

'Food and feed' expenditure

In a nutshell

EU expenditure on 'food and feed' aims to contribute to safety along the food chain, mainly by preventing, controlling and eradicating serious pests and diseases, in animal or plants, and enhancing relevant control activities. Protecting public health and the value of the economic sectors related to the food chain are key objectives.

EU's Multiannual Financial Framework (MFF) heading and policy area

Heading 3 (Security and Citizenship) – Health and consumer protection

2014-20 financial envelope (in current prices and as % of total MFF)

Commitments: €1 891.94 million (0.17%)

2014 budget (in current prices and as % of total EU budget)

Commitments: €253.59 million (0.18%)

Payments: €218.47 million (0.16%)

2015 budget (in current prices and as % of total EU budget)

Commitments: €258.53 million (0.18%)

Payments: €215.33 million (0.15%)

Methods of implementation

Direct management (European Commission and the Consumers, Health, Agriculture and Food Executive Agency).



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EU role in the policy areas: legal basis

On the basis of Article 4 of the Treaty on the Functioning of the EU (TFEU), agriculture and fisheries, consumer protection as well as common safety concerns in public health matters detailed in the Treaty are **shared competences** of the EU and its Member States.¹ In the context of the Union's internal market, EU legislation provides for a number of rules aimed at ensuring a **high level of health for humans, animals and plants along the food chain, protecting and informing consumers and safeguarding the environment**. For example, requirements are set on food and food safety and feed and feed safety, along the production and marketing chain. The EU also tackles the prevention and control of some transmissible diseases in animals with significant economic impact and of diseases transmissible between animals and humans (zoonoses). Other EU provisions concern, for example, animal welfare, plant health (including plant protection products), plant reproductive material, and control activities to ensure compliance with relevant legal requirements.

The EU budget contributes to financing measures taken in the above mentioned areas. In May 2014, the European Parliament (EP) and the Council adopted [Regulation \(EU\) No 652/2014](#), establishing common rules for the management of EU expenditure relating to the food chain, animal health and animal welfare, as well as to plant health and plant reproductive material (referred to hereafter as the food and feed expenditure). The Regulation, which seeks to streamline relevant provisions by amending and repealing many other legal texts,² notes Articles 43(2) and Article 168(4)(b) TFEU as legal basis of this expenditure. The former focuses on common agricultural markets and **agricultural- and fisheries-related provisions**, while the latter deals with the **protection of public health through measures in the veterinary and phytosanitary fields**.

Objectives of the expenditure

In continuity with long-established policy lines, the food and feed expenditure financed under the EU budget is meant to contribute to 'a **high level of health for humans, animals and plants along the food chain and in related areas**, by preventing and eradicating diseases and pests and by ensuring a high level of protection for consumers and the environment'. **Safeguarding public health and consumers** is a key objective. At the same time, this spending seeks to **enhance the competitiveness of the EU's food and feed industry and favour job creation**. Statistics [show](#) the significant role that the agri-food sector plays in the EU's economy, employing more than 48 million people in some 17 million holdings and enterprises (2008 data).

Regulation (EU) No 652/2014 further identifies **four specific objectives**, with food and feed expenditure aimed at contributing to: 1) a high level of safety of food, food production systems and related products, as well as sustainability of food production; 2) improving the animal health status and welfare; 3) the timely detection and eradication of pests; and 4) the effectiveness, efficiency and reliability of official control activities.

Eligible measures

Under the EU's Multiannual Financial Framework (MFF), the financial envelope allocated to food and feed expenditure amounts to **€1.89 billion** for **2014-20**. However, Regulation (EU) No 652/2014 notes that, if resources are insufficient to tackle **exceptional emergency**

situations, additional funding should be mobilised, for example through the special instruments of the EU budget outside the MFF, such as the Flexibility Instrument.³

This expenditure is implemented through **direct management**, mostly by the European Commission's Directorate-General Health and Food Safety or DG SANTE⁴ (see Table 1) and, to a lesser extent, by the Consumers, Health, Agriculture and Food Executive Agency or CHAFEA (see section on other EU expenditure and action below). EU financing is available through **grants**, **procurement** and **voluntary payments to international organisations** active in the field.

Animal and plant health

Table 1 shows that, in recent years, the bulk of the resources allocated to food and feed measures has been used to carry out **animal disease eradication and monitoring programmes**, which, in value, accounted for around 79% of the relevant commitments by the European Commission in 2013 (with 142 annual programmes submitted by 27 Member States in this area).

