

Brussels,

## FINAL MINUTES

### *Meeting of the Civil Dialogue Group on Animal products – Pig Meat Sector*

**28/5/19**

Chair: [REDACTED] (CDG Vice-Chair, CELCAA).

Organisations present: All organisations were present, except EPHA.

#### **1. Approval of the agenda**

CELCAA made the request to add the discussion on a possible change of date of the next CDG on pig meat meeting to AOB. The request was approved by the chair.

#### **2. Nature of the meeting**

The meeting was non-public.

#### **3. List of points discussed**

1) Information and exchange of views on pork and pork processed products market situation

##### a) Market situation and forecast

The Commission representative presented the outcome of the Commission's findings on the market situation. Charts of that presentation are available on the CDG website.

##### - Production:

From December 2018 compared to December 2017, the pig population decreased in all pigs besides 'fattening pigs 50kg and over', and 'fattening pigs from 80kg to less than 110kg'. The breeding population decreased by about 3% due to the difficult market situation in 2018.

The production expressed in tons increased from 2018 to 2019 (up to February) by 1%. The production expressed in change of pig slaughter increased from 2018 to 2019 (up to February) by 0.5%.

0.5% increase for slaughtering in the first 2 months of 2019, real slaughter above forecast for first quarter of 2019. Total 2019 is projected to increase in EU pig slaughter from 0.6%.

##### - Prices:

Average price for Class S-E in week 20 2019: 173.3. This shows an evolution since last month by +1.9%, and evolution since last year by +21.9%. Price development is seeing figures that haven't been seen in a long time, positive price development for all classes, huge price hike since March 2019, mostly due to increased export demand and tight domestic supply.

Atypical price development for piglet prices, positive price evolution of 23.4% compared to same period last year.

#### - Trade

January and February 2019 have started well; very positive trade balance.

Largest EU exports destinations of selected pig products: China (+26% compared to January-March 2018) and Japan (+4% compared to January-March 2018). Exports to Ukraine increased by 25%; exports to Vietnam increased by 90%. Export decreased to South Korea (-16%) and Hong Kong (-15%).

EU market share in China is getting bigger due to trade war between China and the US. ASF in China is spreading very quickly due to a lot of backyard farming and not elaborate surveillance systems. It is unlikely that the disease comes under control in the near future. Hopes from the EU that this will lead to China accepting the concept of regionalisation. If trend continues, 2019 will be good export year for the EU, even if ASF will have a negative impact on consumption of pigmeat in China.

Brazil faced SPS problems last year, but is coming back to the world market in 2019. Recent development with Mexico gives push to US market and stimulated pig meat production in the US.

#### Exchange of views

A representative from EEB expressed her satisfaction about the price increase for pig meat, however, that an increase of pig population would have a negative impact on the environment. EEB also criticised EU soy imports and highlighted the need to include externalised costs in its calculations. EEB representative also criticised meat exports in general.

A representative from FoodDrinkEurope highlighted that the current high pig prices create economic pressure for processed meat; losses of 100 M Euro per month were mentioned. The high carcass price could not yet be transmitted to the retailers. It has been the fifth month in a row where the sector is losing money. Exports of processed meat are only a small share of total exports, so the industry is not benefitting from the good world market.

A representative of Copa-Cogeca stated that producers were very happy with market prices, but that at the same time producers needed to think of the future. The surge in prices in China and other Asian countries is an exceptional affair. This competitive advantage vis-à-vis US could disappear at any moment. Furthermore, EU countries also face the threat of ASF; if ASF spreads and hits major exporters, it will have a significant impact on the EU market. Priority should be for the EU to get the concept of regionalisation accepted in China and other countries.

Producers need to keep the focus on the internal market. Therefore, the Copa-Cogeca representative warned producers not to become obsessed with exports.

A representative of Copa-Cogeca stated that the price increase seen was not extraordinary, but that 2019 prices were very similar to the price levels of 2017. The representative advised the Commission not to compare 2019 prices with 2018 prices and

requested from the Commission to present numbers in context. Furthermore, he stated that a further spread of ASF in Europe could have devastating effects.

A representative from Eurocommerce stated that ASF was no blessing, but very dangerous for all. He highlighted that there was a need to solve problems of the industry with normal measures and not with diseases. Increase of prices could lead to declining consumption.

A representative of EFA stated that there was a need to explain the real cost of meat to the consumers. That way, the high EU standards should be communicated.

