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Screening report

Iceland

Chapter 12 – Food safety, veterinary and phytosanitary policy

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I. CHAPTER CONTENT

The *acquis* on food safety, veterinary and phytosanitary policy mirrors the EU's integrated approach aimed at ensuring a high level of public health, animal health, animal welfare and plant health through coherent farm-to-table measures and adequate monitoring, while ensuring the effective functioning of the internal market. The *acquis* sets hygiene rules for food and feed stuff production and rules in the veterinary field, which are essential for safeguarding animal health, animal welfare and the safety of food of animal origin in the internal market. Furthermore, the *acquis* provides rules regarding the quality of seed, plant protection products, harmful organisms as well as genetically modified food and feed and the release into environment of genetically modified organisms. For the implementation of food safety legislation, each Member State must have appropriate administrative structures to be able to carry out inspection and control of food products including an appropriate laboratory capacity.

The *acquis* under this chapter is partially covered by the EEA Agreement.

II. COUNTRY ALIGNMENT AND IMPLEMENTATION CAPACITY

This section includes a structured summary of the Iceland's presentation and answers to Commission questions during the screening session.

Iceland, as a party to the EEA Agreement, implements the EU legislation on veterinary matters with respect to fish and fisheries products, fish diseases, feed, seed, foodstuffs and other food chain-related issues. Protocol 1 to the EEA Agreement exempts Iceland from implementing the veterinary *acquis* for live animals other than fish and aquaculture animals, and germplasm such as ova, embryo and semen.

Iceland acknowledged that the *acquis* on food safety, veterinary and phytosanitary policy forms the basis for the negotiations.

Iceland indicated that the situation of the country is very particular due to the specific geographical situation of the island, the arctic climate conditions and the fact that Icelandic fauna and flora have been isolated for a long time. Icelandic legislation aims at securing what it considers its unique and overall good animal health status as well as the protection of Icelandic breeds. Iceland pointed out that old native breeds are unique. Iceland stated that many animal diseases present in the EU are not to be found domestically. Iceland argues that the ban it applies on import of live animals and animal products from EU and third countries serves the purpose of preserving native species from animal diseases. Iceland also applies an import ban on certain plants and planting material aimed at protection of native plant species from potentially harmful organisms not found in Iceland.

Iceland informed that it intends to further substantiate its position, including proposals in this regard, in its negotiation position.

II.a. General

The general EU legislation on food safety is largely covered by the EEA Agreement. A bill has been ratified to entitle the Minister of Fisheries and Agriculture to transpose into national legislation as well as implement EU legislation on food safety, veterinarian and phytosanitary policy. Regulation (EC) No 178/2002 on general principles and requirements on the food law and most of its amendments have been adopted on 1 March 2010 (Regulation (IS) No 102/2010).

The general and specific food safety provisions related to animal products is according to Iceland due for implementation as of 1 November 2011. National rules however will continue to apply with regard to live animals and germplasm on which Iceland applies an import ban. Iceland also indicated the intention to continue restrictive import policies for fresh meat, eggs and meat products in order to ensure disease prevention for humans and animals.

The main legal acts governing food safety, veterinary and phytosanitary policy in Iceland are the Act on food (No 93/1995) and the Act on control of feed, fertilizer and seed (No 22/1994). There are several other acts in place regulating animal diseases (No 25/1993), slaughtering and slaughter products (No 96/1997), the Veterinarian and Animal Health Services (No 66/1984), plant diseases and pests (No 51/1981), the Food and Veterinary Authority (No 80/2005), the control of hygiene and pollution control (No 7/1998) and maritime products (No 55/1998).

Several ministries and central administrations share responsibilities. The Ministry of Fisheries and Agriculture (MoFA) is responsible for the policy and legislation in food safety, veterinary and phytosanitary issues. Within the Ministry, the Food and Development office is responsible for development and implementation of policy for food and feed safety and consumer matters, and for animal and plant health.

The Icelandic Food and Veterinary Authority (Matvælastofnun - MAST) is the central competent authority (CCA) responsible for the national food and feed control programme. MAST commenced its operation on 1 January 2008 as an inspection and administrative body under the MoFA. MAST operates at central level two main offices: the office for Animal Health and Welfare and the office for Food Safety and Consumer Affairs. At regional level, it operates 14 district offices staffed with district veterinarians and official veterinarians. By November 2011, the number of district offices will be reduced to six and tasks limited solely to official control tasks. MAST employs 80 staff directly, half of them at regional level. Staff of the Directorate of Fisheries, Customs and Icelandic Medicines Agency is indirectly involved in food safety controls.