At present, the list of animal diseases whose eradication, control and surveillance qualify for EU grants under this category is provided in Annex II to Regulation (EU) No 652/2014. This list includes a number of **animal transmissible diseases** which may have significantly negative repercussions on the farming sector and the related food industry (such as swine fever, see box below), and important **zoonoses**, which may have severe impact on public - and possibly also animal - health (such as avian influenza and salmonellosis). When applying for EU co-financing, Member States must submit their national eradication, control and surveillance programmes on specific animal diseases or zoonoses to the European Commission. The deadline for submission is 31 May each year, for annual or multiannual programmes to be started the following year. By 30 November, the Commission must evaluate these national programmes and decide on their technical approval, informing Member States of the provisional conditions (e.g. allocated resources and maximum level of the EU financial contribution) for those assessed eligible for co-financing. The final approval is given through a Commission's grant decision to be adopted by 31 January of the year when the programmes are due to start. Regulation (EU) No 652/2014 details the categories of costs eligible for co-financing in the implementation of national programmes, which include those incurred to sample animals, carry out tests and compensate owners for the value of their animals slaughtered or culled and the value of the animal-derived products destroyed.

In addition to regular programmes to prevent and control animal diseases and zoonoses, EU expenditure can co-finance **emergency measures** in case of a sudden outbreak of some animal diseases, listed in Annex I to the Regulation. The legal provisions specify circumstances under which animal diseases and zoonoses listed in Annex II may also qualify for EU co-funding of emergency measures. In 2013, about 3% in value of Commission's food and feed safety commitments related to the veterinary emergency fund operating at the time.

In accordance with Article 290 TFEU, the European Commission has the power to update both disease lists through **delegated acts** to take into account new scientific or epidemiological developments leading to the identification of new potential threats for the EU.

Along similar lines, in the field of **phytosanitary measures**, both emergency battles against organisms harmful to plants, and regular survey programmes concerning the

presence of such pests, are eligible for funding (another 3% of 2013 commitments with seven files submitted by five EU countries). The plant pests concerned include a large variety of organisms, such as insects, mites, nematodes (i.e. parasitic worms), bacteria, fungi, virus and virus-like organisms, and parasitic plants.⁵ Specific provisions apply to programmes to control pests in the outermost regions of the EU.

For these three categories of measures, the EU contribution takes the form of **grants**. However, these do not follow the usual procedure of calls for proposals, since competent authorities of the Member States who implement these measures are usually identified as beneficiaries.⁶ In practice, Member States get EU funding through a system of cost reimbursements managed by the European Commission. Regulation (EU) No 652/2014 **seeks to streamline EU co-financing in this policy area**, setting the **standard maximum rate at 50%** of the eligible costs, which can go up to **75%** for transnational activities and less well-off Member States,⁷ and to **100 %** in case of activities countering serious human, plant and animal health risks.

Table 1 – Food and feed safety commitments of the European Commission's Directorate-General Health and Consumers (in million euros)

	2012	2013
Animal disease eradication programmes	202.2	197.4
Veterinary emergency fund	2.6	8.0
Phytosanitary expenditure	10.8	8.2
Other food and feed expenditure (e.g. contribution to EU Reference Laboratories and international organisations)	23.8	24.5
Sub-total	239.4	238.1
Procurement	13.1	9.9
Administrative support credits	1.5	1.5
Total	254.0	249.5

Data source: European Commission, Directorate-General Health and Consumers (SANCO).

A practical example: control of swine fever in the EU

From an economic standpoint, with some 152 million animals, the pig sector plays a significant role in EU animal farming. Across the world, the EU is the first exporter and the second producer (after China) of pigmeat. Classical swine fever and African swine fever are highly transmissible viral diseases in pigs (and wild boar), which affect animal health and welfare. These diseases, which are not transmissible to humans, can have a significant negative economic impact on the pig farming sector and related food chain operators, for example by triggering a ban on trade and exports.⁸ For 2015, as regards the control and eradication of classical swine fever, the Commission approved the national programmes of Bulgaria, Germany, Croatia, Hungary, Latvia, Romania, Slovenia and Slovakia.⁹ The EU contribution co-finances activities such as surveillance through sampling of animals and the purchase and the delivery of oral vaccines for wild boar to contribute to the eradication of the disease in the wild, and prevent possible contamination of farmed pigs. Along the same lines, national programmes for the control and eradication of African swine fever have been approved for Hungary, Italy, Latvia, Lithuania, Poland, Romania and Slovakia.¹⁰ Eligible activities include, for example, compensation to owners for the value of their animals, which must be slaughtered under the programmes.

