

FINAL MINUTES

Meeting of the Civil Dialogue Group on Animal products - Beef and veal

Date: 20/10/2020

(Videoconference)

Chair: Mr Cormac Healy

Organisations present: All Organisations were present, except AnimalhealthEurope, BirdLife Europe, Eurogroup for Animals, ECVC, EFFAT, EFNCP, EMB, EPHA, ERPA

1. Approval of the agenda

The agenda as circulated was approved, with some changes to running order.

2. Nature of the meeting

Virtual meeting, non-public.

3. List of points discussed

Election

Overseen by AGRI-Head of Unit Brigitte MISONNE, COM organised a remote poll after explanation and a testing vote. The outcome was as follows:

- Cormac HEALY, CELCAA candidate for Chairman, was elected with 18 votes in favour (72%) and 7 abstentions (28%).
- Paul LOPEZ, FDE candidate for Vice-Chair, was elected after a second ballot after missing 2/3 majority (due to 42 % abstentions) with 19 votes in favour (73 %) and 7 abstentions (27 %).
- Françoise HUET, COPA candidate for Vice-Chair, was elected in absence but introduced via Jean-Pierre FLEURY with 17 votes in favour (68%), 1 against (4%) and 7 abstentions (28%).

Outgoing Chairman, Angus WOODS, thanked COM and participants for their engagement and assistance during his term, a role which he was honoured to fulfil. He wished the newly elected team the best and hoped for a positive future for the EU meat sector in what are challenging times ahead. The new Chairman thanked participants for their support and expression of confidence, congratulated the Vice-Chairs and paid thanks and praise to the outgoing Chair for his time, commitment, and positive handling of the CDG.

EU-Mercosur and EU-USA Trade Agreements

COM update on the status of both trade agreements. Legal scrubbing of the MERCOSUR-agreement is almost completed, which will be followed by translation and formal submission to Council and Parliament. The agreement must go through political ratification at national and EP level, but the next formal main step is the decision in the Council. Agreement between the EU and USA on the high-quality beef (WTO Hormone panel) quota was reached last summer and the new arrangement entered into force in January 2020, with unchanged total quantity, but a new ringfenced share for USA.

COPA and FDE raised concerns about the impact of the Mercosur deal on EU beef farmers, the need for them to be protected and questioned how the deal impacts on wider sustainability goals. The specific issue of deforestation was highlighted. COM stressed that EU-standards are part of the agreement and referenced the inclusion of sub-quotas and a safeguard clause. COM also confirmed that the SANTE inspection mission to Brazil was postponed to next year due to Covid.

Market Situation

COM presented the beef & veal market update, highlighting the impact of Covid particularly on the HORECA sector, negative price pressure especially in the veal sector with some recovery through the summer but ongoing concerns as new Covid restrictions are reintroduced across member states. Production is expected to fall 2% in 2020 and close to 1% in 2021 while consumption this year will fall over 3% with some recovery in 2021. The new presentation of UK data was noted.

COPA highlighted that the price impact from the restricted HORECA sector was compounding already weak returns for beef producers. They stressed the need for vigilance on forecasts for 2021 as the beef & veal sector contends with Covid impact and faces into the uncertainty of Brexit. More preparation is needed, and the matter needs to be examined thoroughly by the Meat Market Observatory. Reference was made to particular market difficulties in Spain, which may not yet be seen in the reported data. Issues were also raised in relation to the APS scheme during the year and the importance of coupled supports. COM indicated that the EU is fully prepared from the operational side and highlighted that market instruments could be of help in a Brexit context but never solve deeper rooted problems.

Future of EU Livestock Study

Due to time constraints, this item was not covered. COM circulated the presentation and link to the full report and asked for written comments from participants.

EU-UK FTA negotiations

COM updated on negotiations which have been slow moving. Key outstanding issues include the level playing field, governance, and fisheries. The EU has initiated infringement proceedings against the UK due to certain provisions of the UK Internal Market Bill which it believes are in breach of the Withdrawal Agreement. COM is issuing Readiness notices to member states and economic operators and is also proceeding at WTO level with the TRQ apportionment discussions.

The particular threat of Brexit for the EU beef sector was highlighted by several participants. COPA questioned how the infringement proceedings could impact outcomes. COM also indicated on TRQ apportionment discussions with trade partners, that these engagements have increased in pace in recent times and that if more recent trade data suggested that the 2013-2015 reference period is not reflective, it is open to considering this.