The Commission highlighted in its reply that there was no general policy to encourage pig production. The Commission observes market developments. The Commission representative stated that DG AGRI was in close contact with colleagues from DG ENVI, DG CLIMA and DG SANTE. Regionalisation is a high priority for DG SANTE; therefore, half of DG SANTE is in Paris to meet counterparts from China. The price increase in April is something that has not been seen in a while; therefore, it needs to be pointed out.

#### b) Animal feed market situation

The Commission representative presented the feed supply and price situation. Charts are available on the CDG website.

Continuous rise of world production and consumption of wheat and maize. Drop for wheat expected in 2018, however, projected 2019 numbers show higher production and consumption in 2019. New record for world consumption of soya at 355 M tonnes.

A representative from Copa-Cogeca referred to the world record consumption of maize and soya, and asked why there is still an increase in consumption even though China, which has massive pig production losses, is the main consumer.

The Commission replied that the increase of maize demand is likely a reason of the poultry production. However, it is an important question how demand in China will evolve.

## 2) Animal Welfare

The representative of the Commission gave a short update on the Animal Welfare Platform, Castration and Tail Docking.

#### a) Update of Animal Welfare Platform

EU Animal Welfare Platform: next meeting on 17<sup>th</sup> June and then on 7<sup>th</sup> October. A subgroup has been created for pigs, with tail-docking as the subject. The group is working pretty well and is constructive; it has drafted several documents on conformity criteria and good feeding. A meeting is scheduled for July. The group compliments the work being done in the Member States (MS); another meeting scheduled in July.

#### b) Castration

European Parliament adopted a pilot project to promote the market of meat from uncastrated or immunocastrated pigs. The project was performed in 2018 by an external contractor who produced best practices at different stages of the food chain to promote

meat from uncastrated pigs: production, slaughter, processing and marketing. The Commission presented the best practices to MS in February. The project shows several commercial successes of shift from the production of castrated pigs to non-castrated pigs. The Commission is now working in producing fact sheets to promote the results of this project.

c) Tail Docking

The EU legislation does not allow routine tail docking. However, audits show that many MS (all except Finland and Sweden) are not compliant; therefore, the Commission asked them for action plans which the Commission has evaluated with the following results: 1 MS does nothing at all, 9 MS have a plan, but remain insufficient to address the main requirements, and 16 MS presented actions plans that address the main requirements. The Commission is now reflecting on the next steps. The pig sector has a lot of information available to become compliant; however, it might be difficult to change the habit; it is more a matter of political willingness to make the change real.

Exchange of views

A representative from BirdLife asked about the tail docking action plans and how the response from the Commission would look like.

A representative from Eurogroup for Animals asked what the Commission was waiting for regarding the launching of infringement procedures against MS.

A representative from EEB criticized the research being carried out.

A representative from CELCAA stated that there had been huge progress made in the field. Research is being conducted to come up with right answers on how to solve this problem. Farmers are working hard; outbreaks of tail biting big concern for breeders.

A representative from Copa-Cogeca stated that a lot of research was being carried out to find solutions; all researchers genuinely try to find solutions.

The Commission answered that the launch of infringement procedures could be one of the options the Commission is looking at. Tail biting is a sign that animals are suffering and a sign that there is an issue with animal welfare. Not only breeders, but also MS, have responsibility to give breeders technical information. MS that have no action plan show that there is no will to comply with the rules. Reference centre for animal welfare that works on pig welfare started working in January, two-year work programme; tail docking one of the issues they deal with; MS can contact these bodies and get useful information.

3) Animal Health

a) ASF: Wild boar management. “Methods to manage wild boar populations in Europe”

Presentation by Dr Giovanna Massei, PhD, Senior Ecologist, Mammal Discipline Leader National Wildlife Management Centre, Animal and Plant Health Agency (APHA), United Kingdom. Charts of that presentation are available on the CDG website.

Last year, 800,000 wild boar killed in Germany. However, wild boar population is still going up every year. In the 1980s, France did not have a lot of wild boar, now they can

be found everywhere; wild boar population is growing dramatically. At the same time, number of hunters is staying stable or going down. Methods to decrease wild boar numbers: sport hunting, professional shooters/trappers, culling from helicopter (in the US and AU, not EU), toxicants (in the US and AU, not EU) and fertility control.

Sport hunting: Number of hunters is decreasing; it's inexpensive; they can be proactive or reactive. However, hunters are also responsible for moving wild boars in Europe so they could be part of the problem. Therefore, some MS banned hunting.

Professional shooters/trappers: They are reactive; can lead to quick reduction; however, they are expensive. Thus, limited in time/space.