EU Reference Laboratories and contribution to international organisations

Other food and feed expenditure, which accounted for almost 10% of European Commission's relevant commitments in 2013, finances the activities of the [EU Reference Laboratories \(EURLs\)](#) as well as the **EU contribution to international organisations** active in the field of animal, plant and public health, such as the Food and Agriculture Organisation (FAO).

The EURLs operate in the field of official controls, with various areas of specialisation (e.g. pesticides, contaminants, biological risks, and animal health). Their objective is to ensure high-quality, uniform testing across the Union and to provide the European

Commission with expertise on laboratory analysis. EU grants to the EURLs are meant to cover the costs originated by the implementation of their [work programmes](#) approved by the European Commission.

Information systems for the rapid exchange of data

On the basis of Regulation (EU) No 652/2014 other eligible measures are the development and operation of **information systems for the rapid exchange of data and information** related to official controls among competent national authorities. One such operational tool developed by the EU is the [Rapid Alert System for Food and Feed \(RASFF\)](#),¹¹ a network that allows sharing information cross-border when risks to public health arise in the food chain, with a view to taking prompt action. Out of the 3 200 notifications transmitted through the RASFF in 2013, 596 were classified as alerts and 442 as information for follow-up. Other tools are the [Animal Disease Notification System \(ADNS\)](#) and the [Trade Control and Expert System \(TRACES\)](#), a web-based network tracing imports, exports and trade in animals and animal products.

Training and common approaches

In addition to the resources managed directly by the European Commission, some food and feed expenditure is managed on its behalf by the CHAFEA (see below section on 'other EU expenditure and action'), and notably that relating to the **Food Safety Training measures** established by legal texts such as [Regulation \(EC\) No 882/2004](#) and [Directive 2000/29/EC](#). Under the umbrella of the [Better Training for Safer Food \(BTSF\)](#) initiative, the executive agency is in charge of providing the staff of competent national control authorities with appropriate training sessions on EU food and feed law, animal health and welfare and plant health rules. The objective is to ensure harmonised and efficient controls in these areas across the Union, by keeping control staff up-to-date with relevant EU rules. The executive agency outsources the training activities through **procurement** procedures and service contracts. In 2013, this expenditure accounted for another **€14.6 million** in commitments and allowed to train competent national authority 6 000 staff.¹²

Assessment of measures and implementation

Regulation (EU) No 652/2014 seeks to streamline a number of legal texts, under which the broad types of measures described in the previous section were already eligible for and benefited from EU co-financing in previous years. Reports and evaluations have analysed the implementation of this past expenditure from various perspectives.

In 2014, the European Commission submitted a [report](#) on the results of the **animal disease eradication and monitoring programmes**, co-financed by the EU over the 2005-11 period for a total amount of €1.17 billion, to the EP and the Council. All Member States benefitted from EU co-financing of these programmes targeting 13 diseases, the first two beneficiaries being Spain and France, which together received around 38% of relevant funds. In absolute terms, other main recipients were: the United Kingdom (10.1%); Italy (9.5%); Germany and Ireland (7.7% each). It should be noted that the distribution of resources among EU countries can vary significantly from one year to another, depending on factors such as epidemiological developments. For example, in 2012 and 2013 the United Kingdom became, by far, the first beneficiary of EU animal and plant health expenditure, receiving some 19.5% of the total.¹³ According to the European Commission, the assessment of the eradication and monitoring measures is positive, with the programmes credited with **improving public and animal health**, for example contributing to progress in the eradication of the diseases targeted, as shown

by a steady increase in areas free from listed diseases across the EU. In addition, adds the report, the measures **safeguarded the value of relevant sectors and trade**, thus making a contribution to the EU economy. Examples of **identified strengths** of EU co-financing in this area include: sufficient flexibility in the allocation of resources; capacity of the EU system to tackle serious health situations; EU contribution easing medium-long term planning for veterinary programmes in Member States; and knowledge sharing. Conversely, **aspects needing improvement** include: weak set of objectives and indicators to assess the performance of the programmes; variability in programme implementation across the Union; and excessive administrative burden.

