 1st reading agreement by the end of his tenure. Discussions on the overhaul of the two programmes were suspended this month (November 11), as MEPs and Council locked horns over the legal basis that decides whether or not MEPs have a say on budgetary provisions. The dispute relates to the Lisbon Treaty - Article 43(2) (co-decision between EP and Council) and Article 43(3) (exclusive Council competency without EP consultation) – on a number of key elements - i) the overall budget of the school milk and fruit/vegetable schemes; ii) criteria for the allocation of national envelopes; iii) the percentage transfer of funds from one school food programme to another. Securing co-decision on these issues is a "red line" for the EP, sources say.

Around 15 delegations intervened during the 45-minute discussion, with a number of them *inc.* AT, FR, HR and HU saying the Council position must not be weakened. The Czech delegation emerged the most vocal expressing disappointment at MEPs' refusal "to negotiate on the substance", saying they "should make concessions and bear full political responsibility for their unwillingness to discuss the file". Poland was clear that "any possible compromise must not touch upon the most important element of the programme i.e. the budget". Others such as ES, IT and EL acknowledged there were some "sensitive issues" still on the table such as the distribution key, extending the scheme to other products such as olive oil and honey or limiting the fruit scheme to fresh products, but pledged to be flexible. Germany said it was "keen to see the dossier concluded this year", pledging its support to the Presidency "to negotiate a compromise". Meanwhile, delegations from SK, HU and LT did not see "any urgency" in taking a hasty decision, particularly as the current school milk and fruit schemes were up and running. The latter was clear that Council must not accept agreement "at any price" as there were no incentives "to end negotiations as soon as possible". Speaking to reporters at the post-Council press conference, Etgen confirmed there was still no date set for the resumption of trilaterals, but said he was "very optimistic" about securing a deal by the end of December. Member State experts are expected to discuss the file again at the next SCA on November 30, with sources suggesting Monday's meeting will be cancelled due to the lack of agenda items.

Study to quantify cost of trade deals

The Commission must draw up a study quantifying the cumulative costs of current and pending bilateral trade deals, a number of delegations such as Poland and France said at this month's Farm Council. During the morning discussion on international trade, the French delegation said the EU should avoid signing off deals "at any price", with Italy adding that the agricultural sector "must not be sacrificed". Meanwhile, UK, DK & SE expressed their openness to further international

trade negotiations and called for an “ambitious” EU-US transatlantic pact, while they expect only “limited” progress at the 10th WTO Ministerial in Nairobi next month (December 15-18). The Czechs, Germans and Poles raised a number of grievances with a future EU-US deal, saying high European standards to protect consumers, environment and animal welfare must be respected. This sentiment was echoed by the Austrian Farm Minister Andrä Rupprechter who said the exchange of revised tariff offers at the 11th round of bilateral talks in Miami (October 19-23) were not “balanced enough”, bemoaning the lack of progress made on “non-tariff barriers”. Meanwhile, Irish Agriculture Minister Simon Coveney – with the support of his French counterpart - said a trade deal with the Latin American Mercosur group would threaten domestic beef production.

Meanwhile, EU Farm Commissioner Phil Hogan is planning a “diplomatic offensive” next year to assist European food exporters tap into emerging markets, with trade missions planned for Mexico and Columbia in Feb 2016, China and Japan (April 2016) and Vietnam and Indonesia in the second half of next year. The next round of EU-US negotiations is scheduled to take place in Brussels in February 2016, with Hogan expressing his hope this evening that both sides can “conclude an ambitious agreement by the end of next year before the US Presidential elections (November 8, 2016)”.

Hunters can curb game damage, Ministers told

Hunters could play a significant role in reducing numbers of wild boar and red deer, whose overpopulation harms agricultural crops, damages forests and spreads disease, Farm Ministers were told this month, following a two-day meeting on hunting and game management in Prague (September 1 & 2). Participants at the meeting, who represented 15 countries and the hunting organisation FACE, agreed hunting could help control problems related to game, but said the methods used must be adapted to different situations, Czech Minister Marian Jurečka told his Ministerial colleagues. Both ES and EL spoke of the need for EU action to tackle the issue, while the Commission emphasised that hunting falls largely under the decision-making powers of Member States. The conference agreed on the need for greater recognition of the “positive role” of hunting as a tool for biodiversity management. Sustainable hunting is also a key tool for the management of wolves in some countries, where livestock are at risk of attack, delegates at the meeting agreed. The meeting also suggested adapting EU nature laws on the basis of the latest scientific updates on species’ populations.

Council approves novel food reform deal

Farm Ministers gave the final green light this month to a deal designed to speed up and simplify approval of new so-called ‘novel’ foods – including DHA-rich oil produced from micro-algae, Chia seeds, lab-grown meat, insects or ‘nano foods’ with altered compositions – a move that should cut costs for food firms and traders. Hailing the deal, EU Health Commissioner Vytenis Andriukaitis said the agreement was “about innovation, new technologies and simplification”. “This agreement brings us closer to a more effective regulatory environment that will allow businesses to bring innovative food to market, whilst ensuring the highest possible levels of food safety for European consumers”, he said. Under the new rules, the authorisation procedure for a novel food is expected to take around 18 months compared to three years currently. The new rules will enter into force 20 days after their publication in the Official Journal and will apply two years later (end of 2017).

CAP NEWS

HOGAN TOUTS FARM LOAN IMPROVEMENTS & LAUNCHES TRADE “DIPLOMATIC OFFENSIVE”

Longer loan terms, lower interest rates, repayments linked to fluctuating dairy prices – these were some of the improvements to farm loan options touted by EU Agriculture Commissioner Phil Hogan in a speech to Irish cooperative representatives this month (November 3). The EU Farm chief’s suggestions form part of the Commission’s plan, run jointly with the European Investment Bank, to boost investment in the sector. “I hope that European dairy farms will soon be able to make use of volatility-proofed loans”, Hogan told the 39th annual conference of the Irish Co-operative Organisation Society (ICOS) at the National Convention Centre in Dublin. “The opportunity ... to make progress on such a tool has been one of the themes of our engagement with the EIB”, Hogan underlined, adding that the “issue of access to finance remains an absolute priority for me, as it has been from day one of my mandate”. He also told the audience of over 300 delegates – mostly directors of Irish coops - that he would publish “appropriate proposals” to tackle unfair practices on the food supply chain in the first quarter of 2016. Referring to the taskforce on agricultural market – seeking to monitor a number of farming sectors - the Irishman confirmed he would publish a call for expressions of interest for candidates [said to be a dozen or so] this month and announce the taskforce chairperson “very soon”. On international trade, Hogan pledged to launch a “diplomatic offensive” and tap into growing global demand for high-quality products, especially the 150 million people entering the global middle class every year until 2030. “Opening up new markets will be a key priority in the coming years”, he said, with trade missions planned for Mexico and Columbia (February 2016) accompanied by a delegation of around 30 senior European executives “representing key sectors in EU trade with the two countries”. A visit to China and Japan is also on the cards in April 2016. This year’s ICOS gathering ‘*Better Farming, better business, better living*’ – a nod to Sir Horace Plunkett’s famous motto – examined the environmental, social and economic factors underpinning the future sustainability of the movement, with sources suggesting “much-needed proposals” to diversify cooperative boards on gender, age and qualification grounds “stirred some heated debate”.

EU EXEC TO RETURN €410m TO EUROPEAN FARMERS AS CRISIS RESERVE REMAINS UNUSED

The Commission confirmed this month that it would reimburse €410 million to European farmers – originally deducted from their CAP direct payments for the budget year 2015 to establish this year’s so-called agricultural crisis reserve. According to CAP legislation, at the end of the budget year (October 15) amounts generated through ‘financial discipline’ – reducing direct aid by 1.3% - that remain unspent such as funds under the crisis reserve are reimbursed to Member States and subsequently to farmers. The proposal to activate ‘financial discipline’ is subject to co-decision and includes a threshold to exempt the first €2 000 of farmers’ direct aid from the cut. Introduced in June 2003 under the Fischler Reform, the financial discipline mechanism is set to be activated every year from now on, ensuring the availability of a market crisis reserve of around €440 million (in current prices) in the event of a crisis. Under the terms of accession, countries still phasing in their direct payments BG, RO and HR are exempt from the reduction to direct support. The “reimbursement mechanism” was agreed in the 2013 CAP reform and applied for the first time in the 2014 budget year. “In spite of a number of critical situations in the agricultural sector in the past year, it was not necessary to touch the crisis reserve in 2015”, DG AGRI officials outline, adding that market measures taken during the year were “financed from existing budgetary availabilities in 2015”. The recently approved €500m support package will fall under the 2016 budget. National capitals have until October 15, 2016 to reimburse farmers their share of the €410m allocation.

COMMISSION CLAWS BACK €284m FROM MEMBER STATES DUE TO SHORTCOMINGS

Dublin faces a hefty fine of nearly €68 million for deficiencies in its Land Parcel Identification System (LPIS) which governs all area-related payments and late on-the-spot checks in the latest Clearance of Accounts procedure adopted by the Commission this month. Meanwhile, the NL will have to pay back over €52m for weaknesses in the administration of fruit and veg producer organisations. The EU's executive is clawing back just over €284m in EU agricultural policy funds unduly spent by Member States – but the net financial impact is somewhat lower at €276m as some of the fines have already been retrieved from national capitals. The “unusually

high” figures are the result of corrections that have accumulated over a number of years (2009-2015), DG AGRI officials said this evening. The funds recovered from 18 countries – BG, CZ, DK, DE, ES, FR, EL, IE, IT, LV, LT, NL, PT, RO, SI, SK, SE and UK - return to the EU's budget because of non-compliance with Community rules or inadequate control procedures on agricultural expenditure. Other significant fines include €51m for shortcomings in Italy, while the UK looks set to reimburse around €35m to the Community budget for weaknesses in the administration of its fruit and vegetables producer organisations. Greece is allowed to defer the payment of €12.6m until 2017 and can reimburse it in five yearly instalments. Ireland will also have the option to stagger payments over a number of years. DG AGRI officials underline that Member States are responsible for managing most CAP payments, mainly via their paying agencies. The EU “has very clear rules about how CAP money should be spent and how this spending should be managed”, they state. The Commission conducts more than 100 audits every year, verifying that countries' controls and responses to shortcomings are sufficient – it is about making sure taxpayers' money is spent properly, they add.

Sector & reason for correction	Financial impact of the correction*
Ireland predominantly for weaknesses in LPIS and on-the-spot controls and around €8m for deficiencies in rural development programmes;	67.99
Netherlands inc. over €50m for ineligible beneficiaries in fruit and vegetable producer organisations and just under €1m for rural development (Axis 2);	52.01
Italy inc. over €20m for deficiencies in cross-compliance controls by veterinary services, as well as failing to comply with rural development rules such as livestock density and late on-the-spot controls;	51.28
UK mostly for ineligible expenditure under fruit and vegetable operational programmes such as non-compliance with Producer Organisation recognition criteria;	34.60
Greece for weaknesses in promotion measures, control rate for ewe/goat schemes and delays in recovery procedure;	12.64
Germany for weaknesses in LPIS, administrative cross-checks and on-the-spot controls and nearly €8m for shortcomings in the application of selection criteria under rural development;	12.15
Total	275.92

Source: DG AGRI; *Financial impact of the correction takes into account amounts already recovered by the Commission and previous overlapping corrections;

COURT OF AUDITORS RECORDS ERROR RATE OF 2.9% FOR CAP SPENDING IN 2014

EU spending on market measures and direct support in 2014 – worth just over €4 billion, the largest part of agricultural spending - had an overall error rate of 2.9% (lowest since 2010), according to the European Court of Auditors' (ECA) annual report this month. The overall ‘error rate’ for 1st Pillar payments has decreased over the past few years, compared to 3.6% recorded in 2013 and 3.8% in 2012. The 320-page report notes that “many errors identified are the result of

inaccurate claims by beneficiaries, with the most frequent being over-declaration of agricultural land surface or ineligible parcels of land” when claiming EU funds. The EU watchdog presents case-studies from CZ, FR, EL, PL, SK and ES that claimed aid on land classified as ‘permanent grasslands’ was in fact abandoned land covered with forests and scrub and therefore ineligible. Direct support was also paid to farmers in the Spanish region of Castilla-La Mancha for parcels claimed and recorded as arable land, which was actually a motor-racing track.

There was a significantly higher error rate of 6.2% for the budget heading covering rural development, environment, fisheries and health (€12.3bn) – with RD accounting for over 90% of the payments in this area (€1.2bn). The 6.2% rate for 2014 is slightly down on last year’s figure of 6.7%, with the auditors saying the main reason for errors in the RD chapter was due to “non-compliance with eligibility requirements, in particular those concerning agri-environment commitments”. Given the complexity of eligibility criteria and objectives, DG AGRI officials were quick to underline that the implementation of RD Programmes – under shared management with Member States - is “more complex, more difficult/expensive to monitor and control and policy’s the ambitious objectives explains why it is particularly prone to errors”. The reformed CAP “contains provisions both regarding simplification and the introduction of preventive measures e.g. ex-ante analysis of the rural development programmes, suspension and interruption of payments”, they add.

In response to the findings, the ECA demanded significant improvements as regards the Integrated Administration and Control System (IACS) to ensure that the eligibility and size of agricultural parcels are correctly assessed and recorded. Auditors examined the remedial actions taken in response to major weaknesses in BG, EL, ES, IT, PT and RO and hailed the IACS system in Croatia where they found “only minor deficiencies that do not affect the reliability of the system”. Authors of the report concede “in several cases of quantifiable errors made by final beneficiaries, national authorities had sufficient information to prevent, or detect and correct the errors before declaring the expenditure to the Commission”. In a series of recommendations for expenditure related to RD, the ECA calls on the EU’s executive to “take the appropriate measures to strengthen Member States’ action plans addressing frequent causes of error and to revise the strategy for its rural development conformity audits”. Speaking to the Budgetary Control Committee after its launch, ECA President Vítor Caldeira called for a “wholly new approach to the management of EU investment and spending”, adding that “major changes are required by all those responsible for the way EU funds are managed”. The ECA boss called for greater incentives to improve performance and deliver value for money, while decision-makers must align spending with the EU’s long-term strategic priorities and make the budget more responsive in a crisis. “The EU must invest its money better, it must ensure its investments match its priorities more closely, simpler rules are framed to achieve results and resources are managed more efficiently”. The mid-term review of the Multi-annual Financial Framework in 2016 “provides an opportunity to re-think priorities ... if the EU is to address the pressing challenges it faces”, he added. The Commission is keen to stress that there is a greater focus on the quality of spending in the current programming period (2014-2020), with Vice-President Kristalina Georgieva, responsible for the budget, pledging to establish “a better correlation between money and achievements”.

From an agricultural perspective, DG AGRI officials underline that the error rate has been coming down over the past number of years, while the action plans implemented by Member States to remedy the shortcomings are now working. “The Commission is confident that the situation is under control, but where necessary it imposes financial corrections on countries in order to protect the EU budget and safeguard taxpayers’ interests”. They reiterate that errors do not equate to a loss of taxpayers’ money. Taxpayers’ interests are safeguarded by the ‘clearance of accounts’ procedure, which claws back more than €1 billion from countries each year when EU rules are flouted or the control systems in place are inadequate, they said. In terms of the next steps, Council will provide the EP with a recommendation on whether or not to grant budget discharge to

the Commission. On the basis of this recommendation, the EP will sign off the 2014 spending by EU institutions and agencies at the plenary in April 2016.

TRILATERAL TALKS SUSPENDED ON SCHOOL FOOD SCHEMES; SCHULZ WEIGHS IN;

Trilateral talks on the planned reform of subsidised school food schemes were suspended earlier this month (November 11), as the European Parliament and Council locked horns on differing interpretations of its legal basis (Article 43) and whether or not MEPs should have a say in key budgetary decisions. The dispute relates to Lisbon Treaty provisions - Article 43(2) (co-decision) and Article 43(3) (exclusive Council competency without EP consultation) – on a number of key elements - i) the overall budget of the school milk and fruit/vegetable schemes; ii) criteria for the allocation of national envelopes; iii) the percentage transfer of funds from one school food programme to another. Co-decision on these key elements are “red lines” for the EP, sources say. After lengthy deliberations, Council conceded one of the three requests to reintroduce co-decision Article 43(2) on the total amount of aid allocated under the schemes. The move was subject to conditions, with Council calling on MEPs to reciprocate and agree to discuss the substance of the file. But this was not enough for the EP negotiating team – led by Belgian Socialist MEP Marc Tarabella – who said at the 2nd trilateral meeting on November 11 that they were not prepared to enter into negotiations with Member States unless the question of the legal basis was resolved. At a meeting of the Committee on Agriculture and Rural Development the day before, Tarabella called on his colleagues to stand firm until all their requirements related to the decision-making process were taken into account. During the plenary vote on May 27, euro-deputies expressed their wish for an increased budget for the school milk scheme – from €80 million to €100m – as well as a more even distribution of funds among Member States based on two core criteria – i) the number of school children; and ii) the degree of development of a given region. Sources at this month’s meeting say Tarabella was not shy about venting his anger at the Luxembourg Presidency for undermining the EP’s role in the decision-making process. In a statement, Presidency officials outlined that it was “appropriate to wait before setting the date of the next trilogue”. They hope that “further informal contacts in the meantime” would allow the clarification on some elements allowing the resumption of talks “as soon as possible”. The spat is part of a wider debate between the Council and MEPs since the entry into force of Lisbon Treaty “co-decision” rules, putting both institutions on equal footing in the decision-making process on key legislative policies such as CAP. Farm Ministers are set to discuss the reform at Monday’s Council and all eyes will be on national delegations to see if they are prepared to offer some leeway to Parliament. The public debate starts just after 4pm.

EP boss weighs in on school scheme debate

EP President Martin Schulz has called on Commission boss Jean-Claude Juncker to support MEPs in resisting “renewed Council attempts to reduce Parliament’s co-decision powers” particularly on the planned reform of the school food schemes. In a 2-page letter dated November 3, Schulz outlines that since the entry into force of the Lisbon Treaty on December 1, 2009, Council has “repeatedly tried to circumvent Parliament’s co-decision with an abusive interpretation of Article 43(3) [exclusive Council competency], which provides for very specific exceptions to the ordinary legislative procedure in CAP and fisheries matters”. He recalls that the Commission and Parliament have taken the Council to Court on two occasions over the definition of Article 43(3). Both cases are in the field of fisheries, but the mechanism is the same, the German Socialist MEP underlines. Schulz recalls that the “school scheme proposal as drafted by the Commission is entirely based on Article 43(2) [co-decision]”, regretting Council’s push for “essential elements of the proposal” – policy decisions on the programmes’ budget and criteria for allocating funds among countries - to be covered under Article 43(3) “disregarding thereby Parliament’s co-decision and budgetary powers”. He also recalled a pledge made by EU Farm Commissioner Phil Hogan at his EP hearing in October 2014 to “commit to supporting the principle of Article 43(2) being the appropriate mechanism to deal with the [school] scheme” and to “support [Parliament] in

[its] efforts to ensure that it is under Article 43(2)". Schulz called on the College to form "a united front with Parliament" on the issue of the legal basis, expressing his "firm belief" that respecting the EP's prerogatives is more desirable than "having to bring another case before the Court".

Milk group seeks Hogan resignation

The European Milk Board, a lobby representing some 100 000 dairy farms across Europe, called on Commission President Jean-Claude Juncker to remove the EU's Farm Chief Phil Hogan from office, saying he had failed to respond adequately to the recent slump in dairy prices. In a two-page letter to Juncker sent on November 23, the group – known for its angry farmer demonstrations – said Hogan had shown "professional incompetence" and "disregard for farmers". The lobby has insisted on the EU agreeing to a new crisis tool to encourage production cuts at times when prices fall significantly, a move they suggest should be reinforced by bonuses for cutbacks and fines for overproduction. "Interactions between market players need to be characterised by fairness and responsibility", they said. A similar tool was backed by MEPs in the recent Common Agricultural Policy reform but rejected in the final deal as unnecessary and too difficult to implement. The lobby said the EU's €500 million aid (*inc.* €420m in country-specific allocations which can be matched by national governments), mainly for dairy farms, did "nothing to change the essence of the problem". But the European Dairy Association, representing processors, said Hogan had responded rapidly to an "unprecedented situation", worsened by global oversupply, Russia's ban and lower Chinese demand. Despite budget and policy restraints, Hogan used his options "to a substantial extent", EDA Secretary General Alexander Anton said. DG AGRI officials said President Juncker "trusts Commissioner Hogan's work and efforts to address the problems of the sector". Juncker has farmers' concerns "at heart", they said, adding that the EU's aid measures "were now starting to bear fruit".

Rural broadband must catch up, Hogan

Rural inhabitants must have access to fast and reliable broadband, EU Agriculture Commissioner Phil Hogan told a conference in Brussels on November 17, saying closing the gap between cities and the countryside was one of the EU executive's top ten priorities. "Rural broadband is currently lagging behind", Hogan said, noting that only a quarter of rural homes have high-speed internet compared to over two thirds in urban areas. "This shortfall has to be tackled and it has to be tackled now", he said. Connectivity will be vital to develop businesses, jobs and prosperity, he added. The move is part of the EU's digital single market plan, which aims to provide fast or ultra-fast broadband across the EU by 2020. €6.4 billion of EU structural funds will finance the rollout of high-speed broadband [out of €21.4bn devoted to Information and Communication Technology] by 2020. Up to €2bn of rural development aid will also be spent on broadband, Hogan said. The EU's Farm chief said he had written to Member States to launch a network of 'Broadband Competence Offices', contact points in Brussels and at national or regional level, to respond to requests for help from authorities or investors. The offices will work with the 'European Investment Advisory Hub' at the European Investment Bank from spring 2016.

New CAP fails to improve wildlife, study

New EU farm rules that aimed to boost wildlife and protect natural resources such as soil and water are failing to reverse the loss of wild flowers from fields, while farmers opt for the least environmentally-beneficial practices, according to two new studies launched this month. A report by the German *Institut für Agrarökologie und Biodiversität (IFAB)*, looking at farmland wildlife in 10 countries in 2014*, found that a high value of nature existed on only a few areas of arable land in Europe. Poppies, once common, were present on just 13% of the arable areas examined in the study (2.5% in FR and DE). The research found very little plant diversity in fields, blaming intense chemical spraying and fertilizer use. Buffer strips, key sites for sheltering wildlife, made up only 0.3% of the arable land, the authors said. The other report by the *Institute for European Environmental Policy (IEEP)*, analyzing the first year of new 'greening' laws (crop diversification, grassland maintenance and Ecological Focus Areas), found farmers were given so

much flexibility, most could meet the new rules without any major changes. Chemical inputs were also allowed on almost all EFAs, undermining the measure's potential to boost wildlife, they said. "Despite the dire state of nature on Europe's farmland, this research shows that greening is nothing more than a buzzword which exists on paper but turns grey in our fields", the European Environmental Bureau's Faustine Bas-Defossez said. "Despite Member States identifying agriculture as the main threat to biodiversity, they are not doing anything to fix the problem", BirdLife's Trees Robijns added. Both NGOs urged the Commission to compile data for a full analysis of environmental efforts on all EU farmland and said the 2017 review of EFAs should look at the quality of the measure as well as whether to enlarge it beyond the current level of 5%. *FR, CZ, HU, IT, PL, DE, RO, ES, NL and UK [Both reports were partly funded by the European Environmental Bureau];

CAP to destroy wood pastures, conference told

Pastures with trees to graze livestock - among the most valuable land for ecosystem services such as soil protection and biodiversity - will disappear across Europe unless they get more aid from the Common Agricultural Policy (CAP), a conference heard on November 17. The policy seminar, co-hosted by green NGO BirdLife and other environmental groups, looked at examples from ES, RO, UK, SE and FR, finding that current CAP rules discriminate against such pastures, inciting farmers to remove trees, convert them to forests or abandon them. Farm support treats trees and shrubs on farmland as non-productive elements rather than valuable features, speakers said. The conclusions were part of a 23-page study '*Europe's wood pastures: condemned to a slow death by the CAP?*'. Wood pastures actively used for grazing should be fully eligible for CAP aid and stronger support under rural development plans, authors of the study said. The findings follow a warning by farmers in Spain last month, which holds the largest area of wooded pasture, claiming the CAP risked turning these areas into dead land. The EU's executive must use its on-going initiative to simplify the CAP to ensure such areas are eligible for payments and Member States make full use of rural development aid to support them, the authors said.

Just two rural aid plans left to approve

The EU's executive has almost completed the approval of rural development programmes for 2014 to 2020, with only schemes in Greece and Cyprus to be signed off, after it gave the green light to a series of plans in Malta, France, Spain and Italy in recent days. The latest wave of approvals included Italian regions Apulia, Sicily, Abruzzo, Basilicata, Calabria, Campania and Lazio. Spain's Extremadura, Galicia and Navarra were also signed off. Meanwhile, schemes for French regions Guyana, Upper Normandy, Limousin, Lorraine and Picardy were approved. Some 95% of the total €9.58 billion of EU rural aid funding for the seven year period is now agreed. One of the most sizeable of recent approvals includes Italy's €1.84bn Campania programme (€1.1bn from EU), which targets over €340 million at farm investments, €136m at agri-environment-climate measures and €133m to areas facing natural constraints. Sicily's €2.2bn scheme (€1.3bn from EU) will target aid at almost 140 000 hectares of farmland to be converted to organic (with 758 000ha gaining continued support), while a third of land will be under contract to improve soil, biodiversity or water. Spain's schemes include support for almost 2 000 young farmers to launch their businesses in Extremadura and putting over 17% of land under contract to conserve biodiversity, water and protect soil in Navarra. The Maltese scheme (€129m including €7m from EU) will put significant emphasis on climate measures and improving resource efficiency.

EU food promotion schemes approved

The EU's executive approved 33 new 3-year schemes worth nearly €108 million to promote EU foods domestically and in 3rd countries on November 12, with 13 targeting non-EU countries, continuing the push to open up new markets. Food programmes from Italy and Greece account for a significant share of the budget, half of which (€54m) comes from the EU. The schemes cover a wide range of product categories, notably those hit by recent market difficulties, such as dairy products, but also meat, fresh and processed fruit and vegetables, olive oil as well as organic food

and quality products with protected names. The programmes are the final ones to be adopted under the old rules, with changes entering into force on December 1 including wider eligible beneficiaries and products, an end to national co-financing, a faster selection process and a larger EU budget rising to €200m by 2020.

DG SANTE ROUND-UP

MEMBER STATES ISSUE PLEA ON PLANT BREEDING

Plants generated by oligonucleotide directed mutagenesis (ODM) must not fall within the scope of strict legislation governing genetically modified (GM) crops, according to a “non-paper” understood to be drawn up by DE, IE, UK and ES and forwarded to DG SANTE over the summer. The 4-page text outlines that the controlled method of ODM is a “variation of mutagenesis” but it yields organisms that are excluded from Directive 2001/18 as “the mode of action of the oligonucleotide molecule is comparable with that of a chemical mutagen”. The development of plant varieties with desirable characteristics via the more knowledge-based mutational breeding tool such as ODM carries less risk compared to radiation or chemical mutagenesis, authors of the non-paper outline. “ODM [to generate herbicide tolerance, enhance disease resistance or improve nutritional value] is a more precise way of producing favoured mutations than radiation or chemical mutagenesis because it produces far less non favoured off-targets”, they add. Authors of the informal position paper also point to difficulties in the detection of ODM plants and say it would “not be possible to identify small impurities of “ODM-GMOs” in conventional seeds regardless of whether the “ODM-GMOs” are authorised or not”, pointing to potential implications for imports controls. The decision on ODM is likely to have a major impact on the future of medical research and industrial biotechnology, as this method is widely used in green, red and white biotechnologies. Speaking at the Farm Council in Luxembourg on October 22, EU Health Commissioner Vytenis Andriukaitis confirmed the Commission would publish a legal analysis by the end of this year to clarify whether the legal status of crops bred using these techniques falls under strict GMO legislation. DG SANTE officials confirm that the legal analysis would take the form of a “Commission notice”, but is now more likely to be finalised early next year. According to DG SANTE’s timetable, a meeting of the ‘Regulatory Committee under Directive 2001/18’ is scheduled for November 19, but Brussels sources say the presentation of the legal interpretation to Member States, as well as MEPs, is likely to be postponed and is more likely to take place in December.

New breeding methods climb up agenda

The in-coming Dutch Presidency – starting on January 1 - is expected to steer Council discussions on this file, as new breeding techniques are very important for its horticultural industry - a global market leader in plant propagating material. Meanwhile, the EP Committee on Agriculture and Rural Development will host a hearing on ‘new techniques for plant breeding’ on December 1 (3-5pm) with key speakers *inc.* the Director of Fondazione Edmund Mach, Research and Innovation Centre (IT), Roberto Viola, plant breeding experts Dr. Sławomir Sowa from the National Research Institute (PL) and Dr. Richard Visser (Wageningen, NL) and Secretary General of the European Seed Association, Garlich Von Essen.

Glyphosate set for renewal after EFSA okay

Glyphosate, the most widely-used weed killer, is “unlikely” to cause cancer, the EU food safety watchdog EFSA said in its hotly-awaited peer review on November 12, a finding that starts the EU process for renewing the approval of the herbicide, used in Monsanto’s Roundup. The Commission has until the end of June to examine the review, likely to be followed by proposals for renewal, which must get Member State approval. EFSA’s conclusion runs counter to a divisive World Health Organisation agency report in March, which found a link to cancer, a discrepancy the safety regulators said was due to their analysis of more studies. The report by the Paris-based

International Agency for Research on Cancer (IARC) also assessed groups of chemicals, with the observed toxic effects likely due to “other constituents or ‘co-formulants’”, EFSA officials said. The genotoxic potential of each pesticide formulation “should be further considered and addressed by Member State authorities”, when they look at re-registration of individual products, EFSA said. Only Sweden’s national expert did not back EFSA’s opinion. The food safety watchdog also introduced an acceptable daily exposure level for the first time set at 0.5 mg/kg of body weight – the first time such an exposure threshold has been applied to the substance. EFSA’s finding confirmed previous evaluations by global regulatory authorities, which have “consistently concluded the application of glyphosate poses no unacceptable risk to human health, animals or the environment”, Richard Garnett, chair of the Glyphosate Task Force, a group of firms working on the product’s renewal, said. But a coalition of green NGOs said it was wrong to dismiss IARC’s finding and has urged the Commission to propose a ban. The US’ Environmental Protection Agency is still carrying out a reassessment, with a decision expected in 2017. Parliament’s Environment Committee will host a meeting on glyphosate with officials from IARC and EFSA, likely on December 1.

EFSA to assess glyphosate residues

The EU’s food safety watchdog EFSA is set to review the maximum residue levels (MRLs) for glyphosate in food and feed (including imports) during 2016, while also reconsidering the authorised uses of the herbicide in the EU, EFSA officials said. “It is a long process because we need to assess every single use authorised by the Member States ... so we are expecting to publish the opinion by the end of next year”, head of EFSA’s Pesticides Unit Jose Tarazona told reporters in Brussels this month.

