

FINAL MINUTES

Meeting of the Civil Dialogue Group ANIMAL PRODUCTS – PIG MEAT SECTOR

14/11/2019

Chair: [REDACTED] (CELCAA).

Organisations present: All Organisations were present, except Beelife, BEUC, EFA, EFNCP, EMB, EPHA, ERPA, FESSAS and Birdlife.

1. Approval of the agenda

The chair welcomed the participants and wished a good meeting.

He asked for some changes to the order of the agenda items due to time collisions for delegates of the Commission.

The minutes are nevertheless in the foreseen order.

The approval of the agenda was given.

2. Nature of the meeting

The meeting was non-public.

3. List of points discussed

1/ Information and exchange of views on pig meat and pig meat processed products market situation:

a) Market situation and forecasts – see presentation No 1

Commission services from DG AGRI G.3 presented the EU pig meat market situation based on the most updated data available, including the latest livestock survey figures (May/June 2019) and the forecasts for production submitted by the experts.

The latest livestock survey figures show a substantial decrease of the pig population (in all categories) compared to the May/June 2018 survey. In comparison to the survey of December 2018, the situation is similar; nevertheless, an increase in piglets (+ 7.6 %) and a slight increase in covered sows are noted.

The change in EU pig meat slaughter, based on real slaughter figures (up to Q2 of 2019) and the expert forecasts figures for 2019 and 2020, was presented, and a reference to the latest short-term outlook (autumn 2019) was given.

Commission services informed that the EU pig production expressed in tons decreased by 0.9% in January-August 2019 compared to the same period of 2018.

The evolution of pig and piglet prices was presented compared to previous week and last year: in week 45 the EU average pig prices were very high (highest since 2013); the average price for Class S-E in week 45 stood at €185/100 kg.

Last the trade statistic for pig meat was presented for the Jan.-Sept. period of 2019, and the increase of EU export to China was highlighted.

A summary at the end emphasised that while the market situation is very good, ASF remains a challenge – see later presentation of DG SANTE.

b) Animal feed market situation – see [presentation No 2](#)

Commission services DG AGRI G.4 presented an update of the feed market especially being available via EU Crops Market Observatory.

Concretely the world cereals and oilseeds forecasts and prices until end 2019 plus their balance sheets for the marketing years 2018/19 and 2019/20 were presented.

The production forecast mentioned + 8.8% y/y, an increase of total EU cereals area +2.8% y/y and a recovery of soft wheat and barley production. Further a decrease of total imports, in particular for maize and a recovery of total exports, in particular for soft wheat, was mentioned leading to an increase of total ending stocks.

Discussion

First COPA/COGECA stressed that for the pig producer there is in general a good market situation at the moment, but it has to be kept in mind, first, as shown in the internal preparatory session the day before, that there has to be seen a differentiated situation as on the one hand in some Member States like Sweden the market is much less positive. And on the other hand the still rising prices can lead to less consumption and it has to be stressed out that about 60 % of the pig production is for export to China, which means extreme addiction. So we do not really live in the Promised Land.

A question about the prices for feed was raised, too. Commission services answered that wheat and barley feed prices increased because of the harvest pressure, especially a record harvest in Ukraine meaning higher exports and also forecasts for Australia and Argentina have to be seen.

A representative of FDE stressed, hereto, that the situation is seen much more different and more difficult. Especially the quoted consumption decrease seems to be much higher, so the sector is curious about the coming updated numbers for the December pig survey 2019. In general the meat processors have their back to the wall and asked the stakeholders of the sector helping to explain consumers the higher cost of pig meat. Furthermore, they asked the Commission for a specific fund in the next promotion programmes on pig meat and on export, keeping also in mind a fund for biosafety.

ECVC referred to the situation because of African swine fever (ASF) and asked for export protection to be given even greater evidence as there seems still too little sensitivity even if the situation still is viable at the moment. Therefore preventive measurements should be increased.

