
The latest EU agriculture, environment & trade news

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HOGAN CALLS FOR SPEEDY BUDGET ACCORD; BRUSSELS PREPARED FOR NO DEAL BREXIT

Farm Commissioner Phil Hogan has called for a speedy agreement on the EU's long-term budget post-2020, reminding politicians that Member States have the option of finding more funds for the CAP. In a speech at the official opening of International Green Week* in Berlin yesterday (Jan 17), the EU's Farm chief underlined that "farmers need predictability & not a prolonged vacuum." This would "help to guarantee food security, food safety & food quality," he insisted, as well as "providing vital jobs in rural areas & making a greater contribution to our climate & environment." Speaking to reporters yesterday, he said the long-term financial perspectives would not be agreed before the EP elections at the end of May (23-26), adding that EU leaders are expected to complete the so-called Multi-annual Financial Framework (MFF) in Oct.

In remarks to the Agriculture Committee of Germany's Bundestag, the country's lower house of parliament, Hogan reminded MPs that national capitals have "full freedom to increase their overall budget contributions with a view to keeping the CAP at its current level, should they so desire." "It would be a smart move," he said, reminding delegates of the importance of farmers & rural areas for priorities including climate & environment. "The sooner we come to an agreement on the future CAP, the better," he said. Speaking to journalists in the margins, Hogan said Brussels "was prepared for all Brexit scenarios including a no deal", pointing to experience from "such market disturbances *inc.* the Russian embargo." "All such responses are available for a market disturbance such as Brexit," he said. But the ball was "now in the UK court ... & we still remain hopeful of a positive outcome." "What we can say with absolute certainty is that the unity & resolve of the EU-27 has been extraordinary," he added.

Turning to the future CAP, Hogan described the reform plan as delivering on a promise to "modernise & simplify the policy." The *Fine Gael* politician stressed that the proposal "can deliver the tools to get the job done." Managing markets "in a prudent & stable way is one of my key priorities," he added, recalling last week's sale of 80 000 tonnes of skimmed milk powder out of public storage [see AF02-19], leaving around 22 000t (out of the original 380 000t) in stock. Intervention had "helped to remove surpluses in a very imbalanced market scenario, playing a decisive role in stabilising prices between 2015 & 2017." "The 380 000t was used by cooperatives to justify lower prices to farmers claiming an overhang in the market ... it is one less excuse they can use now," he quipped. The Commission's management had "helped to consolidate the recovery of the European milk market & this has been good for our dairy farmers," he stated.

For his part, Joachim Rukwied, President of the German farm union DBV emphasised the importance of stability & certainty in planning in a year of upheavals, including Brexit. During a speech at the official opening of the 84th edition of Green Week, the Copa President said "good & long-term political framework conditions," were important for German agriculture & for the supply of high-quality food. The 57-year-old Heilbronn native also stressed the need to involve market partners & consumers in ensuring the future viability of agricultural holdings. "Never before," had farming lived up so well to its central role of providing a secure supply of cheap, high-quality food, the grain, sugar beet & oilseed rape producer stated.

At a panel discussion on digitisation, held this afternoon as part of the Global Forum for Food & Agriculture 2019** (GFFA) in Berlin, Hogan reaffirmed the Commission's backing for the increased use of digital technology in agriculture. "The challenge, of course, is to increase the uptake of digitisation on farms across Europe," he said. "Providing the right information, at the right time & the right place, allows us to create win-win situations for the environment & the socio-economics of farming," he said, stressing the importance of digitisation in enabling more efficient use of inputs &, potentially, getting more & more timely market information to farmers. The GFFA under the banner '*Agriculture goes digital – smart solutions for future farming*' - running from Jan 17-19 - will gather more than 2 000 delegates from business, science, civil society & up to 70 Agriculture Ministers from all over the world.