EU exec approves speciality insecticide

The EU’s executive has approved use of a new insecticide, developed by Bayer CropScience, sold as Sivanto™ prime, to control a wide range of sucking pests on fruit and vegetables as well as other speciality crops such as hops. The Commission approved the active ingredient flupyradifurone, in a chemical class known as butenolides, for a maximum of 10 years. The product, applied as a foliar spray, soil drench or drip irrigation, is already on sale in countries such as the US, Mexico Nicaragua, Guatemala, Honduras and the Dominican Republic. Regulatory approval is expected in Canada and Australia by the year’s end. The approval decision will enter into force following its publication in the EU’s Official Journal, with the first European registrations expected in 2016 and market introduction planned for 2017. The pesticide firm was quick to flag up the “excellent safety characteristics” of the product, noting it was not linked “with any adverse effects on honey bees and bumble bees”, when applied at correct rates. Sivanto™ prime can also be used in Integrated Pest Management systems with biological controls, they said.

Top Dow herbicide risks suspension in US

The US’ environment agency has called on a federal court to revoke its approval of Dow AgroSciences’ herbicide Enlist Duo (2,4-D choline and glyphosate), citing concerns over possible harm to surrounding plants from chemical drifting outside the intended area. The Environment Protection Agency said it had new information calling into question “the validity” of its initial positive safety assessment. Enlist Duo, for use with genetically modified herbicide-tolerant maize and soybean crops, was approved in autumn last year, including restrictions such as a 30-foot buffer zone to address ‘drift’ fears. But the EPA said concerns over harm to surrounding plants were not properly tackled in Dow’s patent. Dow AgroSciences’ President and CEO Tim Hassinger said the firm was “working quickly” to provide assurances of the product’s safety and insisted it would be available for the 2016 crop season. “It’s possible we could see some changes to use conditions”, Hassinger said, “We do not expect these issues to result in the long-term cancellation [of the product’s approval]”. A number of US environmental groups launched Court challenges against the product’s approval last year. The announcement follows the federal Court’s cancellation of the insecticide Sulfoxaflor, also a Dow product, on Nov 19 over concerns for bees.

EPA says Enlist Duo is a highly effective weed killer, particularly on weeds newly resistant to other herbicides.

EU science panel includes food expert

Danish microbiologist Henrik Wegener, who served as head of the country's National Food Institute, was named as one of seven scientists set to advise the Commission as part of a new panel. The news marks the official launch of the scientific advice mechanism, a system that will draw on guidance from Member States and bolster the link with national science academies. The seven experts will sit within the Commission's research directorate, supported by a 25-person strong secretariat. The new body replaces the short-lived position of Chief Scientific Advisor, previously held by Scotland's Anne Glover, which stoked controversy as some countries were unhappy with having a single figurehead. Other scientists on the team include Rolf Dieter-Heuer, outgoing head of CERN, Europe's particle physics laboratory, Julia Slingo, chief scientist at the UK's Met Office and Pearl Dykstra, a sociologist at Erasmus University (Rotterdam). The EU's executive said it would "rely on their independent advice on a range of complex policy issues where high-level scientific input is needed". The group will meet up to six times per year, with the inaugural gathering in Jan 2016, but may call ad hoc meetings when "urgent advice" is needed, a Commission document laying out the new system explains. The divisive topic of genetically modified crops is likely to feature high on their agenda, with ex-Scientific Advisor Anne Glover previously getting into hot water over her criticism of anti-GM campaigners.

EU urged to step up meat fraud checks

Member States must perform more frequent checks on meat products to ensure their labels do not mislead consumers, the EU's consumer group BEUC said in a new report released this month, claiming their research based on tests by 7 member organisations* showed widespread dishonest practices in the EU. The report finds cases of misleading product names, meat content that is watered down, the presence of illegal food additives such as sulphites and undeclared use of mechanically separated meat. "With the 2013 horsemeat scandal still fresh in many minds, European consumers should be able to trust the labels on the meat they buy", the consumer NGO said. "Public authorities must tighten their checks to guarantee that food manufacturers abide by EU food laws", BEUC said. The group also urged the EU's executive to clarify the legal definitions of meat products and preparations. "If we are serious about rebuilding confidence in meat, EU Member States need to beef up controls and make sure labels are complete and accurate", Monique Goyens, BEUC's Director General, commented. The report gives examples of beef and chicken disguised as lamb, combined meat bits sold instead of whole pieces, meat quantities topped up using water and circumvention of food additive rules. The NGO also raised concerns over the presence of antibiotic-resistant bacteria in meats, which they said stems from overuse in the farm sector. **Altroconsumo, Consumentenbond, DECO, dTest, OCU, Test-Achats & Which?*;

EU toughens effort to combat olive pest

Member States agreed to toughen existing measures to fight the spread of *Xylella fastidiosa*, a bacteria that has hit olive trees in Italy's southern Apulia region, by widening the list of plant sub-species facing restrictions and allowing Italy flexibility in researching the pest. The move comes after outbreaks of the disease - known as leaf scorch due to the bacteria cutting water flow - have risen on the French island of Corsica on plants such as myrtle-leaf milkwort. The new EU measures allow Italian authorities to authorise planting of host plants in Apulia's current containment area for scientific purposes. Grapevines were kept on the list of regulated plants, but Member States agreed hot water treatments were an effective control measure on grapevine planting material following advice from the EU's food safety watchdog EFSA. The EU must raise more awareness on the disease, they also agreed.

Fish fraud widespread in Brussels, study

Over a third of seafood in Brussels' restaurants is mislabelled, according to DNA analysis by ocean conservation NGO Oceana, which said the findings were representative of widespread fraud in the fish sector across the EU. The Catholic University of Leuven's findings, based on 280 samples from over 150 restaurants and EU canteens, show that in over 95% of cases customers were sold cheaper bibeye and yellowfin tuna varieties instead of the more costly bluefin tuna. In some 11% of cases, sole was substituted by cheaper flatfish, while farmed species such as Pangasius were sold instead of cod in 13% of cases. Some 38% of fish samples from EU canteens were found to be fraudulent, with levels of 54% in sushi restaurants and 29% in touristic fish venues. "DNA tests show widespread seafood fraud in Brussels restaurants and even in official EU venues", Oceana's Senior Vice President and Executive Director, Lasse Gustavsson said, "Consumers are being cheated and the door is left wide open to the laundering of illegal fishing products". On top of the economic fraud, fish substitution poses an environmental problem as illegal fish &/or threatened species can enter the market, Oceana's representatives said. The environmental group also urged the EU to expand detailed fish labelling rules.

EU exec launches anti-food fraud IT tool

National authorities should be able to exchange information on cases of food fraud such as mislabelling or fake certificates more quickly and easily using a dedicated IT network launched by the EU's executive on November 18. The so-called Administrative Assistance & Cooperation system comes in the wake of the horsemeat scandal, which emerged in 2013 when samples of meat labelled as beef were found to contain horse DNA. The EU set up a European Food Fraud Network, active since July 2013, following up on over 180 cases since its creation. Most suspected frauds relate to mislabelling (date marked, added water), false certificates or higher value food substituted by cheaper products (e.g. fish).

Avian flu H5N1 on poultry farm in France

France's veterinary authorities confirmed a case of the highly contagious avian flu strain H5N1 on a poultry farm in the south-western Dordogne region on November 24. The authorities have implemented EU rules, including culling poultry, cleaning and disinfection as well as trade restrictions in a 10km surveillance zone. French Farm Minister Stéphane Le Foll called for an emergency meeting of sanitary officials on Nov 26 to ensure all precautionary measures are in place. The H5N1 strain has caused major outbreaks in poultry in Asia and the Middle East over the last years, requiring the destruction of millions of birds. Although H5N1 does not usually infect humans, some 650 cases of human H5N1 cases have been reported in 15 countries since 2003, normally due to contact with infected poultry, with the death rate close to 60%. The French Farm Ministry insisted the virus cannot be transmitted to humans through meat, eggs, foie gras or any other food products. The case marks France's first H5N1 outbreak since 2007.

Larger cattle herds raise TB risk, study

Farms with over 150 cattle are at least 50% more likely to suffer an outbreak of bovine tuberculosis (bTB) than those with 50 or fewer, according to a new study by the UK's University of Exeter, which claims less intense production could improve animal health. The study analysed data from 503 cattle farms suffering from the chronic bacterial disease alongside 808 control farms in high risk areas. The report focuses on the UK, where rates of bTB have soared since the 1990s, particularly in the south-west, where the government introduced a controversial cull of badgers, known to carry the infection. The authors found bTB risk also increased with surrounding maize production, a favourite food of badgers, while use of silage was also linked with a higher threat of bTB. But landscape features such as hedgerows were seen to lower the risk owing to less contamination of pasture by badger faeces and urine. "If lower intensity production means better animal health, it offers a sustainable long-term strategy in high risk areas", the University's Fiona Mathews, who led the study, said.

EUROPEAN PARLIAMENT NEWS

EP okays 2016 budget - eyes review

MEPs backed a deal struck on the EU budget for 2016 in a plenary vote on November 25, including €155 billion for commitments and €143.9bn in payments, with a number of MEPs seeking changes to overall priorities in an upcoming review next year. Parliament and Council negotiators reached agreement on November 14 including €42.22bn for farm subsidy and market-related commitments (€2.21bn in payments) as well as €18.68bn for rural development commitments (€1.75bn in payments). The deal – voted through by 516 votes to 179, with 8 abstentions - sticks very closely to the figures initially proposed by the EU's executive. The budget continues the slight decline in spending on the farm sector, after the EU agreed to freeze its overall agricultural budget from 2014 to 2020 (meaning a small cut in line with inflation). The budget includes the recently agreed €500m aid package for farmers to alleviate the impact of a drop in prices, particularly in the dairy sector, made worse by Russia's import ban. A further €198m targets aid for extra market support, mainly fruit and vegetables. The additional spending was more than covered by higher revenue (€1.1bn), particularly from dairy superlevy fines. Commitments under the EU's research framework programme Horizon 2020 were also beefed up by €31.8m – compared to the Commission draft - to reach €9.5bn. A number of MEPs called for a rethink of spending priorities in a review of the Multi-annual Financial Framework (MFF) next year. Many sought more focus on the refugee and migration crisis. The mid-term review is “our chance to strengthen the agility, focus and capacity of our budget and to look to the future”, Commission Vice-President and EU Budget Commissioner Kristalina Georgieva said.

Banana fear in Ecuador trade pact

The EU's executive sought to ease concerns expressed by MEPs over an expected rise in banana imports from Ecuador in a blow to domestic producers, as it joins an EU trade pact with Colombia and Peru, insisting safeguards were in place. “We have a stabilisation mechanism”, Trade Commissioner Cecilia Malmström told MEPs ahead of their approval for Ecuador's accession to the Colombia and Peru pact, “We will continue to observe this with a very attentive eye”. A number of MEPs raised fears that banana producers in areas such as the Canary Islands (the EU's top producer) could lose out as Ecuador, the biggest exporter to the EU, increases its market share. The deal must “not become a further threat to the EU's already weakened banana sector”, Gabriel Mato (ES, EPP) warned. Trade pacts with Colombia and Peru already applied since 2013, phasing out tariffs for EU dairy and pork exporters in particular as well guaranteeing recognition for EU products with protected names.

Welfare law must be better applied, EP

Member States must step up enforcement of current animal welfare legislation, MEPs said in a non-binding resolution adopted at the plenary in Strasbourg at the end of the month (November 26), while also calling on the EU's executive to simplify requirements as part of a new strategy from 2016 to 2020. In a debate before the resolution was adopted - by 542 to 73, with 23 abstentions - a number of MEPs said it would be counterproductive to introduce new welfare rules next year, without ensuring current laws are properly implemented. “There is no point in having another animal welfare strategy unless we recognise that the existing rules are widely ignored and often only given lip service in many Member State Ministries”, Dan Dalton (UK, ECR) said. MEPs also called on the Commission to cut the administrative burden for producers without undermining welfare standards. Science-based best practices should inform use of the most innovative animal welfare techniques, MEPs said. They also said Brussels was not doing enough to ensure trading partners were respecting the EU's standards, among the highest in the world. The Commission should be more ambitious and require equivalent standards for imported animals and products with strict controls in place, they underlined.

Eurogroup for Animals welcomed the resolution, saying a new animal welfare strategy was badly needed “despite the fact that 10 out of the 20 action points are still outstanding”. But Director Reineke Hameleers expressed his regret that the motion failed to put an end to long distance animal transport and phase out livestock mutilations and did not call for the greater protection of “species that are not yet covered by current legislation such as dairy cows, rabbits and wild animals”.

AGRI MEPs want law to stop unfair trade

Agriculture MEPs called for new EU legislation to combat unfair trading practices on the food supply chain on November 12, which they said hit farmers’ incomes, insisting current voluntary rules fail to stop retailers abusing their greater power. In an opinion that will feed into a non-binding resolution led by the Internal Market Committee (IMCO), COMAGRI members said the introduction of an EU-wide law “without delay” including appropriate sanctions was the only way to protect farms from unfair trading practices (UTPs) such as late payments, arbitrary discounts and retroactive contract changes. “I’m heartened that across the political groups in the Committee there is a clear ... demand for Commission action”, rapporteur Mairead McGuinness (EPP, IE) said after the opinion was adopted by 39 votes in favour (2 abstentions). The IMCO report, whose former rapporteur Dawid Bohdan Jackiewicz’s (ECR, PL) is set to be replaced after he was nominated in Poland’s new government as Treasury Minister, will be voted in Committee on December 7 and in plenary in January or February 2016. The report also urges the Commission to propose new laws. *[Fellow ECR colleagues Dan Dalton and Vicky Ford (UK Conservatives) were both floated as possible replacements on the UTP file at the time of going to press].* EU Farm Commissioner Phil Hogan has repeatedly said ensuring fairness in the supply chain was one of his top priorities, with the EU’s executive currently analysing market structures and their impact on farm gate prices. “The results of all this work should help us evaluate appropriate proposals as soon as possible, probably in the first quarter of next year”, Hogan told the Irish Co-operative Organisation Society (ICOS) annual conference on November 3. Meanwhile, the EU farm lobby Copa-Cogeca welcomed the COMAGRI vote, lending its support to the introduction of rules with “strong independent 3rd party enforcement and a clear deterrent sanction regime”

Fair trade law needed, Spanish Minister

Spanish Farm Minister Isabel García Tejerina threw her weight behind Parliament’s call for an EU law to stop unfair trading practices in a debate with Agriculture MEPs on November 12, saying there was “no doubt” new rules were needed to help farmers. Spain, which adopted such a law in 2013, is often hailed as a model for EU-wide legislation alongside other initiatives such as the UK’s Groceries Code Adjudicator and similar tools in BE, FR and PT. “The problem [of unfair trading] is common to all Member States and to the entire EU food sector”, she told Agriculture Committee members, hailing the Spanish “system of sanctions and controls” to meet her country’s “objectives of a fairer and better balanced chain”.

ENVIRONMENT UPDATES

Nature law benefits far outweigh cost, study

The economic benefits of EU laws to protect birds and nature greatly exceed the costs, according to an evaluation by an environmental institute and two consultancies, who suggest enforcing rules more effectively, rather than revising them. The findings come as the EU’s executive reviews the nature laws as part of a so-called ‘fitness check’, a bid to cut unnecessary costs and red tape. The Commission had initially suggested the review could lead to the directives being ‘merged’ and ‘modernised’, a move green NGOs feared could lead to some environmental legislation being weakened. The 72-page study by the Institute for European Environmental Policy (IEEP) and consultancies ICF International, Ecosystems Ltd. and Milieu Ltd. - on behalf of the EU’s executive - estimated the direct costs of laws governing Natura 2000 sites, a network of protected

areas, at €5.8bn, a figure outweighed by €200-300bn in benefits such as ecosystem services (e.g. clean water) and a further €50-85bn in extra local income. The authors said the EU's Common Agricultural Policy (CAP) could do more to improve the environment, especially if rural development aid was increased and better targeted. The authors noted all NGOs, some national authorities as well as businesses they consulted said it was more important to implement rules properly, rather than "risk legal uncertainty" by seeking to change them. Two consultancies also released a separate report analysing the feedback to a recent Commission consultation.

EU exec urged against nature law overhaul

Environmental NGOs and some business groups have stepped up a call for the Commission to seek better implementation of existing EU nature laws rather than overhaul them as stakeholders met for a conference as part of a review process this month. The warning follows the release of an evaluation of the rules this month, which found the benefits far outweighed the costs. The report found "no shred of evidence" in favour of merging or revising EU laws to protect birds and nature, BirdLife's Ariel Brunner told *Agra Focus* before the meeting. "We are vindicated by the evidence", he said, saying the Commission should look instead at addressing a lack of funding, harmful impacts of other policies and "very serious" problems of enforcement. "This is really an issue of quality of governance", Brunner said, "Where people have adopted good management plans ... it has simplified life for everyone". If there are malpractices such as corruption and illegality, both nature conservation and economic activity are damaged, he said. The EU's executive is reviewing the rules as part of an effort to simplify laws. But Environment Ministers from 9 countries (*inc.* DE, IT, PL, FR and ES) and MEPs from across the political spectrum said existing rules must be upheld. Several farm lobbies insist the EU's executive takes the concerns of farmers better into account, particularly those working in and around protected areas.

EU must work with farms to protect nature, Vella

The EU must "work more closely" with farmers - the "guardians of so much vital biodiversity" - to ensure that policies safeguard their livelihoods and the long-term viability of nature, Environment Commissioner Karmenu Vella told the conference. "Farming communities must be part of the response", he said, noting that the EU was currently failing on its pledge to halt biodiversity loss by 2020. "We cannot simply carry on as before and hope for the best", he said.

PERSONNEL UPDATES

Jülicher named Director in DG SANTE shake-up

Sabine Jülicher, a German national who has worked as Head of Unit for 'Authorisation of medicinal products, European medicines agency' since Jan 2013, is set to become a Director dealing with the safety of food, feed and innovation in a major shake-up of DG SANTE. Jülicher, who will replace acting Director Michael Flüh and becomes the only female Director, has worked for the Commission since 1999 and became a Head of Unit in 2008. DG SANTE officials said the date on which she will take up the post will be determined later. The appointment comes amid a major overhaul of the DG including the renaming of Directorates and a reallocation of different Units. The changes still require approval by the Commission's Secretary-General. The reform includes the creation of a new Directorate for 'Food chain: Stakeholder and International Relations' (D). This new Directorate will see the transfer of the former Units G6 'Multilateral International Relations' and G7 'Bilateral International Relations' as well as the creation of new Units for 'Science, stakeholders and enforcement' and 'Food safety programme, emergency funding'. Michael Scannell (IE), who heads the current Directorate for the Food and Veterinary Office, is expected to be named as the new Director. Other changes include merging Units for animal welfare and animal health as well as a greater focus on food waste and novel foods. Other Directorates are also set for a make-over including renaming Directorate G as 'Crisis management

in food, animals and plants'. The reform follows the arrival of Xavier Prats Monné as Director-General on September 1 after previously heading the Education & Culture DG.

More details on DG SANTE overhaul

Irishman Michael Scannell will head up a newly-created Directorate for 'Food chain: stakeholder and international relations' (D), while Frank Andriessen serves as acting Director of newly named 'Health and food audits and analyses' Directorate (F) in the revamped DG SANTE, it emerged this month. Scannell, who headed the former Directorate F for 'Food and Veterinary Office', will be aided by Carlos Alvarez Antolinez as an advisor on sanitary issues. The move confirms changes revealed on November 25 [see above], suggesting new Director-General Xavier Prats Monné seeks to align his services with new priorities. In a newly named Directorate for 'Food and feed safety, innovation' headed by Sabine Jülicher, Chantal Bruetschy moves to head the Biotechnology Unit (previously heading 'innovation and sustainability'), while Maria Iglesia-Gomez takes the reins of a Unit for 'Food processing technologies and novel foods'. Stefano Soro, previously heading a Unit on medicinal products, moves to lead on 'Animal nutrition, veterinary medicines'. In newly named Directorate G 'Crisis management in food, animals and plants' led by Bernard Van Goethem, former head of Unit for Biotechnology Dorothee André moves to lead the 'Plant Health' Unit. Other shifted Heads of Unit include Andrea Gavinelli ('Official controls and eradication of diseases in animals'), Eric Thevenard ('Food hygiene') and Philippe Loopuyt ('Alerts, traceability and Committees'). But details were still outstanding for the Head of Unit for a newly merged Unit on 'Animal health and welfare'.

Pentzlin elected head of farm contractor lobby

Klaus Pentzlin was elected the new President of the European Confederation of agricultural, rural and forestry contractors (CEETTAR) on November 20, replacing Gérard Napias, who held the post since 2008. Pentzlin served as vice-President and also heads the German farm contractor umbrella organisation Bundesverband Lohnunternehmen. The association represents more than 150 000 companies *inc.* 600 000 workers who carry out 60% of farm contracting and 80% of forestry harvesting in the EU.

IN BRIEF

Deere buys top European precision planter

The world's largest farm-equipment manufacturer Deere and Co. is buying two companies specialised in precision planters, including Monosem, Europe's market leader, in a move that continues the ongoing rush by top agriculture firms to integrate data-collection and precision tools into the services they offer. The American corporation announced a deal to buy Illinois-based Precision Planting from Monsanto a day after it said it would acquire Monosem, France-based maker of precision planting equipment. For the biotech giant Monsanto, the deal expands opportunities for selling its FieldView app - providing farmers with real-time planting data - to owners of Deere's equipment including tractors. Monsanto now has deals to integrate FieldView with the three largest farm equipment makers, following earlier transactions with CNH Industrial NV and Agco Corp. The acquired firms specialise in variable rate planters that allow growers to adjust seeding, fertiliser and pesticides to varying conditions in their fields to maximize yields and reduce production costs. The companies also develop yield monitors on harvesting machines along with spatial trackers to ensure farming inputs match the productive capacity of the land. "Through this action, we continue to build on our leadership position in precision agriculture," Deere's John May said. May said Monosem would retain its own brand and trademark.

EU tractor sales to fall 7% in 2015

Sales of European agricultural machinery are expected to drop across all major markets as low crop prices have left farmers with less revenue to invest, according to data from CEMA,

representing farm machinery manufacturers. Sales of tractors are seen to drop by 7% this year, with similar falls for combine harvesters (-5%), sprayers (-6%), balers (-8%) and mowers (-10%). This follows strong sales in 2013. “The peak of European sales levels reached in 2013 and the low commodity prices at the moment are among the reasons explaining a lower demand for agricultural machinery in 2015”, CEMA Secretary General Ulrich Adam said. But CEMA officials expect the market to stabilise in 2016 after “the bottom of the cycle” is reached. Major markets such as the UK (-15%), France (-11%), Germany (-10%) and Italy (-4%) experienced drops in sales, although Spain saw an increase of 6%. Forage harvesters were the only category seeing demand grow in 2015 (+3%), but orders for sprayers are expected to increase in 2016. Meanwhile, the Agritechnica show – the world’s largest trade fair for agricultural machinery/equipment - kicks off in Hanover (DE) this Sunday (Nov 8-14). Some 450 000 visitors are expected to attend the biennial event with nearly 3 000 exhibitions from about 50 countries on display.

Call for experts on agri-markets

The Commission (DG AGRI) launched a call for expressions of interest this month for candidates to participate on the agricultural markets taskforce [fewer than 15], while the chairman of the group – widely expected to be a university academic – should be appointed very soon. Speaking at the annual ICOS conference on November 3, EU Farm Commissioner Phil Hogan said the agri-markets taskforce would “monitor and future-proof a number of EU farming sectors”. Experts look set to consider the introduction of financial tools such as dairy futures markets, hedge funds and hedging financial instruments to combat price volatility in the sector and provide advice on the functioning of agricultural markets and farmers’ position in the food supply chain. The group will conduct 4-6 day-long sessions in Brussels, dealing with sub-themes and incorporating the relevant stakeholders, with the first gathering scheduled in early 2016 and the last one not after October 2016.

Latvian sour-milk cheese gains protection

A Latvian fresh sour-milk cheese produced from milk and curds using an old traditional method of preparation has been added to the list of EU foods with protected recipes, the EU’s executive announced on November 16. The cheese known as ‘*Jāņu siers*’, gaining its name from its consumption during the Latvian summer festival named Jāņi, joins the list of TSGs (Traditional Speciality Guaranteed). Unlike the PGI or PDO labels, the registration will not prevent other producers from using the name of the product, even if they do not follow the approved specifications. However producers using a different production method cannot use the TSG label. The EU’s executive also gave the PGI marker to a carp ‘*Oberlausitzer Biokarpfen*’ produced in Saxony (DE), a Spanish speciality made from cured tuna loins and often packaged in olive or sunflower oil ‘*Mojama de Barbate*’, a French pinkish-coloured shallot characterised by a sharp taste ‘*Echalote d’Anjou*’ grown in the north-western Maine-et-Loire region & a French meat speciality, produced in the hills of south-west France between Montpellier and Toulouse - ‘*Saucisson de Lacaune*’ or ‘*Saucisse de Lacaune*’ with an aroma typical of dried pork. The latter is a delicacy from the département of Tarn. The specialities join the EU list of over 1 300 protected foods.

TECHNOLOGIES

BIOTECH FIRMS REFRAIN FROM CHALLENGING GM CROP CULTIVATION OPT-OUT BIDS

Fourteen countries* have already been granted exclusion from sales of genetically modified (GM) crops** for cultivation, according to the latest update from the EU's executive, with the final remaining requests from IT, DK, SI, LU and MT due tomorrow evening. The opt-outs come after new rules were introduced this year giving governments stronger rights to prohibit their farmers from growing GM crops. Under the old rules, countries were only allowed to impose bans if they could provide new data showing environmental or human harm. The update shows that biotech firms are refraining from challenging the GM crop opt-out bids, preferring to grant the exclusions from their sales (Option 1), rather than force governments to impose national bans based on newly-allowed grounds such as ethical reasons, favouring certain habitats, farm policy goals or socio-economic impacts (Option 2). Luxembourg and Malta were the last to confirm their wish for immediate exclusion from the sales authorisation of Monsanto-developed GM maize MON810, the only variety grown in the EU (almost entirely in Spain for animal feed), and approvals of other biotech events in the pipeline before the deadline on Oct 3. The EU's executive subsequently forwarded the Member State requests to the firms concerned, giving them one month to react (no reply means agreement).

The requests come after the EU adopted the new rules in a bid to end years of stalemate on the issue and avoid awkward legal spats. Under the legislation, countries can ask GM firms to be excluded or - if not granted or they wish to proceed unilaterally - to impose a national ban. A number of other traditionally anti-GM countries such as IE, who did not request an opt-out, said it was irrelevant for now since the pending varieties were unsuitable for their farms in any case. National capitals such as Dublin could still avail of it, if viable crops appeared, sources said. France, the EU's top maize producer, was among nine countries already blocking farmers from growing MON810, a crop that produces a Bt toxin poisonous to insects such as the European Corn Borer. But the country's national court deemed the move illegal. **LV, EL, HR, FR, AT, HU, NL, PL, LT, BE (Wallonia) BG, DE (except for research), CY and UK (Scotland, Wales and Northern Ireland); **GM maize varieties - MON810, 1507, 59122, Bt11, BT11xMIR604xGA21 (application withdrawn on Oct 8), GA21, MIR604 (application withdrawn on Oct 8) and 1507x59122;*

All GM cultivation opt-out bids now granted

All nineteen countries* that requested to be excluded from sales of genetically modified (GM) crops** for cultivation have gained approval, the Commission confirmed this month, with the remaining bids from IT, DK, SI, LU and MT accepted by biotech firms. The opt-outs come after new rules were introduced this year giving governments stronger rights to prohibit their farmers from growing GM crops. Under the old rules, countries were only allowed to impose bans if they could provide new data showing environmental or human harm. Biotech firms chose not to challenge the GM crop opt-out bids, preferring to grant exclusions from their sales (Option 1), rather than force governments to impose national bans based on newly-allowed grounds such as ethical reasons, organic policies, or socio-economic impacts (Option 2). The countries gained immediate exclusion from the sales authorisation of Monsanto-developed GM maize MON810, the only variety grown in the EU (almost entirely in Spain for animal feed). But Monsanto has slammed the opt-outs as unscientific, backward and discriminatory. **LV, EL, HR, FR, AT, HU, NL, PL, LT, BE (Wallonia), BG, DE (except for research), CY, UK (Scotland, Wales and Northern Ireland), IT, DK, SI, LU and MT **GM maize - MON810, 1507, 59122, Bt11, BT11xMIR604xGA21 (application withdrawn on Oct 8), GA21, MIR604 (application withdrawn on Oct 8) and 1507x59122;*

New Greenpeace study attacks GMO “myths”

Genetically modified (GM) crops are ill-adapted to tackle problems underpinning hunger and malnutrition, will not ensure resilience against climate change and undermine efforts to improve the environment, green NGO Greenpeace claims in a new report. In the 40-page report entitled ‘*Twenty years of failure: Why GM crops have failed to deliver on their promises*’ Greenpeace claims biotech crops broke their promise to make agriculture systems simpler, safer and more efficient. GM crops have “reinforced the broken model of industrial agriculture, with its biodiversity-reducing monocultures, its huge carbon footprint, its economic pressures on small-scale farmers and its failure to deliver safe, healthy and nutritious food to those who need it”, authors of the report say. The use of GM crops has forced farmers’ costs up, increased pesticide and herbicide use, they add, one of a number of claims dismissed by biotech firms. The NGO also says GM hampers innovation and results in less choice for farmers as the profits are concentrated in the hands of just a few companies. Smart breeding or marker assisted selection (MAS) are better methods to deliver traits best suited to local conditions, they said, while also pointing to ecological techniques that are “already delivering major successes in fighting pests, sustaining yields, preserving ecosystems and improving the livelihoods of small-scale farmers”.

EU’s 90-day GM feed trial deemed unnecessary

Mandatory 90-day rat feeding trials to check the safety of genetically modified (GM) crops are unnecessary, scientists in the EU-funded GRACE project concluded, a finding biotech firms said should force the EU’s executive to rethink the current rule. The conclusion, which comes after 3 years of investigation, suggested feed trials of 90 days or longer provided no additional information than shorter trials on the safety of the only GM crop grown in the EU, Monsanto-developed maize MON810. The EU agreed to enforce the 90-day minimum in 2013 after several national food safety agencies such as ANSES in FR and NGOs sought longer testing periods in the wake of a highly controversial study by Gilles-Éric Séralini. Non-targeted GM feeding studies may lead to significant differences between animals fed GM and non-GM feed that are “randomly generated”, the experts said, noting such results are “not informative for risk assessment”. The mandatory 90-day rule cannot be justified in light of the EU’s goal to limit animal testing, scientists added. The EU’s executive must “review the requirement to perform 90-day feeding studies ... in line with the GRACE recommendation”, Beat Späth from EuropaBio, representing biotech firms, said. But anti-GM NGO Testbiotech questioned the project’s independence.

EU set to approve two GM maize import bids

The EU is on course to approve imports of Monsanto-developed glyphosate tolerant maize *NK603xT25* (*Roundup Ready/Liberty Link*), for food and feed after the usual split vote at the Appeals Committee this month (November 10). There was no change in countries’ voting patterns since the Standing Committee on Oct 19. Germany, France, Croatia and Italy continue to abstain in votes on new imports of genetically modified (GM) food and feed. In a separate vote at the brief 5-minute meeting, Member States delivered the usual ‘no opinion’ on the approval of imports of Monsanto-developed maize *MON87427* for food and feed, meaning the biotech variety will get the Commission’s green light in the coming weeks. Estonia switched from abstaining in the last Standing Committee vote on Sept 14 to joining those in favour this time.