In its [Annual Reports](#) concerning the 2013 financial year, the **European Court of Auditors (ECA)** indicates that the Commission's Directorate-General Health and Consumers keeps a **reservation** on this spending, due to a residual error rate of 2.3%, which is slightly higher than the materiality threshold (2%). The issue appears to be related mainly to **inaccuracy of Member States' cost claims** for their animal disease eradication and monitoring programmes. The [2013 Annual Activity Report \(AAR\)](#) of the Directorate-General says that the reservation might be lifted in the subsequent AAR, with the error rate progressively decreasing over time, thanks to a number of steps taken since 2010. In addition to enhanced internal control mechanisms, mitigating measures include a more precise definition of eligible expenditure in relevant legal texts.

Furthermore, the **ECA** can tackle issues related to food and feed expenditure in the context of **special reports**¹⁴ devoted to specific aspects of the broader policy area. For example, [Special Report 14/2010](#) on veterinary checks for meat noted that the **TRACES** and **RASFF** information systems (see above section on eligible measures) were widely and usefully employed across the Union and recommended their further development. The Commission accepted the recommendation and reported that this was addressed by 2013. An example of IT development for RASFF is the 2011 [launch](#) of a new collaborative online system and its subsequent take-up by all Member States.

Another instance of ECA's [Special Report](#) comes from 2012 and focuses on the implementation of EU hygiene legislation in slaughterhouses in new Member States. The Court audited EU funding to bring these up to EU standards, set by a separate programme (Sapard). However, the report contains some observations on the **Better Training for Safer Food (BTSF)** initiative. Veterinary authorities in the countries covered by the audit deemed the BTSF initiative very useful, but called for a series of improvements (e.g selection of topics and training languages). The Court recommended that the Commission finalise the evaluation of the BTSF initiative (see below) and use it as a basis to improve training measures. Furthermore, Member States should be encouraged to strengthen guidance and training addressed to Food Business Operators. According to the 2013 AAR of the relevant Commission's Directorate-General, actions to address the recommendations were well on track and would be finalised by 2014.

A number of **evaluations** carried out for the European Commission focus on specific components of the EU food and feed expenditure. For example, in 2013 one such [evaluation](#) was finalised on the **BTSF** initiative, and identified a number of positive results such as: improved knowledge of participants; exchange of best practices; changes in national training courses; and increased harmonisation of controls. According to the evaluation, some changes could be introduced, for example with a view to improving the selection mechanism of participants, having a more

comprehensive overview of countries' needs and promoting further dissemination of the content of the training sessions.

As regards the **2014-20 period**, Regulation (EU) No 652/2014 provides for **intermediary and ex-post evaluations** on the effectiveness and the efficiency of food and feed expenditure, to be carried out by the European Commission respectively by June 2017 and June 2022. Both evaluations will have to report on progress against a set of indicators, including: the reduction in the number of cases of diseases in humans in the EU which are linked to food safety or zoonoses; an increase in the number of EU countries or their regions which are free from animal diseases covered by EU co-financing; the coverage of the EU territory by surveys for plant pests; and the time and success rate for the eradication of those pests.

An increasingly globalised food chain: EP's call for enhanced controls

In 2013, the [horse meat scandal](#), which concerned food fraud, drew attention to potential weaknesses in an increasingly globalised food chain. The EU is a major importer of agriculture and fishery products. In a [2014 resolution](#) on the food crisis, fraud in the food chain and relevant controls, the **European Parliament (EP)** said that the EU law on food safety and the food chain had so far provided a high level of food safety for EU consumers, but called for further improvements on the ground, including through strengthened controls on goods imported from third countries and their compliance with EU standards. In 2013, the European Commission put forward a [proposal](#) to streamline official controls in the food and feed policy area, and included provisions to tackle fraudulent behaviour. In 2014, the EP adopted its [first reading position](#) with a series of amendments, recommending the establishment of European reference centres for the authenticity and integrity of the agri-food chain. The reform proposal on official controls is now being considered by the Council.

Other examples of EU expenditure and action in the same field

The EU's **common agricultural policy** includes clear food safety objectives, for example by making the payment of direct aid to farmers conditional on compliance with strict standards relating to food safety, animal health and welfare, plant health and the environment.

