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Brussels, 13.11.2020

## **Final MINUTES**

**Meeting of the Civil Dialogue Group on Animal products - Poultry meat and eggs**

**Date: 03/11/2020**

**(Videoconference)**

Chair: Mr Paul Lopez

Organisations present: All Organisations were present, except **Bee Life, EuroCommerce, Eurogroup for Animals, EFFAT, EFNCP, EMB, EPHA, BirdLife Europe**

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

The agenda was approved as circulated.

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

The meeting was non-public.

### **3. List of points discussed [Name of each point, one by one]**

#### 1. Market situation and prospects:

##### 1.1. The market situation for poultry meat including short term outlook (Martin SZENTIVANY, DG Agri)

About the short-term production forecast for poultry and eggs, the Commission highlighted that it is based on data provided by the Member States and that some of them did not provide their figures. EU poultrymeat production in 2020 is expected to decline by 0,4% followed by another slight decline in 2021 (-0,2%). The production of broilers should slightly increase in 2020 and will remain stable in 2021. Turkey meat production should see a slight decrease in both years. For duck meat production, a significant drop in both years is expected - a decrease of -7% in 2020 and -3,8% in 2021. Experts estimated decline in rabbit meat production - a decrease of -7% in 2020 and -2,4% in 2021.

The overall drop in poultrymeat production is driven by decreases in important producing Member States (Poland, France, Hungary). In 2020 a limited production rise is expected in Germany, a notable rise in Italy, and consistent growth in Romania. Trends in broiler meat

production are similar to the general trends forecasted in the poultry sector. When it comes to turkey meat a drop in production is expected in Poland, Germany, and France, and an increase in Italy, Spain, Hungary, Portugal, and Ireland. The drop in duck production is driven by a decline in important producing countries (Poland, France, and Hungary) and can be attributed to Covid related impact as well as a large outbreak of Avian flu in Hungary at the beginning of 2020.

On the current EU poultrymeat production, we have seen a moderate increase of 1,5% on average in January - July 2020 compared to the same period last year. Production continues to rise in the majority of MS, including in some main producers (Italy, Poland, Germany), but declines in others (the Netherlands, France, Belgium, Romania, and Hungary). The current price is €181/100kg which is 1,7% less than last year. Broiler prices fell sharply from middle March to middle May due to demand shock caused by the lockdown and closure of the HoReCa sector. Prices rebounded at the end of May/beginning of June supported by the reopening of food services. Since the beginning of September, we could observe the usual declining trend. Prices are still under pressure and we expect them to stay like that until the end of the year, due to weaker demand on both the domestic and export markets.

On the international market, we have seen some pressure on broiler prices in the US as well as in Brazil. In the US broiler prices are lower than a year ago and also below the historic average. The demand continues to be weak. The US broiler exports have been doing well so far and increased by 2% until August. China is an important export driver. Brazil has seen a steep drop in prices at the beginning of the year, but the prices have been increasing since June. Domestic prices in Brazil are quite good driven by high prices of competing meats, but Brazilian poultry exports were not doing very well and declined by -4% by September year-on-year.

In the table on the EU external trade UK is presented separately since the trade data came with month delay compared to those from other third countries. In January-August 2020, we can see a significant drop in our imports by -16% compared to the same period last year. The reason for that was lower demand due to the closure of EU food services, which are the main client for imported poultry meat. The only country from which imports slightly increased was Chile.

The EU imports decline both in volume and value. The exports declined by 5% over the period, which is less than the decline in imports. The situation differs according to destinations – we could see the growth of exports to some African and Asian markets (the Philippines, Ghana, Congo Dem. R.), but a decrease of exports to Ukraine of almost 20%. Long lasting decline in EU exports to South Africa can mainly be attributed to AI-related imports bans applied on poultrymeat from some MS. Since 2018, ban on Polish poultrymeat was lifted, but at the beginning of this year, Polish exports were banned again as due to AI outbreaks in Poland. The poultrymeat trade balance is still clearly positive in volume and value.

## 1.2. Market situation eggs including short term outlook (Kai SPRENGER, DG Agri)

The production forecast for 2020 foresees a slight increase of 0,4% in eggs for consumption and hatching eggs (although slight decrease for hatching eggs) and an increase of 1,2% of eggs for both in 2021. When analysing the statistics, we need to be careful, since there can be a big difference in the yearly estimations. Hopefully, we will have a better overview from the next year since there are new reporting obligations for MS in terms of prices and production.

There is a good overview of the production systems. For the first time in the history of the EU, we have more hens in alternative systems than cages (49,5% in cages).

Prices (for class A) only spot market prices - this price recording does not contain long term contracts between producers and processors. In the first half of the year, the price was not affected by Covid, prices were above last year and 5-year average, but now prices are going

down and are below last year – maybe that is something for the discussion. When comparing prices on the world market, EU prices are still high. US market is highly fluctuating, but at the moment their prices are slightly above EU prices.

