
The latest EU agriculture, environment & trade news

Editor-in-Chief: Rose O'Donovan, 53 Rue d'Arlon, B-1040 Brussels, Belgium. Tel:+32.2.2301122 Fax:+32.2.2306333

- **COMMISSION (DG AGRI) PREPARES GROUND FOR 'EU PROTEIN PLAN' BY YEAR'S END**
- **MEPs SET OUT ENERGY GOALS & CALL FOR BAN ON PALM OIL IN BIOFUEL FROM 2021**
- **FURTHER BIOTECH VARIETIES SET FOR APPROVAL FOLLOWING USUAL SPLIT VOTES**
- **2018 WILL BE A "DEFINING YEAR" FOR IRISH FARMING, IFA BOSS JOE HEALY AT AGM**
- **IN BRIEF: Plastics; Wine spat; Hogan to China; Coceral changes; Berlin coalition talks;**

COMMISSION (DG AGRI) PREPARES GROUND FOR 'EU PROTEIN PLAN' BY YEAR'S END

The Commission (DG AGRI) is poised to present the 'EU Protein Plan' by the end of 2018, taking stock of the various initiatives already on-going to support plant protein production in the EU & paving the way for further initiatives to be launched in the mid-term (2019 & onwards). *At the Farm Council meeting on Feb 19 – the second under the Bulgarian Presidency - Ministers will hold a public debate on the future of food & farming, while the roadmap on the development of the new EU Protein Plan is also on the agenda.*

Farm Commissioner Phil Hogan pledged to "bring forward work" on a protein strategy at last year's Congress of the European Compound Feed Manufacturers' Federation (FEFAC) in Córdoba [see AF47-17], in a bid to reduce the EU's dependency on imports of plant protein crops to feed its livestock. Addressing the 320-strong auditorium in the splendid Real Círculo de la Amistad, the EU Farm chief referred to the "acknowledged protein deficit in Europe" & conceded that more needs to be done to further encourage the production of protein crops. At the time, Commission officials confirmed that the EU's executive was "prepared to assess measures currently available, to identify potential for improvement & to engage with all stakeholders in an open discussion" on the protein strategy.

During the 1st half of 2018, the Commission is set to launch a targeted stakeholders' consultation to identify ongoing initiatives on support for plant protein crops at EU/national/regional level. The consultation will be run through an e-questionnaire exploring topics related to policy support, research initiatives & market information. An in-depth discussion with key Member States that have ongoing national or regional initiatives (Danube Soy Strategy) or favourable climatic conditions such as AT, BG, DK, FR, DE, HU, PL & RO would follow. Bilateral consultations with the relevant stakeholders such as Copa-Cogeca, Fefac & Fediol – which were closely involved in the development of the 'EU protein balance sheet' last year - would take place in tandem. A series of four thematic workshops (gathering around 20-30 stakeholders) aimed at stimulating debate on topics such as research & innovation *inc.* breeding of new varieties, agronomic challenges & environmental benefits of protein crops, market potential & market segmentation for EU proteins & supply chain organisation *inc.* logistics/infrastructure & labelling are pencilled for the 1st half of the year. At the last meeting of the Market Observatory on cereals & oilseeds (Dec 4, 2017), experts were told that an independent market study will be commissioned. *The next meeting of the Crops Market Observatory Economic Board is tentatively scheduled for April 12.* The external study seeks to quantify the market demand potential for EU plant proteins in different market segments, which would take into account EU competitiveness versus imported plant protein products. The results should be available in mid-2018 to feed into the overall plan. The Commission will also organise a high-level conference on 'Plant Protein Production in the EU' in the final quarter of 2018 (poss. Oct/Nov) under the Austrian Presidency - where a draft 'EU Protein Plan' taking into account the actions listed above is expected to be presented & discussed among delegates.