*Further information www.gruenewoche.com (runs from Jan 18-27) – N.B. the final report by the Task Force Rural Africa (originally scheduled to be unveiled in Berlin today) has been postponed until a later date;

**Global Forum for Food & Agriculture (GFFA) www.gffa-berlin.de/en/;

GREEN WEEK: Klöckner's "realistic view" of farming; Merkel on digitalisation; Wolves; ASF;

Klöckner calls for realistic view of farming: Without a functioning agriculture delivering food, it is not possible to have stability, or to live in peace, German Farm Minister Julia Klöckner said at the opening of Berlin's Green Week yesterday (Jan 17). The 46-year-old politician was sharply critical of the "romantic vision of farming". Wider society must be made aware that farming is a lot more than "picturesque", as farmers ensure a reliable supply of food. "Consumers need agriculture & farmers need customers," she said. "Let's show a realistic image." She described a vision of agriculture in 2030 in which robots work in every field, with data fed directly to the cloud & on to the supermarket & consumer. Klöckner also said she regretted the result of the latest vote on Brexit, referring to UK Prime Minister Theresa May's parliamentary defeat over the Withdrawal Agreement [see AF03-19]. The people & governments of the EU-27 did not want a hard Brexit. But time was getting shorter. "We need clarity by the European elections at the end of May [23-26]," she said

Merkel says digitalisation central to fighting hunger: German Chancellor Angela Merkel told this afternoon's panel on digitalisation - part of the Global Forum for Food & Agriculture 2019 - that digitalising agriculture was central to combating global hunger & protecting natural resources. During her address in the margins of Green Week in Berlin, the country's leader said digitalisation had "fantastic" potential for achieving sustainability in the use of natural resources as well as in economic terms. Many larger farms were already using digital technology, she outlined, adding that now was the time to get small & medium sized-businesses in agriculture to join in.

Klöckner underlines importance of digitalisation: German Agriculture Minister Julia Klöckner told this afternoon's panel on digitalisation - part of the Global Forum for Food & Agriculture 2019 - that she plans to make hers the "digital reference Ministry" in the country's government. She recalled that when she first took over the Ministerial post in March 2014, she restructured the Ministry & introduced a digitalisation department. Speaking on Friday (Jan 18), the Christian Democrat politician said that €60 million had been set aside by the German government to research digitalisation on farms for 2019-2022 (€15m/year). The funds would be used for practical tests of technology in the field.

Better protection against wolves: The return of wolves to certain quarters was a "big concern in Germany's rural areas at the moment," Hogan acknowledged this week. The Commission was aware that it represented "a significant challenge, especially for livestock farmers," & outlined the support available from national & EU funds. The EU Guidelines for State Aid in the agricultural & forestry sectors were modified in early Nov 2018 to allow Member States grant full compensation to farmers for damages – such as veterinary costs to treat wounded animals, labour costs related to the search for missing animals & crop damage – as a result of wolf attacks. Under the revised framework, it was also possible to fully reimburse the cost of preventive measures such as building electric fences or acquiring guard dogs. Previously, only 80% of the investments could be reimbursed through state aid. Speaking to reporters in Berlin, he clarified that flexibility is provided to Member States & regions "to give state aid support of 100% for all livestock & crops damaged by wolves... it is not just livestock only."

EU Health Chief issues ASF warning: All Member States must strengthen their efforts to enhance cross-sectorial & cross border coordination to efficiently control & prevent the spread of African Swine Fever (ASF), EU Health Commissioner Vytenis Andriukaitis stated yesterday in Berlin. Speaking at a joint press conference with Hogan, the Lithuanian politician said in "recent months, we have been, in particular, focusing on the management of the wild boar population." He recalled the Ministerial conference in Brussels just before Christmas (Dec 19) "to improve cooperation on ASF & develop a strategic approach for long-term management of wild boar populations." The "figures speak for themselves", he said at his "fourth & probably last time attending Green Week", underlining that pork represents 50% of total EU meat production & 47% of the total meat consumption. Although no outbreaks have been detected in Germany, Andriukaitis recalled how "maximum efforts need to be made to limit the human factor in the spread of the disease." A conference on '*Preparing European hunters to eradicate ASF*', co-organised by the Commission & the European Federation for Hunting & Conservation (FACE), takes place in Dortmund on Jan 30.