An increased import to the EU-27 of 16% can be observed and imports from all origins were affected. Ukraine remains the first origin of eggs (half of our imports) and noted an increase of 10%, but also increases from the US and Argentina can be seen. We are in a very positive trade balance with about 10% more exports. We could see a decrease in the export side of 7% in the first 8 months of 2020. Japan is our biggest destination (mainly for albumin). It was hugely impacted by a decrease of 14%. On the other side, there were positive developments towards Switzerland, our second largest destination.

Exports of hatching eggs were increasing over the years. We could see +4% between January and August 2020. There was a strong development towards Saudi Arabia, a slightly negative development to Russia, and positive to Iraq. Ukraine increasingly started to produce not only its chicks but also hatching eggs, therefore we could observe a decline of 52%.

Exports of one-day-old chicks declined strongly with -9%. The reason for the development was the Covid crisis and consequently the unpredictable situation in air transport. We could see decreased export to Egypt, Morocco, Ghana, and only a slight increase in exports to Ukraine.

### 1.3. Latest information on market situation for feed (Gabor ZSUGYELIK, DG Agri)

According to the USDA report, the world wheat in 2021 will again break the records with 773 million tons. Also, the consumption is on a new record which is slightly higher than last year. Feed use slightly declined due to the lower availability in the EU. There is also a new record in stocks forecasted, which reflects increasing Chinese and Indian stocks.

On the world maize market, we can observe record production in the US and Brazil due to the good harvest. The consumption is at record following the strong demand for feed. Unlike for wheat, stocks are at 6 years low with a decreasing trend in China. Yet, Chinese stocks represent 60% of global stocks.

Wheat prices increased by 5-8% during the last months. We could observe an annual increase of 10-20%, an increase boosted by strong global demand. Numbers from Argentina were worse than expected and there were difficult sowing conditions for winter wheat due to dry weather in Ukraine, southern Russia, and the US. The situation is improving. Ukrainian feed prices are around 250 dollars/ton, which is 24% more than last year.

Maize prices increased sharply during the past months. This reflects a disappointing harvest in Ukraine, although only 60% of it has been finished, yields are smaller than expected. There was a strong demand from China. China reduced its government stocks, but the demand is still increasing since their pig herd is recovering quicker than expected. Brazil had a very good export program but now its supply is tight, and they are practically sold out. Domestic prices reached records, due to the strong demand and weak local currency. Therefore, they suspended import duties. Barley prices increased moderately.

The wheat and maize futures both increased. There is a modest decline possible due to the uncertainty of presidential elections.

The forecast for the EU suggests that the EU production will reach 271,5 million tones which are -7,8 less than the year before. Soft wheat and maize will decline by 11,7 and 14,1% due to difficult growing conditions in Romania (50% decrease), France (20% decrease), Bulgaria. There will be an increase in production in Spain and Poland.

EU domestic prices for wheat are not necessarily comparable but the trend is following global developments. Prices for feed barley are increasing. According to the latest USDA report on oilseeds, global production is on the record. The same goes for soybean, due to the good season in my producing countries (US, Brazil, Argentina). Also, the demand is again breaking records. Stocks were increasing over the past 2 years. There was a strong Chinese demand but also good overall world demand. Brazil is sold out on soybean; ongoing planting has accelerated lately. Export prices for soybean have sharply increased due to the situation in Brazil. Ongoing harvest in the US eased the prices and limited growth. US prices are the most competitive, Ukrainian are 20 USD higher. Prices increased by 30-35% in one year. On rapeseed Australia is becoming more expensive, Canada and Ukraine remain being cheap. Sunflower is at its 5 year high. Reflect poor growing conditions, poor crops in Ukraine, and the EU. Forecast for the EU oilseed production sees a decrease of 12% compared to the 5-year average. The reason for that is particularly the smaller production in Romania due to droughts.

Copa-Cogeca commented on the current feed situation. It seems that we can expect an increase in feed prices which has a significant impact on the producers. The Commission was asked whether they have any information to which extend the feed prices are subsidised in other countries. This could have an impact on our exports.

AVEC questioned the increasing imports from Chile. According to a recent DG SANTE audit, Chile has had some problems with compliance with the EU food safety regulation. Could the Commission explain if any measures have been taken following this audit and whether it has stopped Chilean imports?

EUWEP explained the reason for the current low egg prices. The egg industry accumulated stocks during the period of low prices in summer and prepared eggs for the autumn. Secondly, as we know Covid pandemics is still ongoing. HoReCa sector has not been restored since summer and this is influencing the price as well.

Copa-Cogeca pointed out, that a huge number of producers have been affected in the first Covid lockdown and they cannot afford to have any lower prices, especially with the rising feed prices. Many farmers probably just came back to the production and have left their stables empty for the last few months. If the lockdowns around Europe will continue, farmers might be looking for some help. The only positive thing is that the fast-food chain hasn't had to shut down yet.

EEB commented that economic difficulties for farmers will be long-lasting. She questioned whether it is responsible to push investments in big poultry farms and took the example of France. Two major poultry producers are moving their production to France and she is asking what competitive advantages could France has in comparison to Belgium?