MEPs SET OUT ENERGY GOALS & CALL FOR BAN ON PALM OIL IN BIOFUEL FROM 2021

The European Parliament (EP) stands ready to negotiate binding targets with EU Ministers to boost energy efficiency by a minimum of 35% & increase the share of renewables in the total energy mix by 35%, by 2030, it emerged today, paving the way for negotiations to start with Council. Voting through its 1st Reading position on the revision of the Renewable Energy Directive (RED II) at the plenary session in Strasbourg (Jan 17), the House endorsed Committee proposals for binding EU-level targets on energy efficiency & the share of energy from renewable sources in gross final consumption. MEPs also backed a 12% share of energy from renewable sources in transport, by 2030, while they are pushing for a ban on the use of palm oil in biofuels from 2021* & the possibility for Member States to decide on the level of the use of feedstocks in part B of Annex IX (raw material list). They also threw their weight behind a specific strategy to tackle methane emissions (under Energy Union governance). To meet the global EU-wide objectives, Member States are requested to set their own targets, to be monitored & achieved in line with a draft law on the governance of the Energy Union.

On renewables - adopted by 492 votes to 88, 107 abstentions – the House said the share of renewable energy should be 35% of the energy consumption in the EU by 2030. National targets should also be set,

MEPs stated, from which capitals would be allowed to deviate by a maximum of 10% under certain conditions. By 2030, each country will have to ensure that 12% of the energy consumed in transport comes from renewable sources, with the contribution of so-called 1st generation biofuels (from food & feed crops) capped at 2017 levels & a maximum share of crop-based biofuels in transport fuel reaching 7% by 2030. The share of advanced biofuels - broader definition now including renewable transport fuels of non-biological origin, waste-based fossil fuels & renewable electricity - must be at least 1.5% in 2021, rising to 10% in 2030. The draft law on energy efficiency - 35% binding EU target & indicative national ones - was approved by 485 votes to 132, with 58 abstentions. MEPs also asked Member States to reduce barriers to consumers who want to produce their own renewable energy & help them set up renewables co-operatives in their communities.

Commenting today, Spanish MEP José Blanco Lopez (S&D), rapporteur for the renewables file, said “if Europe wants to fulfil its Paris commitments, fight climate change & lead the energy transition, we need to do more ... decarbonisation is not a drag on economic growth, on the contrary, it is the driver of competitiveness, economic activity & employment”. Meanwhile, his Czech colleague Miroslav Poche (S&D) – rapporteur for energy efficiency – said energy efficiency “was one of the key dimensions of the EU’s energy union strategy ... an ambitious policy in this area will contribute to achieving both our climate & energy goals as well as increasing our competitiveness”. Trilogue negotiations between the EP, Commission & Council will start immediately under the Bulgarian Presidency. **Back in Nov 2017, Indonesia’s Trade Minister Enggartiasto Lukita threatened to block EU milk powder imports if it went ahead with restrictions on imports of vegetable oil. The biggest global producer & exporter of palm oil said it was prepared to ban imports of milk powder “if the EU treats Indonesia unfairly & is discriminatory”, Lukita told journalists in the sidelines of a palm oil conference in Nusa Dua, Bali.*

FURTHER BIOTECH VARIETIES SET FOR APPROVAL FOLLOWING USUAL SPLIT VOTES

The EU is on course to formally approve the genetically modified (GM) maize MON 87427 x MON89034 x NK603 (and GM maize combining two of the events MON 87427, MON 89034 & NK603) as well as the renewal of the biotech maize 59122 for import & processing - following a split vote among national experts at the Standing Committee on Jan 16 [see tables opposite]. With talks towards a coalition still ongoing in Berlin [see below], Germany abstained on both counts (joined by IT & PT on the maize stack & FR, IT & PT on 59122). The insect-resistant & glufosinate-tolerant GM variety 59122 – developed by Pioneer - does not pose any safety concerns with respect to potential effects on human, animal health & the environment in the context of the scope of its application, the EFSA GMO panel confirmed. Scientists at the Parma-based agency also gave the green light to the three-event stacked maize - developed by Monsanto - in early Aug 2017. The customary ‘no opinion’ at the Standing Committee paves the way for the vote at the Appeal Committee (most likely before Easter), allowing the Commission to adopt a decision on both varieties under its own authority.

