



# **Russian Embargo**

**Civil Dialogue Group  
International Aspects of Agriculture  
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# Russian Ban



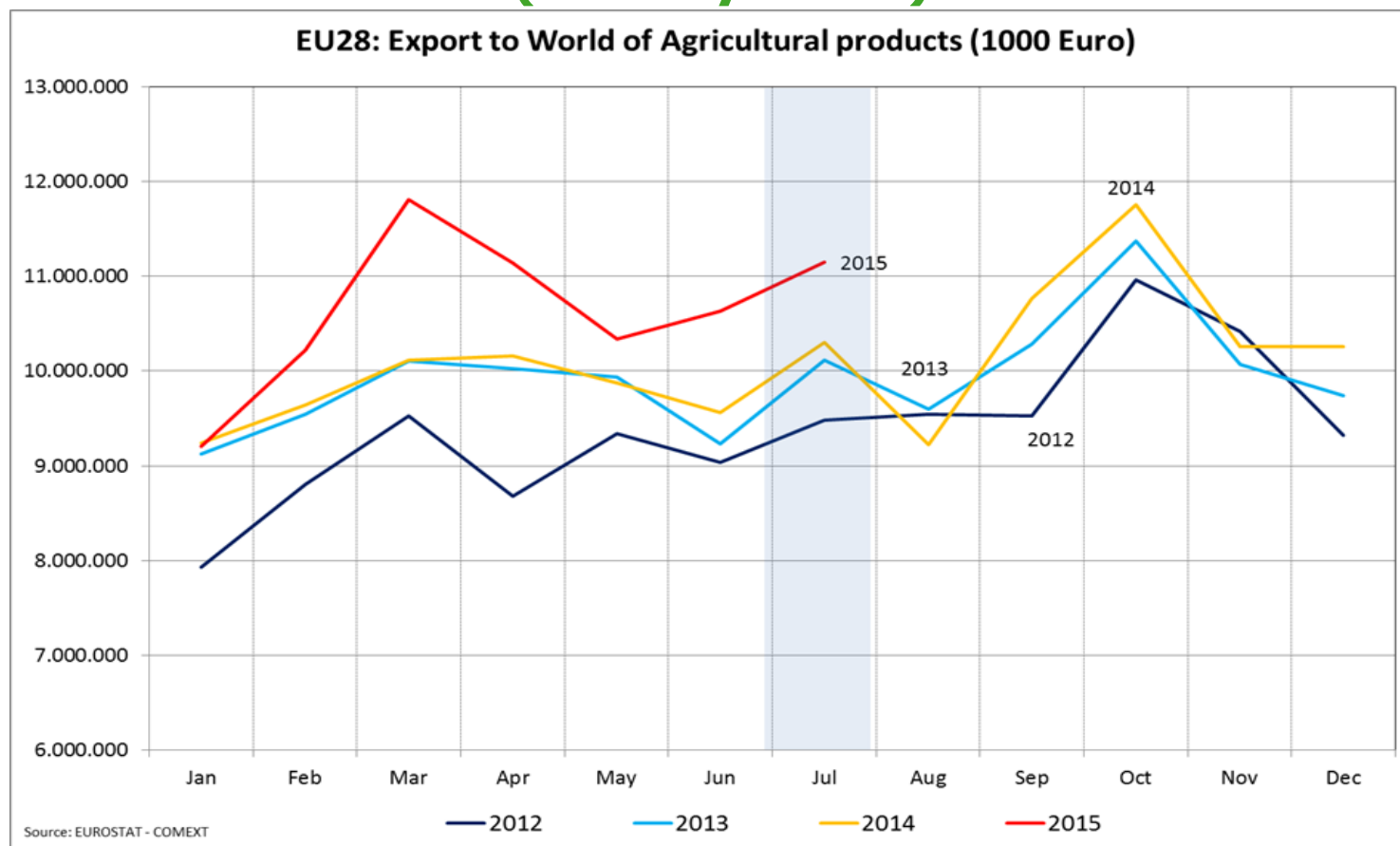
## Russian Ban

- Political ban– prolonged until August 2016
- Extended to 5 other countries: Iceland, Liechtenstein, Albania, Montenegro and Ukraine (if DCFTA enters into force in January 2016)
- Complemented by numerous SPS bans and restrictions: pigmeat, PL fruits, NL flowers, etc.
- Russia also blocking transit
- No end in sight as real scope is import substitution

For an overview of the Commission response and an update on market and export developments please see:

