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**Date:** 10/21/2011

**GAIN Report Number:** E600058

## **EU-27**

**Post:** Brussels USEU

### **EU Policy Update (Issue 30 – 2011)**

**Report Categories:**

Agricultural Situation

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**Report Highlights:**

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## General Information:

*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.*

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**1. Commission adopts size-based working definition for nanomaterials** - On October 18, the long awaited [Commission Recommendation](#) including an overarching working definition was finally adopted and published in the Official Journal of the European Union two days later. The definition is based on the size of the particles of a material, rather than hazard or risk. It is designed to be used for regulatory purposes and will cover all uses.

A nanomaterial is defined as:

- "a natural, incidental or manufactured material" containing
- particles, in an unbound state or as an (more strongly bound) aggregate or as an (weakly bound) agglomerate and where,
- 50% or more of the particles (number size distribution) has one or more external dimensions in the size range 1 nm – 100 nm."

The definition has to bring coherence to the variety of definitions that are currently in use in different sectors and aims to provide a cross-cutting reference. The definition will be reviewed in 2014 in the light of technical and scientific progress. The US has not defined nanotechnologies since the focus is more on how nanotechnologies are introduced into several different sectors – such as food, drugs and cosmetics – to ensure that legislation within those sectors takes account of their use. Post will closely follow-up on reactions and analyze whether there will be implications for trade and US exports.

**2. EU increases imports of biodiesel** - According to F.O Licht, the EU imported 17 percent more biofuels from January to July 2011 than during this same time last year. The main suppliers of biofuels to the EU during this period were Argentina and Indonesia, with imports from Indonesia almost doubling from the previous year during this six-month period. U.S. shipments of biofuels in B19 blends to the EU fell by 34 percent (134,944 tons to only 88,166 tons) and Canadian exports dropped dramatically from 71,325 to 987 tons. These decreases are caused by the extended special import duties on U.S. and Canadian biodiesel imports on blends below B20 earlier this year. EU imports of biodiesel from Norway increased from 2,882 tons to 36,125 tons during this period most likely because Norway imported a larger amount of oilseeds to meet its domestic protein needs and has not yet developed a strong enough biofuels industry to utilize the biodiesel.

**3. Strong Negative Spanish Reaction to EU CAP Proposal** - Spain has responded strongly and negatively to the recently publicized EU CAP proposal. Immediately after the proposal was publicized, Spain's Minister of Environment and Rural and Marine Affairs (MARM) strongly criticized its weaknesses and called for its complete rejection, stating that the proposal would be a major blow for farmers and did not respond to the needs of the agricultural sector. Spain's leading agricultural associations (ASAJA, UPA and COAG) have also joined in calls to reject the proposal, and in concert with the support of Spain's autonomous regions, MARM has developed a common position against the proposal. Specifically, Spain considers that no measures should be proposed before the budget allocated to CAP under the financial perspectives is defined. Spain is opposed to the flat-rate single payment mechanism which is a disincentive to production agriculture and do not takes into account the tremendous diversity of Mediterranean agriculture. The market tools in the proposal are insufficient to face growing challenges in the agricultural sector such as price volatility. Spain also rejects any new environmental requirements imposed without compensation claiming that they would undermine agricultural competitiveness and productivity. Spain is also questioning the definition of active farmers while calling for more support for women and young farmers in the proposal. The press reports that Spain is consulting with France, Germany, Portugal, Italy and Greece to identify common

pressure points for future negotiations. Increasingly, MARM and the Spanish agricultural industry have been calling for reciprocity with all trading partners for qualitative requirements which impact productivity and competitiveness – such as animal welfare and environmental measures.

**4. Summary of the SCoFCAH committee discussion on lactic acid** - On October 17, 2011, the Standing Committee on the Food Chain and Animal Health (SCoFCAH) had a first discussion on the Commission proposal for the approval of lactic acid (LA) as a PRT for beef on the agenda. While such discussions are not public and no documents are produced, it appears that four member states (MS) (UK, Ireland, Denmark and Poland) voiced support for the proposal, while France was against on the claim that its industry was not interested in this technology, which is clearly false. Because the Commission proposal was made available to the MS only one working day before the SCoFCAH meeting instead of the normal one week, most MS had not studied the proposal adequately and therefore remained silent. Further, several MS raised questions about functional aspects of the proposal, like the need for rinsing, labeling or why this did not fall under the food ingredients legislation. Because it became clear that MS still have questions related to the proposal, the Commission will likely not put the proposal up for a vote in the November SCoFCAH meeting, rather have a more in-depth discussion. The Commission believes that it is more important for MS to be well informed and make up their mind properly than trying to rush this proposal and risk not obtaining a clear favorable qualified majority vote. The Commission believes that this result from a first discussion should not cause concern as it is normal for MS to take an interest in a dossier that is sensitive in view of the past failure of the poultry PRT approvals and the fact that the Commission proposal was late for the first discussion. A vote on the proposal is now more likely in December 2011, unless more questions arise.

**5. REPORT HIGHLIGHTS FROM USEU BRUSSELS and EU MEMBER STATE POSTS:**

<b>Post</b>	<b>Title</b>	<b>Date Released</b>
Prague	<a href="#">2011 Grain Production in Slovakia Up 45 Percent</a>	10/21/2011
USEU	<a href="#">EU Policy Update (Issue 29 – 2011)</a>	10/20/2011
USEU	<a href="#">Sugar Semi-annual</a>	10/20/2011
Berlin	<a href="#">Release of Shipments in Germany</a>	10/19/2011
USEU	<a href="#">Reform of the Common Agricultural Policy</a>	10/19/2011
USEU	<a href="#">EU Agriculture Council Meeting September 20 2011</a>	10/19/2011
Berlin	<a href="#">Release of shipments in Germany</a>	10/18/2011
Prague	<a href="#">One of the Decade’s Best Harvests</a>	10/17/2011
Prague	<a href="#">Annual Retail Sector</a>	10/14/2011
Warsaw	<a href="#">Dairy and Products Annual</a>	10/14/2011
The Hague	<a href="#">Are U.S. soybeans sustainably and responsibly produced</a>	10/14/2011