BRUSSELS TABLES NEGOTIATING MANDATES WITH WASHINGTON – AGRI EXCLUDED

The EU's executive submitted proposals for negotiating directives to Council today for bilateral trade talks with the US – one on a trade accord focused on the removal of tariffs on industrial goods, excluding agricultural products & the second on conformity assessment. The latter seeks to address the objective of eliminating non-tariff barriers, by making it easier for companies to prove their products meet technical requirements on both sides of the Atlantic. The draft mandates follow the joint statement between Presidents Jean-Claude Juncker & Donald Trump in Washington on July 25, 2018 to relaunch negotiations to cut tariffs on industrial goods, *inc.* cars & increase US soybean exports to the EU. Shortly after the meeting at the White House, both sides established the EU-US Executive Working Group, co-chaired by EU Trade Commissioner Cecilia Malmström & US Trade Representative Robert Lighthizer, which has met four times since. Following a meeting with Lighthizer in Washington last week (Jan 9), Malmström "made it very clear agriculture will not be included" in more limited negotiations to be launched this year. Speaking to reporters

this afternoon, the Trade Chief said she has reiterated the EU's commitment to "upholding its side of the agreement reached by the two Presidents." "These two proposed negotiating directives will enable the Commission to work on removing tariffs & non-tariff barriers to transatlantic trade in industrial goods, key goals of the Joint Statement."

Last week, Washington published its own negotiating wish-list, making it clear it would be seeking "comprehensive market access" for American agricultural products, following pressure from farm, food & beverage lobby groups. The 14-page *'Summary of Specific Negotiating Objectives'* published by the Office of the US Trade Representative & required by Congress under the 'fast-track' trade negotiating authority law, seeks to reduce or eliminate EU tariffs on US farm products & non-tariff barriers such as "unnecessary differences in regulations & standards." It is also looking for duty-free market access for US industrial goods. Influential lawmakers such as Republican Senator Chuck Grassley, the new Chairman of the Senate Committee on Finance, were less than pleased. The 85-year-old farmer from Iowa is quoted as saying "I don't know how anybody in Europe that wants a free trade agreement with us [can] expect it to get through the US Senate if you don't want to negotiate agriculture."

In a statement issued today, the Commission recalls how the EU "has already implemented several aspects of the July Joint Statement", citing in particular an increase of 112% in US soybean imports over the period July to Dec 2018, compared to the previous year, making it the bloc's main supplier [see AF01-19]. Following the publication of the US negotiating objectives, the USTR may be ready to formally launch talks in less than one month, while the EU's Trade Policy Committee (TPC) is expected to discuss the texts in the next fortnight. The Romanian Presidency will then gauge where Member States stand on the issue & how quickly an agreement can be reached.

INTERNATIONAL STUDY ADVOCATES 50% DROP IN MEAT CONSUMPTION; REACTIONS;