[http://ec.europa.eu/agriculture/russian-import-ban/index\\_en.htm](http://ec.europa.eu/agriculture/russian-import-ban/index_en.htm)

## EU28 exports to third countries of agri-food products (till July 2015)



## EU28 agri-food exports to third countries (till July 2015)

| EU28 agri-food exports to ....<br>(million Euro)<br>COMEXT | cumulative data: August to July |                       |   |           | monthly data: July |               |                                       |           |
|--|---------------------------------|-----------------------|---|-----------|--------------------|---------------|---------------------------------------|-----------|
|  | Aug 2013-<br>Jul 2014           | Aug 2014-<br>Jul 2015 | Difference<br>Aug14 - Jul15 to<br>Aug13 - Jul14 |           | Jul 2014           | Jul 2015      | Difference<br>Jul 2015 to<br>Jul 2014 |           |
|  | mio €                           | mio €                 | mio €   | %         | mio €              | mio €         | mio €                                 | %         |
| <b>Extra-EU28</b>  | <b>120 755</b>                  | <b>127 458</b>        | <b>6 704</b>                                    | <b>6%</b> | <b>10 355</b>      | <b>11 211</b> | <b>856</b>                            | <b>8%</b> |
| United States  | 15 696                          | 18 258                | 2 563   | 16%       | 1 413              | 1 735         | 322                                   | 23%       |
| China  | 7 064                           | 9 407                 | 2 343   | 33%       | 738                | 1 025         | 287                                   | 39%       |
| Switzerland  | 7 138                           | 7 471                 | 333   | 5%        | 560                | 616           | 56                                    | 10%       |
| Russian Federation   | 11 006                          | 6 277                 | - 4 729   | -43%      | 833                | 480           | - 353                                 | -42%      |
| Japan  | 5 335                           | 5 233                 | - 102   | -2%       | 512                | 491           | - 21                                  | -4%       |
| Hong Kong  | 4 139                           | 4 933                 | 794   | 19%       | 368                | 377           | 9                                     | 2%        |
| Saudi Arabia   | 3 960                           | 4 352                 | 392   | 10%       | 360                | 434           | 74                                    | 20%       |
| Norway   | 3 970                           | 4 044                 | 74  | 2%        | 319                | 310           | - 9                                   | -3%       |
| Algeria  | 3 542                           | 3 409                 | - 133   | -4%       | 185                | 261           | 77                                    | 41%       |
| Turkey   | 2 648                           | 3 343                 | 696   | 26%       | 210                | 263           | 53                                    | 25%       |
| Canada   | 3 142                           | 3 292                 | 150   | 5%        | 280                | 295           | 14                                    | 5%        |
| United Arab Emirates                                       | 2 545                           | 2 898                 | 353   | 14%       | 221                | 282           | 61                                    | 28%       |
| Australia  | 2 382                           | 2 695                 | 314   | 13%       | 233                | 275           | 41                                    | 18%       |
| Korea, Republic of   | 1 955                           | 2 526                 | 571   | 29%       | 190                | 195           | 5                                     | 3%        |
| Egypt  | 1 875                           | 2 370                 | 495   | 26%       | 110                | 152           | 42                                    | 38%       |
| Singapore  | 1 987                           | 1 964                 | - 23  | -1%       | 181                | 193           | 12                                    | 6%        |
| Brazil   | 1 581                           | 1 672                 | 91  | 6%        | 149                | 150           | 1                                     | 1%        |
| South Africa   | 1 540                           | 1 656                 | 117   | 8%        | 133                | 175           | 42                                    | 32%       |
| Morocco  | 1 498                           | 1 509                 | 11  | 1%        | 77                 | 96            | 20                                    | 25%       |
| Ukraine  | 1 999                           | 1 443                 | - 556   | -28%      | 133                | 110           | - 23                                  | -17%      |
| <i>other countries</i>                                     | <i>35 754</i>                   | <i>38 705</i>         | <i>2 951</i>                                    | <i>8%</i> | <i>3 149</i>       | <i>3 296</i>  | <i>147</i>                            | <i>5%</i> |