Enforcement measures have been implemented according to EU rules (Article 55 of Regulation (EC) No 822/2004). The legal basis for administrative sanctions and penalties is laid down in the Food Act (No 93/1995) as well as other acts for foodstuffs and feed.

Iceland is divided into 10 municipal control districts, each with an environmental and public health office with control duties related to certain aspects of food safety, environmental protection and general hygiene. The local control authorities are supervised by MAST with regard to food safety aspects.

II.b. Veterinary policy

The EU legislation on the **control system in the internal market** is covered by the EEA Agreement except for the Trade Control and Expert System (TRACES) and safeguard measures. Iceland stated that the *acquis* on veterinary and zootechnical checks, animal products, certification and mutual assistance has been partially implemented for fish and fisheries products and will be extended to agricultural products as of November 2011. As regards veterinary and safeguard requirements for live animals and germplasm, national rules apply. Iceland uses TRACES for fish, fisheries products and live fish.

As regards the **control system for import**, Iceland stated that veterinary checks in line with Council Directive 91/496/EEC and Council Directive 97/78/EEC are applied for fish, fisheries

products and live fish and will be extended to other animal products as of November 2011 according to the provisions of Act No 143/2009. Iceland is exempted from Protocol I of the EEA Agreement concerning the trade in live animals other than fish and aquaculture animals, and germplasm such as ova, embryo and semen. The import ban covers also raw meat and raw eggs as well as animal products not intended for human consumption such as meat and bone meal, raw skins and hides which have not been disinfected and livestock manure. Live animals are covered by equivalent Icelandic acts. Reinforced checks of agriculture products of non-animal origin are carried out in line with Commission Regulation (EC) No 669/2009 according to Iceland.

Iceland prohibits the import of live animals and products of animal origin other than fish and fisheries products based on Acts No 54/1990 on import of animals and No 25/1993 respectively. Iceland stated that this is to safeguard the good animal health status of animals in Iceland as well as to preserve the old native breeds. The Minister for Fisheries and Agriculture may however allow derogation from the general import ban for animals and animal products upon positive recommendation by the Chief Veterinary Officer. The evaluation has to be based on a risk assessment following standards laid down by the World Organisation for Animal Health (OIE) and the WTO Agreement on sanitary and phytosanitary measures (SPS Agreement). For the approval of the import of cooked products, heat treatment or comparable methods are required. Raw animal products need approval by the Minister before they can be transported from the exporting country to Iceland. The import of heat-treated food in personal luggage is allowed. However, food products may not be sent by mail. Iceland underlined the importance to continue the import ban on live animals and for certain animal products and indicated it would address these issues in its negotiation position.

Iceland has eight border inspections posts (BIPs) that are approved for fish and fisheries products including one for live fish (Keflavik). The MAST's office for import and export is responsible for the control at the BIPs. A national border control centre is operated at Keflavik International Airport for the control of importation of pet animals (cats and dogs). Transshipment of consignments takes place at Keflavik airport. The Director of Customs is responsible for checks on personal luggage of travellers. The coast guard is responsible for the monitoring vessels in national waters. Iceland stated that BIPs need to be brought in compliance with the rules on animal products that enter into force by November 2011.

Farm animals in Iceland have to be individually identified according to Regulation (IS) No 289/2005 on the identification of livestock. Movement of animals without **identification and registration** is prohibited. Cattle, sheep, goats and pigs bear a single eartag with the individual identification number and the holding number. The historic system of ear marks is still used for sheep. Horses are identified via micro chips. A traceability system for poultry based on flock numbers was invented 10 years ago. Databases are operational for bovine (HUPPA), ovine (FJARVIS) and horses (WORLD FENGUR). Information on all livestock can be gathered from these databases in case of movement. Iceland indicated that it would implement EU rules on the identification of cattle, sheep and goats by 1 November 2011. Pets are not covered by Regulation (IS) No 289/2005. Most municipalities have however their own by-laws in place requiring the identification and registration of dogs and cats.