AVEC highlighted the huge change in the export of chicks. At the moment it is very unpredictable how airlines are going to operate and some flights are cancelled last minutes. That makes exports to certain countries very hard, especially in developing countries. Those exports are very important to maintain the food security in these countries.

DG Agri is not aware of any trade disturbing subvention in the major producers of cereals and soybeans. US, Ukraine, Argentina are the most competitive countries. US, BR and Argentina additionally also have weak currencies. In Ukraine, the currency is stable, but they had huge investments that were improving competitiveness. Large farms are very efficient and that is why they are so competitive.

On the imports from Chile, the Commission answered that indeed there was a DG SANTE audit on control system of poultrymeat production highlighting deficiencies in the Chilean control system in March 2020. In agreement with DG SANTE, Chile suspended the certification of poultrymeat pending adequate corrective actions for a certain amount of time. The speaker did not have information on the recent state of play.

The Commission answered that there is no specific investment program from the EU for investments in the poultry sector or extension of production. There might be some local incentives within rural development funds that take place at regional state level.

Copa-Cogeca pointed out that the EU has contributed to Ukraine becoming a stronger player in the poultry market. She is asking when Ukraine will also need to comply with EU standards? The EU poultry producers need assurances that meat produced in Ukraine has the same standards. In the presentation, we could see that imports from Ukraine increased by 10%. As far as CC knows Latvia is the only country importing eggs from Ukraine. The export by volume as well as by value to Latvia has decreased so she is wondering where the +10% is coming from.

The Commission answered that Ukraine represents around 50% of our imports. The increase of 10% has a quite heavy impact. The US and Argentina both increased their exports by 42% so altogether we come to an import increase of 16%. The production standards were already discussed several times. Under the EU-UA Association Agreement, Ukraine has committed to implement EU' animal welfare and other sanitary standards. It is the first time that the EU has achieved something like that in a free trade agreement with a third country. However, they got some time to comply. Concerning animal welfare legislation, Ukraine has announced that it will be applying transitional periods up to 2026.

Chairman Paul Lopez explained to EEB that even big European poultry farms have only a few thousand animals. Products imported from the third countries were produced in a way bigger farms. At the next CDG, subsidies can be discussed, but EU poultry sector has no subsidies from the CAP.

## 2. Brexit preparedness, EU-UK FTA negotiations – state of play, implications for EU poultry and eggs markets and exchange of views (Brigitte Misonne DG AGRI)

The commission explained that an agreement should already be in place, since the future relationship with the UK will start on the 1<sup>st</sup> of January 2021. The time is running out. Both sides are still sitting at the same table and try to reach an agreement. The UK already left the EU, but we do not feel the effect of them leaving, since we are still in the transitional period. At the moment the UK has the same obligations as other MS. Whether an agreement will be met or not, this remains to be seen. The UK will leave the single market and customs union for sure at the 1<sup>st</sup> of January 2021 and then they will have to comply with all the formalities of a third country. Businesses need to prepare for that. The Commission has prepared a number of factsheets and preparedness notices. The most important one is the one on food law and TRQ. The establishments will need to be approved, there will be border controls and necessary certification. If there will be no deal, in addition, we will also have tariffs.

On the poultry and egg market specifically, 88% of live animals imported to the UK are from the EU. The UK exports only 74% of live animals to the MS and 75% of poultry meat. The EU is more than self-sufficient in the production of poultry meat (108%) and this will even rise without the UK (115%). The countries exporting the most to the UK are the Netherlands, Poland, Ireland, Germany, France, and Belgium as well as Thailand and Brazil.

On the egg market, the UK gets 90% of its imports from the EU. At the same time, they export 56%. The EU self-sufficiency at the moment is 105% and it will rise to 106% without the UK. The main import origins are the Netherlands (50%), France (13%), and the United States (10%). The most important export destinations are the Netherlands (21%), Turkey (16%), and Ireland (14%).

AVEC raised a specific question about what will happen, in the case of a hard Brexit, we import raw materials from UK into the EU, process it into the EU and then reexport it in Third Country.

Will it still be necessary to pay the duties for the import from UK to the EU? The second question refers to the negotiations that are taking place in Geneva for the apportionment of the TRQs. Can we expect a higher tariff quota than firstly announced? Additionally, it was underlined that Northern Ireland is a big producer of poultry meat in UK. It will be interesting to see how the controls will be implemented. The last question refers to live poultry. There are many European genetic companies/hatcheries located in the UK and that need to export their products to the EU27. Border inspection posts are not completely ready yet, but that is of high importance for the sector. We fear delays.

Copa-Cogeca underlined that the poultry sector is very interconnected and that “no deal” will have a negative consequence for both sides, but especially the UK. It was asked whether the commission still believes there could be a deal.

Copa-Cogeca followed up and asked what will happen if there will be no deal. Will the EU and the UK continue negotiations or is the option to have a free trade agreement over?