➤ Overall EU agri-food exports up 5.7% year-on-year

## Exports of agri-food products by Member State (till July 2015)

### Main exporting Member States (by value)

| Member State | Exports to third countries<br>(in million EUR) |                         |      |
|--------------|--|-------------------------|------|
|              | Aug 2013 -<br>July 2014                        | Aug 2014 -<br>July 2015 | %    |
| France       | 21.034   | 22.138                  | +5%  |
| Netherlands  | 17.119   | 17.991                  | +5%  |
| Germany      | 15.524   | 16.502                  | +6%  |
| Italy        | 11.388   | 12.496                  | +10% |
| Spain        | 8.837  | 9.961                   | +13% |
| UK           | 8.909  | 9.937                   | +12% |
| Denmark      | 5.614  | 6.178                   | +10% |
| Belgium      | 5.436  | 5.705                   | +5%  |
| Ireland      | 2.958  | 3.068                   | +4%  |

### Negatively affected exporting Member States

| Member State | Exports to third countries<br>(in million EUR) |                         |      |
|--------------|--|-------------------------|------|
|              | Aug 2013 -<br>July 2014                        | Aug 2014 -<br>July 2015 | %    |
| Poland       | 4.814  | 4.583                   | -5%  |
| Lithuania    | 2.241  | 1.773                   | -21% |
| Greece       | 1.664  | 1.631                   | -2%  |
| Finland      | 1.183  | 1.051                   | -11% |
| Latvia       | 1.018  | 879                     | -14% |
| Estonia      | 335  | 243                     | -27% |
| Cyprus       | 107  | 103                     | -3%  |

- Member States neighbouring Russia were the most affected
- Most others experienced export increases

## EU28 agri-food exports per product sector (till July 2015)

| EU28 agri-food exports<br>(in million €) | Extra-EU28              |                         |     | Russian Federation      |                         |      |
|--|-------------------------|-------------------------|-----|-------------------------|-------------------------|------|
|  | Aug 2013 -<br>July 2014 | Aug 2014 -<br>July 2015 | %   | Aug 2013 -<br>July 2014 | Aug 2014 -<br>July 2015 | %    |
| Bovine sector (total)                    | 1.374                   | 1.685                   | 23  | 221                     | 95                      | -57  |
| Pig sector (total)                       | 5.729                   | 5.753                   | 0   | 810                     | 42                      | -95  |
| Poultry sector (total)                   | 2.015                   | 2.121                   | 5   | 132                     | 44                      | -67  |
| Butter                                   | 653                     | 671                     | 3   | 164                     | 2                       | -99  |
| Cheese                                   | 3.892                   | 3.346                   | -14 | 964                     | 34                      | -97  |
| Skimmed milk powder                      | 1.825                   | 1.645                   | -10 | 58                      | 0                       | -100 |
| Whole milk powder                        | 1.657                   | 1.259                   | -24 | 13                      | 0                       | -100 |
| Fruit &Vegetables                        | 6.991                   | 6.160                   | -12 | 1.900                   | 210                     | -89  |

**Including non banned live animals**

## ***Lesson learned: to diversify EU exports***

- *Negotiation of FTAs (refer to afternoon session)*
- *Remove SPS barriers*
- *Promotion*



## Identified SPS barriers to be solved with priority

| Country       | Products   |
|---------------|--|
| BRAZIL        | pork, bovine, poultry, dairy, fruits and vegetables. |
| CHILE         | pork, fruits and vegetables                          |
| COLOMBIA/PERU | pork, poultry, dairy                                 |
| INDIA         | dairy, poultry                                       |
| INDONESIA     | fruits and vegetables (port access)                  |
| MEXICO        | pork, fruits and vegetables                          |
| CHINA         | Beef, pork   |
| TURKEY        | bovine, poultry, dairy, fruits and vegetables        |
| USA/CANADA    | bovine, dairy, fruits and vegetables                 |
| VIETNAM       | fruits and vegetables                                |

## Some of the SPS barriers resolved in the last 12 months:

| Country   | Product                   | SPS barrier resolving action taken   |
|---|---------------------------|--|
| Colombia  | Animal and plant products | Recognition of EUs control system as equivalent for exports from France, Portugal and Spain            |
| China   | Pork                      | Re-openings of import channels from several Member States  |
| Turkey  | Live cattle and beef      | Market for live cattle re-opened + lowered bureaucratic burdens for beef imports                       |
| USA   | Beef                      | End of ban on beef from Ireland and Lithuania after BSE epidemic in Europe                             |
| Canada  | Pork                      | Recognition of Swine disease regionalisation for Italy (reopening to Italian pork meat after a decade) |
| Canada  | Apples and pears          | Lift of barriers for fruit from Belgium and Poland   |
| Vietnam   | Apples                    | Lift of barriers for apples from France  |
| Vietnam   | Beef                      | Lift of ban due to BSE for beef from France  |
| Ukraine   | Animal products           | Authorization of imports from the EU   |
| Malaysia  | Beef                      | End of ban of European beef after BSE epidemic in Europe   |
| Singapore   | Pork                      | Recognition of African Swine Fever zoning  |
| Japan, Malaysia, Morocco, Macedonia, South Korea, Singapore, South-Africa, Philippines, Australia, Ukraine (among others) | Poultry                   | End of the avian flu ban for certain MS  |