As regards **animal health**, Iceland applies **control measures for animal diseases** with strict stamping out policy and the prohibition of import of live animals, germplasm and raw agricultural products. Iceland stated that it has been applying the import ban on live animals since long time in order to safeguard the good animal health status in the country. Iceland further stated that domestic livestock is highly susceptible to animal diseases due to the specific geographical situation of the country and its long standing isolation and that these diseases could

cause major problems in Iceland. Iceland also claimed that some animal diseases common in Europe or generally vaccinated against there have never been diagnosed in Iceland or have been eradicated for a long time. Iceland informed that it intends to further substantiate its position on animal health, including proposals in this regard, in its negotiation position.

The Act No 25/1993 on animal diseases covers all major animal diseases including those on which *acquis* exists. Iceland currently lists approximately 130 animal diseases and harmful organisms in livestock and pets. Around 70 of these diseases are controlled by immediate culling and without vaccination. For the other animal diseases immediate culling is an option. The eradication of scrapie in sheep is in progress, where every flock with a positive case is depopulated. Bovine spongiform encephalopathies (BSE) has never been diagnosed in Iceland which was recognised by the World Organisation for Animals Health (OIE) in 2004 and again in 2008. Iceland stated that measures for the prevention, control and eradication of TSE in line with the *acquis* will be applied as of November 2011 with the exception of feeding of fish meal to ruminants, certain provisions related to TSE eradication, and the import ban on meat and bone meal. Iceland applies a ban on the feeding of meat and bone meal (MBM) to ruminants since 1978 and all food producing animals since 2001. Fish meal is used as the protein source for food producing animals instead of MBM. Iceland intends to flag the importance of these derogations in its negotiation position. Iceland stated that Council Directive 2006/88/EC on animal health requirements for aquaculture animals and products thereof has been implemented and that Iceland is considered free from fish and molluscs viral diseases.

Zoonoses (*Salmonella*) and other food borne agents are to be recorded. Icelandic rules are in place for the control of *Salmonella* and *Campylobacter* in pigs and poultry. Iceland applies a zero tolerance for *Salmonella* sp. in broilers and eggs and operates a control programme for *Campylobacter*. *Salmonella*-positive broilers flocks are destroyed and *Campylobacter*-positive broilers must be frozen. Iceland stated that EU rules on monitoring of zoonoses and zoonotic agents, the setting up of network for the epidemiological surveillance and control of communicable diseases are due for implementation by November 2011. Iceland flagged the granting of additional guarantees as regards *Salmonella* in meat and eggs as well as *Campylobacter* as issues to be further looked into during negotiations.

Iceland already participates in the Animal Diseases Notification System (ADNS).

MAST is the competent authority for animal diseases. The Icelandic legislation provides for the enforcement of sanctions in case of infringement. In the case of a serious outbreak, the Minister for Fisheries and Agriculture and veterinarians have extensive authority to stop distribution of products, isolate animals, order culling of animals or other necessary measures to prevent the spreading of diseases. The provisions on emergencies and crisis in Regulation (EC) No 178/2002 have been implemented by Act (IS) No 143/2009 and Regulation (IS) No 102/2010. MAST cooperates with the Ministry of Health in case of food borne diseases, zoonosis, emergencies and crisis. A Joint Committee on Health Security and Communicable Disease Control can decide on the seriousness of an emergency or crisis.

The *acquis* on **intra-EU trade in live animals, semen, ova and embryos** is not covered by the EEA Agreement except for Council Directive 2006/88/EC on animal health requirements for aquaculture and products thereof. Relevant requirements regarding bovine, porcine, ovine and caprine animals, equidae, poultry and hatching eggs as well as embryos and semen are laid down in the Icelandic acts on the veterinary services (No 66/1998), animal diseases (No 25/1993) and import of animals (No 54/1990). For the restocking of flocks and broiler farms, imported hatching eggs from Sweden are used. Iceland benefits under the EEA Agreement from an exemption from EU rules on trade in live animals and germplasm enabling it to prohibit all

imports of live animals from EU and non EU countries with the exception of fish and fish germplasm. Iceland indicated that it would like to maintain the present arrangement.