EC outlined that at the moment we are in the middle of negotiations. If raw material will be exported and then reimported duties will have to be paid. That is the same as with any other third country. If there will be no deal, UK already announced the tariffs. Now they adjusted what was originally published. They are simplifying it. It could happen that the quotas for the EU will be higher. If this happens, they will not be higher in total volume, but the EU share could increase and the UK decreased for such a determined tariff line. But ultimately, the total quantity foreseen for EU27 and UK will not be higher. There might be problems with the strong production in Northern Ireland. It will be difficult to understand all the protocols. If all is applied as agreed, the border will be on the sea and not on the Irish island. Regarding the genetic companies in the UK – Commission understands that you would still want to import it to the EU. As it was underlined, a lot of efforts have been done to increase the infrastructure in border inspection posts in France and the Netherlands. Still, not everything is prepared – in Calais in particular. There might be some trade flows that will need to be adjusted and we will look for alternatives.

Copa-Cogeca reminded that we all need and want a deal, but the negotiations are still ongoing. Every day that passes is a lost day in reaching a deal. The time is scarce.

Copa-Cogeca commented that if there will be no deal on the 1<sup>st</sup> of January, the negotiations will probably continue. EU is discussing FTAA with many different countries, so why not do that with the UK. On the other side, if we did not manage to find a deal now when we would really need it, how will we do it later? That is a question of trust. The goal is to come to a deal now.

EC summarized, that we are very important trade partners and both sides have an interest in those relationships to continue. Problem is that the transitional period will end this year and the UK in its national legislation says that it cannot be prolonged. They made it clear. The aim is still to get a position in the next days.

In the chat - CELCAA raised a question about the egg export data from the UK and if those are mixed/hatching and table eggs.

The detailed analysis provided by the Commission after the meeting shows that the UK exports annually 76 000t of eggs and egg products to the EU and 3 000t outside the EU. The share of hatching eggs to the EU is 17 000t and to Non-EU countries 2 700t.

3. Farm to Fork Strategy relevant issues for the poultry and egg sector (sustainability, animal welfare labelling, antibiotics targets, origin labelling...) Mr Michael SCANNELL, DG Agri

Climate change needs to be combated. It is one of the priorities of the president of EU Commission Ursula von der Leyen. The commission acted very quickly to bring forward the main proposals. The sustainability in the CAP will be improved. The discussion on the final position of the CAP reform continues with upcoming trialogues. EU Council position foresees that 20% of direct payments will be intended for Eco-Schemes. The EP is even asking for 30%. In the rural development fund, both council and EP were asking for an increase in the ambitions and conditionality. NGOs were extremely critical of the draft. Due to all those reasons, we could not agree that it has been gone too far. Besides the CAP reform, there is also F2F strategy. It has many initiatives, an ambitious plan, but it requires some time. Over the next months and years, there will be many initiatives that directly and indirectly influence the sector. Additionally, there is a need for a revision of the current legislation. EC will be looking at different standards (organic, free-range, pesticide and fertilizer usage, veterinary drugs). Regarding organic farming – farmers will produce more but we will need to find a market for those products. In the EU we also have problems with obesity and poor nutrition. DG Agri thinks animal proteins are healthy, but it is a fact that Europeans are consuming too many animal proteins. There is a strong opinion that we need to go further on that topic. At the same time, animal welfare is going to continue to be a sensitive issue. Ms Klöckner, the German President of the council, later spoke about the issue of live animal transport. The sector should follow closely what is planned in this area. The commission acknowledges all the efforts made in the past. Regarding animal welfare, the EU has much higher ambitions than other countries. There is no impact if other countries do not follow our example. It only makes our trading hard as we are not competitive. The WTO has a poor regulatory framework in this area since there were no similar issues when the WTO regulations were adopted. EC committed itself to bring forward the proposal that an imported product should not contribute to deforestation. The import of proteins crops, such as soybean is another big issue, which is also important for the poultry sector. It is claimed to be unsustainable and that it contributes to deforestation. This issue will give a lot of food for thought.

Chairman, Paul Lopez underlined, that we need to make sure that the same kind of requirements is asked and controlled for the imported goods. 25% of chicken breast consumed in the EU is imported from 3<sup>rd</sup> country where lower standards apply.

Copa-Cogeca agreed with the previous statement and highlighted, that we need to make sure that we have traceability of the imports.

Copa-Cogeca raised a question if the third countries even need to have our standards. Many of those countries have different priorities as feeding their population. NGOs seem to think that just because something is organic is better, but that is not necessarily true. Secondly, regarding the use of drugs – we made big progress, and it needs to be acknowledged. The poultry sector does not get credit for the huge reduction since there is no separate data collection. In some countries, the reduction is estimated even by 82%.

AVEC is raising the question of the protection of producers connected to the imports. In the F2F strategy there are many requirements for the EU farmers, but no assurance that the imports will comply. The sector would go greener but lack of protections will harm the producers. It is important to have guarantees. If we do not have it and the products will be imported, it will have an even more negative impact on the climate and higher emissions. At least a labelling of origin on processed products and products used in out of home consumption would be a must.