# Promotion policy

## Current promotion system (Reg. 3/2008)

- ✓ last evaluation in the current system, last programmes to run until early 2019 on the basis of the old rules
- ✓ remarkable increase in applications in 2014-2015!
- ✓ very steep increase in financing granted!
- ✓ proportion Third Countries vs. Internal Market almost reversed! - from around 1/3 previously to 60% now
- ✓ significant diversification of target destinations!
- ✓ significantly less "mono-country" programmes!
- ✓ high acceptance rate! - steadily increasing quality of proposals

# The new promotion policy - where are we ?

4 November 2014

**Publication of the new basic act**  
**Regulation (EU) No 1144/2014 of 22.10.14**

December 2014

Adoption of 2 decisions to delegate tasks to executive agency

**2015**

Delegated and  
Implementing Acts

DA- adoption by the  
Commission  
23.4.2015

Scrutiny period  
ended : no objection

Planned to be  
published together in  
October

Annual Work  
Programme for 2016  
(implementing act)

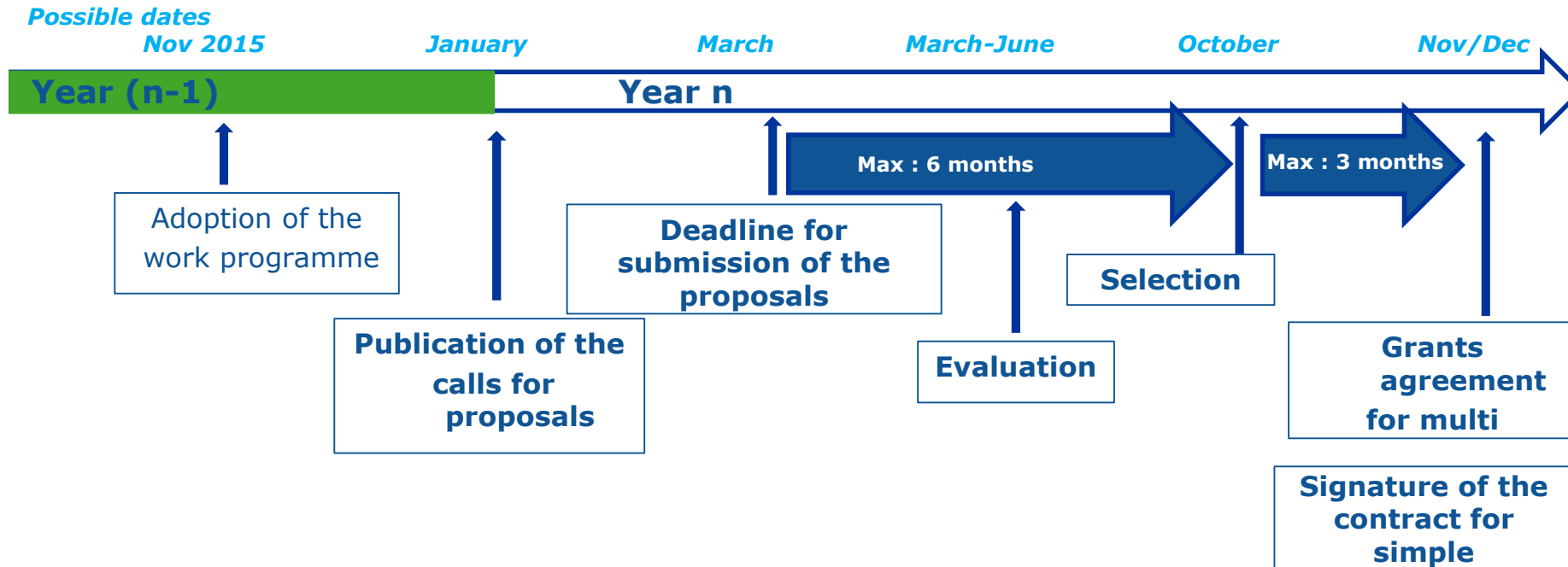
Planned to be  
published in October

Preparatory work  
related to the  
delegation to the  
Executive agency  
in Luxembourg