Iceland stated that there is no **non-commercial movement of pet animals**; all entries are considered imports. Pets fall under the ban of import of live animals governed by the Act No 54/1990 on importation of animals. Exemptions from the import ban are allowed upon recommendation from the Chief Veterinary Officer. Iceland does not apply pet passports. Cats and dogs must be quarantined for 28 days and all other pets must stay in home isolation for 30 days or longer, if required. Iceland recognizes rabies free status of countries, from all other countries tests and vaccination is required before import.

The EEA Agreement covers the *acquis* on **prohibition of substances and control of residues**. Iceland stated that the EU legislation is implemented and will enter into force on 1 November 2011. A national residues control programme has been drafted and coordinated by MAST. Official veterinarians take samples for all relevant substance groups. Laboratories in Iceland and abroad are used for residue analysis. Iceland has no reference laboratory. MAST operates a monitoring programme for contaminants in feed and fertilizers. Dairy plants operate their own control programmes for antibacterial substances; non-compliant results are to be reported to MAST and district veterinary officers are obliged to monitor follow up actions.

EU legislation on **import requirements for live animals and animal products** is partially covered by the EEA Agreement. Iceland stated that Regulation (EC) No 999/2001 for the prevention, control and eradication of certain TSE will be implemented as of November 2011 except with regard to the feeding of fishmeal to ruminants, the import ban on meat and bone meal and the application of certain provisions regarding TSE eradication. EU legislation on measures to monitor certain substances and residues thereof in live animals and animal products as well as on the control of *Salmonella* and other specified food-borne zoonotic agents are due for implementation as of November 2011.

As regards **EU international agreements** on veterinary and phytosanitary matters, Iceland informed that it considers of utmost importance that its high protection standards on animal and plant health status are effectively reflected in the international agreements to which Iceland is party. There are no border inspection posts in Iceland for live animals coming from third countries.

Acquis on **animal welfare** is not covered by the EEA Agreement. Rules are laid down in the Icelandic Act on animal welfare (No 15/1994) and the Act on livestock management (No 103/2002). The Environment Agency (UST) is responsible for animal welfare, with oversight by the Animal Welfare Council. MAST is responsible for livestock management. The two acts are being revised to establish one consolidated act with one ministry and one audit authority (MAST) in charge. There are eight Icelandic regulations implementing specific animal welfare rules on farm animals. Provisions for laying hens are not compatible with Directive 1999/74/EC. Iceland stated that EU rules for the protection of animals at the time of slaughter or killing are due for implementation by November 2011. Animals have to be stunned and slaughtering has to be done without unnecessary suffering. Draft regulations on transport of animals, humane killing of animals and organic aquaculture are in the pipeline. Iceland stated that it does not foresee difficulties with the transposition and implementation of the *acquis* on animal welfare except for laying hens and transport of animals.

The EU legislation on **zootechnics** is outside the EEA Agreement. Zootechnics is mainly governed by the Act No 70/1998 on agriculture. The Farmers Association is responsible for the management of data recording for pedigree animals. Pedigree data for cattle are recorded in the

database HUPPA, for sheep and goats in FJARVIS and for horses in WORLDFENGUR. The latter is also used as a studbook and as an electronic passport for horses. No specific Icelandic legislation is in place governing the origin and breeding of bovine, pigs, sheep and goats. Icelandic rules however exist for the insemination in cattle, sheep, goats, pigs, horses, and birds. Iceland regularly imports breeding materials for pigs from Norway. Horses leaving the country for competition cannot come back due to the import ban for live animals.

Acquis on **veterinary expenditures** is not covered by the EEA Agreement. The legal framework is laid down in the Act No 25/1993 on animal diseases. Costs are compensated for notifiable diseases where compulsory culling is required. In 2010, the budget for surveillance programmes and eradication programmes accounted for approximately EUR 450 000.

II.c. Placing on the market of food, feed and animal by-products

The **general and specific hygiene rules for animal products** are covered by the EEA Agreement. The hygiene package was adopted on 1 March 2010 with a transition period ending on 1 November 2011 for meat, eggs and milk. Iceland indicated that not all establishments might achieve full compliance by this date and that as regards the upgrading of establishments in the meat and milk sector assistance and transitional arrangements might be needed.