Commission services answered that the legal basis is there within the rural development regulation, to support different elements with the measures available and that Member States have to decide what to cover, i.e. how they give priority in their R&D programmes to measures in relation to ASF.

The ensuing discussion with representatives of FDE, COPA/COGECA and EuroCommerce highlighted again the different sights of users, retailers and producers were stressing out their point of views including asking for a sort of crisis funds or approval of reactivating export refunds with as early as possible developing models for reactions now and if the situation changes. A concrete question about reducing herds in China was mentioned.

Commission services answered referring to existing figures of external sources like Rabobank and Gira, plus expecting new figures at the GIRA workshop beginning December. As regards China, the prognosis foresees still rising consumption and import with shifts from pig meat to beef and poultry to tackle the protein gap. It was stressed that the Chinese import requirements have to be seen in a time horizon of 3 to 5 years.

2/ Animal Health

a) ASF in the EU and worldwide (focus on Asian countries) – see presentation No 3

Commission services from DG SANTE G.3 gave a presentation about African swine fever with an overview of ASF situation in the EU and an update on the main initiatives of the EC.

Examples were given about scientific advice, regionalisation, political involvement and harmonised ASF management in the EU.

At the end of the 19 slides, the next steps were mentioned like continue supporting scientific research in the EU and globally (e.g. research gaps, vaccine), updated risk assessment by EFSA, manage and review the EU measures for ASF, maintain highest political involvement, dialogue and coordinated efforts with third countries and all stakeholders, awareness campaigns showing that biosecurity is a key! The total allocation to Member States for ASF for the period 2013-2019 was mentioned as being EUR 131.2 million.

b) State of play of the implementation of the Animal Health Regulation (focus on the impact of the Regulation to the pork supply chain) – see presentation No 4

A most appreciated overview of the Animal health Law (AHL) Regulation applying 21st April 2021 was given. AHL sets out an obligation to register the establishments keeping terrestrial animals.

First, the structure of the AHL with its 5 parts for general rules (Part I), diseases (Part II and III), registration, approval, traceability and movements (Part IV) and entry into EU (Part V) was explained.

Also an overview was given about the 9 Delegated Acts (DAs) and actual status. The DA on registration and identification sets the traceability requirements applicable to the pig sector including the means and methods of identification, registration of establishments and data bases.

Following the presentations, [REDACTED] Doctor in Veterinary Medicine – President of the Romanian Beef, Sheep and Pig Exporters' Association (ACEBOP) – gave out of the agenda a 10-slide presentation of the specific ASF-situation in Romania. About 4 million pigs were culled which is about 14% of the whole Romanian pig production. The main problem is the transport from very small farms. Taking the shown maps into account, it shows the most difficult situation asking for solutions – [see presentation No 5](#).

In the ensuing discussion on the whole agenda item, first EuroCommerce representative asked the Commission services, due to the existing and coming regulations, for a synopsis of old and new legislations for better understanding and giving more clarity.

COPA/COGECA representative referred to ASF in general and specifically to Romania highlighting the ongoing outbreaks and the necessity of taking severe measures reducing the wild boar population. Another representative asked about concrete measures and programmes for the Balkan States and asked if traceability for animal medication is foreseen.

The Chairman referred to regionalisation reminding the responsibility of each Member State supported by the Commission services stressing the existing action plans and mentioning the specific situation of Romania with around half million single farms plus a close exchange at high level between the Member States including financial options. For example for the Western Balkans a meeting in Zagreb is foreseen in late November.

FDE representative mentioned the necessity of clearance for origin protected products like for example Salami, and asked for further approval of existing regulations, guarantees for traders or imports of casings.

3/ Animal Welfare

- a) The final outcomes of the action plan 2017-19 on rearing pigs with intact tails SMR 12 and Pig Action Plans on tail docking – implications – [see presentation No 6](#)
- b) The final recommendations developed by the official subgroup on pig welfare of the EU platform on animal welfare – [see presentation No 7](#)
- c) Hamletz: achieving better lives for pigs while fulfilling consumers' expectations. Speaker: Annechien ten Have (NL) – [see presentation No 8](#)
- d) Update of Animal Welfare Platform – [see presentation No 9](#)

Due to missing time, the 4 points were just presented (see number of presentations) and not discussed in detail.