Copa-Cogeca pointed out that with all the new initiatives the exposure to the unfair competition is raising. The question was raised if the labelling of products is even a sufficient solution. A lot of the products go to the HoReCa sector and there the risk of unfair competition is even higher.

In the chat, there was a question about what % of production needs to be organic in the livestock sectors.

EC will ensure that the products on the market will not contribute to deforestation. It is also reviewing all its trade agreements regarding this issue. All the future FTA will be looked at on how compatible they are with the F2F strategy. They reminded, that we have TRQ which means that not anyone can import to the EU and the quantities are limited. The EU can and does ensure that SPS requirements are met, but the requirements are weak when it goes beyond food safety. But it can be assured, that the EC will not only stand by and do nothing and will be active in international fora. Regarding the specific issue of animal welfare, third countries do have to meet our requirements on slaughter, but it is true that for poultry the space requirements (density) and transport legislation cannot be imposed to our trade partners. Regarding the information to the consumers, EC would like to improve the information on sustainability. The EC has been thinking about extending the labelling requirements to the foodservice sector and is checking on how to do so. The single market should not be harmed, but the EC is looking for solutions. On organic farming, we need to underline that the goal of 25% is only related to the land, not the animals. In the livestock sector, the production is different from product to product. Sometimes there is an overproduction of organic milk or eggs.

BEUC explained that regarding the demand for an organic product, there is a lot of inconsistent feedback: farmers seem to be concerned about the consumer demand, but retailers say that they still have to import a lot of products as they cannot source them locally or even in the EU and asked for EC data on that.

CELCAA asked if there is any flexibility in the F2F timeline, considering potential no-deal Brexit and Covid-19 pandemics.

Copa-Cogeca wrote in the chat, that if the imports do not follow the European animal welfare parameters, they should not enter the EU.

#### 4. Revision of EU promotion policy for agricultural and food products – state of play Manon ALLAINLAUNAY, DG Agri

An external contractor evaluated the situation in 2016 and 2018. The results were published on 14<sup>th</sup> October and the report available on the EC website. There will be an open public consultation in summer 2020. Results of public consultation and an external report will be presented to the EP, European Council. They will serve as a basis for the future impact assessment and to draft the future promotion policy.

AVEC asked if the results mentioned by the speaker could be shared with the group. It was mentioned that the new F2F policy will aim at promoting only sustainably produced livestock. Therefore, it would be interesting to know the definition of sustainable meat. It could have many different meanings. In particular, conventional production has better results than free-range and organic if we look at environmental emissions. Summarized – how is it defined and by whom?

EC answered that they can send a website address to the group. There an evaluation report and open public consultation report can be found. Their work on the revision and impact assessment will continue. At the moment there is no definition of sustainable meat yet. This will be discussed in the framework of revision during next year.

Link to the website: [https://ec.europa.eu/info/news/eu-agri-food-promotion-policy-increases-awareness-high-standards-eu-agri-food-products-2020-oct-14\\_en](https://ec.europa.eu/info/news/eu-agri-food-promotion-policy-increases-awareness-high-standards-eu-agri-food-products-2020-oct-14_en)

EEB said that sustainability is broader than just environmental emissions and organic and free range have more benefits in social or biodiversity aspects for example. In addition, sustainable policies should go hand to hand with a reduction of meat consumption.



Chairman further explained the words of AVEC. We are not the ones who should say what is good and what is bad, and the sector is ready to produce what the consumer will be ready to buy. However, he explained that when we take policy decisions, we need to take into consideration all aspects.

5. Revision of EU marketing standards, including those on poultry meat and eggs: latest state of play) Alexander STEIN, DG Agri

We are still waiting for the political validation of the way forward. Whatever measures the EC takes, stakeholders will have the opportunity to provide feedback in line with the Better Regulation guidelines for that process. In the meantime, EC published a document with an evaluation of the current agricultural marketing standards, finding that these current marketing standards are coherent with other EU rules, have been effective in reaching their objectives, are proportionate to the benefits they provide, but also finding that there is still some room for improvement. However, things are changing (e.g. consumer preference), and sustainability is a new objective of the Farm to Fork Strategy (F2F) that had not yet been taken into account in the evaluation. Regarding poultry and eggs, the evaluation flagged rules for water content in poultry, for foie gras, and for the date marking of eggs as possible topics for future reviews.

EWEP was wondering why EC was saying, that we do not know the way forward, since she thought the revision was finalized.

EC explained that currently, they are still waiting on political authorization about the way forward, but that does not mean that is not on the agenda. The next steps will be done after the green light is received. Hopefully, more details will be provided at the next CDG.

AVEC asked what the next steps after the validation are going to be and when the stakeholders will be consulted.

EC explained that it cannot be said what the next steps will be until the green light is given. Any action will be taken in line with the better regulation guidelines. MS and stakeholders will have an opportunity to give feedback.