GM maize NK603xT25

For	Against	Abstain
BE, CZ, DK, EE, IE, ES, NL, PT, RO, FI, SE and UK	BG, EL, LV, CY, LT, LU, MT, HU, AT, PL, SI and SK	DE, FR, HR and IT

GM maize 87427

For	Against	Abstain
BE, CZ, DK, EE, IE, ES, MT, NL, PT, RO, FI, SE & UK	BG, EL, LV, CY, LT, LU, HU, AT, PL, SI & SK	DE, FR, HR & IT

EU set to approve 3 GM soybean import bids

The EU is on course to approve imports of Monsanto-developed *MON87705xMON89788* (*Vistive Gold x RR2Y* - producing oil with low saturated fat and zero transfat) and *MON87708xMON89788* (*Dicamba and RR2Y* - with tolerance to both glyphosate and dicamba herbicides), for food and feed after the usual split vote at the Standing Committee on November 18. Germany, Croatia, Italy and France continue to abstain in votes on new imports of genetically modified (GM) food and feed, while the latter voted against one soya event. In a separate vote at the meeting, Member States delivered the usual 'no opinion' on the approval of imports of Bayer CropScience *FG 72* for food and feed, with all three events scheduled to through an Appeals Committee in January 2016.

GM soybean *MON87705xMON89788*

For	Against	Abstain
BE, CZ, DK, EE, IE, ES, NL, PT, RO, FI, SE & UK	BG, EL, FR, LV, CY, LT, LU, MT, HU, AT, PL, SI & SK	DE, HR & IT

GM soybean *MON87708xMON89788*

For	Against	Abstain
CZ, DK, EE, IE, ES, NL, PT, RO, FI, SE & UK	BG, EL, LV, CY, HR, LT, LU, HU, MT, AT, PL, SI & SK	BE, DE, FR & IT

GM soybean *FG72*

For	Against	Abstain
BE, CZ, DK, EE, MT, IE, ES, NL, PT, RO, FI, SE & UK	BG, EL, LV, CY, LT, LU, HU, AT, PL, SI & SK	DE, FR, HR & IT

NATIONAL NEWS

Van Dam named new Dutch Agriculture Minister

Martijn van Dam was sworn in as new Dutch Agriculture Minister this month, following a Cabinet reshuffle, taking over the reins from fellow Labour party politician Sharon Dijksma who landed the role of State Secretary for Infrastructure and Environment. Dijksma, who was appointed in December 2012, emerged as a serious player at the Council table and was popular and well-respected among her Ministerial colleagues. The move follows the resignation of former State Secretary Wilma Mansveld, after a damning parliamentary inquiry into the Fyra-train fiasco (high speed train from Amsterdam to Brussels). Dutch sources suggest Prime Minister Mark Rutte and the Labour Party wanted a “strong Minister to clean up the mess” and agreed on the formidable 44-year old Dijksma, who has been an MP since 1994 – aged just 23. With just one month to go before the Netherlands takes over the EU’s rotating Presidency, van Dam from Zoetermeer (west of the country) has a lot of homework to do to get on top of the agricultural brief. Farming, fisheries, economics, industry, trade and tourism are all part of his dossier as State Secretary for Economic Affairs. Prior to his Ministerial appointment, the 37-year old worked at Philips Lighting (Eindhoven) and was elected to the Dutch Parliament (Tweede Kamer) at the beginning of 2003. Van Dam has been spokesperson on economic affairs, integration of minorities, media policy and foreign affairs during his tenure as MP and was appointed Deputy Leader of the Labour Party at the end of 2012. A decade earlier, he graduated with a Master’s Degree in Business Engineering from the Technical University at Eindhoven.

Cioloş nominated Romanian Prime Minister

The ex-Farm Commissioner Dacian Cioloş was this month nominated as Romania’s caretaker Prime Minister, taking the reins of the first technocratic government since communism fell in 1989. The move follows the resignation of Victor Ponta on November 4, amid mass anti-government protests over corruption, the need for political reform and a deadly nightclub fire that took the lives of nearly 50 people. Speaking ahead of Cioloş’ nomination, President Klaus Iohannis said the country needed “an independent person, an unblemished person ... a person of integrity who has not been implicated in scandals”. Cioloş will lead his country for the next 12 months until the general election scheduled for December 2016. Speaking in Bucharest, the former Romanian Agriculture Minister (2007-2008) said “a year is long but still too short a period to complete all the reforms the country needs”, promising to “open the government and public administration to society, to listen and take decisions together”. Cioloş - understood to be close to the country’s President - oversaw the recent reform of the Common Agricultural Policy and was appointed Special Food Security Advisor to the Commission boss Jean-Claude Juncker in July. Since leaving office, he has been appointed a member of the Board of Trustees of the International Food Policy Research Institute (IFPRI) and Friends of Europe and conducted a number of short-term contractual assignments with the World Bank. Meanwhile, Achim Irimescu, the country’s spokesperson on the Special Committee on Agriculture, got the nod for the farming portfolio. Well known in the Brussels agri community, the astute and affable Irimescu previously served as State Secretary at the Ministry of Agriculture and Rural Development from May 2012-January 2014.

Elsewhere in Poland, Krzysztof Jurgiel has been named the new Minister of Agriculture and Rural Development following the success of his Law and Justice party (PiS) in the recent general election (Oct 25). The first session of the new parliament will take place tomorrow (November 12). The soon-to-be 62-year old from Ogrodniczki (North East of the country), who replaces the formidable Marek Sawicki (Polish People’s Party) at the Council table, was first elected to the Sejm in 1997 and served in the Senate from 2001-2005.

Ex-MEP Santos back as Portuguese Farm Minister

Luís Capoulas Santos, a former Socialist MEP who played a key role in recent EU farm policy reforms, is set to be appointed Agriculture Minister in the new leftist Portuguese government, a role he held from 1998 to 2002. The 64-year-old Capoulas Santos, who drafted the European Parliament's position on reforming farm payments including the introduction of new environmental rules, served as Portuguese Secretary of State for Agriculture from 1995 to 1998 before heading the Agriculture Ministry under former centre-left Prime Minister António Guterres. Socialist leader António Costa's appointment as Prime Minister comes after his alliance with Communist, Green and Left Bloc parties toppled an 11-day-old conservative minority government. The 54-year-old former Lisbon mayor has said his government will run "a socialist programme" that allows for "a sustainable reduction in deficits and debt".

IFA President steps down amid pay controversy

The President of the Irish Farmers' Association Eddie Downey resigned on November 25, amid the controversy surrounding former general secretary Pat Smith's pay package (nearly €1 million over 2 years) and severance deal worth €2m. In response to the fallout, the organisation has commissioned its former chief economist Con Lucey to conduct a review of remuneration and pension schemes and corporate governance structures, as far back as 2009 when Smith took over. Lucey is expected to present a series of recommendations to the Executive Council on December 15. Speaking after his decision to step down, Smith - who was appointed the lobby's chief executive in 2009 and has held key roles over the past 25 years - said he wanted to "put the best interests of the association to the fore". Downey said he took this "very difficult decision" in the "best interests of the association" which he has served for over 25 years.

Irish Farm Minister Simon Coveney said Downey made the "right decision" to step down, conceding he had "no idea" of the scale of the salary paid to Smith. He called on the organisation, with a membership base of around 88 000 farmers, to be "totally transparent", adding that the lobby has "massive challenges to overcome". Since details of Smith's "golden handshake" have come to light – a lump sum of €1m and an annual payment of €100 000 for the next ten years – the former general secretary requested that the organisation donate the €1m lump sum to charity. But the IFA says Smith was attempting to "cover up" his demands for a €2m severance deal, slamming the claims as "total spin". The IFA executive council says the exit package remains "unapproved" and is preparing to mount a legal challenge, with acting President Tim O'Leary confirming on Nov 26 that Smith had been "fired" and did not resign.

ICOS' Mulvihill to head up key dairy industry association

Conor Mulvihill, European Affairs Executive of the Irish Cooperative Organisation Society (ICOS), is set to return to Dublin early next year to head up the Irish Dairy Industries Association (IDIA) – representing primary and secondary dairy processors. Now in his early thirties, Mulvihill moved to Brussels in October 2010 and quickly emerged as an influential lobbyist in the agri circle. Before taking over the reins at ICOS from Donegal woman Carol McGinley, he cut his teeth in politics when he served as parliamentary assistant to former Minister for Transport and Energy Michael Lowry for over 3 years. The gregarious and down-to-earth County Limerick man grew up on a beef farm in Meanus and graduated with a Masters in European Integration from the University of Limerick in 2004. Well-connected to key decision-makers, he is highly regarded by Commissioner Phil Hogan and his team and worked hard to secure a decent share of the €500 million compensation fund for Irish farmers. He will replace Cormac Healy, who returns to his previous job as head of Meat Industry Ireland – another sectoral association at the Food & Drink Industry trade body.

BEYOND THE EU

ARGENTINA'S NEW LEADER TO REIGNITE EU TRADE TALKS & BOOST GRAIN EXPORTS

Argentina's new centre-right leader Mauricio Macri, who won elections on November 22, has pledged to bring new life to EU-Mercosur free trade talks, while ending maize and wheat export taxes, a quota system on trade and currency controls, moves expected to release soy stocks as well as boost maize and wheat output. The EU has been engaged in on-off trade talks with South America's Mercosur bloc, which also includes Brazil, Paraguay and Uruguay, since 1999. But Argentina has long been seen as the main stumbling block towards a deal due to its protectionist approach. By contrast, Brazil has pressed hard for an agreement to gain greater access to the EU for its highly-competitive farm exports. "We have to recover Mercosur's dynamism", Macri said in his first press conference on November 23, hoping to "make progress in the talks with Europe and converge on the Pacific Alliance" (including Mexico, Colombia, Chile and Peru). Macri's pledge to press ahead with the talks was welcomed by DG Trade officials, who said they hoped "the new Government in Argentina will actively contribute to a successful conclusion of these negotiations". "There is an untapped potential in trade between Argentina and the world, we look forward to measures revitalizing trade flows", they said. But farm lobby groups have warned the EU's farm sector has little to gain from a deal and vulnerable sectors such as beef could see production badly hit by a surge in imports. Farm Ministers from 10 EU countries – IE, FR, IT, AT, EL, RO, PL, BE, SI and PT - raised concerns after talks were re-launched in 2010. Trade Ministers discussed the on-going talks with Mercosur at a Foreign Affairs Council with Trade Commissioner Cecilia Malmström on November 27 [see below]. She already met Paraguay's Foreign Minister Eladio Loizaga and current holder of the Mercosur Presidency this month, with Loizaga also meeting the EU's High Representative for Foreign Affairs Federica Mogherini. "We're confident the negotiations process will advance in the next weeks", Loizaga said after the visit, suggesting the Mercosur bloc was ready to exchange tariff offers.

Argentina's new President-elect won farmers' backing in the contest, pledging to end ex-President Cristina Fernandez's policy of taxing food-related cereal exports to combat inflation. Fernandez put taxes of over 20% on wheat and maize exports, with duties of over 35% on soy. Macri has pledged to end the wheat and maize taxes, while phasing out the soy tax by 5 percentage points a year. Argentina's farmers will be keen to release soy stocks, stored up as a hedging tool against inflation. The country's maize exports are expected to climb significantly, making it the world's second biggest supplier after the US, while wheat exports are also seen to surge in the next years, analysts suggest. An end to currency controls would also help exporters as the value of the Argentine peso falls. Maize production could rise by up to 60%, wheat by over 50% and soy by over 60% by 2025, analysts said. However Macri's tight victory by only a few percentage points over rival Daniel Scioli means major reforms may be difficult to push through. Macri already named Susana Malcorra, Cabinet chief for UN Secretary General Ban Ki-moon, as his Foreign minister. Other Ministers are expected to be named in the coming days before the government takes office, likely on December 10.

KEY AGRI-PRODUCING COUNTRIES AIR GRIEVANCES WITH RELAUNCH OF MERCOSUR TALKS

EU Trade Ministers from IE, FR, PO and HU expressed concerns at the re-launch of trade talks with the Latin American Mercosur bloc - largely on account of agricultural sensitivities - at this month's Council meeting in Brussels (November 27), while others such as ES, DE, IT, PT, NL, SE, DK and the UK welcomed the move. Key agricultural-producing countries such as IE and FR emerged the most vocal, saying they were not in favour of an exchange of offers on the basis of

what Mercosur has already put on the table – the liberalisation of 87% of tariff lines. In the past, Dublin has been particularly vociferous on the impact that a future deal would have on high quality beef cuts – a “distinct market”, which accounts for approximately 600 000 tonnes of EU consumption, vis-à-vis overall beef consumption of 7.8mt. Furthermore, Irish officials question the logic of exporting low carbon beef production from the EU to import high carbon meat from Latin America. A decrease in EU food production would lead to higher carbon emissions in 3rd countries and would run counter to sustainable farming goals, they state.

Similarly, Paris has previously underlined that an eventual deal would entail a 70% increase in beef imports and 25% increase in poultry imports, which would have a massive impact on domestic production. Gathering just a few days after elections in Argentina on November 22, which appear to have injected new impetus into the talks, the more liberal countries such as the UK, SE and DK welcomed the “change in the political climate in the Mercosur region”, viewing it as an “opportunity to be exploited”. Others such as RO, SI, EL and SK were more reticent, saying they were not opposed to restarting negotiations but urged the Commission to safeguard European agricultural interests. Commenting at the meeting, EU Trade chief Cecilia Malmström said there was a “new wind blowing in South America and the electorate made a clear choice for change”. After two false starts, this will be the third time the EU prepares to launch talks with Mercosur and this month’s orientation debate served as an opportunity for countries to raise their views and voice their misgivings, she said. Speaking to reporters just before the lunch-time discussion on trade and investment opportunities with China, the Swedish Commissioner welcomed the “strong support from Ministers to engage with Mercosur”. But national capitals require answers, she said, pledging to “make an assessment before any decision is made”.

Other items on the agenda included next month’s WTO Ministerial in Nairobi and EU-US trade relations. With just a fortnight to go before trade delegations from across the globe descend on the Kenyan capital (December 15-18), Malmström reiterated that the EU was “committed to defend and strengthen the multi-lateral trading system”. “We need the WTO to function”, she stated, recalling the EU’s key priorities – benefits for least developed countries, export competition in agriculture (with strong support from Brazil, Mexico and NZ), improved transparency rules on anti-dumping, subsidies and regional trade agreements. But she conceded that the prospects for achieving agreement “are not that good” and called for greater reflection on what might happen post-Nairobi. For his part, Luxembourg Foreign Affairs Minister Jean Asselborn urged against a transatlantic trade pact “at any price”, calling for a “global qualitative” deal – to be finalised before the end of next year under the Obama administration. Meanwhile, Ministers adopted Council Conclusions on the Commission’s new Trade Strategy unveiled on October 14. They agreed that trade “should benefit all”, whether consumers, workers or economic operators and must be coherent with other EU policies. Trade pacts with international partners must not lead to lower consumer, health, environmental and labour protection standards, they underlined.

Farm leader appointed Argentine Minister

The former landowners’ leader, Ricardo Buryaile, was appointed the Argentine Minister of Agriculture, Livestock and Fisheries in Mauricio Macri’s Cabinet earlier this month. Born in Formosa in the north of the country, he was a key player in the Argentine Rural Confederation (2000-2002), having served as President of the Rural Confederations of Chaco and Formosa. He was elected a member of parliament in 2009 (until 2013) - running on the social-liberal ‘Radical Civic Union’ ticket - and served as Chairman of the Committee on Agriculture of the Chamber of Deputies (2010-2013). Of French descent, Buryaile’s family owns farmland in the most extreme region of Formosa and he holds a Bachelor’s Degree in accountancy from the Catholic University of Argentina.

Meanwhile, a former Monsanto executive, Leonardo Sarquis, has been appointed Minister for Agricultural Affairs in the province of Buenos Aires and will oversee agricultural production in the country’s most populous province, which is also its agricultural centre. Sarquis was the

general manager of Monsanto's vegetable seed division for Argentina, Uruguay and Paraguay from 2005-2007. The decision by the newly-elected governor of Buenos Aires Maria Eugenia Vidal – from the centre-right Republican Proposal, the political party of President-elect Mauricio Macri - has been met with criticism as commentators fear the biotech giant will hold sway in a country that is the world's largest producer of soybeans (mostly GM).

EU-US RELATIONS

BRUSSELS NEGOTIATORS SLAM US BUTTER TAX; ENVI & LABOUR CHAPTER;

EU negotiators questioned Washington's recent move to slap additional duties on butter, after total imports surpassed levels that trigger an automatic safeguard, during the last round of bilateral trade talks in Miami (October 19-23). The US introduced an extra levy on butter (\$0.51/kg) and cream imports (\$0.54/kg) from the EU and other WTO members from October 5 until December 31, leading to additional taxes of over 30% on EU butter, with Brussels officials "questioning both their timing and their economic rationale". The latest 22-page report on the 11th round of negotiations towards a Transatlantic Trade and Investment Partnership (TTIP) confirms EU officials also voiced their grievances with a number of non-tariff barriers that European agricultural products are facing on the US market, such as the ban on direct shipping of wine to final consumers, discriminatory tax breaks for US small wine and beer producers, inspection requirements on table olives and a specific fee imposed on imported dairy products (dairy import assessment). On wines and spirits, the EU supported the inclusion of "specific and comprehensive rules that would include the protection of EU and US wine and spirits names, winemaking practices, labelling rules and certification". Future work should be based on existing bilateral agreements on wine from 1994 and 2006, they agreed.

Half a day was dedicated to discussions on Geographical Indications (GIs), with the EU underlining that protected products are a "key priority" in the talks. But Brussels officials called on their Washington counterparts to "make progress in the negotiations ... to bring it into line with progress made in other areas such as tariffs" and voiced concerns with the "shortcomings of the US trademark system". Meanwhile, both sides "continued their constructive work in consolidating and developing" the chapter on sanitary and phytosanitary issues, with meetings set to continue on possible annexes on audits, certification, equivalence, import checks and regionalization. Both sides "started a discussion on an article on science and risk, based on existing WTO commitments" and raised the question of anti-microbial resistance. They also explored future cooperation on pesticide residue assessments on the harmonization of the review of residue information, field trials for minor uses and data sharing and promised to engage with the European Food Safety Authority (EFSA) and the new EU facility for minor uses. During the last round of bilateral talks, EU and US negotiators pledged to eliminate 97% of tariff lines on imported goods, with both sides keen to step up efforts to seal a deal by the end of next year before US President Barack Obama leaves office. The offers for which import duties will be cut also included agricultural products, but sensitive products such as beef, rice, maize, ethanol, poultry, eggs and butter are not included on the list. At the same meeting, the EU tabled its proposal on sustainable development *inc.* trade in threatened and endangered wildlife, sustainable management of forests and trade in forest products, environmentally sound management of chemicals and waste and employment standards in line with the International Labour Organisation. Commenting this month, EU Trade Commissioner Cecilia Malmström said "trade is not just about our economic interests, but also about values". Speaking to journalists, the EU's Trade chief recalled the recently launched *'Trade for All'* strategy, which she would now like to "put into practice in our agreement with the US". "That's why we are proposing a very ambitious approach to sustainable development in EU-US trade talks, which will be respected, implemented and enforced when we sign up to them", she

added. The next round is scheduled to take place in Brussels during the second half of January 2016, sources say.

Farm lobby push for greater progress in EU-US talks

The EU's farm lobby Copa-Cogeca called for greater progress to be made on reducing red-tape and eliminating non-tariff barriers to trade, lamenting that "little headway has been made so far". European milk producers are confronted with obstacles when trying to market Grade A dairy products in the US, while hard, semi-soft and soft ripened cheeses have to wait 60 days before circulating on the market as a result of different testing methods on both sides of the Atlantic. EU olive oil producers are also subject to these non-tariff barriers, they point out, with batches held back due to traces of chlorpyrifos-ethyl, an active substance permitted in the EU. Copa-Cogeca welcomed the recent exchange of second offers on tariffs, but called for particular attention to be paid to the remaining 3% that includes very sensitive market access notably beef, poultry and pork. If a trade pact is finalised, the lobbyists foresee opportunities for EU wine, cheese, olive oil and processed meat exports, but expect challenges for EU livestock farmers. The European beef sector must not be sacrificed during 11th hour negotiations to get a trade deal over the line, they reiterated this month.

US farm exports to gain most in EU trade pact, study

US farm exports to the EU could rise by over €1.1 billion compared to an export boost of €0.7bn for EU producers on 2011 levels if both sides agreed to cut tariffs and get rid of tariff rate quotas (TRQs), according to new studies from the US Department of Agriculture. Under this scenario [although unlikely the EU would wish to cut all TRQs], US farm exports would rise 2%, (beef +685%/year and dairy up sharply such as butter +206%), while EU exports would fall slightly by 0.25%. US farm imports would climb 1%, EU imports 0.5%. EU cheese and vegetable oil exports would rise in particular, the authors said. But they said an extra cut to certain non-tariff barriers (NTBs) on meat, crops, fruit and vegetables could see US farms gain a further €3.8bn on exports, particularly pork (+€2.2bn). The EU would see an additional €1.1bn, with rises for vegetable, fruit and cheese exports of €73m, €463m and €14m respectively. The EU's farm trade surplus would shrink from €6.8bn to €2.4bn in the tariff-cut scenario and €0.09bn when NTBs are also removed. The change would help reverse the US' falling share of EU farm imports, authors note, flagging up a drop from 21% in 1992 to 8% in 2012. The EU share of the US agri-food market also fell to a low of 13% in 2012. US agricultural prices rise (0.5%), while they fall in the EU. A separate report looking at the impact of non-tariff barriers finds that EU sanitary rules on US poultry, pork and maize were found to have the highest trade-impeding impact (102%, 81% and 79% ad valorem tariff equivalents), while US barriers range from 37% for vegetables to 45% for fruit.

US stops sale of EU-approved insecticide

US farms can no longer buy the insecticide sulfoxaflor used to fight pests on crops such as oilseed rape, wheat, fruits and vegetables after the US' Environmental Protection Agency cancelled its approval following a court ruling that raised honeybee concerns. The cancellation took effect on November 19, with the agency set to look at further studies on the impact on bees, but US farmers may use up stocks of the chemical, sold under brand names such as *Closer* and *Transform*. Dow AgroSciences, the developer of the pesticide, said the hiatus in sales was "procedural" and the concerns should be addressed by a further review of data. The move would have no impact on the European market, for which the product is approved, they said. "The review ... by EFSA (the EU food safety watchdog) was comprehensive and did not identify any critical areas of concern", the company confirmed. But anti-pesticide group PAN Europe, Bee Life (NGO) and Italian beekeeping union UNAAPI are pursuing a legal challenge at the European Court of Justice. The NGOs insist the chemical resembles a class of products known as neonicotinoids, which are subject to a partial EU ban due to bee health concerns. But Dow stresses that scientists classify it as a sulfoximine-class insecticide, a point confirmed by the EU's executive. EFSA found an acceptable risk to bees under certain conditions of use, DG SANTE officials said. The conditions

set by each Member State to ensure the risk remains limited are therefore crucial, they said, adding that they had called on Dow to provide further data, which will then be reviewed.

US approves GM salmon for food

US regulators have approved a genetically modified (GM) salmon for human consumption, the first GM animal to get the go-ahead for food, allowing the Massachusetts-based biotech firm AquaBounty to edge towards getting their fast-growing fish on supermarket shelves. The US' Food and Drug Administration found no scientific evidence that the salmon which grows twice as fast as regular fish due to inserted genes from other varieties, posed a threat to humans or the environment. But Canadian environmental groups are taking their government to court in a bid to halt production of the GM salmon eggs, which are transported from a hatchery site on Canada's Prince Edward Island to tanks in Panama. The process risks harming ecosystems if the fish mix with their wild relatives, the groups said. But the company says the possibility of fish escaping was highly unlikely, as all fish will be female and reproductively sterile to prevent interbreeding. The fast-growing salmon was also more environmentally sustainable than its conventional farm-raised Atlantic salmon, they said. Scientists suggested the approval could encourage wider development of other GM animals for the food chain, while AquaBounty boss Ronald Stotish described the approval as a "game-changer".

AUSTRALIA/NEW ZEALAND

EU & AUSTRALIA INCH TOWARDS FREE TRADE TALKS

The EU and Australia edged closer towards formally starting free trade talks after a meeting between Presidents Jean-Claude Juncker (Commission), Donald Tusk (European Council) and Australian Prime Minister Malcolm Turnbull in the margins of the G-20 Summit in Antalya (Turkey) on November 15. Commenting at the international forum that was otherwise dominated by talks on terrorist threats, Syria and the refugee crisis, Turnbull reiterated the importance of a free trade deal with Europe, welcoming the "first substantive step" in achieving this goal. First announced in the EU's trade strategy on October 14, the move towards closer EU trade ties with Australia and New Zealand provides a "platform for deeper integration within wider Asia-Pacific value chains", the Commission said. Before the EU's executive requests a mandate from Member States to start trade talks (2017 at the earliest), it will first draw up an impact assessment that takes account of agricultural sensitivities. Similar to New Zealand, the "formal procedure" is expected to be launched in around 1½ years' time.

The EU has a positive agricultural trade balance with Australia (population of nearly 24m), with the bloc's agricultural exports worth €2.9bn last year including 70 000 tonnes of Danish pork. Australian exports to the EU were worth €1.9bn in the same period including just over 7 100t of country-specific high quality beef quota access with a 20% in-quota tariff and shared access to the 48 200t global grain-fed beef quota (0% tariff). Australia is the second largest supplier of grain-fed beef to the EU, increasing its volume from 8 700t in the 2012/2013 marketing year to 14 600t in 2014/2015 under the high quality beef quota. The Southern Hemisphere country also exports 19 186t of sheep/goat meat (0% tariff), with higher import duties applicable above this threshold. But industry representatives are keen to expand their market share and view a future trade pact as a way to tap into the affluent market of over 500 million consumers and "facilitate a more unhindered response to future EU consumer demand". In a statement issued this month, the Australian red meat industry* said it was keen to conclude a deal with "its natural trade partner" that would benefit "not only Australian businesses but also EU importers, wholesalers, distributors, food service and retailers". *Red Meat Advisory Council; Australian Lot Feeders' Association; Australian Meat Industry Council; Cattle Council of Australia; Sheepmeat Council of Australia; Meat and Livestock Australia;

NZ pact tweak to aid EU food exports

EU producers of raw milk cheese such as Roquefort and Camembert as well as pork are expected to increase their presence on the New Zealand market after the Commission this month announced amendments to sanitary controls and certificate rules. The technical changes to a deal in place since 1996 are expected to open up further trade opportunities and cut costs for EU producers. The news follows the EU's initial steps in Oct towards launching free trade talks with New Zealand, a move some dairy firms warn could hit domestic production. The changes to the "most advanced international bilateral agreement in the area of animal health, animal welfare and food safety systems", will allow EU fresh pig meat exports to resume (after a ban imposed in 2001 over Porcine Reproductive and Respiratory Syndrome), wider recognition of European standards for raw milk products, mutual recognition of seafood tests and a lower number of physical checks. The move will also simplify certificate requirements ahead of a shift to e-certificates next year and permit trade in certain products with agreed treatments during disease outbreaks. The EU exported a mere €427 million worth of farm products to New Zealand in 2014, but the figure has grown by an average of 20% over the last five years. The European Dairy Association has opposed free trade talks, warning against harming domestic milk producers. Sheep farmers have also raised concerns. But EU officials said New Zealand's meat and dairy production ran counter to the EU's production cycles so a free trade deal would "complement" European output and maintain year round availability of certain products on supermarket shelves.

TRADE BRIEFS

Trade chief calls for concessions in EU-Japan deal

The EU will eliminate its tariffs on cars only if Japan liberalises its highly protected agricultural sector in the bilateral free trade deal currently under discussion, Trade Commissioner Cecilia Malmström said in an interview this month. Tokyo is keen to abolish a 10% duty imposed on Japanese cars, while EU food and drink exporters are eyeing the lucrative market and would like to expand their share in products such as pork, cheese and wine. Under the Trans-Pacific Partnership (TPP), Japan will remove tariffs on 95% of farm, industrial and other imported products. But Malmström warned that the TPP should be seen as a "useful reference" and not a "template for the EU-Japan FTA". "The export patterns of the US and EU when it comes to agriculture are not the same and therefore, the EU-Japan FTA cannot just copy the TPP". Both sides are "still far apart in many areas", she conceded, confirming that talks are set to continue "well into next year".

EU wants export aid cut in WTO deal

The EU called for developed nations to cut all farm export subsidies by 2019 and developing countries by 2022 at agriculture trade talks in Geneva on November 18, a move backed by Brazil, Australia and New Zealand, but divisions persist ahead of key world trade talks in Nairobi (December 15-18). The joint proposal, also supported by Paraguay, Peru and Uruguay, claims export subsidy cuts should be the central element of a deal at the World Trade Organisation talks in Nairobi next month. "We have tabled proposals to address agricultural export subsidies because they are very damaging to the poor world", EU Trade Commissioner Cecilia Malmström told MEPs in a debate in plenary on November 23. Australia singled out India's sugar export subsidies and US export credits (in particular for wheat to Korea) as examples of trade-distorting support. But a group of developing countries known as the G33 group wants to focus on a special safeguard mechanism, a tool to allow them to raise farm import tariffs temporarily in the case of import surges. India, Turkey, South Africa, China and Egypt are among the countries demanding this element be part of any deal. The prospects for an agreement on domestic subsidies, anti-dumping and countervailing duties appear bleak, with India, Indonesia, Egypt and many African countries saying that existing suggestions were unacceptable. WTO Agricultural Chair Vangelis Vitalis said divergent positions had not changed. "I am increasingly concerned about the lack of convergence on any of the issues we are working on", he said.

MacAuley named Canadian Farm Minister

Lawrence MacAuley, a former seed potato and dairy farmer from Prince Edward Island, a major potato-growing area off Canada's Atlantic coast, was this month named new Agriculture Minister in the Liberal government of new Canadian Prime Minister Justin Trudeau. Liberal Party MP MacAuley, the longest-serving MP in the history of Prince Edward Island – known as Canada's Food Island - is a former Work Minister, Solicitor General of Canada as well as Secretary of State (Veterans and Atlantic Canada Opportunities Agency). His appointment comes amid important talks over ratifying the recently agreed Trans-Pacific Partnership among 12 members constituting approximately 36% of global GDP - the legal text of which was made public this month. A decision is also due later this year from the World Trade Organisation on whether Canada can impose retaliatory tariffs on US exports over a US meat-label law. The case relates to a WTO challenge by Canada and Mexico, two of the US' biggest trade partners, who say the US origin labels – requiring extensive information on where animals are born, reared and slaughtered - unfairly discriminated against their livestock exports. Meanwhile, Canada gave the green light last month for 19 EU countries to resume their beef exports for the first time since a BSE-related ban was put in place in the mid-90s.