Eat less meat, more vegetables, say international food experts: A new report by 37 experts from 16 countries, calls for a radical overhaul of diets & food production methods to improve health & prevent damage to the planet, advocating a 50% drop in the consumption of red meat & a rise in the role of vegetables, seeds & pulses. The 51-page study *'Food in the Anthropocene: the EAT–Lancet Commission on healthy diets from sustainable food systems,'* published on Jan 16 says that "civilisation is in crisis." The EAT Lancet Commission is a group set up by EAT, a non-profit founded by the Stordalen Foundation, Stockholm Resilience Centre & the Wellcome Trust. They took two years to come up with their findings, which have been published in the Medical Journal the Lancet. "We can no longer feed our population a healthy diet while balancing planetary resources," the coalition of experts on *inter alia* farming, climate change & nutrition proclaims. "This crisis is accelerating, stretching Earth to its limits, & threatening human & other species' sustained existence." The group of researchers call for a "Great Food Transformation," with a dietary shift that involves "a dramatic reduction of consumption of unhealthy foods, such as red meat, by at least 50%," combined with "an overall increase in consumption of more than 100%," for legumes, nuts, fruit, & vegetables." Authors point out that almost one billion people are hungry around the world, with 2 billion "eating too much of the wrong food," while diet was a "major contributor to levels of malnutrition, obesity, & overweight." "The burden of non-communicable diseases is increasing," they elaborate, blaming "unhealthy diets," for "up to 11 million avoidable premature deaths per year." One of the EAT-Lancet Commission report's authors, British food campaigner Professor Tim Lang of City, University of London, called for a "significant overhaul, changing the global food system on a scale not seen before in ways appropriate to each country's circumstances." The targets set in the report for "a healthy, sustainable diet" are "an important foundation, which will underpin & drive this change." Co-lead Commissioner Dr. Walter Willett of Harvard University, said that "to be healthy, diets must have an appropriate calorie intake & consist of a variety of plant-based foods, low amounts of animal-based foods, unsaturated rather than saturated fats, & few refined grains, highly processed foods, & added sugars."

*See <https://www.thelancet.com/commissions/EAT>;

Farmers, meat sector reject EAT plan: Farming & meat supply chain representatives in the UK & Italy have largely rejected the conclusions of the EAT Lancet report, citing what they see as the role of meat in the human diet & the environmental importance of grassland farming. Authors of the report did recognise the need for local variations & the National Farmers' Union (England & Wales) acknowledged that in their response. Vice-President Stuart Roberts said it was "vitally important that a wide-ranging, global report like this is looked at through a local lens," noting "significant differences in farm methods & consumption patterns across the globe." Around 65% of British farmland was "highly suitable for grass production over other crops", while red meat played "a vital role in a healthy, balanced diet as a rich source of essential nutrients, minerals, amino acids & protein." Targeting one food group for a big reduction in consumption was "overly simplistic."

For his part, Will Jackson, Strategy Director for Beef & Lamb at the Agriculture & Horticulture Development Board (AHDB) described the report as "another example of well-intentioned but potentially flawed thinking on how we reduce our impact on the environment." Farming, "in particular dairy & red meat," was part of the solution. The Agricultural Industries Confederation (AIC), which represents UK farm input

suppliers also stressed the need to take a local view of the report. Chief Executive Robert Sheasby said it "would like it to be viewed at a national level considering the land capability, climate & the benefits offered by the UK's food chain, its farming systems & the nation's landscape." Meat & livestock products were "amongst the UK's best assets for not only achieving a balanced healthy diet for domestic & overseas needs but also in creating a balanced & healthy farming landscape." There was a positive response from the organic sector, with Joanna Lewis, Policy Director at the Soil Association welcoming the Commission's "major contribution" to "shattering the myth that agro-ecological farming cannot feed the world." "This important report must be reflected immediately in government policy," she continued. Sustainable Meat, founded in 2012 by trade association, Assocarni together with Assica & Unaitalia in the Italian meat sector, accused the report of "focusing misleadingly on the impacts of agriculture & animal husbandry," & distracting "from the most important environmental priority, i.e. the excessive use of fossil fuels in the energy & transport sectors, responsible for 64% of global GHG emissions." Professor Giuseppe Pulina, President of Sustainable Meats, warned Italians of the danger of "abandoning their traditional diet to follow dangerous food regimes."

IN BRIEF: Brexit talks; Löfven returns as Swedish PM; ADM takeover; ESFA data pledge;

May stubborn after Brexit defeat: UK Prime Minister Theresa May's promised discussions with other parties, following her massive parliamentary defeat over the UK's Withdrawal Agreement on Tuesday evening (Jan 15) have made scant progress. The Premier rejected the insistence of Labour leader Jeremy Corbyn that she should rule out a 'hard' Brexit. "To get a deal that can command a majority in parliament, Theresa May has to ditch the red lines & get serious about proposals for the future," Corbyn said in a speech on Thursday, referring to May's insistence that the UK cannot be part of the Customs Union or Single Market & free movement must end. The embattled Conservative leader has had no success with the other political parties. SNP's Nicola Sturgeon said that "the Prime Minister's offer of talks is a promise to listen, but only if we all agree with her." May has until Monday (Jan 21) to produce a 'Plan B', but she now looks set to produce something little changed from this week's 'divorce bill' that produced the UK's greatest ever government defeat. Whatever that plan may be, MPs will not get a chance to vote on it until Jan 29.