AVEC asked if there will be a horizontal marketing standard or will we keep marketing standards for each sector. For the sector, it is important to keep marketing standards for poultry.

EC said that it cannot be told what the outcome of the revision would be. For any measure that is undertaken, stakeholders will have an opportunity to raise their concerns in line with the Better Regulation guidelines.

Copa-Cogeca argued that there is political pressure to change the production. Farmers are pushed to produce more organic and more free-range. This discussion is driven by animal welfare and sustainability goals.

EC explained that the developments are driven by the F2F. At the moment it cannot be told whether the revision includes animal welfare, free-range, or more organic farming. There might be different instruments and tools to achieve different sustainability objectives and the choice of the best instruments will need to be discussed. The outcome of any future measures or discussions cannot be determined yet.

Chairman explained that the outcome will change the way we produce. When it comes to sustainability it is important to have a holistic approach and understand the consequences of the measures especially on agricultural sector.

## 6. Latest update on the situation of avian influenza in the EU Iulia COHEN, DG Sante

In the beginning, the EC reminded that avian influenza in Europe is appearing yearly since 2005. Usually, the epidemic season starts in autumn and lasts until late spring. We are already in a new high risk period for highly pathogenic avian influenza, however, the epidemic season we experience at the beginning of this year started later than expected. The last epidemic season was limited to eastern and central MS. There were 7 MS affected, the most affected MS was Hungary with more than 5 million affected poultry in a very dense area (mostly duck and geese). The second most affected MS was Poland with cases in almost all parts of the territory. There were 327 outbreaks, 273 of them in Hungary. Interestingly, only 3 wild birds were confirmed positive with H5N8. H5N8 was detected in almost all cases except Bulgaria. In Bulgaria, they had H5N8 which already circulated years before. DG Sante adopted 20 decisions to adapt the area to the new outbreaks. There was a new decision almost every week. The aim of that was to ensure that safe trade can continue. In some cases, when epidemiological situation required so, additionally, protective measures were adopted like in the example of Hungary. Besides the legislative activity, the EC supported affected MS. There were some missions organized with the aim of showing the best practices, one of them was organized in Hungary with the participation of French authorities. In addition, there was one remote STM mission in Bulgaria already during the lockdown, which was held online. According to the EU legislation, the EC can finance up to 75% of costs occurred with the implementation of the emergency measures due to highly pathogenic AI. During the summer, we had a few months without detection since the 5<sup>th</sup> of June. However, information coming from Eurasia on the circulation of the virus in the summer were anticipating that we may have some problems in the EU in winter. There was a large number of HPAI detections in Kazakhstan and Russia. MS were warned of increased risk on several occasions. On the 23<sup>rd</sup> of October highly pathogenic AI was notified in wild birds in the Netherlands. Later they also confirmed an outbreak in a broiler parents stock farm. The EC immediately adopted intern protective measures in relation to this outbreak. The virus detected in the NL was not directly related to the viruses detected in the first half of the year. Additionally, on the 30<sup>th</sup> of October Germany also notified about 5 cases of HPAI in wild birds. It seems that the virus is already circulating in wild birds in the wide area of the EU. We need to remind about the importance of properly implementing the identification of high-risk areas and risk mitigation as well as biosecurity measures. It is important to raise awareness of the stakeholders including small stakeholders and groups in wildlife activities. Existing early detection systems should be reinforced. Short information was also provided on the overview regarding the low pathogenic AI in EU in 2020. EFSA has mandate from EC to collect and analyse the data of surveillance for AI in poultry and wild birds and issue annual reports. EC also gave EFSA the mandate to carry out assessments of the epidemiological situation with AI and to issue quarterly reports with such assessments (links can be found in the presentation).

FESASS was wondering if the EC has an overview of countries that have active monitoring of wild birds. In the Netherlands, they only found the birds since they were dead, but active monitoring would help to find them earlier.

Copa-Cogeca asked what sort of birds were affected in the outbreak in the Netherlands.

CELCAA reminded that Ireland lost a lot due to the low path AI. The question was raised about how hard it is to limit its spread (from DG Sante's point of view). There is an action needed to deal with low pathogenic as well as high pathogenic AI.

EC explained that they are always encouraging the MS to enhance passive surveillance of highly pathogenic AI. Especially Germany, Denmark, and also the Netherlands have good systems, but the EC does not have information if there are active or passive surveillance reports going on regularly. Last year there were very few cases in wild birds. The EC was thinking if MS could decrease surveillance efforts, but that was not the case. Not enough dead or sick wild birds were

found. Regarding the Netherlands, the outbreak occurred in a broiler parent stock with 35.700 birds infected. On the question about the low pathogenic AI in Ireland, it can be said that the EC is following the risk. The new legislation of animal health is focusing on highly pathogenic AI, but also low pathogenic AI is taken into account.

AVEC wonders if DG Sante could contact DG Trade to try to encourage them to get in contact with OIE. In many third countries, they do not respect the regionalisation principle as well as the disease-free status of a country 3 months after the last outbreak for AI.