Fertility control: Proactive solution; publicly supported. However, slow reduction and expensive if done by injected drugs.

Situations when fertility control is a good option: When lethal control is illegal, unacceptable, unfeasible, unsustainable, environmentally hazardous and/or ineffective when used as the sole method of management.

An ideal contraceptive to manage wild boar: Individual - No side effects on welfare, physiology and behaviour, long-term effectiveness, single/few doses and oral. Population - Inexpensive to produce and administer, specie-specific, safe for operators, deliverable to a large proportion of the population and registered in Europe.

Single-shot injectable contraceptive in captive wild boar: 11 sows out of 12 did not reproduce for at least 4-6 years after a single injection.

Fertility control may avoid social disruption: Reduced initial emigration, reduced long-term immigration and reduced movements and hence reduce disease transmission. Fertility control more publicly acceptable or feasible (urban areas); hence, more likely to attract volunteers to control wild boar populations. Fertility control could complement culling to reduce cost of population control where culling alone is not effective or sustainable.

Conclusions: Wild boar populations will continue to grow; managing wild boar will require combined approaches; costs, feasibility, impact of population control methods must be quantified before they are applied in proactive or reactive management; need funding research on developing oral contraceptives.

#### Exchange of views

A representative from CELCAA thanked the speaker for the presentation. The representative stated that it was excellent to get another tool like contraception, and asked if the organisation had tried to use oral vaccination instead of single injectable dose. The speaker replied that there was no threat for consumer from vaccination. They are trying to develop oral vaccination; however, it is very difficult, so more funding is needed.

A representative from Copa-Cogeca stated that the biggest problem in pig production was ASF. Wild boar continues to spread disease; everyone agrees that we need to see drastic reduction in the boar population. The representative asked how the industry can make a contribution and help the programme to get results as quickly as possible. The speaker replied that it would be most useful fund research and lobby the ones that can fund research.

A representative from EFA stated that they are in favour of non-lethal methods of boar population control and happy to see a mono dose oral vaccination.

A representative from Copa-Cogeca stated that wild boars don't risk extinction and that population control is necessary; hunting alone is not enough to solve the problem. The representative called on the Commission to warm on harmonisation and work together with DG SANTE.

A representative from Copa-Cogeca stated that the management of the wild boar population is very important. The representative called on the Commission to contact MS that it should be forbidden to feed boars. The speaker replied that in many parts of Europe boars are responsible for 80% of crop damage; decrease of population could improve that situation also in this regard.

#### b) State of play of the implementation of the Animal Health Regulation (AHL)

The Commission representative presented the state of play of the Animal Health Law (Regulation 2016/429) implementation. Charts of that presentation are available on the CDG website.

The Animal Health Regulation was adopted in 2016; key delegated acts will be adopted in 2019, while implementing acts will be adopted in 2019-2020. AHL applies on 21 April 2019.

Registration obligation of operators; inform the competent authority of their activity; provide information on the name and address of the operator, the location of the establishments and description of its facilities, the categories, species and numbers of ungulates the operators intend to keep and the capacity of the establishment and the type of establishment; provide information on any changes on the above matters and cessation of transport activity. It is the competent authority's obligation to keep records of establishments.

ID code of the animals: birth holding number. Derogation: no means of identification for porcine moving within food supply chain. Exemption: if authorised by CA, operators of confined establishments (zoos) and operators keeping porcine animals for cultural, recreational or scientific purposes.

CA obligation to keep a computer database of kept porcine animals. Operator's obligation to ensure that porcine animals are accompanied by a movement document when moved within its MS territory.

#### Exchange of views

A representative from CELCAA asked if in case the tattoo remains on carcass skin a non-invasive procedure is possible. Result of foot and mouth disease leads to the agreement in the EU that a physical marking is necessary. No change to such marking; need to be sure that animal is marked. If non-invasive it is possible that marking is getting lost.

A representative from Eurocommerce asked for a better explanation of the derogation of the application. The speaker replied that the animal health law makes it clear that computer databases will have a recoding per each establishment that sends out animals – both receiver and sender needs to provide information to the competent authority.

#### 4) The EU Veterinary Medicine Products Regulation

Presentation by Rick Clayton, Technical Director at AnimalHealthEurope. Charts of that presentation are available on the CDG website.

Marketing authorisation - data requirements: Quality data, safety data and clinical data. Registration procedures: Centralised procedure (European Medicines Agency); Decentralised/mutual recognition procedures (National agencies cooperating); National procedures (National agency/authority).