Löfven returns as Swedish Premier: Social Democrat Stefan Löfven has been reappointed by the Riksdag for his 2nd term as Swedish Prime Minister, leading a centre-left minority government. Today's announcement ends four months of political deadlock – since elections on Sept 9 produced a hung parliament. The new governing coalition, which takes office on Monday (Jan 21), combines the Social Democrats with Greens & the parliamentary backing of the Centre & Liberal parties. There are suggestions that Sven-Erik Bucht, Minister for Rural Affairs since Oct 3, 2014, is set to be replaced in Cabinet, but no successor has been named. The former trade unionist & welder Löfven officially takes office on Monday (Jan 21).

ADM takes over UK grain trader: US grain trading & processing giant Archer Daniels Midland (ADM) has taken full ownership of UK grain traders Gleadell Agriculture by buying the remaining 50% stake from joint owners InVivo, a French agricultural cooperative. The deal, announced on Jan 17 includes Gleadell's seed processing subsidiary Dunns. ADM said it would merge Gleadell & Dunns with its UK marketing business ADM Arkady & its specialist direct supply business ADM Direct UK. Gleadell Agriculture, which was founded in 1880, is a leading supplier of combinable crops to UK processors & an exporter of grains, oilseeds & pulses. It also supplies seed & fertilisers. ADM President of Global Trade, Gary McGuigan said that Gleadell & Dunns would be "great additions to our business in the UK," which would "expand our capabilities, not only to continue our strategic growth, but also to support our farmers & our customers." The deal is expected to close during the first quarter of 2019 & is subject to regulatory review.

EFSA pledge to share scientific data: The European Food Safety Authority (EFSA) has pledged to share its scientific data on an open-access platform, with the first datasets to be published this year. In a report published yesterday (Jan 17), the watchdog sets out how it plans to share data collected in areas such as food consumption patterns, pesticide residues in food, chemical contaminants & additives in food, foodborne disease outbreaks & antimicrobial resistance. The scientific information will be made available on 'Knowledge Junction', the agency's "curated, open repository, which was set up to improve transparency, reproducibility & reusability of evidence in food & feed safety risk assessments", Parma-based officials outline. 'Knowledge Junction' is a "community on the Zenodo platform & can be accessed by anyone with a web browser," they add. Commenting this week, head of EFSA's Evidence Management Unit, Mary Gilson said "making this data freely available will mark a significant milestone for the Member States who provide so much of the information we use & for EFSA itself." "For the first time, when we publish certain scientific outputs, we will simultaneously make available all the data used in the assessment," Gilson outlined, describing the open data policy in food safety as a "key enabler for transparency, accountability & evidence-based decision-making." *Go to <https://zenodo.org/> & search for 'EFSA';

TIMETABLE: Week ahead (in Brussels unless otherwise stated)