Horizon 2020, the EU framework programme financing research and innovation activities, allocates part of its resources to agriculture- and food-related projects, including food safety. For example, under its [2014-15 work programme](#), the 'Call for Sustainable Food Security' has many aspects relating to food safety as well as to animal health and welfare. This call is endowed with an indicative budget of around **€250 million over two years**.

As regards **decentralised agencies**, the [European Food Safety Authority \(EFSA\)](#) is tasked with providing independent scientific advice and communication on existing and emerging risks relating to food and feed safety. The **2015** EU budget allocates **€76.4 million** in commitment appropriations for the EFSA, which was established in 2002, following a series of food crises in the 1990s, and is located in Parma (Italy). The [European Centre for Disease Prevention and Control \(ECDC\)](#), based in Stockholm, focuses mainly on human health in its scientific and risk assessment tasks. The [European Medicines Agency \(EMA\)](#), located in London, is in charge of evaluating and supervising medicinal products for human and for veterinary use. In Angers (France), the [Community Plant Variety Office \(CPVO\)](#) manages the patenting of new plant varieties throughout the EU.

In addition, one **executive agency** manages, on behalf of the European Commission, part of the EU programmes and expenditure in the area of health and consumer protection, including training courses for safer food (see above). Created with a different name in 2005¹⁵ and located in Luxembourg, the [Consumers, Health, Agriculture and Food Executive Agency \(CHAFEA\)](#) gets an annual contribution of some **€7.2 million** from the EU budget.

The Food and Veterinary Office (FVO)

Located in Grange (Ireland), the [Food and Veterinary Office \(FVO\)](#) is in charge of carrying out control activities on Member States' implementation of EU legislation on food safety, animal health, animal welfare and plant health. Its [2015 work programme](#) plans some 220 audits. Infringement procedures may be launched against EU countries that do not comply with relevant rules. In the 1990s, a proposal to establish the FVO as an agency was tabled, but in a reshaping of the consumer health and food safety policy, it was retained as an integral part of the Commission (currently within the Directorate-General Health and Food Safety).

Endnotes

¹ Except the conservation of marine biological resources, which is an exclusive competence of the EU.

² In total, it amends four directives and four regulations, and repeals three decisions.

³ For more details on this instrument, see for example: [The "Flexibility Instrument" of the EU budget](#) / D'Alfonso A., European Parliament, 2013, 2 p.

⁴ The name has been recently changed. Previously, it was Directorate-General Health and Consumers (SANCO).

⁵ The plant pests the fight against which can benefit from EU co-financing are those listed in [Council Directive 2000/29/EC](#) or covered by a measure adopted by the Commission on the basis of this Directive.

⁶ In some cases of emergency measures, the grant can be awarded also to third-country authorities or to international organisations.

⁷ Those having a gross national income (GNI) per inhabitant lower than 90% of the EU average.

⁸ For more details, please see: [Control of swine fever in the EU](#) / Weissenberger J., European Parliament, 2013, 6 p.

⁹ All of them cover the current year, but the Hungarian programme covering the 2015-17 period.

¹⁰ All of them cover the current year, but the Latvian programme covering the 2015-17 period.

¹¹ The [members](#) of the network are the EU, the European Food Safety Authority (EFSA), the European Free Trade Association (EFTA) as well as member countries (EU-28 plus Norway, Liechtenstein, Iceland and Switzerland).

¹² Of these 4 356 came from EU Member States. The remaining participants originated from different categories of third countries and were involved in food control activities where EU standards and import requirements apply, since the food chain appears to be increasingly globalised (see also relevant box).

¹³ As shown by table 1, animal disease eradication and monitoring programmes absorbed the bulk of EU funding in this policy area in both 2012 and 2013.

¹⁴ For a comprehensive overview of special reports focusing on those relevant for the 2013 EU discharge procedure, please see: [Special Reports of the European Court of Auditors: A Rolling Check-List of recent findings](#) / Biliana Tzarnoretcka B., Zana-Szabo G., Scagliusi M. and Huber S., European Parliament, European Parliamentary Research Service, 2015.

¹⁵ Public Health Executive Agency from 2005 to 2008; Executive Agency for Health and Consumers from 2008 to 2013.

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eprs@ep.europa.eu

<http://www.eprs.ep.parl.union.eu> (intranet)

<http://www.europarl.europa.eu/thinktank> (internet)

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