Centrally authorised products: Vaccines (47%); Antibacterial – food animals (4%); Antibacterial – pet animals (2%); Antiparasitic (13%); Anti-inflammatory (15%); and other (18%).

Legislation: Human medicinal products Directive; Veterinary medicinal products Directive and Joint Regulation on European Medicines Agency and centralised procedure. Review of the VMP legislation: Prior Impact Assessment in 2011, then COM proposal in 2014. Objectives of the COM proposal are to increase availability of veterinary medicinal products, improve the functioning of the internal market, stimulate competitiveness and innovation, reduce administrative burden and address the public health risk of AMR. New Regulation published on 7<sup>th</sup> January 2019. The veterinary medicine market is 3% of the human medicines market.

New VMP Regulation outcomes: Separate Regulation for the VMP sector; published January 2019 – becomes applicable in January 2022; good progress towards the objectives; overall impact on manufacturers is uncertain; more focus on controlling antimicrobial resistance and on environmental protection. Impact depends on how the legislation is implemented; 25 implementing measures on the details.

A representative from Food Drink Europe stated that the reduction of investment in R&D was worrying and surprising. The representative wondered if main competitors were cutting back, too. The representative also asked if work was being done on a vaccine on wild boar. COM replied that the US and China are a lot more favourable to research and innovation than the EU. Some companies are working on wild boar vaccination; however, it is very challenging to find vaccinations that cover enough of the strains.

EEB asked if the EU Veterinary Medicine Products Regulation would make it easier for breeders to use lidocaine. Commission replied that it had not been proven yet that the use of lidocaine was completely safe for consumers.

#### **BREAK**

After the break, CELCAA made a request to the Commission to organise a debriefing meeting with representatives from DG SANTE on the OIE meeting as DG SANTE couldn't be present at the CDG on pig meat meeting. The chair agreed to send a letter requesting a meeting to the Commission Services.

#### 5) Trade

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

Presentation by DG TRADE. Charts of that presentation are available on the CDG website.

Several main trading partners listed as priority for EU (COM/EU MS/ EU Business) – 20 countries in total (IND, IDN, IR, KSA, US, VN; specific action on pig meat: ARG, AU, BR, CAN, CN, JP, KOR, MEX, PHI, RU, SA, TR, TW, UKR,). Pig meat included as priority market for tackling SPS measures; review of priority list based on need; focus is on priority countries, but COM continues to work also on other important trading partners.

Main SPS issues for EU exports: Animal health conditions: non-recognition of regionalisation (now most important: African swine fever, but also classical swine fever, FMD); measures linked to swine vesicular disease (no longer listed OIE disease); PRRS; overly lengthy, burdensome and non-transparent import procedure; non recognition of EU's visual inspection (trichinella).

Countries with full recognition of EU regionalization: Canada, Chile, New Zealand, USA; countries with a partial recognition: Singapore, Ukraine, Vietnam (HU PL whole province); no recognition of regionalisation (country-wide bans): China, Japan, Korea, Malaysia, Mexico.

New Initiative - Partnership Instrument ASIA: DG AGRI, DG SANTE and DG TRADE involved. Investment of 2 M € for 36 months; target countries are China, India, Indonesia, Japan, Malaysia, the Philippines, Republic of Korea, Thailand and Vietnam. Initiative is expected; kick-off of activities around November 2019. Objective is to strengthen the regulatory dialogue on food safety between the EU and selected Asian governments on SPS issues, the recognition of regionalisation measures taken by the EU, to ensure the possibility of pre-listing, and to strengthen the perception of the EU as one entity. Main activities include expert level visits, seminars and guides for applicants (e.g. how to export pork to Thailand). Close cooperation between COM-MS-EU and industry is very important.

SPS barriers are continued work; however, there are cases of success. Importance of prioritisation and of closely working together, COM-EU-MS-industry. Regionalization for ASF remains a major challenge/high priority.

Commission always open for suggestions from the industry. Commission called on industry to inform about trade barriers, to contribute commenting on new draft legislation in third countries, to participate in Market Access activities of the Commission: SPS Market Access WG for sharing the information among Commission, Member States and industry and support Commission with technical input and assisting in visits, trade-related activities, seminars.

#### Exchange of views

A representative from CELCAA asked what can be done to ensure that trade partners of FTAs that are ongoing/negotiated are actually keeping their promises considering that some FTAs already included a chapter on regionalisation. The Commission answered that trade agreements went both ways and goodwill of trading partners was needed. COM needs to ensure that FTA chapters are implemented. COM is pushing to include regionalisation in FTAs.