Big data to add \$10bn to crops, study

Use of new sensor technology to collect and process data to optimise crop production globally can add at least \$10 billion (€9.3bn) a year to their value, according to a study by Rabobank, which claims the innovation will require farms to scale up or cooperate more closely. The report by the Dutch multinational banking service claims use of smart data on production variables such as weather, soil fertility, yields and pests to aid farm practices would raise yields by 5% on over 80% of the area of the world's top seven crops (maize, soybeans, wheat, cotton, rapeseed, barley and sunflower). The real value is expected to be even higher, the bank said, considering "similar benefits to smaller high-value crops" such as potatoes, sugarcane, sugar beets, fruits and vegetables. The findings come as agriculture firms race to integrate data-collection and precision tools into the services they provide. But the study warns that smaller farms will face considerable competitive pressure to access the technology, requiring them to scale up or cooperate more closely to aggregate data, share costs and expertise. The report singles out farm cooperatives as providing a potential model. Collective databases could also be used to develop tools such as peer-to-peer analysis, they said.

UN names 2016 as year of pulses

Pulses such as dried beans and peas will be promoted for their nutritional benefits and positive environmental role in a series of events during 2016, which the UN's Food and Agriculture Organisation will dedicate to the cheap and highly nutritious alternative protein source. The move follows a campaign to promote soil protection in 2015. "Pulses are important food crops for the food security of large proportions of populations, particularly in Latin America, Africa and Asia, where pulses are part of traditional diets and often grown by small farmers", FAO boss José Graziano da Silva said at a launch ceremony on Nov 10. "Pulses can contribute significantly in addressing hunger, food security, malnutrition, environmental challenges and human health", UN Secretary-General Ban Ki-moon said in a written statement.

Moscow to ban Ukraine food imports

Russia will ban Ukrainian food imports from January 1 next year, when an EU-Ukraine free trade pact comes into force, Russia's Economic Development Minister Aleksey Ulyukaev said on November 19, claiming the move would prevent the entry of banned EU goods. An embargo ban would have a large impact on Ukrainian farmers, who may look to reorient more products towards the EU market. Ukraine Prime Minister Arseniy Yatsenyuk said a ban would see \$600 million (€59m) in lost trade next year. The EU and Ukraine are in trilateral talks with Russia to seek a solution. Russia extended its restrictions on EU food imports until August 2016 after the EU prolonged economic sanctions until Jan next year. The EU already cut tariffs on Ukrainian farm

products ahead of the trade pact's entry into force, lifting duties on over 80% of foods. From Jan 1, EU producers gain an annual tariff rate quota for 10 000t of pork, an additional 10 000t (without ham and fillet), 8 000t for poultry meat rising to 10 000t after five years and an extra 10 000t for frozen poultry carcasses. EU sugar producers gain a 30 000t quota rising to 40 000t over five years. The EU will also see duty cuts on fruit, vegetables and dairy (20-50%) and recognition of over 3 200 geographical indications.

MARKETS

WINE

WINE HARVEST: EU PRODUCTION UP 2.7% ON 2014 AS ITALY OVERTAKES FRANCE

EU-28 wine production is expected to reach just over 171 million hectolitres this year, rising by 2.7% compared to 2014, which was nearly 10% lower than the record harvest of over 175m hl in 2013, according to new figures released by the farm lobby group Copa-Cogeca this month. The rise in production is a result of favourable weather conditions, particularly in Italy

	1 000hl	PDO	PGI	Other♦	Must	TOTAL
IT	2013/2014	14 800	12 500	17 500	0	46 400
	2014/2015	15 891	13 149	367	1 500	44 738
	2015/2016e*	16 127	13 683	489	1 500	50 369
FR	2013/2014	18 764	12 589	3 209	0	42 372
	2014/2015	23 442	12 730	531	0	47 094
	2015/2016e	21 614	13 320	3 715	0	47 666
ES	2013/2014	12 865	3 220	5 115	8 240	53 550
	2014/2015	14 515	3 545	6 270	5 225	44 310
	2015/2016e	14 200	3 500	5 700	4 000	40 600
DE	2013/2014	9 011				9 011
	2014/2015	8 860	279	30		9 202
	2015/2016e	8 788				8 788
PT	2013/2014	2 986	1 571	29	0	6 740
	2014/2015	2 896	1 743	35	255	6 202
	2015/2016e	3 250	1 902	52	0	6 703
EU28	2012/2013	64 766	32 338	28 541	8 328	175 702
	2013/2014	70 989	34 067	7 764	7 316	166 718
	2014/2015e	70 778	35 374	10 533	5 738	171 200

*Copa Cogeca estimates; ♦Varietal wines without PDO/PGI;

- up 12.6% - reaching 50.3m hl, which surpassed France (47.7m hl) as the leading global producer [see table above]. New Member States such as Bulgaria, Hungary, Czech Republic, Slovenia, Slovakia, Croatia and Romania registered an increase in their wine output this year, while Austrian and Portuguese producers also saw hikes in production of 25% and 8% respectively. But a number of countries experienced a sharp decline, with vineyards in some areas of Spain and Greece suffering from the effects of drought with production down by 8.4% and 5.3% compared to last year.

Commenting after the publication of the results, Chairman of Copa-Cogeca Wine Working Party Thierry Coste said most countries experienced a healthy harvest in 2015 “with good yields and quality” surpassing last year’s level of 166.7m hl, but well below the bumper harvest of over 175m hl seen in 2013. “These harvest data, combined with no significant increase in stock levels, hint that the current dynamic market situation for both trade flows and prices will continue for the entire marketing year ahead”, Coste added. As international trade talks go up a gear, farm lobbyists have repeated their call to the Commission to “defend the interests of wine growers during bilateral negotiations with the US, China and Japan and ensure that the EU system of geographical indications ... is recognised”. Meanwhile, the International Organisation of Vine and Wine (OIV) estimates global wine output will rise by 2% this year to reach 275m hl, with consumption forecast at between 235.7 and 248.8m hl. The Paris-based intergovernmental organisation also confirmed the wine sector was resilient and adaptable to the effects of climate change.

OLIVE OIL

EU OLIVE OIL HARVEST UP 30%, FARM LOBBY

The EU's olive oil harvest is up 30% on last year's drought-hit levels, with the quality very high in most countries, EU farm lobby group Copa-Cogeca said this month, but warned that impending tariff cuts for Tunisian imports would hit European producers. Spain tops expected 2015/2016 production with 1.25 million tonnes, compared to 841 700t last season, the lobby said. Greek production is expected to reach 275 000t (310 000t last season), while Italy records 350 000t (a rise on 222 000t) as it continues to struggle with the debilitating Xylella bacteria in the southern Apulia region. "We are seeing more and more production of virgin olive oil in the EU", newly elected Chairman of Copa-Cogeca's olive oil working party Frenchman Andres Pinatel said. "European producers have been making good progress here in improving the quality of their produce", he said. But he warned over a Commission plan to grant Tunisia an additional duty-free quota of 35 000t beyond the existing share of 56 700t for a two-year period. The EU already has enough good quality supplies, he said, warning that prices were down and Tunisian producers would not meet EU standards. The EU's executive says the move is a gesture of support after recent terrorist attacks. Prices have dropped in recent weeks, with Spanish farm gate prices for virgin olive oil falling 22% from a high of €4/kilo to around €3/kilo.

CEREALS

Wheat stocks highest in 15 years, FAO

A larger than expected wheat harvest in the EU and large carry-over stocks worldwide has seen wheat inventories hit their highest level in 15 years, the UN's FAO said in its latest cereal supply and demand brief, a development that should see prices remain low over the coming months. The FAO raised its wheat forecast to 736 million tonnes, some 3mt above the 2014 record. The revision reflects higher estimated production in the EU (154mt – 1.6% less than the 2014 record), which more than offset lower estimates for Australia and the US, where insufficient rainfall and high temperatures are hampering yields. Wheat carry-over stocks are seen to rise to 207mt, up 1.5mt from last month, the highest in 15 years (since 2001/02). However world coarse grains inventories are predicted to contract by 1.4% over the season, ending at 265mt in 2016, with much of decline attributed to maize.

Bad weather pushes food prices up, FAO

Global food prices saw their sharpest increase since July 2012, as sugar and palm oil prices shot up last month amid weather concerns, but the cost of staple foods was still 16% cheaper than the previous year, the UN's Food and Agriculture Organisation (FAO) said this month. The FAO's latest food price index, measuring monthly changes for cereals, oilseeds, dairy meat and sugar, averaged 162 points in Oct, compared to 155 in Sept (a rise of 4%). The sugar price leapt 17.2% - the biggest surge in value since 2010 - due to fears over heavy rains in Brazil as well as drought in India and Thailand. "Reports of crop damages caused by excessive dryness in India, Thailand, the Philippines, South Africa and Vietnam provided further support to international sugar prices", representatives at the Rome-based agency said. The vegetable oil index climbed over 6%, partly due to worries over the El Niño weather phenomenon expected to hit palm oil production in South East Asia next year. The FAO cut its forecast for world cereal output for 2015 slightly to 2.53 billion tonnes, only 1.1% below last year's record level. "Half of the forecast cut reflected dimmer expectations about maize crops in India and Ukraine, mostly due to adverse weather", the FAO said.

DAIRY

EU dairy prices take slight dip

EU prices for butter, Whole Milk Powder & Skimmed Milk Powder declined as the month drew to a close, with WMP falling by 4.3% week-on-week. Average farm gate milk prices approximated 29.9c/kg in September, with a further slight increase expected in October 30.1c/kg, while cash-flow difficulties continue to be crucial for the short-term, DG AGRI officials said at the last meeting of the MMO November 27. But price levels for all dairy commodities are much lower compared to last year's record high with Gouda, Edam, SMP, & Cheddar, down a considerable 14%, 12%, 11% & 8% respectively. EU milk collection was up by 1.5% in the first nine months of the year, with France and Italy registering a decrease in deliveries. In the UK, Poland & Spain, deliveries continued to be higher than in the same period last year, while deliveries continued to "constantly increase" in Ireland, Germany & the Netherlands. Global milk production increased by around 2.5mt in the first nine months of the year, mainly in the EU (+1.7mt) & US (+1mt), while EU milk production is now declining seasonally, but volumes remain above 2014 levels. Applications for Private Storage Aid have reached 157 000 tonnes for butter & 59 000t for SMP since the opening of the scheme in the wake of the Russian food import ban. The 59 000t figure includes 4 200t of SMP under the enhanced PSA scheme.

EU Internal Market Prices of Dairy Products – in €/100kg

Week ending	Butter	SMP	WMP	Cheddar	Edam	Gouda	Emmental	Whey
25/10/2015	299	181	242	302	249	254	384	64
01/11/2015	298	179	245	305	250	252	389	64
08/11/2015	296	178	241	300	251	251	283	63
15/11/2015	307	179	239	301	252	252	395	61
22/11/2015	304	174	229	303	252	252	386	59
% change on last week	-0.9%	-2.4%	-4.3%	+0.8%	+0.1%	+0.2%	-2.4%	-2.5%
% change on last year	+2%	-11%	-4%	-8%	-12%	-14%	-10%	-35%

Source: DG AGRI;

MARKET BRIEFS

New guidelines on joint selling of farm products

The Commission published guidelines on November 27 to clarify how farmers can cooperate to jointly sell olive oil, beef/veal and arable crops – worth €80 billion annually - without breaching EU competition law. The guidelines include some key derogations from antitrust rules to allow producers of olive oil, beef/veal and arable crops to jointly sell and set prices, volumes and other terms through recognized organisations, if they fulfill certain conditions. Under the rules, the volumes marketed by a given organisation must not exceed certain thresholds – 20% of the relevant market for olive oil and 15% of the national market for beef/veal and arable crops. Such organisations must also provide farmers with supporting activities other than sales such as storage, transport and distribution. These additional services must "significantly improve farmers' competitiveness on the market", officials underline. EU Competition Commissioner Margrethe Vestager said these guidelines are a "manual explaining to farmers how to organize themselves ... while still fully respecting EU competition rules. The objective is to ensure that farmers can work together to remain competitive and benefit from bargaining power towards the buyers". This was echoed by EU Farm Commissioner Phil Hogan who said the guidelines aimed to "strengthen farmers' collective position in the food supply chain by setting out clear and practicable rules. They help farmers to counter-balance the effects of increasing concentration at the processing and retailing stages of the chain". The guidelines are expected to be published in the EU's Official Journal at the beginning of December.

EU farm exports up 6% on previous year

EU agri-food exports to third countries rose by over 6% in value in the year until August compared to the same period in the previous year, with gains in China (+37%), Turkey (+27%) and the US (+18%), new Commission data shows. Exports to Hong Kong and South Korea also increased. Overall EU agri-food exports for the same period were worth €128 billion, although they saw a more significant drop than is usual in August, surpassing the slump seen after Russia imposed trade restrictions on European imports in August 2014 (-€1.4bn or -13%). But record sales in July ensured the overall level was similar to previous years, with a positive trade balance of more than €1bn. Russia dropped to the fourth most important destination, with agri-food exports falling from €10.7bn to €6.1bn (-43%) compared to the previous year. Milk powders, cheese, fruit and vegetables [all hit by Russia's ban] lost in export value over the 12-month period, as well as sheep and goat meat. But export values for live cattle (+18%) and meat (in particular beef +8%) increased. In the same period (September 2014-August 2015), imports from 3rd countries amounted to €110bn (+8%). Cereals other than wheat and rice were down 38%, but nuts, spices, fruit/vegetables and olive oil (especially from Tunisia) were up.

Experts reflect on sheep sector's future

The 1st meeting of the Sheep meat Reflection Group will take place took place in Brussels on November 12, with global competition, innovation and environmental considerations at the top of the agenda. First announced by EU Farm Commissioner Phil Hogan in mid-October, the forum aims to examine the challenges facing the sheep sector, particularly as the EU seeks to open trade talks with key competitors such as New Zealand and Australia. The first in a series of three workshops includes speakers from Scotland's Rural College (SRUC), l'Institut de l'Élevage (FR) and the Regional Institute for Research and Agro-Food Development (SERIDA) based in Asturias. The forum - to be chaired by ex-President of the Irish Farmers' Association John Bryan - will bring together some 55 key players from the public and private sectors, as well as representatives from sheep production, processing and trade. Member States representatives from the eight key producing countries also attended. Over two-thirds of EU sheep meat production is concentrated in the UK (Scotland leading), Spain, Greece and France, with a further 22% in Romania, Ireland, Germany and Italy, which leaves a small 10% for all the remaining Member States. The group's final draft report is expected in mid-2016.

AGRA FACTS DOCUMENTATION

November 2015

The following pages provide a chronological summary of the past month's events, as detailed by **AGRA FACTS**, the rapid-response fax service for agribusiness executives, direct from Brussels.

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The latest EU agriculture, environment & trade news

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KEY AGRI-PRODUCING COUNTRIES AIR GRIEVANCES WITH RELAUNCH OF MERCOSUR TALKS

EU Trade Ministers from IE, FR, PO & HU expressed concerns at the re-launch of trade talks with the Latin American Mercosur bloc - largely on account of agricultural sensitivities - at today's Council meeting in Brussels, while others such as ES, DE, IT, PT, NL, SE, DK & the UK welcomed the move. Key agricultural-producing countries such as IE & FR emerged the most vocal, saying they were not in favour of an exchange of offers on the basis of what Mercosur has already put on the table – the liberalisation of 87% of tariff lines. In the past, Dublin has been particularly vociferous on the impact that a future deal would have on high quality beef cuts – a "distinct market", which accounts for approximately 600 000 tonnes of EU consumption, vis-à-vis overall beef consumption of 7.8mt. Furthermore, Irish officials question the logic of exporting low carbon beef production from the EU to import high carbon meat from Latin America. A decrease in EU food production would lead to higher carbon emissions in 3rd countries & would run counter to sustainable farming goals, they state. Similarly, Paris has previously underlined that an eventual deal would entail a 70% increase in beef imports & 25% increase in poultry imports, which would have a massive impact on domestic production. Gathering just a few days after elections in Argentina on Nov 22, which appear to have injected new impetus into the talks [see AF87-15], the more liberal countries such as the UK, SE & DK welcomed the "change in the political climate in the Mercosur region", viewing it as an "opportunity to be exploited". Others such as RO, SI, EL & SK were more reticent, saying they were not opposed to restarting negotiations but urged the Commission to safeguard European agricultural interests. Commenting today, EU Trade chief Cecilia Malmström said there was a "new wind blowing in South America & the electorate made a clear choice for change". After two false starts, this will be the third time the EU prepares to launch talks with Mercosur & today's orientation debate served as an opportunity for countries to raise their views & voice their misgivings, she said. Speaking to reporters just before the lunch-time discussion on trade & investment opportunities with China, the Swedish Commissioner welcomed the "strong support from Ministers to engage with Mercosur". But national capitals require answers, she said, pledging to "make an assessment before any decision is made".

Other items on the agenda included next month's WTO Ministerial in Nairobi & EU-US trade relations. With just a few weeks to go before trade delegations from across the globe descend on the Kenyan capital (Dec 15-18), Malmström reiterated that the EU was "committed to defend & strengthen the multi-lateral trading system". "We need the WTO to function", she stated, recalling the EU's key priorities – benefits for least developed countries, export competition in agriculture (with strong support from Brazil, Mexico & NZ) [see AF87-15], improved transparency rules on anti-dumping, subsidies & regional trade agreements. But she conceded that the prospects for achieving agreement "are not that good" & called for greater reflection on what might happen post-Nairobi. For his part, Luxembourg Foreign Affairs Minister Jean Asselborn urged against a transatlantic trade pact "at any price", calling for a "global qualitative" deal – to be finalised before the end of next year under the Obama administration. Meanwhile, Ministers adopted Council Conclusions on the Commission's new Trade Strategy unveiled on Oct 14 [see AF75-15]. They agreed that trade "should benefit all", whether consumers, workers or economic operators & must be coherent with other EU policies. Trade pacts with international partners must not lead to lower consumer, health, environmental & labour protection standards, they underlined.

Trade chief calls for concessions in EU-Japan deal: The EU will eliminate its tariffs on cars only if Japan liberalises its highly protected agricultural sector in the bilateral free trade deal currently under discussion, Trade Commissioner Cecilia Malmström said in an interview this week. Tokyo is keen to abolish a 10% duty imposed on Japanese cars, while EU food & drink exporters are eyeing the lucrative market & would like to expand their share in products such as pork, cheese & wine. Under the Trans-Pacific Partnership (TPP), Japan will remove tariffs on 95% of farm, industrial & other imported products. But Malmström warned that the TPP should be seen as a "useful reference" & not a "template for the EU-Japan FTA". "The export patterns of the US & EU when it comes to agriculture are not the same & therefore, the EU-Japan FTA cannot just copy the TPP". Both sides are "still far apart in many areas", she conceded, confirming that talks are set to continue "well into next year". The next round will take place in Tokyo from Monday (Nov 30-Dec 4).

EP NEWS: EU 2016 budget approval; Ecuador banana trade fears; Farm welfare law appeal;

EP okays 2016 budget - eyes review: MEPs backed a deal struck on the EU budget for 2016 in a plenary vote on Nov 25, including €155 billion for commitments & €143.9bn in payments, with a number of MEPs seeking changes to overall priorities in an upcoming review next year. Parliament & Council negotiators reached agreement on Nov 14 including €42.22bn for farm subsidy & market-related commitments (€42.21bn in payments) as well as €18.68bn for rural development commitments (€11.75bn in payments). The deal – voted through by 516 votes to 179, with 8 abstentions - sticks very closely to the figures initially proposed by the EU's executive. The budget continues the slight decline in spending on the farm sector, after the EU agreed to freeze its overall agricultural budget from 2014 to 2020 (meaning a small cut in line with inflation). The budget includes the recently agreed €500m aid package for farmers to alleviate the impact of a drop in prices, particularly in the dairy sector, made worse by Russia's import ban. A further €198m targets aid for extra market support, mainly fruit & vegetables. The additional spending was more than covered by higher revenue (€1.1bn), particularly from dairy superlevy fines. Commitments under the EU's research framework programme Horizon 2020 were also beefed up by €31.8m – compared to the Commission draft - to reach €9.5bn. A number of MEPs called for a rethink of spending priorities in a review of the Multi-annual Financial Framework (MFF) next year. Many sought more focus on the refugee & migration crisis. The mid-term review is “our chance to strengthen the agility, focus & capacity of our budget & to look to the future”, Commission Vice-President & EU Budget Commissioner Kristalina Georgieva said.

Banana fear in Ecuador trade pact: The EU's executive sought to ease concerns expressed by MEPs over an expected rise in banana imports from Ecuador in a blow to domestic producers, as it joins an EU trade pact with Colombia & Peru, insisting safeguards were in place. “We have a stabilisation mechanism”, Trade Commissioner Cecilia Malmström told MEPs ahead of their approval for Ecuador's accession to the Colombia & Peru pact, “We will continue to observe this with a very attentive eye”. A number of MEPs raised fears that banana producers in areas such as the Canary Islands (the EU's top producer) could lose out as Ecuador, the biggest exporter to the EU, increases its market share. The deal must “not become a further threat to the EU's already weakened banana sector”, Gabriel Mato (ES, EPP) warned. Trade pacts with Colombia & Peru already applied since 2013, phasing out tariffs for EU dairy & pork exporters in particular as well guaranteeing recognition for EU products with protected names [see AF54-14].

Welfare law must be better applied, EP: Member States must step up enforcement of current animal welfare legislation, MEPs said in a non-binding resolution adopted at the plenary in Strasbourg yesterday (Nov 26), while also calling on the EU's executive to simplify requirements as part of a new strategy from 2016 to 2020. In a debate before the resolution was adopted - by 542 to 73, with 23 abstentions - a number of MEPs said it would be counterproductive to introduce new welfare rules next year, without ensuring current laws are properly implemented. “There is no point in having another animal welfare strategy unless we recognise that the existing rules are widely ignored & often only given lip service in many Member State Ministries”, Dan Dalton (UK, ECR) said. MEPs also called on the Commission to cut the administrative burden for producers without undermining welfare standards. Science-based best practices should inform use of the most innovative animal welfare techniques, MEPs said. They also said Brussels was not doing enough to ensure trading partners were respecting the EU's standards, among the highest in the world. The Commission should be more ambitious & require equivalent standards for imported animals & products with strict controls in place, they underlined.

Eurogroup for Animals welcomed the resolution, saying a new animal welfare strategy was badly needed “despite the fact that 10 out of the 20 action points are still outstanding”. But Director Reineke Hameleers expressed his regret that the motion failed to put an end to long distance animal transport & phase out livestock mutilations & did not call for the greater protection of “species that are not yet covered by current legislation such as dairy cows, rabbits & wild animals”.

PERSONNEL UPDATES: DG SANTE shake-up; Argentine Agri Minister; IFA in turmoil;

More details on DG SANTE overhaul: Irishman Michael Scannell will head up a newly-created Directorate for ‘Food chain: stakeholder & international relations’ (D), while Frank Andriessen serves as acting Director of newly named ‘Health & food audits & analyses’ Directorate (F) in the revamped DG SANTE, it emerged today. Scannell, who headed the former Directorate F for ‘Food & Veterinary Office’, will be aided by Carlos Alvarez Antolinez as an advisor on sanitary issues. The move confirms changes revealed on Nov 25, suggesting new Director-General Xavier Prats Monné seeks to align his services with new priorities [see AF87-15]. In a newly named Directorate for ‘Food & feed safety, innovation’ headed by Sabine Jülicher, Chantal Bruetschy moves to head the Biotechnology Unit (previously heading ‘innovation & sustainability’), while Maria Iglesia-Gomez takes the reins of a Unit for ‘Food processing technologies & novel foods’. Stefano Soro, previously heading a Unit on medicinal products, moves to lead on ‘Animal nutrition, veterinary medicines’. In newly named Directorate G ‘Crisis management in food, animals & plants’ led by Bernard Van Goethem, former head of Unit for Biotechnology Dorothee André moves to lead the ‘Plant Health’ Unit. Other shifted Heads of Unit include Andrea Gavinelli (‘Official controls & eradication of diseases in animals’), Eric Thevenard (‘Food hygiene’) & Philippe Loopuyt (‘Alerts, traceability & Committees’). But details were still outstanding for the Head of Unit for a newly merged Unit on ‘Animal health & welfare’.

Farm leader appointed Argentine Minister: The former landowners' leader, Ricardo Buryaile, was appointed the Argentine Minister of Agriculture, Livestock & Fisheries in Mauricio Macri's Cabinet earlier this week. Born in Formosa in the north of the country, he was a key player in the Argentine Rural Confederation (2000-2002), having served as President of the Rural Confederations of Chaco & Formosa. He was elected a member of parliament in 2009 (until 2013) - running on the social-liberal 'Radical Civic Union' ticket - & served as Chairman of the Committee on Agriculture of the Chamber of Deputies (2010-2013). Of French descent, Buryaile's family owns farmland in the most extreme region of Formosa & he holds a Bachelor's Degree in accountancy from the Catholic University of Argentina

Meanwhile, a former Monsanto executive, Leonardo Sarquis, has been appointed Minister for Agricultural Affairs in the province of Buenos Aires & will oversee agricultural production in the country's most populous province, which is also its agricultural centre. Sarquis was the general manager of Monsanto's vegetable seed division for Argentina, Uruguay & Paraguay from 2005-2007. The decision by the newly-elected governor of Buenos Aires Maria Eugenia Vidal - from the centre-right Republican Proposal, the political party of President-elect Mauricio Macri - has been met with criticism as commentators fear the biotech giant will hold sway in a country that is the world's largest producer of soybeans (mostly GM).

IFA President steps down amid pay controversy: The President of the Irish Farmers' Association Eddie Downey resigned on Wednesday evening (Nov 25), amid the controversy surrounding former general secretary Pat Smith's pay package (nearly €1 million over 2 years) & severance deal worth €2m. In response to the fallout, the organisation has commissioned its former chief economist Con Lucey to conduct a review of remuneration & pension schemes and corporate governance structures, as far back as 2009 when Smith took over. Lucey is expected to present a series of recommendations to the Executive Council on Dec 15. Speaking earlier in the week, Downey said he took this "very difficult decision" in the "best interests of the association" which he has served for over 25 years. Irish Farm Minister Simon Coveney said Downey made the "right decision" to step down, conceding he had "no idea" of the scale of the salary paid to Smith. He called on the organisation, with a membership base of around 88 000 farmers, to be "totally transparent", adding that the lobby has "massive challenges to overcome". Since details of Smith's "golden handshake" have come to light - a lump sum of €1m & an annual payment of €100 000 for the next ten years - the former general secretary requested that the organisation donate the €1m lump sum to charity. But the IFA says Smith was attempting to "cover up" his demands for a €2m severance deal, slamming the claims as "total spin". The IFA executive council says the exit package remains "unapproved" & is preparing to mount a legal challenge, with acting President Tim O'Leary confirming on Nov 26 that Smith had been "fired" & did not resign.

IN BRIEF: Herbicide questioned; Guidelines; Pentzlin to head contractor lobby; New GI;

Top Dow herbicide risks suspension in US: The US' environment agency has called on a federal court to revoke its approval of Dow AgroSciences' herbicide Enlist Duo (2,4-D choline & glyphosate), citing concerns over possible harm to surrounding plants from chemical drifting outside the intended area. The Environment Protection Agency said it had new information calling into question "the validity" of its initial positive safety assessment. Enlist Duo, for use with genetically modified herbicide-tolerant maize & soybean crops, was approved in autumn last year, including restrictions such as a 30-foot buffer zone to address 'drift' fears.

But the EPA said concerns over harm to surrounding plants were not properly tackled in Dow's patent. Dow AgroSciences' President & CEO Tim Hassinger said the firm was "working quickly" to provide assurances of the product's safety & insisted it would be available for the 2016 crop season. "It's possible we could see some changes to use conditions", Hassinger said, "We do not expect these issues to result in the long-term cancellation [of the product's approval]". A number of US environmental groups launched Court challenges against the product's approval last year. The announcement follows the federal Court's cancellation of the insecticide Sulfoxaflor, also a Dow product, on Nov 19 over concerns for bees [see AF86-15]. EPA says Enlist Duo is a highly effective weed killer, particularly on weeds newly resistant to other herbicides.

New guidelines on joint selling of farm products: The Commission published guidelines yesterday to clarify how farmers can cooperate to jointly sell olive oil, beef/veal & arable crops - worth €80 billion annually - without breaching EU competition law. The guidelines include some key derogations from antitrust rules to allow producers of olive oil, beef/veal & arable crops to jointly sell & set prices, volumes & other terms through recognized organisations, if they fulfill certain conditions. Under the rules, the volumes marketed by a given organization must not exceed certain thresholds - 20% of the relevant market for olive oil & 15% of the national market for beef/veal & arable crops. Such organisations must also provide farmers with supporting activities other than sales such as storage, transport & distribution. These additional services must "significantly improve farmers' competitiveness on the market", officials underline. EU Competition Commissioner Margrethe Vestager said these guidelines are a "manual explaining to farmers how to organize themselves ... while still fully respecting EU competition rules. The objective is to ensure that farmers can work together to remain competitive & benefit from bargaining power towards the buyers". This was echoed by Phil Hogan who said the guidelines aimed to "strengthen farmers' collective position in the food supply chain by setting out clear & practicable rules. They help farmers to counter-balance the effects of increasing concentration at the processing & retailing stages of the chain". The guidelines are expected to be published in the EU's Official Journal next week.

Pentzlin elected head of farm contractor lobby: Klaus Pentzlin was elected the new President of the European Confederation of agricultural, rural & forestry contractors (CEETTAR)* on Nov 20, replacing Gérard Napias, who held the post since 2008. Pentzlin served as vice-President & also heads the German farm contractor umbrella organisation Bundesverband Lohnunternehmen. The association represents more than 150 000 companies *inc.* 600 000 workers who carry out 60% of farm contracting & 80% of forestry harvesting in the EU. *See www.ceettar.eu

French salami joins protected foods: A French meat speciality, produced in the hills of south-west France between Montpellier & Toulouse, with an aroma typical of dried pork, has joined the EU's list of food products with protected names, the EU's executive announced yesterday. The 'Saucisson de Lacaune' or 'Saucisse de Lacaune' has a distinctive peppery taste as it is seasoned with pepper, salt & nutmeg and is dark red in colour. The delicacy from the département of Tarn gains a PGI label & joins the EU list of over 1 300 protected foods.