Copa-Cogeca asked if the birds in the Netherlands were kept in- or outdoor.

EWEP answers, that the birds in the Netherlands were kept indoor. As was mentioned before, in Ireland, Denmark, and Belgium they had issues with low pathogenic AI. The mortality of the birds was very high, so it looked just as high as pathogenic AI. There have been some measures approved, but the infection is spreading all over the EU. The question was raised on what to do to avoid non-notifiable diseases like this low path AI to spread further in other EU countries. The EC should look after it.

EC answered that the OIE standards are not always respected by the Third countries. They will raise this issue within the EC and their colleagues in DG TRADE. These aspects are raised during the technical discussions and negotiations with the Third Countries all the time. In the Netherlands, it was indeed an indoor farm affected. About the low pathogenic AI, the EC took note, and the issue will be discussed in DG Sante.

In the chat Copa-Cogeca added that it must be a very big problem if indoor birds got affected.

EWEP reminded that the disease in NL occurred in a very wet area with a lot of wild water birds. Contamination is coming from wild birds.

Chairman raised a question on the status of the new OIE rules that were supposed to be voted in the last OIE general session, but that was unfortunately cancelled due to Covid. Those modifications of OIE terrestrial code are very important for the sector to avoid that third countries take unjustified measures against exports from EU countries when an outbreak occurs in non-commercial farms for example. Will this vote occur this year in the next OIE session?

EC concluded, that we will indeed need to wait for adoption of the standards until the next May. Hopefully, the general session will be able to be held then. There is no other procedure possible for the adoption of these new rules other than during the general session.

## 7. Alternative protein sources 8.1. reauthorization of PAPs – update from the Commission Fabien SCHNEEGANS, DG Sante

EC explained that since the BSE crisis, some ingredients are prohibited in the feed for all farm animals. Those are for example ruminant PAP, blood products, and gelatine from ruminants. At the moment pig and poultry PAPs, insect PAP and other non-ruminant PAPs are only allowed for fish feed. Fishmeal, blood products from non-ruminants, di and tricalcium phosphate of animal origin, and other animal proteins are allowed for all non-ruminants. Hydrolysed proteins from non-ruminants or ruminant hides and skins, gelatine and collagen from non-ruminants and egg, egg products, milk, milk products, colostrum are allowed in the feed of all farm animals. The most recent change in 2013 was that pig, poultry, and other non-ruminant PAPs were authorized for aquaculture animals. Additionally, in 2017 the insect PAPs were authorized for the first time also for aquaculture.

To consider any further changes it needs to be checked if the proposal is consistent with the TSE strategy proposed by the Roadmap of 201, if it is scientifically sound, if laboratory methods are

available for controls, if it meets the prohibition of intraspecies recycling (cannibalism) and if cross-contamination is prevented. Additionally, there needs to be political support from the commissioner, MS, EP, and other stakeholders.

The EC checked again the factors and estimated which fields could be regulated. There are a few products that could comply with all the points: pig PAPs for poultry only, poultry PAPs for pigs only, insect PAPs in pig and poultry feed, gelatine and collagen from ruminants in all non-ruminant farm animals.

At the last TSE working group on the 26<sup>th</sup> of October, the last draft version was discussed with the TSE experts. They discussed the need or not to stick to the dedicated lines in feed mills. The opinion of the MS on the topic is split. A small group of big MS in voting rights argue that it is needed to have clear separation of the lines between poultry and pig PAPs to make sure to meet non-cannibalism as well as to avoid cross-contamination. Some other MS claim that most of the industry is organized with only one line processing feed for poultry and pigs and that it would not have the resources to build another one. At this stage, EC plans to stick to dedicated lines. No derogations will be allowed for the reason that, otherwise, it would not be possible to address the cross-contamination properly.

The second topic discussed was the reauthorization of ruminant collagen and gelatine in the feed of non-ruminants farmed animals. The proposal results from a very recent opinion of EFSA published last week. It confirms that there is no risk for gelatine and collagen from ruminants for non-ruminants. Those are of interest as a source of protein, but they would allow us to make better use of large quantities of former foodstuffs as candies and biscuits containing small quantities of gelatine and collagen of ruminants. Because of that presence it is currently not allowed to use any of them in the feed of farmed animals, including non-ruminants. They can only be used in biogas production.

The last topic at the working group was the interpretation of the test results when various ingredients are legally used in the same compound feed. For technical reasons, the EC proposes to prohibit the simultaneous use of poultry PAP and milk and/or pig blood products in a feed for pigs, milk and blood products being commonly used in the feed of some categories of pigs. This is to minimise the risk to have tests results which interpretation will be very difficult and will require that the competent authorities launch time-consuming investigations in order to conclude if the feed is adulterated or not.

Next, the EC hopes that by the 17<sup>th</sup> of November, deadline for submitting written comments, there will be a better overview of the position of the MS. On the 10<sup>th</sup> of December, there could be a presentation at the Committee and a first general discussion. In February 2021 there could be a vote in the Committee. Possible entry in the application could happen in the 2<sup>nd</sup> semester of 2021.