**1 December 2015**

Entry into force

## Timeline: Indicative!!!!



## What's new in the reform to meet the objectives?

**Targeted on EU  
added value**



**Align with needs of  
the sector**



**Greater  
effectiveness**

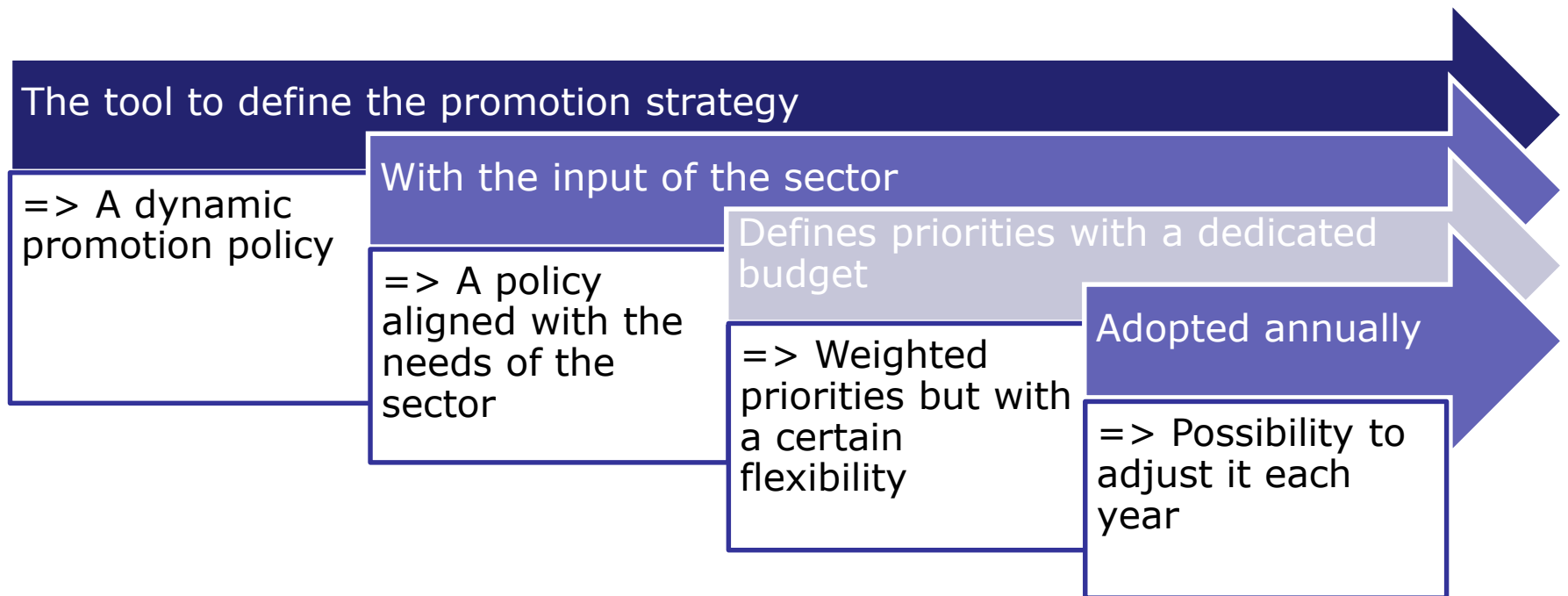
- **Clear priorities** established **annually** - work programme
- Increase the promotion campaigns in **third-country market**
- Enhance the **cooperation between operators** from different MS through **multi programmes**
- **Incentive EU cofinancing** rates

- Enlarge to **new beneficiaries**
- **Wider** list of eligible **products** including processed products
- Recognition of the strategic importance of **brands** and **origin**
- Reactive in case of **crisis**
- **Technical support** services

- **New selection process** with gain in time and evaluation exclusively at Commission level through external experts
- **End-up of national cofinancing**
- **Simplification** of administrative procedure for **Multi-programmes : directly managed** by the Commission
- Delegation to an **executive agency** foreseen

**Increased expenditure : up to 200M€**

## Establishment of the priorities What is the work programme ?





## How did we draft the market priorities?

- The objectives of the Regulation itself: (i) increase the number of activities aimed at third countries where there is the highest potential of growth and (ii) in the internal market, inform consumers about the high standards of EU products, notably the EU quality logos;
- For third countries, a macro-economic analysis on projected increase in imports for a selection of products suitable for inclusion in promotion programmes on existing or emerging markets, peered with imports' growth potential, as well as a policy evaluation on FTAs or expected removal of SPS barriers;
- Contributions from stakeholders, consulted through the Civil Dialogue Group on Quality and Promotion of 21 November 2014
- Specific market situation of the milk and pig meat sectors