TIMETABLE: Week Ahead (*in Brussels unless otherwise stated*)

Nov 29	Meeting of EU heads of state & government with Turkey to discuss migration;
Nov 30	Farm Commissioner Phil Hogan meets US Agriculture Secretary Tom Vilsack; EP Agriculture Committee (&1) - debate with Vilsack & trilogues state-of-play (organic, plant pests & breeding animal imports), hearing on new techniques for plant breeding with experts & industry representatives (Dec 1); COP21 UN Climate Change Conference opens in Paris <i>inc.</i> Commission President Jean-Claude Juncker & Energy/Climate Commissioner Miguel Arias Cañete * http://www.cop21.gouv.fr/en/ ; Health Commissioner Vytenis Andriukaitis in US (until Dec 4) <i>inc.</i> meets US Trade Representative Michael Froman, Agriculture Secretary Tom Vilsack & US farm, industry groups; Better Regulation Commissioner Frans Timmermans meets Green 10 NGOs; Environment Commissioner Karmenu Vella meets Jeremy Wates, Secretary General of the European Environmental Bureau; EU-Japan bilateral trade negotiations in Tokyo (until Dec 4); Competitiveness Council (& Dec 1);
Dec 1	DG AGRI Outlook conference – 'The CAP – meeting the major challenges' (&2) <i>inc.</i> Hogan & Vilsack * http://goo.gl/KpCUO1 ; EU-Ukraine-Russia trilateral meeting; EP Environment Committee - vote on resolution to withdraw approval of GM maize import NK603×T25 (Greens & EFDD); Environment Commissioner Karmenu Vella meets Reineke Hameleers, Director of Eurogroup for Animals; Hogan meets ex-Farm Commissioner Franz Fischler & President of European Forum Alpbach;
Dec 2	Commission College meets <i>inc.</i> circular economy plans; EP mini-plenary <i>inc.</i> circular economy debate; Hogan receives Michel Nalet, President of the European Dairy Association; Prime Minister of Vietnam, Nguyễn Tấn Dũng & Commission boss Jean-Claude Juncker will declare formal conclusion of bilateral trade talks;
Dec 3	Hogan in Munich <i>inc.</i> 70 th Anniversary of the Bavarian Farmers' Association; Extraordinary COMAGRI meeting <i>inc.</i> exchange of views with FAO Special Ambassador, Professor Tekalign Mamo, on the occasion of the International Year of Soils;
Dec 4	Hogan in Ireland <i>inc.</i> addresses Agricultural European Innovation Partnership (EIP-AGRI) seminar (Meath) & meets Margaret Ritchie, MP for South Down & Joe Byrne, SDLP Chairman & agriculture & rural development spokesman (Dublin);

Management & Regulatory Committees

Nov 30	Agricultural Product Quality Policy Committee;
Dec 1	Committee for the Common Organisation of Agricultural Markets: Wine; Standing Committee – controls & import conditions; Standing committee – pesticide residues;
Dec 2	Regulatory committee on organic production (&3);
Dec 3	Committee for the Common Organisation of Agricultural Markets: Promotion; Standing Committee – seeds & propagating material
Dec 4	Standing Forestry Committee;

ENDS

The latest EU agriculture, environment & trade news

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- **IN BRIEF: Hogan attacked; WTO deal aims; New Portugal Minister; Olive oil; GIs;**

ARGENTINA'S NEW LEADER TO REIGNITE EU TRADE TALKS & BOOST GRAIN EXPORTS

Argentina's new centre-right leader Mauricio Macri, who won elections on Sun (Nov 22), has pledged to bring new life to EU-Mercosur free trade talks, while ending maize & wheat export taxes, a quota system on trade & currency controls, moves expected to release soy stocks as well as boost maize & wheat output. The EU has been engaged in on-off trade talks with South America's Mercosur bloc, which also includes Brazil, Paraguay & Uruguay, since 1999. But Argentina has long been seen as the main stumbling block towards a deal due to its protectionist approach. By contrast, Brazil has pressed hard for an agreement to gain greater access to the EU for its highly-competitive farm exports. "We have to recover Mercosur's dynamism", Macri said in his first press conference on Mon (Nov 23), hoping to "make progress in the talks with Europe & converge on the Pacific Alliance" (including Mexico, Colombia, Chile & Peru). Macri's pledge to press ahead with the talks was welcomed by DG Trade officials, who said they hoped "the new Government in Argentina will actively contribute to a successful conclusion of these negotiations". "There is an untapped potential in trade between Argentina & the world, we look forward to measures revitalizing trade flows", they said. But farm lobby groups have warned the EU's farm sector has little to gain from a deal & vulnerable sectors such as beef could see production badly hit by a surge in imports. Farm Ministers from 9 EU countries - FR, IT, AT, EL, RO, PL, BE, SI & PT - raised concerns after talks were re-launched in 2010. Trade Ministers are set to discuss the on-going talks with Mercosur at a Foreign Affairs Council with Trade Commissioner Cecilia Malmström on Fri (Nov 27). She already met Paraguay's Foreign Minister Eladio Loizaga & current holder of the Mercosur Presidency last week, with Loizaga also meeting the EU's High Representative for Foreign Affairs Federica Mogherini. "We're confident the negotiations process will advance in the next weeks", Loizaga said after the visit, suggesting the Mercosur bloc was ready to exchange tariff offers.

Argentina's new President-elect won farmers' backing in the contest, pledging to end ex-President Cristina Fernandez's policy of taxing food-related cereal exports to combat inflation. Fernandez put taxes of over 20% on wheat & maize exports, with duties of over 35% on soy. Macri has pledged to end the wheat & maize taxes, while phasing out the soy tax by 5 percentage points a year. Argentina's farmers will be keen to release soy stocks, stored up as a hedging tool against inflation. The country's maize exports are expected to climb significantly, making it the world's second biggest supplier after the US, while wheat exports are also seen to surge in the next years, analysts suggest. An end to currency controls would also help exporters as the value of the Argentine peso falls. Maize production could rise by up to 60%, wheat by over 50% & soy by over 60% by 2025, analysts said. However Macri's tight victory by only a few percentage points over rival Daniel Scioli means major reforms may be difficult to push through. Macri already named Susana Malcorra, Cabinet chief for UN Secretary General Ban Ki-moon, as his Foreign minister. Other Ministers are expected to be named in the coming days before the government takes office, likely on Dec 10.

CAP NEWS: Final two rural aid plans await approval; EU wooded pastures under threat;

Just two rural aid plans left to approve: The EU's executive has almost completed the approval of rural development programmes for 2014 to 2020, with only schemes in Greece & Cyprus to be signed off, after it gave the green light to a series of plans in Malta, France, Spain & Italy in recent days. The latest wave of approvals included Italian regions Apulia, Sicily, Abruzzo, Basilicata, Calabria, Campania & Lazio. Spain's Extremadura, Galicia & Navarra were also signed off. Meanwhile, schemes for French regions Guyana, Upper Normandy, Limousin, Lorraine & Picardy were approved. Some 95% of the total €99.58 billion of EU rural aid funding for the seven year period is now agreed. One of the most sizeable of recent approvals includes Italy's €1.84bn Campania programme (€1.1bn from EU), which targets over €340 million at farm investments, €136m at agri-environment-climate measures & €133m to areas facing natural constraints. Sicily's €2.2bn scheme (€1.3bn from EU) will target aid at almost 140 000 hectares of farmland to be converted to organic (with 758 000ha gaining continued support), while a third of land will be under contract to improve soil, biodiversity or water. Spain's schemes include support for almost 2 000 young farmers to launch their businesses in Extremadura & putting over 17% of land under contract to conserve biodiversity, water & protect soil in Navarra. The Maltese scheme (€129m including €97m from EU) will put significant emphasis on climate measures & improving resource efficiency. *For all schemes, see <http://goo.gl/J35QL2>

CAP to destroy wood pastures, conference told: Pastures with trees to graze livestock - among the most valuable land for ecosystem services such as soil protection & biodiversity – will disappear across Europe unless they get more aid from the Common Agricultural Policy (CAP), a conference heard on Nov 17. The policy seminar*, co-hosted by green NGO BirdLife & other environmental groups, looked at examples from ES, RO, UK, SE & FR, finding that current CAP rules discriminate against such pastures, inciting farmers to remove trees, convert them to forests or abandon them. Farm support treats trees & shrubs on farmland as non-productive elements rather than valuable features, speakers said. The conclusions were part of a 23-page study *'Europe's wood pastures: condemned to a slow death by the CAP?'*. Wood pastures actively used for grazing should be fully eligible for CAP aid & stronger support under rural development plans, authors of the study said. The findings follow a warning by farmers in Spain last month, which holds the largest area of wooded pasture, claiming the CAP risked turning these areas into dead land. The EU's executive must use its on-going initiative to simplify the CAP to ensure such areas are eligible for payments & Member States make full use of rural development aid to support them, the authors said. *See <http://goo.gl/uht3Bw>

DG SANTE NEWS: DG overhauled; GM feed trials; Olive pest action; Avian flu outbreak;

Jülicher named Director in DG SANTE shake-up: Sabine Jülicher, a German national who has worked as head of unit for 'Authorisation of medicinal products, European medicines agency' since Jan 2013, is set to become a Director dealing with the safety of food, feed & innovation in a major shake-up of DG SANTE. Jülicher, who will replace acting Director Michael Flüh & becomes the only female Director, has worked for the Commission since 1999 & became a Head of Unit in 2008. DG Sante officials said the date on which she will take up the post will be determined later. The appointment comes amid a major overhaul of the DG including the renaming of Directorates & a reallocation of different Units. The changes still require approval by the Commission's Secretary-General. The reform includes the creation of a new Directorate for 'Food chain: Stakeholder & International Relations' (D). This new Directorate will see the transfer of the former Units G6 'Multilateral International Relations' & G7 'Bilateral International Relations' as well as the creation of new Units for 'Science, stakeholders & enforcement' & 'Food safety programme, emergency funding'. Michael Scannell (IE), who heads the current Directorate for the Food & Veterinary Office, is expected to be named as the new Director. Other changes include merging Units for animal welfare & animal health as well as a greater focus on food waste & novel foods. Other Directorates are also set for a make-over including renaming Directorate G as 'Crisis management in food, animals & plants'. The reform follows the arrival of Xavier Prats Monné as Director-General on Sept 1 after previously heading the Education & Culture DG.

EU's 90-day GM feed trial deemed unnecessary: Mandatory 90-day rat feeding trials to check the safety of genetically modified (GM) crops are unnecessary, scientists in the EU-funded GRACE project concluded, a finding biotech firms said should force the EU's executive to rethink the current rule. The conclusion, which comes after 3 years of investigation, suggested feed trials of 90 days or longer provided no additional information than shorter trials on the safety of the only GM crop grown in the EU, Monsanto-developed maize MON810. The EU agreed to enforce the 90-day minimum in 2013 after several national food safety agencies such as ANSES in FR & NGOs sought longer testing periods in the wake of a highly controversial study by Gilles-Éric Séralini [see AF23 & 17-13]. Non-targeted GM feeding studies may lead to significant differences between animals fed GM & non-GM feed that are "randomly generated", the experts said, noting such results are "not informative for risk assessment". The mandatory 90-day rule cannot be justified in light of the EU's goal to limit animal testing, scientists added. The EU's executive must "review the requirement to perform 90-day feeding studies ... in line with the GRACE recommendation", Beat Späth from EuropaBio, representing biotech firms, said. But anti-GM NGO Testbiotech questioned the project's independence.

EU toughens effort to combat olive pest: Member States agreed to toughen existing measures to fight the spread of *Xylella fastidiosa*, a bacteria that has hit olive trees in Italy's southern Apulia region, by widening the list of plant sub-species facing restrictions & allowing Italy flexibility in researching the pest. The move comes after outbreaks of the disease - known as leaf scorch due to the bacteria cutting water flow – have risen on the French island of Corsica on plants such as myrtle-leaf milkwort [see AF63-15]. The new EU measures allow Italian authorities to authorise planting of host plants in Apulia's current containment area for scientific purposes. Grapevines were kept on the list of regulated plants, but Member States agreed hot water treatments were an effective control measure on grapevine planting material following advice from the EU's food safety watchdog EFSA. The EU must raise more awareness on the disease, they also agreed.

Avian flu H5N1 on poultry farm in France: France's veterinary authorities confirmed a case of the highly contagious avian flu strain H5N1 on a poultry farm in the south-western Dordogne region on Nov 24. The authorities have implemented EU rules, including culling poultry, cleaning & disinfection as well as trade restrictions in a 10km surveillance zone. French Farm Minister Stéphane Le Foll called for an emergency meeting of sanitary officials on Nov 26 to ensure all precautionary measures are in place. The H5N1 strain has caused major outbreaks in poultry in Asia & the Middle East over the last years, requiring the destruction of millions of birds. Although H5N1 does not usually infect humans, some 650 cases of human H5N1 cases have been reported in 15 countries since 2003, normally due to contact with infected poultry, with the death rate close to 60%. The French Farm Ministry insisted the virus cannot be transmitted to humans through meat, eggs, foie gras or any other food products. The case marks France's first H5N1 outbreak since 2007.

IN BRIEF: Hogan attacked; WTO deal aims; New Portugal Minister; Olive oil; Glis:

Milk group seeks Hogan resignation: The European Milk Board, a lobby representing some 100 000 dairy farms across Europe, called on Commission President Jean-Claude Juncker to remove the EU's Farm Chief Phil Hogan from office, saying he had failed to respond adequately to the recent slump in dairy prices. In a two-page letter* to Juncker sent on Nov 23, the group – known for its angry farmer demonstrations – said Hogan had shown “professional incompetence” & “disregard for farmers”. The lobby has insisted on the EU agreeing to a new crisis tool to encourage production cuts at times when prices fall significantly, a move they suggest should be reinforced by bonuses for cutbacks & fines for overproduction. “Interactions between market players need to be characterised by fairness & responsibility”, they said. A similar tool was backed by MEPs in the recent Common Agricultural Policy reform but rejected in the final deal as unnecessary & too difficult to implement. The lobby said the EU's €500 million aid (*inc.* €420m in country-specific allocations which can be matched by national governments), mainly for dairy farms, did “nothing to change the essence of the problem” [*see AF67-15*]. But the European Dairy Association, representing processors, said Hogan had responded rapidly to an “unprecedented situation”, worsened by global oversupply, Russia's ban & lower Chinese demand. Despite budget & policy restraints, Hogan used his options “to a substantial extent”, EDA Secretary General Alexander Anton said. DG AGRI officials said President Juncker “trusts Commissioner Hogan's work & efforts to address the problems of the sector”. Juncker has farmers' concerns “at heart”, they said, adding that the EU's aid measures “were now starting to bear fruit”. *See <http://goo.gl/XtgKaF>

EU wants export aid cut in WTO deal: The EU called for developed nations to cut all farm export subsidies by 2019 & developing countries by 2022 at agriculture trade talks in Geneva on Nov 18, a move backed by Brazil, Australia & New Zealand, but divisions persist ahead of key world trade talks in Nairobi (Dec 15-18). The joint proposal, also supported by Paraguay, Peru & Uruguay, claims export subsidy cuts should be the central element of a deal at the World Trade Organisation talks in Nairobi next month. “We have tabled proposals to address agricultural export subsidies because they are very damaging to the poor world”, EU Trade Commissioner Cecilia Malmström told MEPs in a debate in plenary on Nov 23. Australia singled out India's sugar export subsidies & US export credits (in particular for wheat to Korea) as examples of trade-distorting support. But a group of developing countries known as the G33 group wants to focus on a special safeguard mechanism, a tool to allow them to raise farm import tariffs temporarily in the case of import surges. India, Turkey, South Africa, China & Egypt are among the countries demanding this element be part of any deal. The prospects for an agreement on domestic subsidies, anti-dumping & countervailing duties appear bleak, with India, Indonesia, Egypt & many African countries saying that existing suggestions were unacceptable. WTO Agricultural Chair Vangelis Vitalis said divergent positions had not changed. “I am increasingly concerned about the lack of convergence on any of the issues we are working on”, he said.

Ex-MEP Santos back as Portuguese Farm Minister: Luís Capoulas Santos, a former Socialist MEP who played a key role in recent EU farm policy reforms, is set to be appointed Agriculture Minister in the new leftist Portuguese government, a role he held from 1998 to 2002. The 64-year-old Santos, who drafted the European Parliament's position on reforming farm payments including the introduction of new environmental rules, served as Portuguese Secretary of State for Agriculture from 1995 to 1998 before heading the Agriculture Ministry under former centre-left Prime Minister António Guterres. Socialist leader António Costa's appointment as Prime Minister comes after his alliance with Communist, Green & Left Bloc parties toppled an 11-day-old conservative minority government. The 54-year-old former Lisbon mayor has said his government will run “a socialist programme” that allows for “a sustainable reduction in deficits & debt”.

EU olive oil harvest up 30%, farm lobby: The EU's olive oil harvest is up 30% on last year's drought-hit levels, with the quality very high in most countries, EU farm lobby group Copa-Cogeca said this week, but warned that impending tariff cuts for Tunisian imports would hit European producers. Spain tops expected 2015/2016 production with 1.25 million tonnes, compared to 841 700t last season, the lobby said. Greek production is expected to reach 275 000t (310 000t last season), while Italy records 350 000t (a rise on 222 000t) as it continues to struggle with the debilitating Xylella bacteria in the southern Apulia region. “We are seeing more & more production of virgin olive oil in the EU”, newly elected Chairman of Copa-Cogeca's olive oil working party Frenchman Andres Pinatel said. “European producers have been making good progress here in improving the quality of their produce”, he said. But he warned over a Commission plan* to grant Tunisia an additional duty-free quota of 35 000t beyond the existing share of 56 700t for a two-year period. The EU already has enough good quality supplies, he said, warning that prices were down & Tunisian producers would not meet EU standards [*see AF76-15*]. The EU's executive says the move is a gesture of support after recent terrorist attacks. Prices have dropped in recent weeks, with Spanish farm gate prices for virgin olive oil falling 22% from a high of €4/kilo to around €3/kilo. *See <http://goo.gl/JcldYR>

Spanish tuna speciality joins protected foods: A Spanish speciality made from cured tuna loins & often packaged in olive or sunflower oil has joined the EU list of foods with protected names, the EU's executive announced on Nov 24. The ‘*Mojama de Barbate*’, which gains a PGI label, are produced in the municipalities of Barbate & Vejer de la Frontera, both in Cádiz province. Meanwhile, a French pinkish-coloured shallot characterised by a sharp taste also joined the list. The ‘*Echalote d'Anjou*’ grown in the north-western Maine-et-Loire region, gains a PGI label. The specialities join the EU list of over 1 300 protected foods.

ENDS

The latest EU agriculture, environment & trade news

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COMMISSION CLAWS BACK €284m FROM MEMBER STATES DUE TO SHORTCOMINGS

Dublin faces a hefty fine of nearly €68 million for deficiencies in its Land Parcel Identification System (LPIS) which governs all area-related payments & late on-the-spot checks in the latest Clearance of Accounts procedure* adopted by the Commission today. Meanwhile, the NL will have to pay back over €52m for weaknesses in the administration of fruit & veg producer organisations. The EU's executive is clawing back just over €284m in EU agricultural policy funds unduly spent by Member States – but the net financial impact is somewhat lower at €276m as some of the fines have already been retrieved from national capitals. The "unusually high" figures are the result of corrections that have accumulated over a number of years (2009-2015), DG AGRI officials said this evening. The funds recovered from 18 countries – BG, CZ, DK, DE, ES, FR, EL, IE, IT, LV, LT, NL, PT, RO, SI, SK, SE & UK - return to the EU's budget because of non-compliance with Community rules or inadequate control procedures on agricultural expenditure. Other significant fines include €51m for shortcomings in Italy, while the UK looks set to reimburse around €35m to the Community budget for weaknesses in the administration of its fruit & vegetables producer organisations. Greece is allowed to defer the payment of €12.6m until 2017 & can reimburse it in five yearly instalments. Ireland will also have the option to stagger payments over a number of years. DG AGRI officials underline that Member States are responsible for managing most CAP payments, mainly via their paying agencies. The EU "has very clear rules about how CAP money should be spent & how this spending should be managed", they state. The Commission conducts more than 100 audits every year, verifying that countries' controls & responses to shortcomings are sufficient – it is about making sure taxpayers' money is spent properly, they add. *See <http://goo.gl/eLprcW>;

Sector & reason for correction	Financial impact of the correction*
Ireland predominantly for weaknesses in LPIS & on-the-spot controls & around €8m for deficiencies in rural development programmes;	67.99
Netherlands inc. over €50m for ineligible beneficiaries in fruit & vegetable producer organisations & just under €1m for rural development (Axis 2);	52.01
Italy inc. over €20m for deficiencies in cross-compliance controls by veterinary services, as well as failing to comply with rural development rules such as livestock density & late on-the-spot controls;	51.28
UK mostly for ineligible expenditure under fruit & vegetable operational programmes such as non-compliance with Producer Organisation recognition criteria;	34.60
Greece for weaknesses in promotion measures, control rate for ewe/goat schemes & delays in recovery procedure;	12.64
Germany for weaknesses in LPIS, administrative cross-checks & on-the-spot controls and nearly €8m for shortcomings in the application of selection criteria under rural development;	12.15
Total	275.92

Source: DG AGRI; *Financial impact of the correction takes into account amounts already recovered by the Commission & previous overlapping corrections;

EU EXEC TO RETURN €410m TO EUROPEAN FARMERS AS CRISIS RESERVE REMAINS UNUSED

The Commission confirmed today that it would reimburse €410 million to European farmers – originally deducted from their CAP direct payments for the budget year 2015 to establish this year's so-called agricultural crisis reserve. According to CAP legislation, at the end of the budget year (Oct 15) amounts

generated through 'financial discipline' – reducing direct aid by 1.3% - that remain unspent such as funds under the crisis reserve are reimbursed to Member States & subsequently to farmers. The proposal to activate 'financial discipline' is subject to co-decision & includes a threshold to exempt the first €2 000 of farmers' direct aid from the cut. Introduced in June 2003 under the Fischler Reform, the financial discipline mechanism is set to be activated every year from now on, ensuring the availability of a market crisis reserve of around €440 million (in current prices) in the event of a crisis. Under the terms of accession, countries still phasing in their direct payments BG, RO & HR are exempt from the reduction to direct support. The "reimbursement mechanism" was agreed in the 2013 CAP reform & applied for the first time in the 2014 budget year. "In spite of a number of critical situations in the agricultural sector in the past year, it was not necessary to touch the crisis reserve in 2015", DG AGRI officials outline, adding that market measures taken during the year were "financed from existing budgetary availabilities in 2015". The recently approved €500m support package will fall under the 2016 budget. National capitals have until Oct 15, 2016 to reimburse farmers their share of the €410m allocation.

TRADE UPDATES: US farm exports seen to rise in EU pact; GMOs; Russia to ban Ukraine imports;

US farm exports to gain most in EU trade pact, study: US farm exports to the EU could rise by over €5.1 billion compared to an export boost of €0.7bn for EU producers on 2011 levels if both sides agreed to cut tariffs & get rid of tariff rate quotas (TRQs), according to new studies* from the US Department of Agriculture. Under this scenario [although unlikely the EU would wish to cut all TRQs], US farm exports would rise 2%, (beef +685%/year & dairy up sharply such as butter +206%), while EU exports would fall slightly by 0.25%. US farm imports would climb 1%, EU imports 0.5%. EU cheese & vegetable oil exports would rise in particular, the authors said. But they said an extra cut to certain non-tariff barriers (NTBs) on meat, crops, fruit & vegetables could see US farms gain a further €3.8bn on exports, particularly pork (+€2.2bn). The EU would see an additional €1.1bn, with rises for vegetable, fruit & cheese exports of €573m, €463m & €314m respectively. The EU's farm trade surplus would shrink from €6.8bn to €2.4bn in the tariff-cut scenario & €0.09bn when NTBs are also removed. The change would help reverse the US' falling share of EU farm imports, authors note, flagging up a drop from 21% in 1992 to 8% in 2012. The EU share of the US agri-food market also fell to a low of 13% in 2012. US agricultural prices rise (0.5%), while they fall in the EU. A separate report looking at the impact of non-tariff barriers finds that EU sanitary rules on US poultry, pork & maize were found to have the highest trade-impeding impact (102%, 81% & 79% ad valorem tariff equivalents), while US barriers range from 37% for vegetables to 45% for fruit. *See <http://goo.gl/Cv4BFb> (tariffs) & **<http://goo.gl/zqzrXf> (NTBs);

EU set to approve three GM soybean import bids: The EU is on course to approve imports of Monsanto-developed MON87705xMON89788 (*Vistive Gold x RR2Y - producing oil with low saturated fat & zero transfat*) and MON87708xMON89788 (*Dicamba & RR2Y - with tolerance to both glyphosate & dicamba herbicides*), for food & feed after the usual split vote at the Standing Committee earlier in the week (Nov 18). Germany, Croatia, Italy & France continue to abstain in votes on new imports of genetically modified (GM) food & feed, while the latter voted against one soya event [see tables opposite]. In a separate vote at the meeting, Member States delivered the usual 'no opinion' on the approval of imports of Bayer CropScience FG 72 for food & feed, with all three events scheduled to through an Appeals Committee in Jan 2016.

Moscow to ban Ukraine food imports: Russia will ban Ukrainian food imports from Jan 1 next year, when an EU-Ukraine free trade pact comes into force, Russia's Economic Development Minister Aleksey Ulyukaev said on Nov 19, claiming the move would prevent the entry of banned EU goods. An embargo ban would have a large impact on Ukrainian farmers, who may look to reorient more products towards the EU market. Ukraine Prime Minister Arseniy Yatsenyuk said a ban would see \$600 million (€559m) in lost trade next year. The EU & Ukraine are in trilateral talks with Russia to seek a solution. Russia extended its restrictions on EU food imports until Aug 2016 after the EU prolonged economic sanctions until Jan next year [see AF60-15]. The EU already cut tariffs on Ukrainian farm products ahead of the trade pact's entry into force, lifting duties on over 80% of foods. From Jan 1, EU producers gain an annual tariff rate quota for 10 000t of pork, an additional 10 000t (without ham & fillet), 8 000t for poultry meat rising to 10 000t after 5 years & an extra 10 000t for frozen poultry carcasses. EU sugar producers gain a 30 000t quota rising to 40 000t over 5 years. The EU will also see duty cuts on fruit, vegetables & dairy (20-50%) & recognition of over 3 200 geographical indications.

GM soybean MON87705xMON89788

For	Against	Abstain
BE, CZ, DK, EE, IE, ES, NL, PT, RO, FI, SE & UK	BG, EL, FR, LV, CY, LT, LU, MT, HU, AT, PL, SI & SK	DE, HR & IT

GM soybean MON87708xMON89788

For	Against	Abstain
CZ, DK, EE, IE, ES, NL, PT, RO, FI, SE & UK	BG, EL, LV, CY, HR, LT, LU, HU, MT, AT, PL, SI & SK	BE, DE, FR & IT

GM soybean FG72

For	Against	Abstain
BE, CZ, DK, EE, MT, IE, ES, NL, PT, RO, FI, SE & UK	BG, EL, LV, CY, LT, LU, HU, AT, PL, SI & SK	DE, FR, HR & IT

ENVI REPORT: EU exec urged against nature law overhaul; CAP “threatens” wood pastures:

EU exec urged against nature law overhaul: Environmental NGOs & some business groups have stepped up a call for the Commission to seek better implementation of existing EU nature laws rather than overhaul them as stakeholders met for a conference* as part of a review process today. The warning follows the release of an evaluation of the rules last week, which found the benefits far outweighed the costs [see AF84-15]. The report found “no shred of evidence” in favour of merging or revising EU laws to protect birds & nature, BirdLife’s Ariel Brunner told *Agra Facts* before the meeting. “We are vindicated by the evidence”, he said, saying the Commission should look instead at addressing a lack of funding, harmful impacts of other policies & “very serious” problems of enforcement. “This is really an issue of quality of governance”, Brunner said, “Where people have adopted good management plans ... it has simplified life for everyone”. If there are malpractices such as corruption & illegality, both nature conservation & economic activity are damaged, he said. The EU’s executive is reviewing the rules as part of an effort to simplify laws. But Environment Ministers from 9 countries (*inc.* DE, IT, PL, FR & ES) & MEPs from across the political spectrum said existing rules must be upheld [see AF80-15]. Several farm lobbies insist the EU’s executive takes the concerns of farmers better into account, particularly those working in & around protected areas. *See <http://goo.gl/ymYIGo>

EU must work with farms to protect nature, Vella: The EU must “work more closely” with farmers - the “guardians of so much vital biodiversity” – to ensure that policies safeguard their livelihoods & the long-term viability of nature, Environment Commissioner Karmenu Vella told the conference [see above]. “Farming communities must be part of the response”, he said, noting that the EU was currently failing on its pledge to halt biodiversity loss by 2020. “We cannot simply carry on as before & hope for the best”, he said.

PERSONNEL NEWS: IFA general secretary steps down; ICOS’ Mulvihill lands top dairy job:

IFA general secretary steps down amid pay controversy: Pat Smith, general secretary of the Irish Farmers’ Association, stepped down yesterday (Nov 19) in the wake of controversy surrounding his generous pay cheque of over €500 000 in 2013. After weeks of mounting pressure from its 88 000-strong grassroots members, IFA President Eddie Downey confirmed today that Smith’s salary was €445 000 in 2014, a slight dip on the €535 000 he earned the year before. Downey said his resignation was “very regrettable & a great loss” to Irish farmers but conceded the former general secretary’s remuneration package – in an organisation with a turnover of €12m - “was not sustainable & unacceptable”. Speaking after his decision to step down, Smith - who was appointed the lobby’s chief executive in 2009 & has held key roles over the past 25 years - said he wanted to “put the best interests of the association to the fore”.

ICOS’ Mulvihill to head up key dairy industry association: Conor Mulvihill, European Affairs Executive of the Irish Cooperative Organisation Society (ICOS), is set to return to Dublin early next year to head up the Irish Dairy Industries Association (IDIA) – representing primary & secondary dairy processors. Now in his early thirties, Mulvihill moved to Brussels in Oct 2010 & quickly emerged as an influential lobbyist in the agri circle. Before taking over the reins at ICOS from Donegal woman Carol McGinley, he cut his teeth in politics when he served as parliamentary assistant to former Minister for Transport & Energy Michael Lowry for over 3 years. The gregarious & down-to-earth County Limerick man grew up on a beef farm in Meanus & graduated with a Masters in European Integration from the University of Limerick in 2004. Well-connected to key decision-makers, he is highly regarded by Commissioner Phil Hogan & his team and worked hard to secure a decent share of the €500 million compensation fund for Irish farmers. He will replace Cormac Healy, who returns to his previous job as head of Meat Industry Ireland – another sectoral association at the Food & Drink Industry trade body.

IN BRIEF: Broadband appeal; Insecticide; GM salmon; Food fraud tool; Latvian cheese:

Rural broadband must catch up, Hogan: Rural inhabitants must have access to fast & reliable broadband, EU Agriculture Commissioner Phil Hogan told a conference* in Brussels on Nov 17, saying closing the gap between cities & the countryside was one of the EU executive’s top ten priorities. “Rural broadband is currently lagging behind”, Hogan said, noting that only a quarter of rural homes have high-speed internet compared to over two thirds in urban areas. “This shortfall has to be tackled & it has to be tackled now”, he said. Connectivity will be vital to develop businesses, jobs & prosperity, he added. The move is part of the EU’s digital single market plan, which aims to provide fast or ultra-fast broadband across the EU by 2020. €6.4 billion of EU structural funds will finance the rollout of high-speed broadband [out of €21.4bn devoted to Information & Communication Technology] by 2020. Up to €2bn of rural development aid will also be spent on broadband, Hogan said. The EU’s Farm chief said he had written to Member States to launch a network of ‘Broadband Competence Offices’, contact points in Brussels & at national or regional level, to respond to requests for help from authorities or investors. The offices will work with the ‘European Investment Advisory Hub’ at the European Investment Bank from spring 2016. *See <https://goo.gl/nA13nB>

US stops sale of EU-approved insecticide: US farms can no longer buy the insecticide sulfoxaflor used to fight pests on crops such as oilseed rape, wheat, fruits & vegetables after the US’ Environmental Protection Agency cancelled its approval* following a court ruling that raised honeybee concerns. The cancellation took effect on Nov 19, with the agency set to look at further studies on the impact on bees, but US farmers may use up stocks of the chemical, sold under brand names such as *Closer* & *Transform*. Dow AgroSciences, the

developer of the pesticide, said the hiatus in sales was “procedural” & the concerns should be addressed by a further review of data. The move would have no impact on the European market, for which the product is approved**, they said. “The review ... by EFSA (the EU food safety watchdog) was comprehensive & did not identify any critical areas of concern”, the company confirmed. But anti-pesticide group PAN Europe, Bee Life (NGO) & Italian beekeeping union UNAAPI are pursuing a legal challenge at the European Court of Justice [see AF80-15]. The NGOs insist the chemical resembles a class of products known as neonicotinoids, which are subject to a partial EU ban due to bee health concerns. But Dow stresses that scientists classify it as a sulfoximine-class insecticide, a point confirmed by the EU’s executive. EFSA found an acceptable risk to bees under certain conditions of use, DG SANTE officials said. The conditions set by each Member State to ensure the risk remains limited are therefore crucial, they said, adding that they had called on Dow to provide further data, which will then be reviewed. *See <http://goo.gl/vZJ0x1> & **<http://goo.gl/JZIF5w>

US approves GM salmon for food: US regulators have approved a genetically modified (GM) salmon for human consumption, the first GM animal to get the go-ahead for food, allowing the Massachusetts-based biotech firm AquaBounty to edge towards getting their fast-growing fish on supermarket shelves. The US’ Food & Drug Administration found no scientific evidence that the salmon which grows twice as fast as regular fish due to inserted genes from other varieties, posed a threat to humans or the environment. But Canadian environmental groups are taking their government to court in a bid to halt production of the GM salmon eggs, which are transported from a hatchery site on Canada’s Prince Edward Island to tanks in Panama. The process risks harming ecosystems if the fish mix with their wild relatives, the groups said. But the company says the possibility of fish escaping was highly unlikely, as all fish will be female & reproductively sterile to prevent interbreeding. The fast-growing salmon was also more environmentally sustainable than its conventional farm-raised Atlantic salmon, they said. Scientists suggested the approval could encourage wider development of other GM animals for the food chain, while AquaBounty boss Ronald Stotish described the approval as a “game-changer”.