4/ Information from the Commission on the recently adopted Regulation on Market Transparency – [see presentation No 10](#)

The key legal structure remains.

The new elements in the amended text are mainly additional products including additional processed, further buying prices, some additional quantities and reporting threshold 2% and 4% organics. Member States can delegate reporting.

The next steps are especially installing expert groups with Member States to identify already collected prices for pig cuts and verify cuts specifications plus methodologies applied.

In the ensuing discussion:

First EuroCommerce representative asked a technical question if the eco-regulation will be tackled especially due to a specific situation in some regions known in Germany, which was denied by the Commission services.

Second, some COPA/COGECA representatives asked about notifications of retailers and what about prices below cost price, which was answered by Commission services that retailers are in general obliged for notifications while consumer prices are not tackled but linked to EUROSTAT. To this COPA/COGECA representative asked to really work on a link to this data. Further COPA/COGECA representative welcomed in general the new system but called into question additional information therefore proposing to keep the innovations as simple as possible.

Specific question of FDE representative -Why not market relevant cuts like pork neck will not be included?- was answered by Commission services that compromises have to be found. In order to draw a line, priority was given to CN codes.

Further responsibility of the Member States acting was highlighted by Commission services. It was stressed out that data collection and data analysis must be distinguished.

5/ Trade (no presentations were given)

- c) Market access. Information on SPS barriers in the pig meat sector. Focus on the regionalization principle recognition by the EU trade partners

DG TRADE D.3 representative updated as follows:

Shanghai accepts now regionalization, so hope comes up for Thailand, too.

Further was informed about a visit of Commissioner Phil Hogan with China Agricultural Minister. It was mentioned that at the next meeting in April 2020 there will be a concrete next step.

Further was referred to last week's meeting in Geneva especially with Malaysia and Indonesia, while a meeting with Korea failed.

At a meeting 3 weeks before with Thailand, market access especially for Spain and Hungary was tackled and a slight opening was seen but in Geneva difficulties came up, therefore the Commission is sending an invitation for further discussions.

Indonesia seems to have ASF outbreak but no feedback yet.

In general regionalisation has still highest priority and ideas and activities are welcome, China included.

- d) Information on the ongoing FTA negotiations (focus on Mercosur)

DG AGRI gave an oral overview stressing that the MERCOSUR agreement refers to 250 Mio consumers, about 60,000 companies and 280 Bio € bank deposits.

The agreement is seen as very balanced including maintenance of existing high standards so therefore defended by the Commission.

Nearly 95 % of all goods will be liberalised, 90 % industrial goods for EU import and 93% of agricultural products with asymmetric protection for sensitive products. As an example there is full liberalisation for pork imports to MERCOSUR, also positive for example for wine, olive and milk.

Controversial public discussions about sensitive agriculture are dealing with fair competition, SPS, environmental aspects and sustainability but again the high EU-standards will be unchanged as written in the published texts.

The next steps will be accepting by the Council and parliamentary assent for national ratification. The draft is mostly published, tariff lines will be published soon, legal scrubbing already started and ongoing until spring 2020, then further checks until end 2020 and Council plus EP discussion end 2020/21. If no agreement is reached, the provisional entry into force will automatically be in 2021.

e) Information on the U.S. retaliation and its impact on the EU pork export and market

Further information was given about this case.

The WTO released its ruling on the Airbus subsidies beginning October 2019, establishing the right of the United States to levy tariffs on up to USD 7.5 billion worth of European exports. The penalty was levied for European subsidies to Airbus.

Tariffs of 10 percent on Airbus and 25 percent on various products including pork estimated about 1.5 % total pork meat exports including GI's like Serrano- or Parma-ham, and even more for Scottish whisky, French cheese and Spanish olive oil entered into force on 18th October for 3 months.

