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Agricultural Situation

EU Weekly Roundup and Policy Update (Issue 13/2007)

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Report Highlights:

- 1. Broiler welfare proposal back on the EC agenda
- 2. EU launches new online public consultation round on the Animal By-Products Regulation 1774/2002
- 3. EU-Russia talks fail to lift Russian ban on Polish meat and plant exports
- 4. EU aims to reduce salmonella in broilers below one percent by 2011
- 5. EU biofuels may have to meet environmental criteria

Includes PSD Changes: No Includes Trade Matrix: No Unscheduled Report Brussels USEU [BE2] [E4] *EU Weekly Roundup and Policy Update* is a digest of European agricultural issues. The topics covered in this report are intended to help inform U.S. government policy officials of European regional, national and international developments as they unfold. We include breaking news provided by FAS colleagues posted in EU member state countries, and also provide links to more detailed reports and web sites.

DISCLAIMER: The information contained herein is compiled from a number of sources, including press releases from the European Commission. This report therefore does not reflect official views or policies of the U.S. Department of Agriculture, or of any other U.S. Government department or agency.

1. BROILER WELFARE PROPOSAL BACK ON THE EC AGENDA - The German EU Presidency is hoping to revive and broker an agreement on the broiler welfare proposal before the end of its EU presidency. While the maximum stocking densities of 32 kg/m2 and 38 kg/m2 under controlled atmosphere conditions from the failed December 2006 proposal would be maintained, the proposal would be further watered down by removing the requirements on farmers to record footpad lesions and maintain many other data on their holdings. Nevertheless it is unclear whether this new proposal will allow overcoming the blocking minority from France, the Slovak Republic and Hungary as newcomer Romania is also opposed. The new proposal also proposes that poultry meat complying with this new Directive be labeled "EU animal welfare standard", an option open to third country imports provided they meet equivalent standards. The proposal, which was first launched in May 2005, was close to an agreement before the arrival of Avian Influenza in the winter of 2006 evaporated the support from several member states. See also GAIN <u>E36136</u> and <u>E35108</u>.

2. EU LAUNCHES NEW ONLINE PUBLIC CONSULTATION ROUND ON THE ANIMAL BY-PRODUCTS REGULATION 1774/2002 – DG SANCO launched a new online consultation on its draconian Animal By-Products regulation 1774/2002 at <u>Consultation process on impacts relating to the</u> review of Regulation (EC) No 1774/2002 laying down health rules concerning animal byproducts not intended for human consumption. The online consultation, which targets all interested stakeholders including third countries, ends on June 19, 2007. See also the <u>USEU</u> website.

3. EU-RUSSIA TALKS FAIL TO LIFT RUSSIAN BAN ON POLISH MEAT AND PLANT EXPORTS - Despite the EU submitted Member States' residue plans to Russia as requested, Commissioner Kyprianou failed to convince Russian Agriculture Minister Gordeyev of lifting the Russian ban on exports of Polish meat and plant products during a two-day meeting in Cyprus. As a result, this is expected to put clouds over the next EU-Russia summit, which is scheduled for May 18, where the energy deal that Poland vetoed last winter because of the Russian ban is on the agenda again. See GAIN <u>PL6070</u> and <u>PL6080</u>.

4. EU AIMS TO REDUCE SALMONELLA IN BROILERS BELOW ONE PERCENT BY 2011 - Mirroring a similar Regulation Nr 1168/2006 on the reduction of salmonella in European laying hens, the Standing Committee on the Food Chain and Animal Health (SCoFCAH) this week approved a draft Regulation to reduce the prevalence of salmonella in broiler flocks below one percent by 2011. Unlike the Regulation Nr 1168/2006 for layers, this Regulation would not set national targets, as prevalence of salmonella in broilers is much more clustered, with only a few EU Member States having high levels. This proposal is only targeting Salmonella enteritidis and Salmonella typhimurium as Regulation Nr 1177/2006 from August 2006 already fixed targets and methods for the reduction of the overall prevalence of salmonella in broilers. The importance of this proposal must be seen in the light of the Zoonoses Regulation Nr 2160/2003, which will not allow the marketing of fresh poultry meat for human consumption from December 12, 2010 unless salmonella is absent in 25 grams of test poultry meat samples. This draft Regulation is expected to be adopted in the coming weeks and should enter into force from July 1st, 2007. See also GAIN reports E36062 and E36064.