EU exec launches anti-food fraud IT tool: National authorities should be able to exchange information on cases of food fraud such as mislabelling or fake certificates more quickly & easily using a dedicated IT network launched by the EU’s executive on Nov 18. The so-called Administrative Assistance & Cooperation system comes in the wake of the horsemeat scandal, which emerged in 2013 when samples of meat labelled as beef were found to contain horse DNA. The EU set up a European Food Fraud Network, active since July 2013, following up on over 180 cases since its creation. Most suspected frauds relate to mislabelling (date marked, added water), false certificates or higher value food substituted by cheaper products (e.g. fish).

Latvian sour-milk cheese gains protection: A Latvian fresh sour-milk cheese produced from milk & curds using an old traditional method of preparation has been added to the list of EU foods with protected recipes, the EU’s executive announced on Nov 16. The cheese known as ‘*Jāņu siers*’, gaining its name from its consumption during the Latvian summer festival named Jāņi, joins the list of TSGs (Traditional Speciality Guaranteed). Unlike the PGI or PDO labels, the registration will not prevent other producers from using the name of the product, even if they do not follow the approved specifications. However producers using a different production method cannot use the TSG label. The EU’s executive also gave the PGI marker to a carp ‘*Oberlausitzer Biokarpfen*’ produced in Saxony (DE).

TIMETABLE: Week Ahead (in Brussels unless otherwise stated)

- Nov 23 EP plenary in Strasbourg *inc.* debate & vote on resolutions on WTO Ministerial (Dec 15-18), on accession of Ecuador to EU-Peru & Colombia deals & oral question on new animal welfare strategy;
- Nov 24 Commission College meets;
- Nov 25 Hogan meets Confederation of European Forest Owners (CEPF) in Strasbourg; Health Commissioner Vytenis Andriukaitis meets Donald Prater, Acting Director of US Food & Drug Administration Europe; Energy & Climate Commissioner Miguel Arias Cañete meets NGOs from Climate Action Network Europe on COP21;
- Nov 26 Hogan in Dublin (&27) *inc.* presents Commission Work Programme to Oireachtas Committee on EU Affairs, meets Irish Minister of State for Food, Forestry & Horticulture, Tom Hayes; Trade Commissioner Cecilia Malmström speaks at European Policy Centre on the EU’s position ahead of the WTO Ministerial (Dec 15-18); Development Commissioner Neven Mimica presents the Wildlife report;
- Nov 27 Hogan in Ireland *inc.* meets Board of Carbery Group in Ballineen (West Cork) & addresses Irish Creamery Milk Suppliers’ Association AGM in Limerick; Foreign Affairs Council;

Management & Regulatory Committees

- Nov 23 Standing Committee on plant health (&24);
- Nov 24 Committee for the Common Organisation of Agricultural Markets: Horticulture;
- Nov 25 Committee for the Common Organisation of Agricultural Markets: Horizontal questions; Standing Committee – toxicological safety of the food chain;
- Nov 26 Committee for the Common Organisation of Agricultural Markets: Arable crops;

ENDS

The latest EU agriculture, environment & trade news

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- **FARM COUNCIL: SIMPLIFICATION; PSA FOR PIGMEAT; SCHOOL FOOD SCHEME IMPASSE;**
- **EU FARM CHIEF UNVEILS LATEST WAVE OF CAP SIMPLIFICATION INITIATIVES**
- **MINISTERS WELCOME €500M AID PACKAGE, BUT EYE FURTHER MEASURES**
- **COUNCIL UNWILLING TO CONCEDE ON SCHOOL FOOD SCHEMES; NO TRILOGUE DATE;**
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FARM COUNCIL: SIMPLIFICATION; PSA FOR PIGMEAT; SCHOOL FOOD SCHEME IMPASSE;

EU Farm Commissioner Phil Hogan unveiled a further package of technical changes to rules for implementing the Common Agricultural Policy (CAP) at today's Farm Council & announced moves to reopen Private Storage Aid for pigmeat early next year. The latest series of amendments relate to on-the-spot checks, young farmers & voluntary coupled support and should already apply next year, with plans to reduce the number of Commission level CMO regulations from around 200 presently to 40 delegated & implementing regulations also in the pipeline. All eyes were on Farm Ministers this evening (from 6pm) during the public debate on the revision of school food schemes, where only a handful said they were willing to give ground to MEPs - particularly on budgetary issues. Although Luxembourg Farm Minister Fernand Etgen is "optimistic" of a deal by the year's end, no date has been set for the next trilogue following the suspension of talks last Wed (Nov 11) [see AF84-15 & *13692/15].

Kicking off just after 10am, Ministers broadly welcomed the implementation of market measures under the €500 million farm support package recently adopted by the Commission [*13541/15], but a number of delegations from IE, CZ & ES fear a further slump in dairy prices when production peaks in the spring-time. In other market news, the Commission launched agricultural market dashboards** providing valuable market data for 5 additional sectors - beef, cereals, pigmeat, sugar & poultry. Meanwhile, EU Health Commissioner Vytenis Andriukaitis urged countries not to engage in bilateral talks with Russia towards lifting the ban on EU food imports [see AF65-15]. In response to an AOB point on Moscow's SPS embargo on breeding pigs, fat, lard & offal [*13807/15] - raised by BE - the EU Health chief confirmed that he had requested meetings with Moscow officials "with the aim of reaching an agreement for the resumption of trade". As expected, Italy's plea to aid the sugar beet sector [*13928/15], including a call to redirect a €12/tonne "production charge" back to the sector, was shot down by Hogan. But the EU Farm chief is open to the idea of allowing industry representatives attend the expert group on sugar. The Czechs also provided a debrief on a meeting of directors-general on hunting & game management in the EU-28 that took place in Prague on Sept 1 & 2 [*13805/15]. Council proceedings were wrapped up at 6.30pm.

*For further information on the **agenda points** enter the number provided under '**Public Register**' at the website <http://www.consilium.europa.eu/documents?lang=en/>; **<http://goo.gl/WKukBI>;

EU FARM CHIEF UNVEILS LATEST WAVE OF CAP SIMPLIFICATION INITIATIVES

Farmers will be subject to less on-the-spot controls in 2016, national capitals will have greater flexibility in the implementation of voluntary coupled support & farmers will have the possibility to submit 'collective claims' for agri-environment & climate measures under rural development programmes in simplification plans unveiled by EU Farm Commissioner Phil Hogan today. Describing CAP simplification as one of the "key political priorities" during his mandate, he said it was "on-going process" with "no big bang, but rather a series of announcements". Addressing the chamber after lunch, Hogan announced a reduction in the level of on-the-spot checks for 2016, allowing national administrations to implement a more targeted & risk-based approach to controls "where they will have the greatest effect". Where overall error rates are below 2% & countries' LPIS systems are up-to-date, it will be possible, for certain schemes, to reduce on-farm controls from 5% to only 1% of the sample size. This would relieve the administrative burden on farmers & national administrations alike, Hogan added. He also presented the option of "preventive preliminary checks" as part of the aid application process. Under the new rules, national administrations would identify problems with farmers' applications, allowing them to provide corrections without any fines or disallowances, up to 35 days after the final date of submission. The preliminary check system would imply a better management of CAP funds & deal with a situation "where honest mistakes are made", DG AGRI officials outline. Farmers would also have the option to join forces in the delivery of agri-environmental & climate measures & submit a 'collective claim' for a project under rural development programmes. "This would allow farmers to come together to deliver public goods more effectively & efficiently than they otherwise could by acting alone", the Irishman added.

Under the package of initiatives announced today, Member States would also be allowed to transfer funds between voluntary coupled support measures & modulate unit rates of aid depending on the economies of

scale to further target payments at small farmers. In a bid to simplify rules applicable to the young farmers' scheme, Hogan is also keen to grant national authorities greater discretion to take account of young farmers organised in legal bodies or partnership schemes so they can still qualify for targeted aid. Looking ahead to the first half of 2016, Hogan is eyeing the simplification of marketing standards, wine support schemes, producer organisations, carcass identification & trade mechanisms which would "imply major savings for the competent authorities". The measures – applicable in claim year 2016 - received a positive opinion at the Management Committee on Nov 11 & are expected to be formally adopted by the Commission by mid-Dec.

Hogan "open minded" about opening 'Basic Acts': Hogan is keeping an "open mind" about opening the basic acts, saying it deserved "serious consideration" if it were to deliver further CAP simplification. Speaking to reporters this evening, the EU Farm chief said he stood ready to look at the definition of an 'active farmer', as well as flexibility to modify rural development programmes to incorporate so-called financial instruments. During the course of this afternoon's discussion on CAP simplification, the French delegation opposed the idea of opening the basic acts, while NL, UK, DK, SE & PL (for differing reasons) echoed the Commissioner's thinking on the issue. Meanwhile, at the post-Council press conference, Hogan would not be drawn on plans to conduct a mid-term CAP review.

AGRI MINISTERS WELCOME €500M AID PACKAGE, BUT EYE FURTHER MEASURES

EU Farm Ministers welcomed the Commission's €500 million aid package launched in Sept to help farmers amid a drop in prices, particularly in the dairy sector, but many said structural changes may be necessary to assist producers in the longer-term [see AF65-15]. In the first formal Council discussion on the market situation since the aid plan was unveiled after the summer break, most countries recognised a slight stabilisation in the milk sector. "EU dairy prices have generally increased since the end of Aug 2015", the Luxembourg Presidency said in a note circulated ahead of today's meeting. "It would however be premature to talk about a steady recovery", they said, noting that "the sectors experiencing persistent difficulties are namely sugar & pigmeat". EU sugar prices are "at an historic low", they said, adding that the EU's executive was "closely monitoring" the market to assess whether possible measures were necessary. Many delegations also pointed to low prices in the pork sector, with Belgium's Willy Borsus describing the situation as "catastrophic", a point echoed by Austria's Andrä Rupprechter. Making his debut appearance at Council, the newly-appointed Dutch Minister Martijn Van Dam [see AF81-15], welcomed the private storage aid (PSA) measure for pigmeat [see below], but said long-term structural changes were necessary, without going into details. PL mentioned a possible early slaughtering of suckler piglets. FR said the EU's executive should discuss options for adapting the PSA measure in talks with Council early next year. IE, PL, ES, CZ & AT were among those calling for the PSA for pork to enter into force as soon as possible. Many countries including the UK & BE suggested the new agricultural markets taskforce, a body that will look at improving farmers' position on the supply chain, needs to produce results as quickly as possible. Meanwhile, Belgium repeated earlier calls for a rise in the intervention price for dairy products, a move opposed by the Commission as well as countries such as NL & the UK. But a number of delegations inc. IE, ES & CZ questioned whether the dairy sector could face the threat of further pressure on prices when production picks up again in the spring.

EU reopens pork private storage aid: Member States will vote on plans to open a new Private Storage Aid (PSA) scheme for pork on Dec 1, Farm Commissioner Phil Hogan announced at today's Council in a widely-anticipated move designed to help prices recover after a dip due to oversupply [see AF69-15]. "The time is now right to act", Hogan told Ministers. The pigmeat sector "has suffered enormously in the last year", he told reporters at the post-Council press conference. The new PSA – that should begin in early Jan - follows an earlier scheme, launched in March, which ran for 8 weeks & temporarily removed nearly 64 000 tonnes of pigmeat from the market at a cost of €17 million. The impact of this earlier scheme on prices was "rather modest", Hogan told reporters. EU pigmeat prices have slumped in recent months due to a rise in domestic production, a general seasonal price decline & restrictions on the Russian market, formerly a key export destination. The new PSA scheme will include fresh lard & allow removal from storage for immediate export (after a minimum storage period of 2 months & an aid rate cut), Hogan said. Key producer countries such as BE, FR, DK & NL pushed in the past for other 'fifth-quarter cuts' to be included such as fat, offal & trotters. The storage aid rate rises by 20% compared to the old scheme, part of an effort to encourage more take up among processors, while lower rates are expected to apply for fresh lard as it is less expensive to store. Hogan had until now resisted previous calls to launch a new PSA measure, saying in the past that the market had to find its balance after the previous scheme launched in March [see AF53-15].

EU urged to seek Russia pork ban opening: The EU's executive must step up talks with Russia to ease its ban on EU food imports to allow the re-entry of live pigs, pork fat, lard & offal, which Moscow restricted for sanitary rather than political reasons, a Belgium-led group said, pointing to a crisis for producers. "The pig sector in Europe is facing a major crisis & no immediate improvement of the situation is expected", Belgian Minister Willy Borsus said in a statement backed by DK, NL, HU, UK, FR, ES, AT, PL, IE, FI & DE. Moscow introduced restrictions in Jan 2014 in response to African Swine Fever outbreaks in the Baltic countries & Poland, ahead of a wider ban on European food imports in Aug 2014 after EU sanctions over the annexation of eastern Ukraine. The EU lost out on over €385 million in sales due to the embargo (350 000t/yr) in 2015, Borsus said, claiming an end to the ban for these products could trigger a price rise between €0.05/kg &

€0.10/kg live weight, a change that would benefit “all pig farmers”. Russia refuses to recognize the EU’s system of regionalisation to control disease outbreaks. EU Health Commissioner Vytenis Andriukaitis said two letters were sent by DG SANTE officials to their Russian counterparts requesting technical talks. But he said Russia’s suggestion of new bilateral export certificates, allowing “a restricted number of politically selected” countries to restart exports but not others, was “unacceptable” as it would lead to discrimination. Instead both sides should discuss a revision of existing EU-Russia certificates for ASF-relevant commodities, he said. An EU challenge at the WTO is entering “its final stages”, the EU’s Health chief added.

Hogan again rejects Italy-led sugar aid plea: Farm Commissioner Phil Hogan again rebuffed calls led by Italy to table new aid for the sugar beet sector at today’s Council meeting, including a call to redirect money gained from a production tax to help producers, saying such measures were unjustified. In a repeat of an earlier appeal at Farm Councils in July & Jan [see AF53 & 07-15] – backed by RO, BE, SK, FI, ES, HR, SI & EL – Italy said the current “historically low” prices (falling from €738/tonne in Jan 2013 to €419/t in Aug & set to hit a predicted €392/t in 2017) “threatened the viability of sugar production in many Member States”. “Many operators ... will be forced to leave production”, it said. The Italian delegation suggested redirecting a €12/t “production charge”- which contributes to the EU budget - towards an aid for producers ahead of the quota regime ending on Oct 1, 2017 as well as deploying existing crisis tools. But Hogan said diverting the levy would require new money to replace it in an EU budget already under pressure. Producers have had sufficient time to adapt, with €6 billion in taxpayers’ money already paid out to support restructuring, Hogan said. The EU Farm chief was also keen to suggest that the existing expert group was a sufficient tool to address concerns rather than creating a new high-level group. But he was open to the inclusion of industry representatives at the meetings. The expert group met for the third time on Oct 29, while the next gathering is scheduled for Feb 25. PL, ES & BE spoke out in support of IT, while DE also acknowledged the difficult market situation & was open to measures to ensure a ‘soft landing’ when quotas end. The UK stressed the need to stick with the measures laid out in the 2006 sugar reform.

COUNCIL UNWILLING TO CONCEDE ON SCHOOL FOOD SCHEMES; NO TRILOGUE DATE:

Only a handful of delegations said they were prepared to give ground to MEPs during negotiations on the reform of subsidised school food schemes - granting them co-decision powers on key budget decisions [*13962/15] at today’s Farm Council, while no date is yet set for the next trilogue meeting. Just before the public debate kicked off at 6pm, Luxembourg Farm Minister Fernand Etgen called on Ministers to show greater flexibility vis-à-vis the EP on the planned revision of school milk & fruit schemes, saying he was keen to conclude a 1st reading agreement by the end of his tenure. Discussions on the overhaul of the two programmes were suspended last week (Nov 11), as MEPs & Council locked horns over the legal basis that decides whether or not MEPs have a say on budgetary provisions [see AF84-15]. The dispute relates to the Lisbon Treaty - Article 43(2) (co-decision between EP & Council) & Article 43(3) (exclusive Council competency without EP consultation) – on a number of key elements - i) the overall budget of the school milk & fruit/vegetable schemes; ii) criteria for the allocation of national envelopes; iii) the percentage transfer of funds from one school food programme to another. Securing co-decision on these issues is a “red line” for the EP, sources say.

Around 15 delegations intervened during the 45-minute discussion, with a number of them *inc.* AT, FR, HR & HU saying the Council position must not be weakened. The Czech delegation emerged the most vocal expressing disappointment at MEPs’ refusal “to negotiate on the substance”, saying they “should make concessions & bear full political responsibility for their unwillingness to discuss the file”. Poland was clear that “any possible compromise must not touch upon the most important element of the programme i.e. the budget”. Others such as ES, IT & EL acknowledged there were some “sensitive issues” still on the table such as the distribution key, extending the scheme to other products such as olive oil & honey or limiting the fruit scheme to fresh products, but pledged to be flexible. Germany said it was “keen to see the dossier concluded this year”, pledging its support to the Presidency “to negotiate a compromise”. Meanwhile, delegations from SK, HU & LT did not see “any urgency” in taking a hasty decision, particularly as the current school milk & fruit schemes were up & running. The latter was clear that Council must not accept agreement “at any price” as there were no incentives “to end negotiations as soon as possible”. Speaking to reporters at the post-Council press conference, Etgen confirmed there was still no date set for the resumption of trilaterals, but said he was “very optimistic” about securing a deal by the end of Dec. Member State experts are expected to discuss the file again at the next SCA on Nov 30, with sources suggesting Monday’s meeting will be cancelled due to the lack of agenda items.

IN BRIEF: Study on trade deals; EU-Oz deal inches closer; Role of hunters; Novel foods;

Study to quantify cost of trade deals: The Commission must draw up a study quantifying the cumulative costs of current & pending bilateral trade deals, a number of delegations such as Poland & France said at today’s Farm Council. During this morning’s discussion on international trade, the French delegation said the EU should avoid signing off deals “at any price”, with Italy adding that the agricultural sector “must not be sacrificed”. Meanwhile, UK, DK & SE expressed their openness to further international trade negotiations & called for an “ambitious” EU-US transatlantic pact, while they expect only “limited” progress at the 10th WTO

Ministerial in Nairobi next month (Dec 15-18). The Czechs, Germans & Poles raised a number of grievances with a future EU-US deal, saying high European standards to protect consumers, environment & animal welfare must be respected. This sentiment was echoed by the Austrian Farm Minister Andr  Ruppreehter who said the exchange of revised tariff offers at the 11th round of bilateral talks in Miami (Oct 19-23) were not “balanced enough”, bemoaning the lack of progress made on “non-tariff barriers”. Meanwhile, Irish Agriculture Minister Simon Coveney – with the support of his French counterpart - said a trade deal with the Latin American Mercosur group would threaten domestic beef production.

Meanwhile, EU Farm Commissioner Phil Hogan is planning a “diplomatic offensive” next year to assist European food exporters tap into emerging markets, with trade missions planned for Mexico & Columbia in Feb 2016, China & Japan (April 2016) and Vietnam & Indonesia in the second half of next year. The next round of EU-US negotiations is scheduled to take place in Brussels in Feb 2016, with Hogan expressing his hope this evening that both sides can “conclude an ambitious agreement by the end of next year before the US Presidential elections (Nov 8, 2016)”.

EU & Australia inch towards free trade talks: The EU & Australia edged closer towards formally starting free trade talks after a meeting between Presidents Jean-Claude Juncker (Commission), Donald Tusk (European Council) & Australian Prime Minister Malcolm Turnbull in the margins of the G-20 Summit in Antalya (Turkey) on November 15. Commenting at the international forum that was otherwise dominated by talks on terrorist threats, Syria & the refugee crisis, Turnbull reiterated the importance of a free trade deal with Europe, welcoming the “first substantive step” in achieving this goal. First announced in the EU’s trade strategy on Oct 14 [see AF75-15], the move towards closer EU trade ties with Australia & New Zealand provides a “platform for deeper integration within wider Asia-Pacific value chains”, the Commission said. Before the EU’s executive requests a mandate from Member States to start trade talks (2017 at the earliest), it will first draw up an impact assessment that takes account of agricultural sensitivities. Similar to New Zealand, the “formal procedure” is expected to be launched in around 1½ years’ time.

The EU has a positive agricultural trade balance with Australia (population of nearly 24m), with the bloc’s agricultural exports worth €2.9bn last year *inc.* 70 000 tonnes of Danish pork. Australian exports to the EU were worth €1.9bn in the same period *inc.* just over 7 100t of country-specific high quality beef quota access with a 20% in-quota tariff & shared access to the 48 200t global grain-fed beef quota (0% tariff). Australia is the second largest supplier of grain-fed beef to the EU, increasing its volume from 8 700t in the 2012/2013 marketing year to 14 600t in 2014/2015 under the high quality beef quota. The Southern Hemisphere country also exports 19 186t of sheep/goat meat (0% tariff), with higher import duties applicable above this threshold. But industry representatives are keen to expand their market share & view a future trade pact as a way to tap into the affluent market of over 500 million consumers & “facilitate a more unhindered response to future EU consumer demand”. In a statement issued today, the Australian red meat industry* said it was keen to conclude a deal with “its natural trade partner” that would benefit “not only Australian businesses but also EU importers, wholesalers, distributors, food service & retailers”. *Red Meat Advisory Council; Australian Lot Feeders’ Association; Australian Meat Industry Council; Cattle Council of Australia; Sheepmeat Council of Australia; Meat & Livestock Australia;

Hunters can curb game damage, Ministers told: Hunters could play a significant role in reducing numbers of wild boar & red deer, whose overpopulation harms agricultural crops, damages forests & spreads disease, Farm Ministers were told today, following a 2-day meeting* on hunting & game management in Prague (Sept 1 & 2). Participants at the meeting, who represented 15 countries & the hunting organisation FACE, agreed hunting could help control problems related to game, but said the methods used must be adapted to different situations, Czech Minister Marian Jure ka told his Ministerial colleagues. Both ES & EL spoke of the need for EU action to tackle the issue, while the Commission emphasised that hunting falls largely under the decision-making powers of Member States. The conference agreed on the need for greater recognition of the “positive role” of hunting as a tool for biodiversity management. Sustainable hunting is also a key tool for the management of wolves in some countries, where livestock are at risk of attack, delegates at the meeting agreed. The meeting also suggested adapting EU nature laws on the basis of the latest scientific updates on species’ populations. *See <http://goo.gl/vYP3ql>;

Council approves novel food reform deal: Farm Ministers gave the final green light today to a deal designed to speed up & simplify approval of new so-called ‘novel’ foods – including DHA-rich oil produced from micro-algae, Chia seeds, lab-grown meat, insects or ‘nano foods’ with altered compositions – a move that should cut costs for food firms & traders. Hailing the deal, EU Health Commissioner Vytenis Andriukaitis said the agreement was “about innovation, new technologies & simplification”. “This agreement brings us closer to a more effective regulatory environment that will allow businesses to bring innovative food to market, whilst ensuring the highest possible levels of food safety for European consumers”, he said. Under the new rules, the authorisation procedure for a novel food is expected to take around 18 months compared to three years currently. The new rules will enter into force 20 days after their publication in the Official Journal & will apply two years later (end of 2017).

*There will be no edition of AGRA FACTS on Wednesday (November 18),
the next one goes to press on Friday evening (November 20);*

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The latest EU agriculture, environment & trade news

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FARM COUNCIL PREVIEW – HOGAN TO UNVEIL FURTHER CAP SIMPLIFICATION MEASURES

EU Farm Commissioner Phil Hogan is expected to unveil a further package of technical changes to rules for implementing the Common Agricultural Policy (CAP) at Monday's Farm Council in Brussels (Nov 16), understood to include on-the-spot checks, voluntary coupled (production-linked) aid & support for young farmers. Described by one source as the "most significant round of simplification modifications to date", this latest series of amendments should already apply for next year. The EU's Farm chief is also expected to provide more details on a Delegated Act on Private Storage Aid, public intervention, producer organisations & import/export licenses. A fourth package, scheduled for spring next year – under the Dutch Presidency - will adjust new environmental rules ('greening') & cross-compliance laws, applicable from claim year 2017, sources say. Several simplification packages on the CMO (market rules) will follow in mid-2016 *inc.* on carcass classification, national support programmes for wine, trade mechanisms, marketing standards & fruit & vegetables – also applicable from 2017. Ahead of Hogan's update on his simplification agenda, the Luxembourg Presidency has called on delegations to provide their views on the "pace & direction of the process", with countries such as PL, DK, SE & UK saying the drive towards simplifying complex farm rules should also include basic acts. At the Special Committee on Agriculture earlier this week (Nov 9), FR & ES also expressed their concerns about the proposed review of the Multi-annual Financial Framework in 2016 [see AF79-15 for the Commission work programme] & how this could potentially impact EU's farm policy.

Kicking off at around 10am, the Ministerial will seek to evaluate the implementation of market measures under the €500 million farm support package recently adopted by the Commission, as requested by a number of delegations such as FR, IE & ES in Sept [*13541/15]. Hogan will also provide an update on on-going international trade talks with the US, Japan, India & Mercosur. Speaking in Dublin on Nov 3, the Commissioner pledged to launch a "diplomatic offensive" & tap into growing global demand for high-quality products, especially the 150 million people entering the global middle class every year until 2030. "Opening up new markets will be a key priority in the coming years", he said, with trade missions planned for Mexico & Columbia (Feb 2016) accompanied by a delegation of around 30 senior European executives. A visit to China & Japan is also on the cards in April 2016, as well as Vietnam & Indonesia in the second half of the year. Among the other AOB points on the agenda, the Presidency will brief Ministers on trilogues on the school milk and fruit & vegetables schemes [see below & *13692/15]. The Belgian delegation has also tabled a point on Russia's SPS embargo on breeding pigs, fat, lard & offal [*13807/15] introduced in Jan 2014 following the outbreak of African Swine Fever in the Baltics & Poland. The key pigmeat producing country estimates losses of €385m for the EU pork industry as a result of the disproportionate sanitary embargo. At the extraordinary Council on Sept 7, EU Health Commissioner Vytenis Andriukaitis urged countries not to engage in bilateral talks with Russia towards lifting the ban on EU food imports [see AF65-15]. At the time, the Health chief confirmed that he would ask Moscow officials to convene meetings "with the aim of reaching an agreement for the resumption of trade", expressing his hope that the authorities would "finally be ready to align its measures with the international norms ... & correctly interpret the principle of regionalisation". Meanwhile, Italy is expected to re-issue a plea to aid the sugar beet sector [*13928/15], including a call to redirect a €12/tonne "production charge", which contributes to the EU budget, to ensure a soft landing for producers at the end of the quota regime on Oct 1, 2017. In a repeat of similar appeals at Council in Jan & July [see AF07-15 & 53-15] – backed by RO, BE, SK, FI, ES, HR, SI & EL – Italy said the slump in prices from €738/t in Jan 2013 to a predicted €392/t in 2017 – "threatens the economic viability of sugar production in several Member States". The Czechs will report back on a meeting of directors-general on hunting & game management in the EU-28 that took place in Prague on Sept 1 & 2 [*13805/15]. Council proceedings at the penultimate gathering under Luxembourg Farm Minister's Fernand Etgen's chairmanship should finish up at around 6.30pm. On the same day, representatives from the European Milk Board will hold a press conference at 10am providing feedback on recent dairy farmer protests throughout the EU.

*For further information on the **agenda points** enter the number provided under '**Public Register**' at the website <http://www.consilium.europa.eu/documents?lang=en/>;

TRILATERAL TALKS SUSPENDED ON SCHOOL FOOD SCHEMES; SCHULZ WEIGHS IN;

Trilateral talks on the planned reform of subsidised school food schemes were suspended earlier this week (Nov 11), as the European Parliament & Council locked horns on differing interpretations of its legal basis (Article 43) & whether or not MEPs should have a say in key budgetary decisions. The dispute relates to Lisbon Treaty provisions - Article 43(2) (co-decision) & Article 43(3) (exclusive Council competency without EP consultation) – on a number of key elements - i) the overall budget of the school milk & fruit/vegetable schemes; ii) criteria for the allocation of national envelopes; iii) the percentage transfer of funds from one school food programme to another. These are “red lines” for the EP, sources say. After lengthy deliberations, Council conceded one of the three requests to reintroduce co-decision Article 43(2) on the total amount of aid allocated under the schemes. The move was subject to conditions, with Council calling on MEPs to reciprocate & agree to discuss the substance of the file. But this was not enough for the EP negotiating team – led by Belgian Socialist MEP Marc Tarabella – who said at the 2nd trilateral meeting on Nov 11 that they were not prepared to enter into negotiations with Member States unless the question of the legal basis was resolved. At a meeting of the Committee on Agriculture & Rural Development the day before, Tarabella called on his colleagues to stand firm until all their requirements related to the decision-making process were taken into account. During the plenary vote on May 27, euro-deputies expressed their wish for an increased budget for the school milk scheme – from €80 million to €100m – as well as a more even distribution of funds among Member States based on two core criteria – i) the number of school children; & ii) the degree of development of a given region [see AF40-15]. Sources at this week’s meeting say Tarabella was not shy about venting his anger at the Luxembourg Presidency for undermining the EP’s role in the decision-making process. In a statement issued on Wed, Presidency officials outlined that it was “appropriate to wait before setting the date of the next trilogue”. They hope that “further informal contacts in the meantime” would allow the clarification on some elements allowing the resumption of talks “as soon as possible”. The spat is part of a wider debate between the Council & MEPs since the entry into force of Lisbon Treaty “co-decision” rules, putting both institutions on equal footing in the decision-making process on key legislative policies such as CAP. Farm Ministers are set to discuss the reform at Monday’s Council & all eyes will be on national delegations to see if they are prepared to offer some leeway to Parliament. The public debate starts just after 4pm [*13962/15].