All food business operators (including freezer vessels and factory vessels) engaged in primary production of food and feed of animal origin and non-animal origin must be approved. Fishing vessels other than freezer and factory vessels are only registered, as well as farms raising sheep and horses. Products from each slaughterhouse and connected meat plants are identified by a health mark. The Directorate for Fisheries in the MoFA approves fish farm facilities and previously issued licences and registration numbers for shellfish growers. However, licences and registration numbers for shellfish growers are now issued by MAST under a new Act No 90/2011 on the aquaculture of shellfish growing. Iceland stated that there is a harmonized national register of approved fish processors and vessels in place and a new database for registration of approvals and all control measures is being implemented.

Iceland has around 480 establishments including 42 fishing vessels and 305 fish processors subject to approval. 9 meat establishments and 2 stand alone cold stores are currently approved for export to the EU. A national programme for the upgrading of establishments in line with the EEA Agreement is under preparation. Conformity checks with EU requirements of food and feed establishments are currently ongoing in the view of the November 2011 deadline.

The **EU control rules and specific control rules for animal products** are partially covered by the EEA Agreement. Iceland stated that based on the Foodstuff Act (No 93/1995) and the Act on control of feed, fertilizers and seed (No 22/1994), several EU acts relevant to control for animal products are being implemented in Iceland. Regulation (EC) No 882/2004 on official controls and Regulation (EC) No 854/2004 laying down specific control rules are implemented by Regulation (IS) No 106/2010 and Regulation (IS) No 105/2010 respectively.

Official control tasks are divided between MAST at central level and local health inspectors (LCAs) at local level. MAST controls food and feed business operators involved in production and processing of fish, meat, milk and egg whereas LCAs control at retail level and food business operators producing food of non-animal origin. MAST provides guidance and training to LCAs as well as supervises and carries out external audits of the LCAs. LCAs draw up their own inspection plans based on a risk assessment in cooperation with MAST. Food business operators (FBO) are obliged to take microbiological tests. Iceland stated that it considers their

official control system is in line with the *acquis*, but that there is a need for training of the official inspectors.

For the testing of samples from official controls and FBO various laboratories in Iceland and abroad are used. Four laboratories are currently designated in Iceland to carry out analysis of samples taken during official controls. All four are accredited according to international standards for certain analysis. MAST also uses laboratories abroad. The Matís laboratory established by the MoFA carries out analysis for most of the common food pathogens. Iceland stated that the designation of the national reference laboratories for each of the EU reference laboratories is planned when the relevant legislation will come into force in November 2011.

As regards **animal by-products**, Regulation (EC) No 1774/2002 on products of animal by-products not intended for human consumption has been implemented as of 1 March 2010 except for provisions on animal by-products from terrestrial animals which, according to Iceland, will enter into force on 1 November 2011. Regulation (EC) No 1069/2009 repealing Regulation 1774/2002 is to be transposed as soon as it is incorporated into the EEA Agreement. Iceland is lacking incineration plants for TSE risk material and a collection system for fallen stocks. Lists of establishments have not been established yet.

The **funding of checks** is governed by provisions of the relevant acts and by Regulation (IS) No 106/2010 implementing the relevant provisions of Regulation (EC) No 882/2004. Iceland stated that inspection fees are in line with the principle of the minimum fee rate and that the costs related to official controls are paid by the food and feed business operators into the State budget. Iceland further stated that inspection fees at the municipal level cover about 70% of the costs of controls and that controls are directly linked to inspection activities.

II.d. Food safety rules

The EU legislation on food safety rules is covered by the EEA Agreement. Iceland stated that most EU rules on **labelling, presentation and advertising of foodstuffs, additives and contaminants as well as food for particular nutritional uses, food contact materials, quick frozen foods, and mineral waters** are implemented in Iceland. However, *acquis* not incorporated in the EEA Agreement yet, like the EU legislation on novel food is therefore still pending for transposition and implementation in Iceland. Iceland stated that it does not foresee any difficulty in implementing the *acquis* in this area. Iceland also flagged the level of dioxin in fish oil for human consumption which is higher in the *acquis* than in Icelandic legislation as an issue to be raised in its negotiation position.

II.e. Specific rules for feed

The EU legislation is covered by the EEA Agreement and Iceland stated that most of it has already been implemented in Iceland. There is some backlog of EU legislation waiting to be incorporated into the Agreement or waiting to be implemented in Iceland. Iceland stated that it does not foresee any difficulty in implementing provisions of the *acquis* for feed.