GM maize MON87427 x MON89034 x NK603		
For	Against	Abstain
BE, CZ, DK, EE, IE, ES, NL, RO, FI, SE & UK	BG, EL, FR, HR, CY, LV, LT, LU, HU, MT, AT, PL, SI & SK	DE, IT & PT

GM maize 59122 (Renewal)		
For	Against	Abstain
BE, CZ, DK, IE, EE, ES, MT, NL, RO, FI, SE & UK	BG, EL, HR, CY, LV, LT, LU, HU, AT, PL, SI & SK	DE, FR, IT & PT

EP mulls special committee on glyphosate: The EP Conference of Presidents (COP) will hold an exchange of views & consider a possible draft mandate for the setting up of a special committee on the renewal of the approval of glyphosate & the Community authorisation procedure for pesticides at its meeting tomorrow (10am-12pm). The EP green political group with support from some S&D MEPs are calling for a Committee of Inquiry into Monsanto & glyphosate, with sources suggesting that EPP euro-deputies are also throwing their weight behind it, in a bid to have greater influence over its scope. On Dec 6, 2017, the COP – comprising EP President Antonio Tajani & chairmen of the political groups - held a preliminary discussion on the creation of the special committee & decided to return to the matter at a subsequent meeting. Under the rules of procedure, the EP “may, at the request of one quarter of its component Members, set up a committee of inquiry to investigate alleged contraventions or maladministration in implementation of Union law”. The announcement follows the EP public hearing on Monsanto on Oct 11 [see AF80-17] - where the agri-chemical giant Monsanto was invited, but declined to attend - & the green light for the 5-year renewal of the controversial herbicide glyphosate on Nov 27 [see AF84-17].

DG SANTE readies key dossiers: The Commission (DG SANTE) is readying a legislative proposal – due this spring* – to increase the transparency, independence & quality of studies used in the scientific assessment of chemical substances such as public access to raw data. In its Communication (adopted Dec

12, 2017), officials announced future amendments to the legislation to strengthen the governance of relevant studies *inc.* the governance of the EU's food safety watchdog (EFSA). Other key SANTE dossiers on the horizon include the finalisation of the Animal Welfare Strategy (mid-Feb), the adoption of a legislative text on increased transparency for scientific studies under the General Food Law (April), report on the '*Economic burden & health impact of Antimicrobial Resistance (AMR)*' (2nd quarter), adoption of a methodology on food waste (3rd quarter), report on date marking (food waste) in the last quarter, while the Commission is expected to draw up a list of high-risk plants in Dec. The European Food Safety Authority is expected to present its updated assessment on the potential risks to bees from neonicotinoid pesticides - clothianidin, imidacloprid & thiamethoxam - at the end of Feb, with new measures set to be adopted in June.

**All dates remain tentative;*

2018 WILL BE A "DEFINING YEAR" FOR IRISH FARMING, IFA BOSS JOE HEALY AT AGM

The challenges of Brexit, the ongoing CAP budget debate & the impact of a future trade deal with the Mercosur trade bloc* mean that 2018 will be a "defining year for Irish farming, Joe Healy, President of the Irish Farmers' Association (IFA) told its AGM in Dublin this week (Jan 16). Commenting some 45 years after Ireland first joined the EEC, the Athenry dairy farmer said EU membership "had proved a positive step for the farming industry & the country". But the next 12 months "will be a test of the EU's commitment to our sector," Healy said. "We expect Europe to stand by farmers & acknowledge the support Irish farmers have shown towards the EU." On Brexit, he stressed that if the UK wanted continued access to the EU market, it should not be free to open its market to "low standards or low value products from outside the Community." "For the Irish agri food sector, the focus needs to be on the relationship between the EU & the entirety of the UK," he said. "North-South regulatory alignment will help to solve one problem of the hard border in Ireland ... East-West regulatory alignment has the potential to deliver a lot more – to avoid major disruption for Irish food exporters to our largest market, Britain," he outlined. The IFA President wanted to see a strong CAP budget after 2020 with direct payments supporting farmers & a well-funded Rural Development Programme. "Without a strong CAP, Irish beef, sheep & tillage farmers in particular will go out of business ... we cannot let this happen," he stated. The EU's farm policy had "delivered significant environmental & social benefits for the entire community." "Now is the moment for this Government & our Taoiseach to show their mettle by standing up for the CAP," he said.