During the ensuing discussion especially about the Airbus case, COPA/COGECA highlighted the uncertainty for the next months and the high penalty for the agricultural sector having nothing to do with the WTO and given subsidies referring also to the Boeing case before. So the agricultural sector won't be involved in a tax war as the oil sector and this showed clearly that there will be nearly no return to market. Commission services emphasised that all will be done to find a solution.

EuroCommerce corrected that Parma and Serrano are not mentioned in the published lists.

FDE stressed the concern of the food and drink sector and asked if it is already clear, which parts of the legislation has to be tackled by national parliaments or the EU Council.

6/ Brexit – state of play (no presentations were given)

AGRI Director joined the group for this point and informed in summary as follows: he reminded about the different deadlines March/April and last October facing now a new one. Therefore the original scenario is no longer given but the emergency plans remain unchanged in the drawer to keep possible disruptions as low as possible. In total some € 40 billion in exports and 16 billion in imports of agri-food are affected, that includes also pig meat. The EU negotiations are in no way open to diluting standards and market conditions, i.e. the interests of the internal market must be safeguarded. The still open question is which models will be used from the UK. The situation is similar with regard to the 2-year extension option in 7/2021 – so it has to be waited for and seen especially

relying on the outcome of the December election. Further aspects like the Airbus case, ASF developments in Asia and WTO-Russia cases should not be forgotten.

7/ AOB

The AGRI Commission services informed about an "Evaluation on mandatory indication of country of origin labelling for certain meats". They commissioned Agra Ceas Consulting S.A. to conduct this study. The study tackles an evaluation of mandatory country-of-origin labelling for pig meat, poultry meat and sheep-/goat- meat i.e. Regulation (EU) No 1337/2013. Stakeholder survey, EU level interviews and case studies will be used for data collection and a public consultation will be open at the end of the year.

EuroCommerce and COPA/COGECA informed that the contractor has already contacted the industry. They asked due to the complex and short-termed approach for minimum 2 weeks more time and technical improvement of the internet-based approach. Commission services will inform the unit in charge for the evaluation about these issues.

4. Conclusions/recommendations/opinions

5. Next steps

6. Next meeting

Disclaimer

"The opinions expressed in this report represent the point of view of the meeting participants from agriculturally related NGOs at community level. These opinions cannot, under any circumstances, be attributed to the European Commission. Neither the European Commission nor any person acting on behalf of the Commission is responsible for the use which might be made of the here above information."

7. List of participants - Annex

List of participants – Minutes
Civil Dialogue Group ANIMAL PRODUCTS – Pig meat
14/11/2019

MEMBER ORGANISATION	NUMBER OF PERSONS
AnimalHealthEurope (formerly known as IFAH-Europe)	1
Bee Life-European Beekeeping Coordination (Bee Life)	-----
Bureau Européen des Unions des Consommateurs (BEUC)	-----
EuroCommerce	1
Eurogroup for Animals	-----
European agri-cooperatives (COGECA)	8
European Coordination Via Campesina (ECVC)	2
European Council of Young Farmers (CEJA)	2
European Environmental Bureau (EEB)	1
European farmers (COPA)	7
European Federation of Food, Agriculture and Tourism Trade Unions (EFFAT)	1
European Forum on Nature Conservation and Pastoralism (EFNCP)	-----
European Liaison Committee for Agriculture and agri-food trade (CELCAA)	5
European Milk Board (EMB)	-----
European Public Health Alliance (EPHA)	-----
European Rural Poultry Association (ERPA)	-----
Fédération Européenne pour la Santé Animale et la Sécurité Sanitaire (FESASS)	-----
FoodDrinkEurope	6
International Federation of Organic Agriculture Movements EU Regional Group (IFOAM EU Group)	1
Stichting BirdLife Europe (BirdLife Europe)	-----
Private Expert	1
Total: 36	