II.f. Phytosanitary policy

The *acquis* on plant health and placing on the market of plant protection products is not covered by the EEA Agreement. Import and export of plant and plant products as well as lists of prohibited **harmful organisms** and commodities are regulated by Regulation (IS) No 189/1990. National rules are in place for the control of quarantine organisms on potato and the export of

wood packaging materials. The lists of prohibited harmful organisms substantially differ from the lists established in the *acquis*.

All imported commodities of plants and plant parts are subject to phytosanitary checks and phytosanitary certificates are required. Iceland prohibits the import of certain tree genera, certain vegetable plants (except seeds), soil, cut tree bark and manure in order to prevent the spread of potentially harmful organisms not yet found in Iceland. Wood packaging material is exported according to international standards. The export of plants and plant products is insignificant.

Iceland has not defined any protected zones with regard to plant health. And there are no control measures regarding potato ring rot, potato cyst nematodes and potato brown rot. Iceland has no rules for the cultivation and marketing of plants on the national market, with the exception of seeds and seed potatoes. The plant passport system is not implemented in Iceland. Registers exist for producers of seed potatoes and wood packaging materials. Iceland informed that it intends to further substantiate its position regarding prohibited commodities and the definition of protected zones, including proposals in this regard, in its negotiation position.

Iceland stated that the regulation for the use of **plant protection products** in agriculture and horticulture dates from 1984 and therefore outdated with regard to several areas. The Ministry of the Environment and the Environment Agency are responsible for the implementation of the regulation. The Icelandic market is very small and only a few products are available on the market. Iceland indicated that it intends to phase out active substances still allowed in Iceland but not authorised in the EU. According to Iceland sufficient control and laboratory capacities are available to enforce EU legislation; however a certain lack of expertise has been identified in the field of authorisation procedures. Iceland indicated that it does not expect difficulties regarding implementation of the *acquis*; it however raised some concerns with regard to the burden of costs expected to deriving from participation in mandatory monitoring programmes for residues and environmental effects.

MAST is responsible for pesticide **residue** monitoring programmes. The LCA in Reykjavik collects food and crop samples for residue testing and takes enforcement action when necessary. An annual sampling plan is drawn up, based on information on import volumes and domestic production.

As regards the **quality of seeds and propagating material**, EU legislation on the marketing of seeds of vegetables, beet, cereal, fodder plants, oil and fibre plants are covered by the EEA Agreement and implemented through Regulation (IS) No 301/1995. Recommended varieties on the national list or varieties listed in the EU's common catalogues can be imported. Iceland stated that the use of suitable forest propagating material is important in Iceland. The characterisation of such material therefore differs from the Council Directive 1999/105. There is no register in place for approved propagating material. The import of certain forest tree genera is prohibited. Iceland applies a certification system for seed potato that is not in line with the *acquis*. There are only four growers approved for the production of seed potatoes. Holders of a "seed license" can also sell seed potatoes. A license is granted based on two conditions: freedom of quarantine organisms and regular renewal of seed stocks with certified seed potatoes. Iceland indicated that it intends to further substantiate its position on import ban on certain planting materials, including proposals in this regard, in its negotiation position. The same applies for the possibility to continue the growing of traditional potato varieties and the preservation of specific seedlings and species grown in Iceland.

The Icelandic legislation (Act No 58/2000) on **plant variety rights** is based on the principles and guidance from the international Union for the protection of new Varieties of Plants (UPOV)

(like the EU legislation). Iceland has no requirement for VCU testing (Value for Cultivation and Use). The plant variety board has not been appointed yet and no applications for plant variety rights have been received. There is only one Icelandic breeder who has obtained plant variety rights so far. Iceland does not foresee problems regarding the alignment with the *acquis*.

II.g. Genetically Modified Organisms

According to Iceland, the Directive 2001/18/EC on the deliberate **release into the environment** of genetically modified organisms has been transposed into Icelandic legislation with full implementation as of July 2011. The EU legislation on the marketing, labelling and traceability of **genetically modified food and feed** has not yet been incorporated into the EEA Agreement. Iceland has however adopted a regulation partially based on Regulations (EC) No 1829/2003 and 1830/2003 which entered into force on 1 September 2011 for feed and will apply for foodstuffs from 1 January 2012. Iceland stated that it has not decided yet on a policy regarding the rules on placing on the market of genetically modified food and feed..