On climate change matters, Healy said Irish farmers were the "most carbon efficient producer of dairy products in Europe & the 5th most carbon efficient producer of beef in Europe." "Since 1990, our agricultural output has grown by 40% while our GHG emissions have fallen by 3.5%." Farmers had played their part, he added, calling for climate measures to move "in tandem with our role as food producers & as the businesses which generate much-needed economic activity in rural areas." Healy expressed concern over proposals to offer Mercosur countries greater market access to the European market. "Producing a kilo of beef in Brazil leaves four times the carbon footprint of a kilo of beef produced in Ireland," he said. "Cutting our beef output to allow Brazil increase theirs is reckless & makes no sense." The farm leader also bemoaned the unfairness of the food supply chain. "The figures don't lie: the retailer takes 51% of the final price, the processor gets 28%, but the farmer only gets 21%," he said, with all eyes on the legislative proposals due to be tabled by the Commission on April 11. **Foreign Ministers from the four Mercosur countries are travelling to Brussels later this month to meet with EU Trade chief Cecilia Malmström - dates still tbc - but likely to be around Jan 29-Feb 1. Sources suggest improved market access offers may be discussed then;*

Varadkar defends CAP, praises EU support: Ireland's Taoiseach Leo Varadkar defended the EU's farm policy in a speech to MEPs in Strasbourg today (Jan 17). Addressing the plenum this afternoon, the Irish Premier said the EU should "continue to fund well programmes & policies that work like the Common Agricultural Policy, & provide funding for research, innovation, Erasmus, Interreg, the European Investment Bank (EIB) among others." During his 25-minute wide-ranging speech setting out a vision of the '*Future of Europe*' *inc.* Brexit, climate change, tax issues & migration, the young leader of the *Fine Gael* political party – who celebrates his 39th birthday tomorrow (Jan 18) - thanked the House & national capitals for their support in getting the British government to agree that there could be no return to a hard border in Ireland. "It is proof positive of why small countries benefit so much from membership of the EU," he said. Switching between English, Irish, German & French, the Dubliner quipped that in "the Europe of the future all Member States will be small states even if they do not all realise that yet."

IN BRIEF: Plastics; Wine spat; Hogan to China; Coceral changes; Berlin coalition talks;

Commission unveils EU Plastics Strategy: The EU's executive this week adopted its first Strategy for Plastics, as part of a transition towards a circular economy (Jan 16). Under the plans, all plastic packaging in the EU will be recyclable by 2030, the consumption of single-use plastics will be cut & the intentional use of micro-plastics restricted. "If we don't change the way we produce & use plastics, there will be more plastics than fish in our oceans by 2050," First Vice-President Frans Timmermans, responsible for sustainable

development, said. "We must stop plastics getting into our water, our food & even our bodies ... the only long-term solution is to reduce plastic waste by recycling & reusing more." Europeans generate 25 million tonnes of plastic waste each year, with less than 30% recycled. The new Strategy aims to make recycling profitable, cut plastic waste & stop littering at sea. It will drive investment & innovation while spurring change across the world, officials say. **Further details at goo.gl/AK1z72;*