Copa-Cogeca reminded that the EU exports PAPs to 3<sup>rd</sup> countries in which farmers feed them to the animals. Those animals provide meat and also export it back to the EU. So, our consumers are already eating the meat of animals feed with PAPs. If PAPs are reintroduced, we will be able to reduce the amount of soy used. This will be a huge step towards reducing feed dependency.

AVEC welcomed the possibility of decreasing the EU dependency to soybean protein in feed. AVEC already had a discussion with FEFAC on the matter. The discussed changes will create some difficulties for feed producers to use PAPs if they have to split production chains. Dedicated lines are going to be a major issue and only a few companies will be able to benefit from it. The same goes for the prohibition of simultaneous use of blood and gelatine. Delegate questioned EC on whether it would be possible to allow 2 years period with more flexible rules and make an assessment after these 2 years on whether stricter rules are needed? As it was mentioned before, PAPs are already used in other countries for products that are imported into the EU. Delegate asked whether it is foreseen in the new proposal that checks on the compliance with EU legislation of PAPs used in EU imports will be implemented?

In the chat Copa-Cogeca wrote, that we need to keep in mind that some feed producers can keep the mills separately for pork and poultry feed, so this will eventually also be a competitive issue.

EC agreed that as the situation is today, the third countries have an advantage. Hopefully, the proposal of the EC can help to improve the situation a little bit. In other countries, they can use all the PAPs even the ruminant. We cannot test the products coming from abroad and do not have the power to do so. At the same time, we cannot enforce any limitations in the third countries since those standards are not part of international standards. There is no way to reflect our standards in 3<sup>rd</sup> countries. With the proposal, we are making our rules a little more compatible. Today we cannot go any further. The proposal has to address the non-cannibalism rule, which was enshrined in the ABP legislation in 2009, and we must live with it. At the moment the MS are not ready to reopen the question of ruminant PAP in the feed of non-ruminants. Regarding cross-contamination, we lack appropriate laboratory methods. We work to develop new methods to help solve this issue. It is a long process, but at the moment we still lack methods to quantify the presence of PAP in a particular feed. That is why we cannot establish a tolerance level, unfortunately. Regarding the 2-year flexibility, EC said that the idea which was presented could not be applied. EC can only operate the other way around: starting with strict rules and make an assessment after a certain period of time to see whether the rules can be relaxed. Step by step and if things work properly, we can consider further relaxation.

#### 8. AOB

CELCAA raised a question about the phasing out of cages for laying hens discussed at the moment in Czech Republic. Is the EC aware of the developments in Czech Republic?

As no one from DG Sante, the Commission service in charge of animal welfare, attended the meeting DG AGRI representative responded. There was an attempt to ban cages at the EU level, but this would need support from the MS. It is always possible for individual Member States to go beyond EU standards. 50% of layers are kept in cages, which are indeed big progress compared to conventional cages. We have to be aware of the economic consequences of a ban, which would be huge. Anything like that cannot be done on short notice and would have an impact on the EU egg production competitiveness.

Copa-Cogeca raised an additional question about Brexit – what will happen to the exports that are today going to the UK?

EC answered that at the moment we are in a transitional period. From the 1st of January, the UK will be outside the customs unit. The only thing in the discussion is to what extent tariffs will apply. There will certainly be trade but through border inspection posts.

Copa-Cogeca reminded, that the derogation about on farm-slaughtering derogation is being removed from January. The members of Copa-Cogeca asked if it could be extended since it would affect many small producers.

The Chairman pointed out that also EC publications point at too high consumption of animal products in the EU. It needs to be considered that the total meat consumption in North America is about 50% higher than ours and even 100% higher when it comes to poultry. Of course, the debate is only starting.

#### 4. Conclusions/recommendations/opinions

## **5. Next steps**

## **6. Next meeting**

## **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 – Poultry meat and eggs  
03/11/2020**

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)	1
European Forum on Nature Conservation and Pastoralism (EFNCP)	-----
EuroCommerce	-----
Eurogroup for Animals	-----
European agri-cooperatives (COGECA)	5
European Coordination Via Campesina (ECVC)	1
European Council of Young Farmers (CEJA)	2
European Environmental Bureau (EEB)	1
European farmers (COPA)	6
European Federation of Food, Agriculture and Tourism Trade Unions (EFFAT)	-----
European Liaison Committee for Agriculture and agri-food trade (CELCAA)	6
European Milk Board (EMB)	-----
European Public Health Alliance (EPHA)	-----
European Rural Poultry Association (ERPA)	1
Fédération Européenne pour la Santé Animale et la Sécurité Sanitaire (FESASS)	1
FoodDrinkEurope	7
International Federation of Organic Agriculture Movements EU Regional Group (IFOAM EU Group)	2
Stichting BirdLife Europe (BirdLife Europe)	-----
<b>Total: 34</b>	