III. ASSESSMENT OF THE DEGREE OF ALIGNMENT AND IMPLEMENTING CAPACITY

Overall, Iceland has achieved a good level of alignment with the *acquis* in the food safety, veterinary and phytosanitary chapter, partly due to its EEA membership. New relevant legislation is regularly incorporated into the EEA Agreement and thus applies throughout the EEA. Some parts of the regulatory and policy framework, in particular those still to be included in the EEA Agreement, require transposition and implementation. Iceland's administrative and control capacity forms a good basis for the development of the capacity necessary to allow Iceland to discharge properly its future responsibilities with regard to the implementation and enforcement of the *acquis* in this area.

EU legislation on veterinary matters on fish and fisheries products, fish diseases, feed, seed, foodstuffs and other food chain-related issues have been implemented to a large extent. The hygiene package has recently been incorporated into Icelandic legislation and respective regulations entered into force on 1 March 2010. For meat, eggs and milk a transition period ending on 1 November 2011 applies. However some significant areas of the *acquis* are not yet covered by the EEA Agreement including live animals, zootechnics, plant health and some animal welfare legislation.

By Iceland's accession to the EU, the application and enforcement of the *acquis* on food safety, veterinary and phytosanitary policy will need to be ensured. In particular, Iceland's legislation is not in line with the *acquis* regarding the principle of EU trade and inter-EU trade of live animals, animal products, plants and plant products. The gaps identified in this report will need to be analysed in detail during negotiations.

III.a. General

Iceland's legislation in this area, which is largely covered by the EEA Agreement, is largely in line with the *acquis*. Iceland has implemented the main principles of the EU food law. The division of responsibilities between different ministries and control bodies has been determined. Restructuring of administration and official control to implement requirements of the *acquis* is ongoing. The currently available capacity as regards administration, control and laboratories forms a good basis for the implementation of the *acquis*. However, the exemption granted to

Iceland under the EEA Agreement with regard to live animals other than fish and aquaculture animals, and animal products such as ova, embryo and semen is not compatible with EU rules and will have to be brought in line with the *acquis*.

III.b. Veterinary policy

Iceland's legislation on veterinary policy is partially in line with the *acquis*.

As regards the **control system in the internal market** and the **control system for imports**, Iceland applies import checks in line with the *acquis* for fish and fisheries products which are to be extended to animal products as of 1 November 2011. However, the import ban for live animals, germplasm, raw and processed meat and eggs which was flagged by Iceland as an issue of key importance as well as the import ban on meat and bone meal are not in line with EU rules. These issues will have to be analysed further in view of bringing them into line with the EU *acquis*. Border inspection posts are currently only accredited for fish and fisheries products and need to be further adjusted to fully meet EU requirements. Alignment with the *acquis* is also needed with regard to the application of TRACES, safeguard measures and veterinary checks of personal luggage.

EU rules on **identification and registration** are to be fully aligned with the *acquis* as of 1 November 2011 according to Iceland. The identification and registration system in place is well developed with only slight differences to relevant EU rules, one being that cattle in the EU have to be identified with two ear tags. The Commission will closely follow the legislative and administrative developments in this area.

Iceland's legislation is not in line with the *acquis* regarding **control measures for animal diseases**. Iceland applies a regime for the protection of animal health stricter than in the EU implying the application of a strict import ban for live animals and certain animal products which is not in line with the *acquis*. The Icelandic rules which allow the feeding of fish meal to ruminants needs also to be brought in line with the *acquis*. Iceland's legislation on *Salmonella* and *Campylobacter* is stricter than in the EU. Iceland highlighted the importance of maintaining its national regime in these regards. During negotiations, the issue will have to be analysed in detail based on scientific data to be provided by Iceland.

Iceland legislation in particular with regard to the import ban for pets is not in line with the *acquis* for **non-commercial movement of pet animals**. A pet passport system needs to be established.

Iceland has achieved a high level of compliance with the *acquis* on **prohibition of substances and control of residues** which will become further aligned in view of the November deadline. However, monitoring of pesticide residues is facing some capacity problems. The Commission will closely follow the legislative and administrative developments in this area.