Australia launches WTO complaint over Canada wine restrictions: Australia has initiated a complaint procedure at the WTO over measures by the Canadian government & the provinces of British Columbia, Ontario, Quebec & Nova Scotia concerning wine sales. Canada's request for consultations, dated Jan 12 & circulated to WTO members on Jan 16*, centres on claims that Canadian distribution, licensing & sales measures such as product mark-ups, market access & listing policies, as well as duties & taxes on wine applied at federal & provincial level, appear to discriminate against imported product. British Columbia has a system which, Australia says, discriminates in favour of wine produced in the province in sales & distribution. Ontario has rules which operate in favour of products of Canadian origin, the complainant outlines. Quebec provides small-scale wine producers operating there with direct access to grocery & convenience stores & Nova Scotia also has preferential rules for local producers, they add. Canberra says these rules were inconsistent with Canada's international trade commitments & they negatively impact Australia's fourth largest export market for wine, currently valued at AUS \$185 million (€120m). "While it would have been preferable to resolve this issue bilaterally, it is appropriate to commence dispute proceedings given the lack of progress," Australian Minister for Trade & Investment, Steven Ciobo MP, said in a statement.

**More details goo.gl/rg8xAc;*

Hogan prepares trade mission to China: EU Farm Commissioner Phil Hogan is preparing for a high-level trade mission to China in mid-May (14-19), where he will attend the inauguration of the SIAL 2018 fair in Shanghai (May 16-18)* flying the flag for the 'Region of Honour'. In a letter to the chairman of the EP's COMAGRI, Czesław Siekierski (dated Jan 11), the EU Farm chief outlined that China was the second largest importer of EU agricultural & processed products, while in 2016 it received 8.7% of all EU farm exports. The political purpose of the visit "will be to secure & further improve this export destination by addressing market access irritants & promoting geographical indications, trade in organic produce & building on EU food safety & food quality", he added. Similar to previous trade missions, the Irish Commissioner will be accompanied by a delegation of senior European executives from companies/producer organisations representing key sectors in EU-China trade (such as, but not limited to meat, dairy (in particular cheese), high-quality GI products, wines/spirits, fruit/vegetables, cereals & confectionary). Hogan said the key objective at SIAL China - Asia's largest food innovation exhibition attracting over 100 000 professionals & 3 200 exhibitors from 67 countries - was to "meet not only potential partners from the local market but also representatives of the agri-food sector from the whole continent". Interested companies have until Feb 7 to submit their applications online**. **www.sialchina.com & **<https://ec.europa.eu/eusurvey/runner/HLMagriChina2018>;*

New COCERAL Secretary General: Iliana Axiotiades was this week named as the new COCERAL Secretary General. The experienced food industry specialist & advocate replaces Teresa Babuscio - in the post for almost 10 years - who will leave COCERAL next month (Feb 21). Axiotiades has held a number of senior roles in Brussels including in the starch, food ingredients & bio-ethanol sectors, most recently as Director of Government & Trade Relations (Europe) for Johnson Controls (from 2010). She was previously Managing Director of the European Starch Industry Association for 10 years (from 1993-2003) & worked for Cargill as Director for Government Relations Europe (2004-2006) & Director of Business Development (2006-2008). She has previously been a member of the Trans-Atlantic Business Council (TABC) serving as Co-Chair of the Energy Efficiency & Innovation Working Groups. Commenting this week, COCERAL President Jaana Kleinschmit said Axiotiades (now in her early 50s) had "an excellent track record of leadership & engagement across the agribusiness sector". Her predecessor Babuscio is to take up a new role for Bayer as Director of Agricultural & Cross Divisional Affairs at the company's Liaison Office in Brussels.

German farm groups on coalition talks: Germany's farming union Deutscher Bauernverband (DBV) has expressed concern that too little account is being taken of agriculture in ongoing coalition negotiations between potential coalition partners CDU, CSU & SPD, following exploratory talks late last week. Meanwhile, the German Co-operative organisation Deutscher Raiffeisenverband (DRV) hoped for renewed progress in the formation of a new coalition & called for the parties to ensure agriculture was a key component in discussions. DBV & DRV have both reacted positively to the political parties' insistence on the importance of Europe & European policies to Germany, with DRV calling for greater funding for the CAP. Hopes of a speedy deal were dampened on Tuesday with a report that Berlin's local SPD branch has voted against a deal. SPD delegates are due to consider coalition plans at a special party conference in Bonn over the weekend (Jan 21).

ENDS