- Jan 19** Andriukaitis participates in the Western-Balkan Conference 'Potential of Agricultural Trade' in Berlin;
- Jan 21** Eurogroup; Foreign Affairs Council; Special Committee on Agriculture (SCA) *inc.* CAP reform (new delivery model & CMO wine aspects), protein plan & organisation of future work; Foreign Affairs Chief Federica Mogherini co-chairs the EU-Association of Southeast Asian Nations (ASEAN) Ministerial & also co-chairs the EU-African Union Ministerial (&22); A number of Commissioners attend World Economic Forum in Davos-Klosters (Switzerland) www.weforum.org (runs until Jan 25); Trade Commissioner Cecilia Malmström receives Pavlo Klimkin, Minister for Foreign Affairs of Ukraine; Malmström also receives Prak Sokhonn, Cambodia's Deputy Prime Minister & Minister for Foreign Affairs & Kyaw Tin, Union Minister for International Cooperation of Myanmar; Farm Commissioner Phil Hogan in Cairo, meets Ministers Sameh Hassan Shoukry Selim (Foreign Affairs), Ezz el-Din Abu-Steit (Agriculture & Land Reclamation) & Amr Adel Nassar (Industry & Trade); Climate Action Commissioner Miguel Arias Cañete receives representatives of the Transport & Environment organisation; Regional Policy Commissioner Corina Crețu in Bucharest, attends the Conference of Parliamentary Committee for Union Affairs of Parliaments of the EU (COSAC) – '*Increase cohesion & ensure convergence through the MFF post-2020 tools*'; COMENVI (&22) *inc.* exchange of views with Grația Leocadia Gavrilescu, Romanian Vice Prime Minister, Minister for the Environment & Ioan Deneș, Minister for Waters & Forests and Objection pursuant to Rule 106 (GM oilseed rapes, two maize events & cotton), which went through the Appeal Committee on Jan 14 [see AF03-19];
- Jan 22** ECOFIN; Malmström receives Simon Birmingham, Australia's Minister for Trade, Tourism & Investment & also Romanian Minister Ștefan-Radu Oprea (Business Environment, Commerce & Entrepreneurship); Hogan also receives Birmingham as well as Board Members of the Spanish Wine Federation (Federación Española del Vino); Budget Commissioner Günther Oettinger delivers speech on EU Budget at an event hosted by the Association of German Chambers of Commerce & Industry (DIHK); Cañete participates in the post-COP24 debate organised by Poland's Permanent Representation; Health Commissioner Vytenis Andriukaitis receives representatives of the French rabbit products sector (Comité Lapin inter-professionnel pour la promotion des produits); Belgian premiere of award-winning documentary '*The Green Lie*' with author Kathrin Hartmann - hosted by Green MEP Thomas Waitz (AT) & Fern (NGO) at EP - event is fully booked;
- Jan 23** College meeting *inc.* Report on Investor Citizenship & Residence Schemes in the EU & Delegated Act on high-risk 3rd Countries (Anti-money laundering); Commission President Jean-Claude Juncker, together with the College, receives Romano Prodi, former President of the Commission for a working lunch; Hogan receives President of Confagricultura Massimiliano Giansanti; COMAGRI (&24) *inc.* UTPs, Romanian Presidency agri priorities with Farm Minister Petre Daea, debate on agri component in on-going trade talks, citrus market; & on the 'new green architecture' (with Hogan);
- Jan 24** Juncker receives former Director-General of the WTO & former Trade Commissioner Pascal Lamy; Andriukaitis also receives Giansanti (Confagricultura);
- Jan 25** Juncker receives New Zealand's Prime Minister Jacinda Ardern, *who travels to London (Jan 20-21), Davos (22-23) & Brussels (24-25)*; Council President Donald Tusk, Mogherini, 1st Vice-President Frans Timmermans & Hogan also meet Ardern (*next round of EU-NZ trade talks on Feb 18-22 in Brussels*); Andriukaitis in Vilnius, delivers a speech at the BEUC-LVOA event '*EU's role in promoting health of Europeans beyond East & West*', participates in the Annual Conference Quo Vadis, Europa '*Upcoming elections, hybrid threats and the way forward*' & participates in a Citizens' Dialogue;

Management & Regulatory Committees

- Jan 21** Standing Committee on Plant Health (&22);
- Jan 22** Committee for Direct Payments;
- Jan 23** Agricultural Funds Committee;
- Jan 24** Committee for the Common Organisation of Agricultural Markets – Animal products *inc.* sale of SMP stocks out of public storage; Standing Committee on Plants, Animals, Food & Feed (PAFF) – phyto-pharmaceuticals legislation (&25);

ENDS