



EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR AGRICULTURE AND RURAL DEVELOPMENT

Directorate G. Markets and Observatories
The Director

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MINUTES

MEETING OF THE CDG ANIMAL PRODUCTS – BEEF & VEAL SECTORS»

**Meeting via videoconference (Interactio)
On Monday 18 October 2021 from 10h00 to 13h00**

Chair: Michael SCANNELL, DDG AGRI, and Brigitte MISONNE, HoU AGRI G3

Delegations present: All Member States were present, except Bee Life, BEUC, EFA, EFNCP, EMB, EPHA, ERPA, FESASS, BirdLife

1. Adoption of the agenda and of the CGD Animal Products' Rules of Procedure

The Commission informed about revised rules of procedure for Civil Dialogue Groups following the extension by Commission Decision (EU) 2021/1112 of the current mandate of CDGs until the end of 2022. It was confirmed that even if CDGs are now chaired by the Commission the agenda will continue to be drafted in close cooperation with stakeholders.

2. EU beef and veal market overview (production, prices, trade)

The Commission presented most recent market data. The beef market is characterised by a generally positive price situation. Producer margins are negatively affected by increasing production costs, in particular feed and energy. Even if still impacted by COVID, the beef market has recovered from closure of food services, beef consumption is stable in the EU and the EU trade balance positive. Stakeholders highlighted in particular the problem of increasing input costs and concerns in relation to Chinese import restrictions on Brazilian beef.

3. Update on EU trade negotiations

The Commission gave an update on ongoing trade negotiations (Mercosur, CL, NZ, AU) and outlined the positive experience with recently agreed FTAs (CA, JP, KR). Aspects of sustainability (e.g. deforestation, social aspects, animal welfare) are of high priority for the EU in its negotiations. The EU is committed to consider the application of its sustainability standards also to imports, within the legal framework of the WTO, in line with the commitments taken in the Farm to Fork Strategy. Stakeholders highlighted in particular unjustified SPS restrictions for EU exports that are still in place with trade partners where the EU has an FTA. In relation to EU imports, stakeholders reiterated concerns on lower production standards in third countries. Concerns were also expressed on the impact of the Green Deal and Farm to Fork Strategy on production costs in the EU.

4. Update on the CAP reform and the Farm to Fork Strategy

The Commission presented the timeline of implementing the CAP-reform and its interconnection with the Green Deal and Farm to Fork Strategy. Working groups with Member States' experts are discussing secondary legislation. Member States are developing their CAP plans that have to be submitted by the end of 2021. Commission official observations on the plans will be publicly available. Several studies (JRC, Kiel University, Wageningen University) have shown different benefits and impacts of the Green Deal and Farm to Fork Strategy, depending on the approach of the study. A factsheet comparing limitations of the studies had been published on the Europa website on that very morning. The Commission highlighted the wide range of possibilities to stimulate sustainable beef production within the green architecture of the CAP where 25% of the budget for Pillar I is reserved for payments under ecoschemes and 35% of the budget for Pillar II for environment and climate actions.

5. EU – UK trade and TRQ apportionment

The Commission gave an overview about trade developments with the UK since January 2021. Trade with UK is normalising, very low imports into UK at the beginning of the year were only temporary and related to increased imports at the end of 2020. The UK beef market is significant for the EU. There are uncertainties on long term developments depending on the UK's import strategy. The status of Northern Ireland needs particular attention. The Commission presented the state of apportionment of beef TRQs between UK and EU.

6. Covid impact on retail and foodservices

Eurocommerce presented the results of an internal study on the impact of COVID-19 on the EU grocery sector. Key elements are the trend towards online trading, lifestyle driven food demand (convenience, regional, naturally healthy, environmentally and animal welfare friendly) and price sensitivity. Stakeholders highlighted in the discussion the conflict between these goals.

7. EU Code of Conduct on responsible food business and marketing practices

FoodDrinkEurope presented the multi stakeholder process of establishing this Code of Conduct in 2021. At the time of the meeting close to 100 food chain organisations had

already signed. The discussion highlighted that moving towards sustainable food systems is in the interest of the whole agricultural production chain because primary producers are already feeling the effects of climate change. The Code of Conduct is one of the first deliverables of the Farm to Fork strategy and an attempt to reach certain sustainability goals without legislation.

Annex: list of participants

(e-signed)

Michael SCANNELL

List of participants– Minutes
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ORGANISATION	NUMBER OF PERSONS
EuroCommerce	2
European agri-cooperatives (COGECA)	5
European Coordination Via Campesina (ECVC)	1
European Council of Young farmers (CEJA)	1
European Environmental Bureau (EEB)	2
European farmers (COPA)	6
European Federation of Food, Agriculture and Tourism Trade Unions (EFFAT)	1
European Liaison Committee for Agriculture and agri-food trade (CELCAA)	7
FoodDrinkEurope (FoodDrinkEurope)	6
IFOAM Organics Europe	1