# The market priorities

## Annual Work Programme for 2016

### Internal market

- ❖ Information on EU quality schemes (PDO/PGI/TSG, Organic, Outermost regions)
- ❖ Other innovative programmes (=quality in general, characteristics of EU products, etc)
- ❖ Programmes on dairy/milk or pig meat

### Third-country market

- ❖ China/Japan/South Korea
- ❖ USA/Canada
- ❖ Latin America
- ❖ South East Asia
- ❖ Africa and Middle East
- ❖ Other geographical areas
- ❖ Programmes on dairy/milk or pig meat targeting any third countries

## The market priorities implemented through simple/multi programmes

- ❖ 10 market priorities
- ❖ Budget management constrain: Need to dissociate the budget envelop for simple programmes from the one for multi programmes
- ❖ Phasing in of the budget for multi programmes but 2016 amount too limited to be split

- ❖ Simple programmes :
  - ❖ Internal market : 3 priorities
  - ❖ Third country markets : 7 priorities
  - ❖ Following a serious market disturbance
- ❖ Multi programmes : single priority

# The draft Annual Work Programme for 2016 : SIMPLE programmes

## **1. Internal market** **25%**

- ❖ Information on EU quality schemes (PDO/PGI/TSG, Organic, Outermost regions)
- ❖ Other innovative programmes (=quality in general, characteristics of EU products, etc)
- ❖ Programmes on milk/dairy or pig meat

## **2. Third-country market** **70%**

- ❖ China/Japan/South-Korea
- ❖ USA/Canada
- ❖ Latin America
- ❖ South East Asia
- ❖ Africa Middle East
- ❖ Other geographical areas
- ❖ Programmes on milk/dairy or pig meat targeting any third country

## **3. Serious market disturbance** **5%**

**The draft Annual Work Programme for 2016**  
**Indicative repartition of budget for cofinanced programmes**

|  | <b>Indicative budget/amount<br/>foreseen</b> |
|--|--|
| <b>Simple programmes - Internal Market</b>   | <b>[25,75 M€]</b>                            |
| <u>Action 1*</u> - Information and promotion programmes aiming at increasing the awareness and recognition of Union quality schemes as defined in Article 5(4)a,b and c of Regulation (EU) 1144/2014   | [10,05 M€]                                   |
| <u>Action 2*</u> - Information and promotion programmes aiming at highlighting the specific features of agricultural methods in the Union and the characteristics of European agricultural and food products   | [6,70 M€]                                    |
| <u>Action 3</u> - Information and promotion programmes on milk/dairy, pig meat products or a combination of those two  | [9M€]  |
| <b>Simple programmes - in Third countries</b>  | <b>[67,90 M€]</b>                            |
| <u>Action 4*</u> - Information and promotion programmes targeting China, Japan, South Korea and customs territory of Taiwan  | [11,725 M€]                                  |
| <u>Action 5*</u> -Information and promotion programmes targeting USA and/or Canada   | [11,725 M€]                                  |
| <u>Action 6*</u> - Central and South America and the Carriibbean   | [7,035 M€]                                   |
| <u>Action 7*</u> - South East Asia, meaning Brunei, Cambodia, Indonesia, Lao, Malaysia, Myanmar, Philippines, Singapore, Thailand, Timor Leste and Vietnam   | [7,035 M€]                                   |
| <u>Action 8*</u> - Africa and Middle East  | [4,69 M€]                                    |
| <u>Action 9*</u> - other geographical areas  | [4,69 M€]                                    |
| <u>Action 10</u> - Information and promotion programmes on milk/dairy products, mig meat products or a combination of those two targeting any third country  | [21 M€]                                      |
| <b>Multi programmes</b>  | <b>[14,30 M€]</b>                            |
| <b>Simple programmes - in case of serious market disturbance</b>   | <b>[3,35 M€]</b>                             |
| <i>*These programmes shall not cover milk/dairy products, pig meat products or a combination of those two. They may however cover milk/dairy products, pig meat products or a combination of those two if they are associated with other products.</i> |  |

**Lastly, enjoy it's from Europe!**

**A new signature for future campaigns**