Iceland will have to align its **international agreements** with EU Agreements before accession. Iceland informed that it considers of utmost importance that its high protection standards on animal and plant health status are effectively reflected in the international agreements to which Iceland is party. This issue will have to be looked into in detail in the framework of negotiations.

The Icelandic legislation is not in line with the *acquis* on **animal welfare**. Iceland has a regulatory framework in place which is similar to the applicable EU rules in this area. Further alignment regarding the protection of animals at the time of slaughter or killing is expected by

November 2011. The rules for cages for laying hens and transport of animals will need to be aligned with EU rules. The Commission will closely follow the legislative and administrative developments in this area.

There is a need for Iceland to align its legislation on **zootechnics** with the *acquis* in particular as regards the development of data bases for pigs and ruminants. In view of the limited production the administrative cost is considered burdensome by Iceland. The Commission will closely follow the legislative and administrative developments in this area.

As regards **veterinary expenditures**, Iceland applies a similar system as required under the *acquis*. An annual budget is provided for the implementation of surveillance and eradication measures. Differences however exist with regard to the list of diseases that are subject to official control measures and compensation schemes.

III.c. Placing on the market of food, feed and animal by-products

Iceland's legislation in this area is partially aligned with the *acquis*.

As regards the **EU hygiene rules and specific rules for animal products**, Iceland has made a substantial step by implementing the hygiene package as of March 2010 and which will apply also to animal products as of 1 November 2011. Iceland has initiated the upgrading process for establishments in view of the November deadline. The Commission will closely follow the legislative and administrative developments in this area. It is likely that assistance and transitional arrangements will be requested.

Iceland has partially implemented the *acquis* for **control rules and specific control rules for animal products**. A well developed system for official controls is in place which is being restructured following the entry into force of the hygiene package. The chain of command between central competent authority and local competent authority need to be streamlined and training of inspectors intensified. Iceland needs to increase labour capacity and designate reference laboratories for each of the EU reference laboratories.

As regards **animal by-products** Iceland's legislation is partially aligned with the *acquis*. Iceland needs to increase the capacity for incineration for the disposal of TSE risk material and set up a collection system for fallen stock. The removal of specific risk material from cattle is an obligation under the *acquis*.

Icelandic legislation is in line with the *acquis* as regards the **funding of checks**. Iceland applies the principle of minimum fee rate and food businesses operators pay for official control activities into the State budget.

III.d. Food safety rules

Iceland has implemented a large part of the *acquis* in this area. EU rules on novel food will need to be brought in line with the *acquis*.

III.e. Specific rules for feed

Iceland's legislation is largely in line with the *acquis*. The prohibition of the import of hay, straw and meat and bone meal is not in line with EU rules as well as the feeding of fish meal to

ruminants though currently permitted by the EEA Agreement. Iceland applies stricter rules regarding maximum level of dioxin in fish oil. These questions will have to be looked into in detail in the framework of negotiations.

III.f. Phytosanitary policy

Iceland does not implement the *acquis* for **plant health – harmful organism**. The import ban for certain plants applied by Iceland is not in line with the *acquis*. A substantial difference also exists with regard to the lists of potentially harmful organisms. Iceland's intention to request the maintenance of the current level of protection including the definition of protected zones needs to be thoroughly analysed in the framework of negotiations.

Iceland's legislation which is not in line with the *acquis* for **plant protection products** will have to be brought in line as of accession. Iceland has already a system for registration and authorisation of pesticides in place and cooperates with other countries in this regards. Iceland's legislation on residues of pesticides is largely in line with the *acquis* however the laboratory capacity needs to be strengthened.

Iceland has partially implemented the *acquis* for **quality of seed and propagating material** which is partially covered by the EEA Agreement. Iceland has implemented rules for the marketing of seeds in line with the *acquis*. A register of approved propagating material needs to be established. The import ban of certain plants and planting material is not in line with the *acquis*. Some differences also exist with regard to the catalogue for varieties. These issues will have to be analysed further in the framework of negotiations.

Iceland will need to align with the **EU international agreements** in the phytosanitary area by accession.

III.g. Genetically modified organisms

Iceland has partially transposed EU legislation in this sector. Iceland will have to define requirements for the authorization of genetically modified organisms and complete alignment with the *acquis* in this area.