A representative from Copa-Cogeca had several questions/requests:

1) On Australia: Inspection of EU countries exporting to AU that went well; however, countries still cannot export, which is a competition issue. Request to COM to resolve issue with AU or allow countries that are affected to have bilateral agreements with AU. COM replied that they understood difficulty and frustration. COM had recently discussed with MS and they understood that COM had reached out to AU to solve the problem.

2) On Japan: Hogan had a meeting in Japan; message to Japanese authorities should be that Japan should accept regionalisation. Commissioner Hogan stated that regionalisation would be dealt with in working group. Representative asked if industry would still receive answer/conclusion by 1<sup>st</sup> June, as promised by Hogan. COM replied that Japan FTA was ongoing work with COM and Japan. COM cannot give guarantee on a specific date it doesn't depend on COM alone.

3) On Russia: When will WTO decide on sanction paid by Russia to the EU? COM answered that the consultation had started in 2014; EU won the case; however, Russia was not making it any easier. Therefore, COM cannot say when the EU receives compensation.

4) Rumours: Many rumours that this COM wants to conclude an agreement with Mercosur during its mandate. Representative asked if that was true and what was DG TRADE opinion on that. COM replied that there had been continued meetings and exchanges with Mercosur. It is important to be aware that Mercosur deal is a package and not just about agricultural products.

A representative from FDE requested from the COM to also include pork cuts/sliced meat products. COM does not look specifically at dried cut meat, but they should, as they have added value. The representative also questioned the COM's approach on always asking how the industry can help the COM; it should be how COM can help the industry. COM assured that they take dried cuts seriously. COM stated that to do best possible job COM needed input from the industry; it is important to work together.

6) Brexit - State of play by the EU Commission and exchange of views on the EU pig meat market impact

No new developments since extension for Brexit was granted by the Council. There are many preparedness notices on the COM website. Orderly Brexit is prepared, but COM prepared a number of contingency measures in case of no-deal Brexit; COM is ready for any scenario. Contingency measures regarding transport, customs and SPS. The UK also announced contingency measures. Contingency measures from both sides are unilateral measures so there has been no negotiating on these measures between the UK and the EU. Temporary tariffs from the UK side – announced until end of 2019, tariffs much lower than MFN tariffs; important to note that tariffs are erga omnes. Customs/SPS issues: assumption from UK authorities: business as usual for 6-9 months.

Brexit will affect the markets, deal or no-deal; however, in case of no-deal Brexit, the impact will be much harder. Commission stated that it would stand by its farmers.

COM works on the assumption that Brexit will take place on 31<sup>st</sup> October. The Commission called on the industry to report any developments regarding market impacts of Brexit.

7) AOB

Proposal of change of date for the next CDG on pig meat meeting from 12<sup>th</sup> November 2019 to possibly 21<sup>st</sup> November 2019. The Commission will inform members in due time.

#### **4. Conclusions/recommendations/opinions**

The chair agreed to send a letter requesting a meeting with DG SANTE to debrief on the OIE meeting to the Commission Services.

#### **5. Next steps**

No next steps were discussed.

#### **6. Next meeting**

The next meeting will take place in November 2019. The exact date is to be decided. Members will be informed in due time by the Commission.

#### **7. List of participants - Annex**

##### *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."*

##### List of participants– Minutes

##### ***Meeting of the Civil Dialogue Group on Animal products – Pig Meat Sector***

***28/5/19***

MEMBER ORGANISATION	NAME	FIRST NAME
AnimalhealthEurope - SPEAKER		
AnimalhealthEurope		
EuroCommerce		
Eurogroup for Animals		
Eurogroup for Animals		
European agri-cooperatives (COGECA)		
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European agri-cooperatives (COGECA)		
European Coordination Via Campesina (ECVC)		
European Council of Young farmers (CEJA)		
European Council of Young farmers (CEJA)		
European Environmental Bureau (EEB)		
European Environmental Bureau (EEB)		
European farmers (COPA)		
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European farmers (COPA)		
European Liaison Committee for Agriculture and agri-food trade (CELCAA)		
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Fédération Européenne pour la Santé Animale et la Sécurité Sanitaire (FESASS)		
FoodDrinkEurope (FoodDrinkEurope)		
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FoodDrinkEurope (FoodDrinkEurope)		
International Federation of Organic Agriculture Movements EU Regional Group (IFOAM EU Group)		
International Federation of Organic Agriculture Movements EU Regional Group (IFOAM EU Group)		
National Wildlife Management Centre - SPEAKER		
Stichting BirdLife Europe (BirdLife Europe)		