EP boss weighs in on school scheme debate: EP President Martin Schulz has called on Commission boss Jean-Claude Juncker to support MEPs in resisting “renewed Council attempts to reduce Parliament’s co-decision powers” particularly on the planned reform of the school food schemes [see above]. In a 2-page letter dated Nov 3, Schulz outlines that since the entry into force of the Lisbon Treaty on Dec 1, 2009, Council has “repeatedly tried to circumvent Parliament’s co-decision with an abusive interpretation of Article 43(3) [exclusive Council competency], which provides for very specific exceptions to the ordinary legislative procedure in CAP & fisheries matters”. He recalls that the Commission & Parliament have taken the Council to Court on two occasions over the definition of Article 43(3). Both cases are in the field of fisheries, but the mechanism is the same, the German Socialist MEP underlines. Schulz recalls that the “school scheme proposal as drafted by the Commission is entirely based on Article 43(2) [co-decision]”, regretting Council’s push for “essential elements of the proposal” – policy decisions on the programmes’ budget & criteria for allocating funds among countries - to be covered under Article 43(3) “disregarding thereby Parliament’s co-decision & budgetary powers”. He also recalled a pledge made by EU Farm Commissioner Phil Hogan at his EP hearing in Oct 2014 to “commit to supporting the principle of Article 43(2) being the appropriate mechanism to deal with the [school] scheme” & to “support [Parliament] in [its] efforts to ensure that it is under Article 43(2)”. Schulz called on the College to form “a united front with Parliament” on the issue of the legal basis, expressing his “firm belief” that respecting the EP’s prerogatives is more desirable than “having to bring another case before the Court”.

EFSA NEWS: Top weed killer set for EU renewal; Residues & uses to be re-assessed in 2016;

Glyphosate set for renewal after EFSA okay: Glyphosate, the most widely-used weed killer, is “unlikely” to cause cancer, the EU food safety watchdog EFSA said in its hotly-awaited peer review* on Nov 12, a finding that starts the EU process for renewing the approval of the herbicide, used in Monsanto’s Roundup. The Commission has until the end of June to examine the review, likely to be followed by proposals for renewal, which must get Member State approval. EFSA’s conclusion runs counter to a divisive World Health Organisation agency report in March, which found a link to cancer, a discrepancy the safety regulators said was due to their analysis of more studies [see AF58-15]. The report by the Paris-based International Agency for Research on Cancer (IARC) also assessed groups of chemicals, with the observed toxic effects likely due to “other constituents or ‘co-formulants’”, EFSA officials said. The genotoxic potential of each pesticide formulation “should be further considered & addressed by Member State authorities”, when they look at re-registration of individual products, EFSA said. Only Sweden’s national expert did not back EFSA’s opinion. The food safety watchdog also introduced an acceptable daily exposure level for the first time set at 0.5 mg/kg of body weight – the first time such an exposure threshold has been applied to the substance. EFSA’s finding confirmed previous evaluations by global regulatory authorities, which have “consistently concluded the application of glyphosate poses no unacceptable risk to human health, animals or the environment”, Richard Garnett, chair of the Glyphosate Task Force, a group of firms working on the product’s renewal, said.

But a coalition of green NGOs said it was wrong to dismiss IARC's finding & has urged the Commission to propose a ban**. The US' Environmental Protection Agency is still carrying out a reassessment, with a decision expected in 2017. *See <http://goo.gl/hU3fcp> & **<http://goo.gl/KOp2o8>

EFSA to assess glyphosate residues: The EU's food safety watchdog EFSA is set to review the maximum residue levels (MRLs) for glyphosate in food & feed (including imports) during 2016, while also reconsidering the authorised uses of the herbicide in the EU, EFSA officials said. "It is a long process because we need to assess every single use authorised by the Member States ... so we are expecting to publish the opinion by the end of next year", head of EFSA's Pesticides Unit Jose Tarazona told reporters in Brussels yesterday.

EP UPDATE: Law sought to stop unfair trade; Spanish Farm Minister lends support:

AGRI MEPs want law to stop unfair trade: Agriculture MEPs called for new EU legislation to combat unfair trading practices on the food supply chain on Nov 12, which they said hit farmers' incomes, insisting current voluntary rules fail to stop retailers abusing their greater power. In an opinion that will feed into a non-binding resolution led by the Internal Market Committee (IMCO), COMAGRI members said the introduction of an EU-wide law "without delay" *inc.* appropriate sanctions was the only way to protect farms from unfair trading practices (UTPs) such as late payments, arbitrary discounts & retroactive contract changes. "I'm heartened that across the political groups in the Committee there is a clear ... demand for Commission action", rapporteur Mairead McGuinness (EPP, IE) said after the opinion was adopted by 39 votes in favour (2 abstentions). The IMCO report, whose former rapporteur Dawid Bohdan Jackiewicz's (ECR, PL) is set to be replaced after he was nominated in Poland's new government as Treasury Minister, will be voted in Committee on Dec 7 & in plenary in Jan or Feb 2016. The report also urges the Commission to propose new laws. [*Fellow ECR colleagues Dan Dalton & Vicky Ford (UK Conservatives) were both floated as possible replacements on the UTP file at the time of going to press*]. EU Farm Commissioner Phil Hogan has repeatedly said ensuring fairness in the supply chain was one of his top priorities, with the EU's executive currently analysing market structures & their impact on farm gate prices. "The results of all this work should help us evaluate appropriate proposals as soon as possible, probably in the first quarter of next year", Hogan told the Irish Co-operative Organisation Society (ICOS) annual conference on Nov 3 [*see AF81-15*]. Meanwhile, the EU farm lobby Copa-Cogeca welcomed the COMAGRI vote, lending its support to the introduction of rules with "strong independent 3rd party enforcement & a clear deterrent sanction regime"

Fair trade law needed, Spanish Minister: Spanish Farm Minister Isabel García Tejerina threw her weight behind Parliament's call for an EU law to stop unfair trading practices in a debate with Agriculture MEPs on Nov 12, saying there was "no doubt" new rules were needed to help farmers. Spain, which adopted such a law in 2013, is often hailed as a model for EU-wide legislation alongside other initiatives such as the UK's Groceries Code Adjudicator & similar tools in BE, FR & PT. "The problem [of unfair trading] is common to all Member States & to the entire EU food sector", she told Agriculture Committee members, hailing the Spanish "system of sanctions & controls" to meet her country's "objectives of a fairer & better balanced chain".

IN BRIEF: Study upholds nature laws; Promotion schemes; Food exports:

Nature law benefits far outweigh cost, study: The economic benefits of EU laws to protect birds & nature greatly exceed the costs, according to an evaluation* by an environmental institute & two consultancies, who suggest enforcing rules more effectively, rather than revising them. The findings come as the EU's executive reviews the nature laws as part of a so-called 'fitness check', a bid to cut unnecessary costs & red tape. The Commission had initially suggested the review could lead to the directives being 'merged' & 'modernised', a move green NGOs feared could lead to some environmental legislation being weakened. The 72-page study by the Institute for European Environmental Policy (IEEP) & consultancies ICF International, Ecosystems Ltd. & Milieu Ltd. - on behalf of the EU's executive - estimated the direct costs of laws governing Natura 2000 sites, a network of protected areas, at €5.8bn, a figure outweighed by €200-300bn in benefits such as ecosystem services (e.g. clean water) & a further €50-85bn in extra local income. The authors said the EU's Common Agricultural Policy (CAP) could do more to improve the environment, especially if rural development aid was increased & better targeted. The authors noted all NGOs, some national authorities as well as businesses they consulted said it was more important to implement rules properly, rather than "risk legal uncertainty" by seeking to change them. Two consultancies also released a separate report** analysing the feedback to a recent Commission consultation. The findings come ahead of a key stakeholder conference*** in Brussels on Nov 20. *See <http://goo.gl/LNac0Y>, **<http://goo.gl/DOmi2Q> & ***<http://goo.gl/tslfJx>;

EU food promotion schemes approved: The EU's executive approved 33 new 3-year schemes worth nearly €108 million to promote EU foods domestically & in 3rd countries on Nov 12, with 13 targeting non-EU countries, continuing the push to open up new markets [*see AF78-15 for further details*]. Food programmes from Italy & Greece account for a significant share of the budget, half of which (€54m) comes from the EU. The schemes cover a wide range of product categories, notably those hit by recent market difficulties, such as dairy products, but also meat, fresh & processed fruit & vegetables, olive oil as well as organic food & quality products with protected names. The programmes are the final ones to be adopted under the old rules, with changes entering into force on Dec 1 including wider eligible beneficiaries & products, an end to national co-

financing, a faster selection process & a larger EU budget rising to €200m by 2020 [see AF75-15 & 25-14 for specifics]. *See <http://goo.gl/UU5cSy>

EU farm exports up 6% on previous year: EU agri-food exports to third countries rose by over 6% in value in the year until Aug compared to the same period in the previous year, with gains in China (+37%), Turkey (+27%) & the US (+18%), new Commission data* shows. Exports to Hong Kong & South Korea also increased. Overall EU agri-food exports for the same period were worth €128 billion, although they saw a more significant drop than is usual in Aug, surpassing the slump seen after Russia imposed trade restrictions on European imports in Aug 2014 (-€1.4bn or -13%). But record sales in July ensured the overall level was similar to previous years, with a positive trade balance of more than €1bn. Russia dropped to the fourth most important destination, with agri-food exports falling from €10.7bn to €6.1bn (-43%) compared to the previous year. Milk powders, cheese, fruit & vegetables [all hit by Russia's ban] lost in export value over the 12-month period, as well as sheep & goat meat. But export values for live cattle (+18%) & meat (in particular beef +8%) increased. In the same period (Sept 2014-Aug 2015), imports from 3rd countries amounted to €110bn (+8%). Cereals other than wheat & rice were down 38%, but nuts, spices, fruit/vegetables & olive oil (especially from Tunisia) were up. *See <http://goo.gl/NqEMwi>;

TIMETABLE: Week Ahead (in Brussels unless otherwise stated)

- Nov 15 G20 Summit in Antalya, Turkey (&16) *<https://goo.gl/FXNxcf>;
- Nov 16 Farm Council [see above]; Better Regulation Commissioner Frans Timmermans meets Farm Ministers Andrä Rupprechter (Austria) & Dejan Židan (Slovenia); Health Commissioner Vytenis Andriukaitis attends Antibiotic Resistance event *<http://goo.gl/uaFNjf>;
- Nov 17 Farm Commissioner Phil Hogan closes the 'Broadband 2020 & beyond' event *<https://goo.gl/bM57yO>; Hogan speaks at the Tyrol, South Tyrol & Trentino Joint Representation (20th anniversary); BirdLife event on 'Europe's wood pastures: condemned to a slow death by the CAP?' *<http://goo.gl/KoOfEV>;
- Nov 18 Commission college meets; Hogan receives Dennis Jönsson, Chief Executive Officer of Tetra Pak Group; EP Greens group event on soil *<http://goo.gl/3zN9Ot>;
- Nov 19 Hogan in Stockholm *inc.* meets Swedish Rural Affairs Minister Sven-Eric Bucht, President of the Federation of Swedish Farmers (LRF) Helena Jonsson, participates in seminar on Swedish agriculture & meets forestry/bioenergy stakeholders; Environment Commissioner Karmenu Vella meets Mario Salerno & Marco Schlueter from IFOAM (representing organic producers); PanEurope event 'Feeding Europe while reducing pesticide dependency' *<http://goo.gl/GbKgVQ>;
- Nov 20 Vella speaks at conference on EU nature legislation [see above]; Hogan in Copenhagen *inc.* meeting with Danish Farm Minister Eva Kjer Hansen & President of the Danish Agriculture & Food Council Martin Merrild (also COPA President);

Management & Regulatory Committees

- Nov 17 Agricultural Funds Committee; Committee for the Common Organisation of Agricultural Markets: Wine;
- Nov 18 Rural Development Committee; Standing committee – genetically modified food & feed *inc.* poss. votes on imports of GM soybeans MON87705×MON89788, MON87708×MON89788 & FG72;
- Nov 19 Committee for the Common Organisation of Agricultural Markets: Animal products;
- Nov 20 Committee for direct payments; Community Committee on the farm accountancy data network (FADN);

ENDS

The latest EU agriculture, environment & trade news

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- **COURT OF AUDITORS RECORDS ERROR RATE OF 2.9% FOR CAP SPENDING IN 2014**
- **DG SANTE NEWS: Glyphosate review on Nov 12; GM maize import bids; EU-NZ trade boost;**
- **IN BRIEF: Wildlife studies; PM Cioloş; Science advice; Big data; Bovine TB; Pulse year;**

COURT OF AUDITORS RECORDS ERROR RATE OF 2.9% FOR CAP SPENDING IN 2014

EU spending on market measures & direct support in 2014 – worth just over €44 billion, the largest part of agricultural spending - had an overall error rate of 2.9% (lowest since 2010), according to the European Court of Auditors (ECA) this week. In its annual report* published yesterday, the overall 'error rate' for 1st Pillar payments has decreased over the past few years, compared to 3.6% recorded in 2013 & 3.8% in 2012. The 320-page report notes that "many errors identified are the result of inaccurate claims by beneficiaries, with the most frequent being over-declaration of agricultural land surface or ineligible parcels of land" when claiming EU funds. The EU watchdog presents case-studies from CZ, FR, EL, PL, SK & ES that claimed aid on land classified as 'permanent grasslands' was in fact abandoned land covered with forests & scrub and therefore ineligible. Direct support was also paid to farmers in the Spanish region of Castilla-La Mancha for parcels claimed & recorded as arable land, which was actually a motor-racing track.

There was a significantly higher error rate of 6.2% for the budget heading covering rural development, environment, fisheries & health (€12.3bn) – with RD accounting for over 90% of the payments in this area (€11.2bn). The 6.2% rate for 2014 is slightly down on last year's figure of 6.7%, with the auditors saying the main reason for errors in the RD chapter was due to "non-compliance with eligibility requirements, in particular those concerning agri-environment commitments". Given the complexity of eligibility criteria & objectives, DG AGRI officials were quick to underline that the implementation of RD Programmes – under shared management with Member States - is "more complex, more difficult/expensive to monitor & control and policy's the ambitious objectives explains why it is particularly prone to errors". The reformed CAP "contains provisions both regarding simplification & the introduction of preventive measures e.g. ex-ante analysis of the rural development programmes, suspension & interruption of payments", they add.

In response to the findings, the ECA demanded significant improvements as regards the Integrated Administration & Control System (IACS) to ensure that the eligibility & size of agricultural parcels are correctly assessed & recorded. Auditors examined the remedial actions taken in response to major weaknesses in BG, EL, ES, IT, PT & RO and hailed the IACS system in Croatia where they found "only minor deficiencies that do not affect the reliability of the system". Authors of the report concede "in several cases of quantifiable errors made by final beneficiaries, national authorities had sufficient information to prevent, or detect & correct the errors before declaring the expenditure to the Commission". In a series of recommendations for expenditure related to RD, the ECA calls on the Commission to "take the appropriate measures to strengthen Member States' action plans addressing frequent causes of error & to revise the strategy for its rural development conformity audits". Speaking to the Budgetary Control Committee yesterday, ECA President Vítor Caldeira called for a "wholly new approach to the management of EU investment & spending", adding that "major changes are required by all those responsible for the way EU funds are managed". The ECA boss called for greater incentives to improve performance & deliver value for money, while decision-makers must align spending with the EU's long-term strategic priorities & make the budget more responsive in a crisis. "The EU must invest its money better, it must ensure its investments match its priorities more closely, simpler rules are framed to achieve results & resources are managed more efficiently". The mid-term review of the Multi-annual Financial Framework in 2016 "provides an opportunity to re-think priorities ... if the EU is to address the pressing challenges it faces", he added. The Commission is keen to stress that there is a greater focus on the quality of spending in the current programming period (2014-2020), with Vice-President Kristalina Georgieva, responsible for the budget, pledging to establish "a better correlation between money & achievements".

From an agricultural perspective, DG AGRI officials underline that the error rate has been coming down over the past number of years, while the action plans implemented by Member States to remedy the shortcomings are now working. "The Commission is confident that the situation is under control, but where necessary it imposes financial corrections on countries in order to protect the EU budget & safeguard taxpayers' interests". They reiterate that errors do not equate to a loss of taxpayers' money. Taxpayers' interests are safeguarded by the 'clearance of accounts' procedure, which claws back more than €1 billion from countries each year when EU rules are flouted or the control systems in place are inadequate, they said. In terms of the next steps, Council will provide the EP with a recommendation on whether or not to grant budget discharge to the Commission. On the basis of this recommendation, the EP will sign off the 2014 spending by EU institutions & agencies at the plenary in April 2016. *See <http://goo.gl/GXXKDY>

DG SANTE NEWS: Glyphosate review on Nov 12; GM maize import bids; EU-NZ trade boost;

EFSA to release glyphosate review: The EU's food safety watchdog EFSA will release the findings of its hotly-awaited peer review on the safety of glyphosate, the world's most widely-used herbicide, on Nov 12, a move that will determine whether EU farmers can continue to use the weed killer. The current approval was set to expire on Dec 31, but recently extended for a further 6 months to complete the review [see AF69-15]. EFSA is widely expected to give the green light, a move that would launch the renewal process, Brussels sources said. Glyphosate, used in the blockbuster herbicide Roundup developed by biotech giant Monsanto, has hit the media spotlight in recent months after a divisive World Health Organisation agency report in March found a link to cancer [see AF58-15]. The report by the Paris-based International Agency for Research on Cancer (IARC) was slammed by industry groups, who pointed to safety approvals from all the world's leading regulatory authorities. Germany's food safety body, leading the EU's reassessment process, found no evidence of carcinogenicity. The report by IARC, which recently linked consumption of processed & red meat to cancer, does not distinguish between theoretical hazards & realistic risks based on actual exposure, industry groups said. But green NGOs & some MEPs have said IARC's study raised concerns over human & environmental safety [see AF68-15]. EFSA will look at IARC's findings as part of its comprehensive peer review. Once reviewed by EFSA, the Commission is expected to table plans for the renewal of glyphosate, with re-registration of products at Member State level unlikely to begin before the end of 2016. Parliament's Environment Committee will host a meeting on glyphosate with officials from IARC & EFSA, likely on Dec 1.

EU set to approve two GM maize import bids: The EU is on course to approve imports of Monsanto-developed glyphosate tolerant maize NK603xT25 (*Roundup Ready/Liberty Link*), for food & feed after the usual split vote at the Appeals Committee yesterday (Nov 10). There was no change in countries' voting patterns since the Standing Committee on Oct 19 [AF78-15]. Germany, France, Croatia & Italy continue to abstain in votes on new imports of genetically modified (GM) food & feed. In a separate vote at the brief 5-minute meeting, Member States delivered the usual 'no opinion' on the approval of imports of Monsanto-developed maize MON87427 for food & feed, meaning the biotech variety will get the Commission's green light in the coming weeks. Estonia switched from abstaining in the last Standing Committee vote on Sept 14 [see AF69-15] to joining those in favour this time [see tables opposite].

NZ pact tweak to aid EU food exports: EU producers of raw milk cheese such as Roquefort & Camembert as well as pork are expected to increase their presence on the New Zealand market after the Commission this week announced amendments to sanitary controls & certificate rules*. The technical changes to a deal in place since 1996 are expected to open up further trade opportunities & cut costs for EU producers. The news follows the EU's initial steps in Oct towards launching free trade talks with New Zealand, a move some dairy firms warn could hit domestic production [see AF80-15]. The changes to the "most advanced international bilateral agreement in the area of animal health, animal welfare & food safety systems", will allow EU fresh pig meat exports to resume (after a ban imposed in 2001 over Porcine Reproductive & Respiratory Syndrome), wider recognition of European standards for raw milk products, mutual recognition of seafood tests & a lower number of physical checks. The move will also simplify certificate requirements ahead of a shift to e-certificates next year & permit trade in certain products with agreed treatments during disease outbreaks. The EU exported a mere €427 million worth of farm products to New Zealand in 2014, but the figure has grown by an average of 20% over the last five years. The European Dairy Association has opposed free trade talks, warning against harming domestic milk producers. Sheep farmers have also raised concerns. But EU officials said New Zealand's meat & dairy production ran counter to the EU's production cycles so a free trade deal would "complement" European output & maintain year round availability of certain products on supermarket shelves. *See <http://goo.gl/mEEeel>

IN BRIEF: Wildlife studies; PM Cioloş; Science advice; Big data; Bovine TB; Pulse year;

New CAP fails to improve wildlife, study: New EU farm rules that aimed to boost wildlife & protect natural resources such as soil & water are failing to reverse the loss of wild flowers from fields, while farmers opt for the least environmentally-beneficial practices, according to two new studies launched today. A report* by the German *Institut für Agrarökologie und Biodiversität (IFAB)*, looking at farmland wildlife in 10 countries in 2014**, found that a high value of nature existed on only a few areas of arable land in Europe. Poppies, once common, were present on just 13% of the arable areas examined in the study (2.5% in FR & DE). The research found very little plant diversity in fields, blaming intense chemical spraying & fertilizer use. Buffer strips, key sites for sheltering wildlife, made up only 0.3% of the arable land, the authors said. The other report*** by the *Institute for European Environmental Policy (IEEP)*, analyzing the first year of new 'greening' laws (crop diversification, grassland maintenance & Ecological Focus Areas), found farmers were given so

GM maize NK603xT25

For	Against	Abstain
BE, CZ, DK, EE, IE, ES, NL, PT, RO, FI, SE & UK	BG, EL, LV, CY, LT, LU, MT, HU, AT, PL, SI & SK	DE, FR, HR & IT

GM maize 87427

For	Against	Abstain
BE, CZ, DK, EE, IE, ES, MT, NL, PT, RO, FI, SE & UK	BG, EL, LV, CY, LT, LU, HU, AT, PL, SI & SK	DE, FR, HR & IT

much flexibility, most could meet the new rules without any major changes. Chemical inputs were also allowed on almost all EFAs, undermining the measure's potential to boost wildlife, they said. "Despite the dire state of nature on Europe's farmland, this research shows that greening is nothing more than a buzzword which exists on paper but turns grey in our fields", the European Environmental Bureau's Faustine Bas-Defosse said. "Despite Member States identifying agriculture as the main threat to biodiversity, they are not doing anything to fix the problem", BirdLife's Trees Robijns added. Both NGOs urged the Commission to compile data for a full analysis of environmental efforts on all EU farmland & said the 2017 review of EFAs should look at the quality of the measure as well as whether to enlarge it beyond the current level of 5%. *See <http://goo.gl/f4syiu>, **FR, CZ, HU, IT, PL, DE, RO, ES, NL & UK, ***<http://goo.gl/CNP5IT>; [Both reports were partly funded by the European Environmental Bureau];

Cioloş nominated Romanian Prime Minister: The ex-Farm Commissioner Dacian Cioloş was yesterday nominated as Romania's caretaker Prime Minister, taking the reins of the first technocratic government since communism fell in 1989. The move follows the resignation of Victor Ponta last Wed (Nov 4), amid mass anti-government protests over corruption, the need for political reform & a deadly nightclub fire that took the lives of nearly 50 people. Speaking ahead of Cioloş' nomination, President Klaus Iohannis said the country needed "an independent person, an unblemished person ... a person of integrity who has not been implicated in scandals". The 46-year old now has ten days to put a Cabinet together & draw up a governing programme, before seeking a confidence vote in parliament. Once Cioloş gets the backing from the political parties, he will lead his country for the next 12 months until the general election scheduled for Dec 2016. Speaking in Bucharest yesterday, the former Romanian Agriculture Minister (2007-2008) said "a year is long but still too short a period to complete all the reforms the country needs", promising to "open the government & public administration to society, to listen & take decisions together". Sources in the Romanian capital suggest Achim Irimescu, the country's spokesperson on the Special Committee on Agriculture, is likely to get the nod for the farming portfolio. Well known in the Brussels agri community, the astute & affable Irimescu previously served as State Secretary at the Ministry of Agriculture & Rural Development from May 2012-Jan 2014.

Elsewhere in Poland, Krzysztof Jurgiel has been named the new Minister of Agriculture & Rural Development following the success of his Law & Justice party (PiS) in the recent general election (Oct 25). The first session of the new parliament will take place tomorrow (Nov 12). The soon-to-be 62-year old from Ogrodniczki (North East of the country), who replaces the formidable Marek Sawicki (Polish People's Party) at the Council table, was first elected to the Sejm in 1997 & served in the Senate from 2001-2005.

EU science panel includes food expert: Danish microbiologist Henrik Wegener, who served as head of the country's National Food Institute, was named as one of 7 scientists set to advise the Commission as part of a new panel*. The news marks the official launch of the scientific advice mechanism, a system that will draw on guidance from Member States & bolster the link with national science academies. The 7 experts will sit within the Commission's research directorate, supported by a 25-person strong secretariat. The new body replaces the short-lived position of Chief Scientific Advisor, previously held by Scotland's Anne Glover, which stoked controversy as some countries were unhappy with having a single figurehead. Other scientists on the team include Rolf Dieter-Heuer, outgoing head of CERN, Europe's particle physics laboratory, Julia Slingo, chief scientist at the UK's Met Office & Pearl Dykstra, a sociologist at Erasmus University (Rotterdam). The EU's executive said it would "rely on their independent advice on a range of complex policy issues where high-level scientific input is needed". The group will meet up to six times per year, with the inaugural gathering in Jan 2016, but may call ad hoc meetings when "urgent advice" is needed, a Commission document laying out the new system explains**. The divisive topic of genetically modified crops is likely to feature high on their agenda, with ex-Scientific Advisor Anne Glover previously getting into hot water over her criticism of anti-GM campaigners. *See <http://goo.gl/1KIQSM> & **<https://goo.gl/Ev9YtE>

Big data to add \$10bn to crops, study: Use of new sensor technology to collect & process data to optimise crop production globally can add at least \$10 billion (€9.3bn) a year to their value, according to a study* by Rabobank, which claims the innovation will require farms to scale up or cooperate more closely. The report by the Dutch multinational banking service claims use of smart data on production variables such as weather, soil fertility, yields & pests to aid farm practices would raise yields by 5% on over 80% of the area of the world's top seven crops (maize, soybeans, wheat, cotton, rapeseed, barley & sunflower). The real value is expected to be even higher, the bank said, considering "similar benefits to smaller high-value crops" such as potatoes, sugarcane, sugar beets, fruits & vegetables. The findings come as agriculture firms race to integrate data-collection & precision tools into the services they provide [see AF81-15]. But the study warns that smaller farms will face considerable competitive pressure to access the technology, requiring them to scale up or cooperate more closely to aggregate data, share costs & expertise. The report singles out farm cooperatives as providing a potential model. Collective databases could also be used to develop tools such as peer-to-peer analysis, they said. *See <http://goo.gl/PVPG9J>

Larger cattle herds raise TB risk, study: Farms with over 150 cattle are at least 50% more likely to suffer an outbreak of bovine tuberculosis (bTB) than those with 50 or fewer, according to a new study* by the UK's University of Exeter, which claims less intense production could improve animal health. The study analysed data from 503 cattle farms suffering from the chronic bacterial disease alongside 808 control farms in high risk areas. The report focuses on the UK, where rates of bTB have soared since the 1990s, particularly in the

south-west, where the government introduced a controversial cull of badgers, known to carry the infection. The authors found bTB risk also increased with surrounding maize production, a favourite food of badgers, while use of silage was also linked with a higher threat of bTB. But landscape features such as hedgerows were seen to lower the risk owing to less contamination of pasture by badger faeces & urine. "If lower intensity production means better animal health, it offers a sustainable long-term strategy in high risk areas", the University's Fiona Mathews, who led the study, said. "Changing several linked aspects of the farming system could potentially make a big difference", she said. *See <http://goo.gl/YTRZuo>

UN names 2016 as year of pulses: Pulses such as dried beans & peas will be promoted for their nutritional benefits & positive environmental role in a series of events during 2016, which the UN's Food & Agriculture Organisation will dedicate to the cheap & highly nutritious alternative protein source. The move follows a campaign to promote soil protection in 2015. "Pulses are important food crops for the food security of large proportions of populations, particularly in Latin America, Africa & Asia, where pulses are part of traditional diets & often grown by small farmers", FAO boss José Graziano da Silva said at a launch ceremony on Nov 10. "Pulses can contribute significantly in addressing hunger, food security, malnutrition, environmental challenges & human health", UN Secretary-General Ban Ki-moon said in a written statement.

*See <http://goo.gl/MJU0la>

ENDS

The latest EU agriculture, environment & trade news

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- **EU-US: BRUSSELS NEGOTIATORS SLAM US BUTTER TAX; ENVI & LABOUR CHAPTER;**
- **SANTE ROUND-UP: GM opt-outs granted; Greenpeace GMO study;**
- **PERSONNEL UPDATES: Romanian Prime Minister; Canadian Farm Minister;**
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EU-US: BRUSSELS NEGOTIATORS SLAM US BUTTER TAX; ENVI & LABOUR CHAPTER;

EU negotiators questioned Washington's recent move to slap additional duties on butter, after total imports surpassed levels that trigger an automatic safeguard, during the last round of bilateral trade talks in Miami (Oct 19-23). The US introduced an extra levy on butter (\$0.51/kg) & cream imports (\$0.54/kg) from the EU & other WTO members from Oct 5 until Dec 31, leading to additional taxes of over 30% on EU butter [see AF73-15], with Brussels officials "questioning both their timing & their economic rationale". The latest 22-page report on the 11th round of negotiations towards a Transatlantic Trade & Investment Partnership (TTIP)* confirms EU officials also voiced their grievances with a number of non-tariff barriers that European agricultural products are facing on the US market, such as the ban on direct shipping of wine to final consumers, discriminatory tax breaks for US small wine & beer producers, inspection requirements on table olives & a specific fee imposed on imported dairy products (dairy import assessment). On wines & spirits, the EU supported the inclusion of "specific & comprehensive rules that would include the protection of EU & US wine & spirits names, winemaking practices, labelling rules & certification". Future work should be based on existing bilateral agreements on wine from 1994 & 2006, they agreed. Half a day was dedicated to discussions on Geographical Indications (GIs), with the EU underlining that protected products are a "key priority" in the talks. But Brussels officials called on their Washington counterparts to "make progress in the negotiations ... to bring it into line with progress made in other areas such as tariffs" & voiced concerns with the "shortcomings of the US trademark system". Meanwhile, both sides "continued their constructive work in consolidating & developing" the chapter on sanitary & phytosanitary issues, with meetings set to continue on possible annexes on audits, certification, equivalence, import checks & regionalization. Both sides "started a discussion on an article on science & risk, based on existing WTO commitments" & raised the question of anti-microbial resistance. They also explored future cooperation on pesticide residue assessments on the harmonization of the review of residue information, field trials for minor uses & data sharing and promised to engage with the European Food Safety Authority (EFSA) & the new EU facility for minor uses. During the last round of bilateral talks, EU & US negotiators pledged to eliminate 97% of tariff lines on imported goods, with both sides keen to step up efforts to seal a deal by the end of next year before US President Barack Obama leaves office. The offers for which import duties will be cut also included agricultural products, but sensitive products such as beef, rice, maize, ethanol, poultry, eggs & butter are not included on the list. At the same meeting, the EU tabled its proposal on sustainable development *inc.* trade in threatened & endangered wildlife, sustainable management of forests & trade in forest products, environmentally sound management of chemicals & waste and employment standards in line with the International Labour Organisation. Commenting today, EU Trade Commissioner Cecilia Malmström said "trade is not just about our economic interests, but also about values". Speaking to journalists, the EU's Trade chief recalled the recently launched 'Trade for All' strategy [see AF75-15], which she would now like to "put into practice in our agreement with the US". "That's why we are proposing a very ambitious approach to sustainable development in EU-US trade talks, which will be respected, implemented & enforced when we sign up to them", she added. The next round is scheduled to take place in Brussels during the second half of Jan 2016, sources say. *All details at <http://goo.gl/C4eTnL>

Farm lobby push for greater progress in EU-US talks: The EU's farm lobby Copa-Cogeca called for greater progress to be made on reducing red-tape & eliminating non-tariff barriers to trade, lamenting that "little headway has been made so far". European milk producers are confronted with obstacles when trying to market Grade A dairy products in the US, while hard, semi-soft & soft ripened cheeses have to wait 60 days before circulating on the market as a result of different testing methods on both sides of the Atlantic. EU olive oil producers are also subject to these non-tariff barriers, they point out, with batches held back due to traces of chlorpyrifos-ethyl, an active substance permitted in the EU. Copa-Cogeca welcomed the recent exchange of second offers on tariffs, but called for particular attention to be paid to the remaining 3% that includes very sensitive market access notably beef, poultry & pork. If a trade pact is finalised, the lobbyists foresee opportunities for EU wine, cheese, olive oil & processed meat exports, but expect challenges for EU livestock farmers. The European beef sector must not be sacrificed during 11th hour negotiations to get a trade deal over the line, they reiterated this week.