5. EU BIOFUELS MAY HAVE TO MEET ENVIRONMENTAL CRITERIA - Under an idea floated in a Commission consultation paper, biofuels which do not meet certain criteria on environmental sustainability will not count towards national biofuels target, nor will they be able to benefit from tax incentives or other financial support. The consultation paper was designed to feed into the renewable energy Directive, due for publication in the autumn which will include the 10 percent biofuels target agreed by EU leaders at the March summit. The document suggests three sustainability criteria that would have to be respected:

- Achieving a minimum level of greenhouse gas savings (tentatively suggesting a life cycle saving of 10 percent).
- Avoiding a major reduction in carbon stocks through land use change (for example, draining wetlands).
- Avoiding major biodiversity loss from land use change.

It also suggests a number of ideas on how to measure whether the three criteria have been met, including an accredited EU scheme for measuring EU greenhouse gas impacts. There would be no discrimination between EU and third country producers. The paper also looks at how to encourage the development of 2nd generation biofuels, suggesting

that they would count double towards meeting biofuels obligations e.g. a fuel supplier required to incorporate 2 percent biofuel into their fuel would only have to meet a 1 percent target if 2nd generation biofuels were used. The document points out that achieving the 10 percent biofuels target will not be possible while constraints exist on the amount of ethanol allowed in petrol, even if this rises to 10 percent as proposed by the Commission in its revision of the fuel quality standard, and the amount of biodiesel allowed in diesel.

For more information, go to: <u>http://ec.europa.eu/energy/res/consultation/biofuels_en.htm</u>

| Issue | Link to | Website | |
|----------------------|--|---|--|
| Wine | updated list of third country agencies and laboratories responsible for completing documents that must accompany shipments of wine | http://useu.usmission.gov/agri/wine.html | |
| AI | Commission Regulation 435/2007 | http://useu.usmission.gov/agri/avian.html | |
| wto | speech by WTO Director-General to U.S. Chamber of Commerce in Washington | http://useu.usmission.gov/agri/wto-doha- press.html | |
| Biotechnology | MS reports -LL 601 Rice Found in U.S. Shipment - Lithuanian government disapproves second field trial application -Biotechnology Policy and Public Opinion | http://useu.usmission.gov/agri/GMOs.html | |
| Biofuels | MS report Italy Biofuels | http://useu.usmission.gov/agri/Biofuels.htm | |
| Enlargement | Reports -EU accession impact on Bulgaria -Increase of Farmer's Agricultural Income in 2006 (PL7019) | http://useu.usmission.gov/aqri/enlargement.ht ml | |
| Sugar | Annual report 2007 | http://useu.usmission.gov/agri/sugar.html | |
| Livestock | MS report: The Benelux beef market | http://useu.usmission.gov/agri/livestock.html | |
| Fruit and vegetables | MS report Strawberries Spain Voluntary update | http://useu.usmission.gov/agri/F&V.html | |
| Seafood | MS report Slovakia: Fish and Seafood | http://useu.usmission.gov/agri/seafood2.html | |
| WTO notifications | G/TBT/N/EEC/149 Biocidal products | http://useu.usmission.gov/agri/WTOnotif.html | |
| Agricultural council | April 16 Agricultural Council | icultural Council <u>http://useu.usmission.gov/agri/institutions.html</u> | |

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| <u>E47030</u> | USEU | EU Weekly Roundup and Policy Update | 04/20/07 | |
| FR7016 | Paris | Monthly Export Prices for Dairy Products | 04/25/07 | |
| <u>SP7018</u> | Madrid | Biotechnology Votes | 04/24/07 | |
| <u>SP7017</u> | Madrid | Cotton and Products Annual | 04/24/07 | |
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