SANTE ROUND-UP: GM opt-outs granted; Greenpeace GMO study:

All GM cultivation opt-out bids now granted: All nineteen countries* that requested to be excluded from sales of genetically modified (GM) crops** for cultivation have gained approval, the Commission confirmed yesterday, with the remaining bids from IT, DK, SI, LU & MT accepted by biotech firms [see AF81-15]. The opt-outs come after new rules were introduced this year giving governments stronger rights to prohibit their farmers from growing GM crops. Under the old rules, countries were only allowed to impose bans if they could provide new data showing environmental or human harm. Biotech firms chose not to challenge the GM crop opt-out bids, preferring to grant exclusions from their sales (Option 1), rather than force governments to impose national bans based on newly-allowed grounds such as ethical reasons, organic policies, or socio-economic impacts (Option 2). The countries gained immediate exclusion from the sales authorisation of Monsanto-developed GM maize MON810, the only variety grown in the EU (almost entirely in Spain for animal feed). But Monsanto has slammed the opt-outs as unscientific, backward & discriminatory. *LV, EL, HR, FR, AT, HU, NL, PL, LT, BE (Wallonia), BG, DE (except for research), CY, UK (Scotland, Wales & Northern Ireland), IT, DK, SI, LU & MT *<http://goo.gl/qetvjl>; **GM maize - MON810, 1507, 59122, Bt11, BT11xMIR604xGA21 (application withdrawn on Oct 8), GA21, MIR604 (application withdrawn on Oct 8) & 1507x59122;

New Greenpeace study attacks GMO “myths”: Genetically modified (GM) crops are ill-adapted to tackle problems underpinning hunger & malnutrition, will not ensure resilience against climate change & undermine efforts to improve the environment, green NGO Greenpeace claims in a new report*. In the 40-page report entitled ‘Twenty years of failure: Why GM crops have failed to deliver on their promises’ Greenpeace claims biotech crops broke their promise to make agriculture systems simpler, safer & more efficient. GM crops have “reinforced the broken model of industrial agriculture, with its biodiversity-reducing monocultures, its huge carbon footprint, its economic pressures on small-scale farmers & its failure to deliver safe, healthy & nutritious food to those who need it”, authors of the report say. The use of GM crops has forced farmers’ costs up, increased pesticide & herbicide use, they add, one of a number of claims dismissed by biotech firms. The NGO also says GM hampers innovation & results in less choice for farmers as the profits are concentrated in the hands of just a few companies. Smart breeding or marker assisted selection (MAS) are better methods to deliver traits best suited to local conditions, they said, while also pointing to ecological techniques that are “already delivering major successes in fighting pests, sustaining yields, preserving ecosystems & improving the livelihoods of small-scale farmers”. *See <http://goo.gl/OqsZEr>

PERSONNEL UPDATES: Romanian Prime Minister; Canada Farm Minister:

Ex-Farm Commissioner touted as next Romania PM: Dacian Cioloş is among the names being touted for Romania’s next Prime Minister, according to media reports after Victor Ponta resigned from the post amid civil protests earlier this week. Romania’s President Klaus Iohannis moved to appoint out-going Education Minister Sorin Cîmpeanu as interim Premier yesterday, after protests led to Ponta’s resignation on Wed (Nov 4). The protesters blamed corruption for the deaths of 32 people in a nightclub fire & called for major political reform. Cîmpeanu will serve as caretaker PM until a new government is formed & approved by the Romanian Parliament. If there is no deal, the country faces the prospect of early general elections. Cioloş, who had hoped to serve a second term as Farm Commissioner but lost his country’s candidacy to then Socialist MEP Corina Creţu, is understood to have met President Iohannis earlier today. The former Romanian Agriculture Minister (2007-2008) would be seen as a welcome technocrat outsider, unblemished by current national politics, local media reports confirm, with a number of political parties backing his appointment until next year’s parliamentary elections (Dec 2016). Cioloş - understood to be close to the country’s President - oversaw the recent reform of the Common Agricultural Policy & was appointed Special Food Security Advisor to the Commission boss Jean-Claude Juncker in July [see AF69-15]. Since leaving office, he has been appointed a member of the Board of Trustees of the International Food Policy Research Institute (IFPRI) & Friends of Europe and conducted a number of short-term contractual assignments with the World Bank. Other candidates for the post include Vasile Dîncu from the Social Democrats. Further talks on the formation of a technocratic government to calm the political turmoil are scheduled for next week.

MacAuley named Canadian Farm Minister: Lawrence MacAuley, a former seed potato & dairy farmer from Prince Edward Island, a major potato-growing area off Canada’s Atlantic coast, was this week named new Agriculture Minister in the Liberal government of new Canadian Prime Minister Justin Trudeau. Liberal Party MP MacAuley, the longest-serving MP in the history of Prince Edward Island – known as Canada’s Food Island - is a former Work Minister, Solicitor General of Canada as well as Secretary of State (Veterans & Atlantic Canada Opportunities Agency). His appointment comes amid important talks over ratifying the recently agreed Trans-Pacific Partnership* among 12 members constituting approximately 36% of global GDP - the legal text* of which was made public yesterday. A decision is also due later this year from the World Trade Organisation on whether Canada can impose retaliatory tariffs on US exports over a US meat-label law. The case relates to a WTO challenge by Canada & Mexico, two of the US’ biggest trade partners, who say the US origin labels – requiring extensive information on where animals are born, reared & slaughtered - unfairly discriminated against their livestock exports [see AF78-14]. Meanwhile, Canada gave the green light last month

for 19 EU countries to resume their beef exports for the first time since a BSE-related ban was put in place in the mid-90s [see AF77-15]. *See <http://goo.gl/mtMsDw>

IN BRIEF: Food prices; Wheat; Tractor sales; Agri-market experts; Sheepmeat group;

Bad weather pushes food prices up, FAO: Global food prices saw their sharpest increase since July 2012, as sugar & palm oil prices shot up last month amid weather concerns, but the cost of staple foods was still 16% cheaper than the previous year, the UN's Food & Agriculture Organisation (FAO) said. The FAO's latest food price index*, measuring monthly changes for cereals, oilseeds, dairy meat & sugar, averaged 162 points in Oct, compared to 155 in Sept (a rise of 4%). The sugar price leapt 17.2% - the biggest surge in value since 2010 - due to fears over heavy rains in Brazil as well as drought in India & Thailand. "Reports of crop damages caused by excessive dryness in India, Thailand, the Philippines, South Africa & Vietnam provided further support to international sugar prices", representatives at the Rome-based agency said. The vegetable oil index climbed over 6%, partly due to worries over the El Niño weather phenomenon expected to hit palm oil production in South East Asia next year [see AF36-15]. The FAO cut its forecast for world cereal output for 2015 slightly to 2.53 billion tonnes, only 1.1% below last year's record level. "Half of the forecast cut reflected dimmer expectations about maize crops in India & Ukraine, mostly due to adverse weather", the FAO said. *See <http://goo.gl/vxrJsv>

Wheat stocks highest in 15 years, FAO: A larger than expected wheat harvest in the EU & large carry-over stocks worldwide has seen wheat inventories hit their highest level in 15 years, the UN's FAO said in its latest cereal supply & demand brief*, a development that should see prices remain low over the coming months. The FAO raised its wheat forecast to 736 million tonnes, some 3mt above the 2014 record. The revision reflects higher estimated production in the EU (154mt – 1.6% less than the 2014 record), which more than offset lower estimates for Australia & the US, where insufficient rainfall & high temperatures are hampering yields. Wheat carry-over stocks are seen to rise to 207mt, up 1.5mt from last month, the highest in 15 years (since 2001/02). However world coarse grains inventories are predicted to contract by 1.4% over the season, ending at 265mt in 2016, with much of decline attributed to maize. *See <http://goo.gl/ljyMno>

EU tractor sales to fall 7% in 2015: Sales of European agricultural machinery are expected to drop across all major markets as low crop prices have left farmers with less revenue to invest, according to data from CEMA, representing farm machinery manufacturers. Sales of tractors are seen to drop by 7% this year, with similar falls for combine harvesters (-5%), sprayers (-6%), balers (-8%) & mowers (-10%). This follows strong sales in 2013. "The peak of European sales levels reached in 2013 & the low commodity prices at the moment are among the reasons explaining a lower demand for agricultural machinery in 2015", CEMA Secretary General Ulrich Adam said. But CEMA officials expect the market to stabilise in 2016 after "the bottom of the cycle" is reached. Major markets such as the UK (-15%), France (-11%), Germany (-10%) & Italy (-4%) experienced drops in sales, although Spain saw an increase of 6%. Forage harvesters were the only category seeing demand grow in 2015 (+3%), but orders for sprayers are expected to increase in 2016.

Meanwhile, the Agritechnica* show – the world's largest trade fair for agricultural machinery/equipment - kicks off in Hanover (DE) this Sunday (Nov 8-14). Some 450 000 visitors are expected to attend the biennial event with nearly 3 000 exhibitions from about 50 countries on display. *For more www.agritechnica.com

Call for experts on agri-markets: The Commission (DG AGRI) launched a call for expressions of interest today for candidates to participate on the agricultural markets taskforce* [fewer than 15], while the chairman of the group – widely expected to be a university academic – should be appointed very soon. Speaking earlier in the week at the annual ICOS conference, EU Farm Commissioner Phil Hogan said the agri-markets taskforce would "monitor & future-proof a number of EU farming sectors" [see AF81-15]. Experts look set to consider the introduction of financial tools such as dairy futures markets, hedge funds & hedging financial instruments to combat price volatility in the sector & provide advice on the functioning of agricultural markets & farmers' position in the food supply chain. The group will conduct 4-6 day-long sessions in Brussels, dealing with sub-themes & incorporating the relevant stakeholders, with the first gathering scheduled in early 2016 & the last one not after Oct 2016. *Details at <http://goo.gl/2bn2Fj>;

Experts reflect on sheep sector's future: The 1st meeting of the Sheep meat Reflection Group will take place in Brussels next Thurs (Nov 12), with global competition, innovation & environmental considerations at the top of the agenda. First announced by EU Farm Commissioner Phil Hogan in mid-Oct [AF75-15], the forum seeks to examine the challenges facing the sheep sector, particularly as the EU seeks to open trade talks with key competitors such as New Zealand & Australia. The first in a series of three workshops includes speakers from Scotland's Rural College (SRUC), l'Institut de l'Elevage (FR) & the Regional Institute for Research & Agro-Food Development (SERIDA) based in Asturias. The forum - to be chaired by ex-President of the Irish Farmers' Association John Bryan - will bring together some 55 key players from the public & private sectors, as well as representatives from sheep production, processing & trade. Member States representatives from the eight key producing countries are also expected to be present. Over two-thirds of EU sheep meat production is concentrated in the UK (Scotland leading), ES, EL & FR, with a further 22% in RO, IE, DE & IT, which leaves a small 10% for all the remaining Member States. The group's final draft report is expected in mid-2016.

TIMETABLE: Week Ahead (in Brussels unless otherwise stated)

- Nov 8 EU Climate Action Commissioner Arias Cañete attends the last informal Ministerial meeting in Paris before the UN Climate Change Summit (Nov 30-Dec 11);
- Nov 9 EU Farm Commissioner Phil Hogan at Bio-economy Investment Summit *<https://goo.gl/DB65Xn>; Hogan receives Director of the European Forest Institute, Marc Palahí; EP Agriculture Committee meets *inc.* update on trilogues on school food schemes & plant pest controls; EP Environment Committee meets *inc.* debate with Commission on General Food Law (10) & the World Health Organisation on the potential carcinogenicity of red & processed meat [see AF79-15]; Conference on 'Agricultural Trade Outcomes at the Nairobi Ministerial & Beyond – what can & should countries seek to achieve?' organised by ICTSD, FAO & IFPRI (Geneva) - <http://goo.gl/Yn6SGb>;
- Nov 10 Trade Commissioner Cecilia Malmström in Ljubljana (SI) for citizens' dialogue on TTIP & trade; Hogan receives the Irish Catholic Hierarchy; European Platform for the Responsible Use of Medicines in Animals (EPRUMA) event hosted by UK MEP Julie Girling (ECR); European Court of Auditors (ECA) annual report on the implementation of the 2014 budget;
- Nov 11 Commission college meets; EP mini-plenary session; EEB & BirdLife briefing on 'The reality behind CAP greening: a step backwards or forwards for biodiversity?' *<http://goo.gl/FIPI4>;
- Nov 12 Hogan receives the European Meat Network; Hogan meets European Investment Bank Vice-President Pim Van Ballekom; EP Committee on Agriculture *inc.* vote on unfair supply chain practices & debate with Spanish Farm Minister Isabel Garcia Tejerina on the food supply chain; EP hearing on the EU trade strategy *<http://goo.gl/bDcmNK>; 1st meeting of reflection group on sheepmeat [see above]; Dairy farmer protests in several countries – DK, NL, ES, IE, IT & FR organised by the European Milk Board (EMB);
- Nov 13 Malmström in Kiev, Ukraine *inc.* meets Ukrainian leaders & businesses on the implementation of the free trade pact; CEPS event on CAP reform & mid-term review *<http://goo.gl/IDWYx8> – check out <http://www.ceps.eu/> for other events on EU-US trade talks & EU Renewable Energy Policy next week;

Management & Regulatory Committees

- Nov 9 Standing Committee – Animal health & welfare;
- Nov 10 Appeals Committee on genetically modified food & feed – *inc.* vote on MON 87427 & NK603xT25;
- Nov 11 Joint Committee for direct payments & for rural development; Committee for the Common Organisation of the Agricultural Markets: Horizontal questions;
- Nov 12 Standing Committee – Animal nutrition (&13);

ENDS

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- **BIOTECH FIRMS REFRAIN FROM CHALLENGING GM CROP CULTIVATION OPT-OUT BIDS**
- **HOGAN TOUTS FARM LOAN IMPROVEMENTS & LAUNCHES TRADE "DIPLOMATIC OFFENSIVE"**
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BIOTECH FIRMS REFRAIN FROM CHALLENGING GM CROP CULTIVATION OPT-OUT BIDS

Fourteen countries* have already been granted exclusion from sales of genetically modified (GM) crops** for cultivation, according to the latest update from the EU's executive, with the final remaining requests from IT, DK, SI, LU & MT due tomorrow evening. The opt-outs come after new rules were introduced this year giving governments stronger rights to prohibit their farmers from growing GM crops. Under the old rules, countries were only allowed to impose bans if they could provide new data showing environmental or human harm. The update shows that biotech firms are refraining from challenging the GM crop opt-out bids, preferring to grant the exclusions from their sales (Option 1), rather than force governments to impose national bans based on newly-allowed grounds such as ethical reasons, favouring certain habitats, farm policy goals or socio-economic impacts (Option 2). Luxembourg & Malta were the last to confirm their wish for immediate exclusion from the sales authorisation of Monsanto-developed GM maize MON810, the only variety grown in the EU (almost entirely in Spain for animal feed), & approvals of other biotech events in the pipeline** before the deadline on Oct 3. The EU's executive subsequently forwarded the Member State requests to the firms concerned, giving them one month to react (no reply means agreement). The requests come after the EU adopted the new rules in a bid to end years of stalemate on the issue & avoid awkward legal spats [see AF72-15 & 90-14]. Under the legislation, countries can ask GM firms to be excluded or - if not granted or they wish to proceed unilaterally - to impose a national ban. A number of other traditionally anti-GM countries such as IE, who did not request an opt-out, said it was irrelevant for now since the pending varieties were unsuitable for their farms in any case. National capitals such as Dublin could still avail of it, if viable crops appeared, sources said. France, the EU's top maize producer, was among nine countries already blocking farmers from growing MON810, a crop that produces a Bt toxin poisonous to insects such as the European Corn Borer. But the country's national court deemed the move illegal. *LV, EL, HR, FR, AT, HU, NL, PL, LT, BE (Wallonia) BG, DE (except for research), CY & UK (Scotland, Wales & Northern Ireland) - further details at <http://goo.gl/qetvjl>; **GM maize varieties - MON810, 1507, 59122, Bt11, BT11xMIR604xGA21 (application withdrawn on Oct 8), GA21, MIR604 (application withdrawn on Oct 8) & 1507x59122;

HOGAN TOUTS FARM LOAN IMPROVEMENTS & LAUNCHES TRADE "DIPLOMATIC OFFENSIVE"

Longer loan terms, lower interest rates, repayments linked to fluctuating dairy prices - these were some of the improvements to farm loan options touted by EU Agriculture Commissioner Phil Hogan in a speech to Irish cooperative representatives yesterday. The EU Farm chief's suggestions form part of the Commission's plan, run jointly with the European Investment Bank, to boost investment in the sector [see AF80-15]. "I hope that European dairy farms will soon be able to make use of volatility-proofed loans", Hogan told the 39th annual conference of the Irish Co-operative Organisation Society (ICOS)* at the National Convention Centre in Dublin (Nov 3). "The opportunity ... to make progress on such a tool has been one of the themes of our engagement with the EIB", Hogan underlined, adding that the "issue of access to finance remains an absolute priority for me, as it has been from day one of my mandate". He also told the audience of over 300 delegates - mostly directors of Irish coops - that he would publish "appropriate proposals" to tackle unfair practices on the food supply chain in the first quarter of 2016. Referring to the taskforce on agricultural market - seeking to monitor a number of farming sectors - the Irishman confirmed he would publish a call for expressions of interest for candidates [said to be a dozen or so] this week & announce the taskforce chairperson "very soon". On international trade, Hogan pledged to launch a "diplomatic offensive" & tap into growing global demand for high-quality products, especially the 150 million people entering the global middle class every year until 2030. "Opening up new markets will be a key priority in the coming years", he said, with trade missions planned for Mexico & Columbia (Feb 2016) accompanied by a delegation of around 30 senior European executives "representing key sectors in EU trade with the two countries". A visit to China & Japan is also on the cards in April 2016. This year's ICOS gathering 'Better Farming, better business, better living' - a nod to Sir Horace Plunkett's famous motto - examined the environmental, social & economic factors underpinning the future sustainability of the movement, with sources suggesting "much-needed proposals" to diversify cooperative boards on gender, age & qualification grounds "stirred some heated debate".

*More details at <http://goo.gl/pNgJUp>;

WINE HARVEST: EU PRODUCTION UP 2.7% ON 2014 AS ITALY OVERTAKES FRANCE

EU-28 wine production is expected to reach just over 171 million hectolitres this year, rising by 2.7% compared to 2014, which was nearly 10% lower than the record harvest of over 175m hl in 2013, according to new figures released by the farm lobby group Copa-Cogeca today. The rise in production is a result of favourable weather conditions, particularly in Italy - up 12.6% - reaching 50.3m hl, which surpassed France (47.7m hl) as the leading global producer [see table opposite]. New Member States such as BG, HU, CZ, SI, SK, HR & RO registered an increase in their wine output this year, while Austrian & Portuguese producers also saw hikes in production of 25% & 8% respectively. But a number of

	1 000hl	PDO	PGI	Other♦	Must	TOTAL
IT	2013/2014	14 800	12 500	17 500	0	46 400
	2014/2015	15 891	13 149	367	1 500	44 738
	2015/2016e*	16 127	13 683	489	1 500	50 369
FR	2013/2014	18 764	12 589	3 209	0	42 372
	2014/2015	23 442	12 730	531	0	47 094
	2015/2016e	21 614	13 320	3 715	0	47 666
ES	2013/2014	12 865	3 220	5 115	8 240	53 550
	2014/2015	14 515	3 545	6 270	5 225	44 310
	2015/2016e	14 200	3 500	5 700	4 000	40 600
DE	2013/2014	9 011				9 011
	2014/2015	8 860	279	30		9 202
	2015/2016e	8 788				8 788
PT	2013/2014	2 986	1 571	29	0	6 740
	2014/2015	2 896	1 743	35	255	6 202
	2015/2016e	3 250	1 902	52	0	6 703
EU28	2012/2013	64 766	32 338	28 541	8 328	175 702
	2013/2014	70 989	34 067	7 764	7 316	166 718
	2014/2015e	70 778	35 374	10 533	5 738	171 200

*Copa Cogeca estimates; ♦Varietal wines without PDO/PGI;

countries experienced a sharp decline, with vineyards in some areas of Spain & Greece suffering from the effects of drought with production down by 8.4% & 5.3% compared to last year.

Commenting today, Chairman of Copa-Cogeca Wine Working Party Thierry Coste said most countries experienced a healthy harvest in 2015 "with good yields & quality" surpassing last year's level of 166.7m hl, but well below the bumper harvest of over 175m hl seen in 2013. "These harvest data, combined with no significant increase in stock levels, hint that the current dynamic market situation for both trade flows & prices will continue for the entire marketing year ahead", Coste added. As international trade talks go up a gear, farm lobbyists have repeated their call to the Commission to "defend the interests of wine growers during bilateral negotiations with the US, China & Japan and ensure that the EU system of geographical indications ... is recognised". Meanwhile, the International Organisation of Vine & Wine (OIV) estimates global wine output will rise by 2% this year to reach 275m hl, with consumption forecast at between 235.7 & 248.8m hl. The Paris-based intergovernmental organisation also confirmed the wine sector was resilient & adaptable to the effects of climate change.

FOOD UPDATES; EU must tackle meat fraud; Something smells fishy, Brussels study;

EU urged to step up meat fraud checks: Member States must perform more frequent checks on meat products to ensure their labels do not mislead consumers, the EU's consumer group BEUC said in a new report* released today, claiming their research based on tests by 7 member organisations** showed widespread dishonest practices in the EU. The report finds cases of misleading product names, meat content that is watered down, the presence of illegal food additives such as sulphites & undeclared use of mechanically separated meat. "With the 2013 horsemeat scandal still fresh in many minds, European consumers should be able to trust the labels on the meat they buy", the consumer NGO said. "Public authorities must tighten their checks to guarantee that food manufacturers abide by EU food laws", BEUC said. The group also urged the EU's executive to clarify the legal definitions of meat products & preparations. "If we are serious about rebuilding confidence in meat, EU Member States need to beef up controls & make sure labels are complete & accurate", Monique Goyens, BEUC's Director General, commented. The report gives examples of beef & chicken disguised as lamb, combined meat bits sold instead of whole pieces, meat quantities topped up using water & circumvention of food additive rules. The NGO also raised concerns over the presence of antibiotic-resistant bacteria in meats, which they said stems from overuse in the farm sector.

*See <http://goo.gl/PHqT11>; ***Altroconsumo, Consumentenbond, DECO, dTest, OCU, Test-Achats & Which?*;

Fish fraud widespread in Brussels, study: Over a third of seafood in Brussels' restaurants is mislabelled, according to DNA analysis by ocean conservation NGO Oceana, which said the findings were representative of widespread fraud in the fish sector across the EU. The Catholic University of Leuven's findings*, based on 280 samples from over 150 restaurants & EU canteens, show that in over 95% of cases customers were sold cheaper bibeye & yellowfin tuna varieties instead of the more costly bluefin tuna. In some 11% of cases, sole was substituted by cheaper flatfish, while farmed species such as Pangasius were sold instead of cod in 13% of cases. Some 38% of fish samples from EU canteens were found to be fraudulent, with levels of 54% in sushi restaurants & 29% in touristic fish venues. "DNA tests show widespread seafood fraud in Brussels restaurants & even in official EU venues", Oceana's Senior Vice President & Executive Director, Lasse

Gustavsson said, "Consumers are being cheated & the door is left wide open to the laundering of illegal fishing products". On top of the economic fraud, fish substitution poses an environmental problem as illegal fish &/or threatened species can enter the market, Oceana's representatives said. The environmental group also urged the EU to expand detailed fish labelling rules. *See <http://goo.gl/PRA5ve>;

IN BRIEF: Breeding methods; New Dutch Minister; OK for insecticide; Deere acquisition;

Member States issue plea on plant breeding: Plants generated by oligonucleotide directed mutagenesis (ODM) must not fall within the scope of strict legislation governing genetically modified (GM) crops, according to a "non-paper" understood to be drawn up by DE, IE, UK & ES & forwarded to DG SANTE over the summer. The 4-page text outlines that the controlled method of ODM is a "variation of mutagenesis" but it yields organisms that are excluded from Directive 2001/18 as "the mode of action of the oligonucleotide molecule is comparable with that of a chemical mutagen". The development of plant varieties with desirable characteristics via the more knowledge-based mutational breeding tool such as ODM carries less risk compared to radiation or chemical mutagenesis, authors of the non-paper outline. "ODM [to generate herbicide tolerance, enhance disease resistance or improve nutritional value] is a more precise way of producing favoured mutations than radiation or chemical mutagenesis because it produces far less non favoured off-targets", they add. Authors of the informal position paper also point to difficulties in the detection of ODM plants & say it would "not be possible to identify small impurities of "ODM-GMOs" in conventional seeds regardless of whether the "ODM-GMOs" are authorised or not", pointing to potential implications for imports controls. The decision on ODM is likely to have a major impact on the future of medical research & industrial biotechnology, as this method is widely used in green, red & white biotechnologies. Speaking at the last Farm Council in Luxembourg on Oct 22, EU Health Commissioner Vytenis Andriukaitis confirmed the Commission would publish a legal analysis by the end of this year to clarify whether the legal status of crops bred using these techniques falls under strict GMO legislation [see AF78-15]. DG SANTE officials confirm that the legal analysis would take the form of a "Commission notice" & should be finalised by the end of the year. According to DG SANTE's timetable, a meeting of the 'Regulatory Committee under Directive 2001/18' is scheduled for Nov 19, but Brussels sources say the presentation of the legal interpretation to Member States, as well as MEPs, is likely to be postponed & is more likely to take place in Dec.

New breeding methods climb up agenda: The in-coming Dutch Presidency – starting on Jan 1 - is expected to steer Council discussions on this file, as new breeding techniques are very important for its horticultural industry - a global market leader in plant propagating material. Meanwhile, the EP Committee on Agriculture & Rural Development will host a hearing on 'new techniques for plant breeding' on Dec 1 (3-5pm) with key speakers *inc.* the Director of Fondazione Edmund Mach, Research & Innovation Centre (IT), Roberto Viola, plant breeding experts Dr. Sławomir Sowa from the National Research Institute (PL) & Dr. Richard Visser (Wageningen, NL) and Secretary General of the European Seed Association, Garlich Von Essen.

Van Dam named new Dutch Agriculture Minister: Martijn van Dam was sworn in as new Dutch Agriculture Minister yesterday evening, following a Cabinet reshuffle, taking over the reins from fellow Labour party politician Sharon Dijksma who landed the role of State Secretary for Infrastructure & Environment. Dijksma, who was appointed in Dec 2012 [see AF94-12], emerged as a serious player at the Council table and was popular & well-respected among her Ministerial colleagues. The move follows the resignation of former State Secretary Wilma Mansveld, after a damning parliamentary inquiry into the Fyra-train fiasco (high speed train from Amsterdam to Brussels). Dutch sources suggest Prime Minister Mark Rutte & the Labour Party wanted a "strong Minister to clean up the mess" & agreed on the formidable 44-year old Dijksma, who has been an MP since 1994 – aged just 23. With just two months to go before the Netherlands takes over the EU's rotating Presidency, van Dam from Zoetermeer (west of the country) has a lot of homework to do to get on top of the agricultural brief. Farming, fisheries, economics, industry, trade & tourism are all part of his dossier as State Secretary for Economic Affairs. Prior to his Ministerial appointment, the 37-year old worked at Philips Lighting (Eindhoven) & was elected to the Dutch Parliament (Tweede Kamer) at the beginning of 2003. Van Dam has been spokesperson on economic affairs, integration of minorities, media policy & foreign affairs during his tenure as MP & was appointed Deputy Leader of the Labour Party at the end of 2012. A decade earlier, he graduated with a Master's Degree in Business Engineering from the Technical University at Eindhoven.

EU exec approves speciality insecticide: The EU's executive has approved use of a new insecticide, developed by Bayer CropScience, sold as Sivanto™ prime*, to control a wide range of sucking pests on fruit & vegetables as well as other speciality crops such as hops. The Commission approved the active ingredient flupyradifurone, in a chemical class known as butenolides, for a maximum of 10 years. The product, applied as a foliar spray, soil drench or drip irrigation, is already on sale in countries such as the US, Mexico Nicaragua, Guatemala, Honduras & the Dominican Republic. Regulatory approval is expected in Canada & Australia by the year's end. The approval decision will enter into force following its publication in the EU's Official Journal, with the first European registrations expected in 2016 & market introduction planned for 2017. The pesticide firm was quick to flag up the "excellent safety characteristics" of the product, noting it was not linked "with any adverse effects on honey bees & bumble bees", when applied at correct rates. Sivanto™ prime can also be used in Integrated Pest Management systems with biological controls, they said.

*See <http://goo.gl/1e8pcx>

Deere buys top European precision planter: The world's largest farm-equipment manufacturer Deere & Co. is buying two companies specialised in precision planters, including Monosem, Europe's market leader, in a move that continues the ongoing rush by top agriculture firms to integrate data-collection & precision tools into the services they offer. The American corporation announced a deal to buy Illinois-based Precision Planting from Monsanto a day after it said it would acquire Monosem, France-based maker of precision planting equipment. For the biotech giant Monsanto, the deal expands opportunities for selling its FieldView app - providing farmers with real-time planting data - to owners of Deere's equipment including tractors. Monsanto now has deals to integrate FieldView with the three largest farm equipment makers, following earlier transactions with CNH Industrial NV & Agco Corp. The acquired firms specialise in variable rate planters that allow growers to adjust seeding, fertiliser & pesticides to varying conditions in their fields to maximize yields & reduce production costs. The companies also develop yield monitors on harvesting machines along with spatial trackers to ensure farming inputs match the productive capacity of the land. "Through this action, we continue to build on our leadership position in precision agriculture," Deere's John May said. May said Monosem would retain its own brand & trademark.

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