CAP post-2020 & Farm-to-Fork (F2F) Policy

For time efficiency, both items were addressed together, given their interlinkages and dependency. COM highlighted the significance of the week with Council agreement on CAP, adoption of its position on F2F and EP deliberations on its CAP position.

COM referenced Council conclusions on F2F which are broadly supportive of the F2F communication and will see significant work programme of legislative proposals over the period to 2023, with MSs stressing the need for impact assessments to accompany all proposals. F2F will be extremely relevant for the beef sector with proposals on emissions reduction targets (55% by 2030), reduced fertilizer, pesticide and antibiotic usage, labelling, animal welfare and position of the producer in the supply chain. Of particular note will be the legislative framework for a Sustainable Food System. COM noted that the F2F should reinforce that food security is not taken for granted, particularly considering experiences during the pandemic and also the importance of the domestic supply. The External Dimension is critical to ensure that EU efforts on sustainability are not undermined by imports or lower ambition of others. This is a role for the EU Chief Trade Enforcer. COM also referenced the recent publication of a COM position on methane emissions and an anticipated Communication of Crisis Management in the Agri-food sector.

The next CAP, running from 2022, will have major interdependence with the roll-out of the F2F policy. Clarity has been achieved on the Multiannual Financial Framework for the next 7 years and Council has now adopted a position on the CAP. Agriculture ministers have agreed that 20% of Pillar 1 funding will go to eco-schemes (EP is tending towards 30%). The text of the CMO regulation is relatively stable, EP position on CAP will be known by the end of the week and trilogue negotiations will begin later in November.

All contributors praised the depth of presentation by Mr Scannell (COM). COPA representatives highlighted the immediate threat presented by Covid and Brexit and the need for support, the impact of new CAP measures on the cost of production, impact on productivity, concerns about the EP debate on Meat Sales Denominations and share of final consumer price received by the producer. FDE questioned the availability of promotion funding in the years ahead. BEUC mentioned the F2F statements on red meat consumption levels, questioned if consumers are really confused by meat sales denominations and supported the external dimension aspect of sustainability. FEFASS and EEB raised concerns around organic food marketing.

COM notes recent comments by Commission Timmermans on the need for high food prices, consumers playing their part and the retailers. Markets also need to support the ambition of more sustainable food systems. Promotion funding is foreseen to continue, focused on sustainable agri-food products.

Deforestation

Due to time constraints, a short presentation about deforestation was given by COM ENVI-representative. The EU is responsible for about 10 % of worldwide deforestation associated with the production of goods or services. Therefore, the EU is stepping up actions to protect and restore the world forests and the biodiversity. The Commission has committed to putting forward, in 2021, a legislative proposal to minimize the risk of deforestation and forest degradation associated with products placed on the EU market.’ ENVI informed about these main aspects, highlighting a current open consultation and the further timeline of Q2 2021 for results of the impact assessment and Q2 2021 for the legislative proposal.

4. Conclusions/recommendations/opinions

The beef market remains under considerable pressure, with prices below normal and ongoing problems for producer margin. The next wave of Covid restrictions and their impact on the HORECA sector must be monitored closely. The level of uncertainty in the sector is exacerbated by the shadow of Brexit and the continued absence of a trade deal. COM must be ready to support the sector. F2F policy will bring a major work programme of legislative proposals that will have major relevance for the beef & veal sector.

5. Next steps

Deeper discussion on the implications of the pandemic and Brexit requires at the upcoming Meat Market Observatory. Outcome of the EP debate on CAP and the amendments relating to Meat Sales Denominations to be monitored. COM to circulate presentation on the Future of EU Livestock study and participants to submit written comments.

6. Next meeting

The next meeting will take place in the first quarter of 2021.

7. List of participants

List of participants is attached to the minutes.

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 - Beef and veal
20/10/2020**

MEMBER ORGANISATION	NUMBER OF PERSONS
AnimalhealthEurope (formerly known as IFAH-Europe)	-----
Bee Life-European Beekeeping Coordination (Bee Life)	1
Bureau Européen des Unions des Consommateurs (BEUC)	1
European Forum on Nature Conservation and Pastoralism (EFNCP)	-----
EuroCommerce	1
Eurogroup for Animals	-----
European agri-cooperatives (COGECA)	7
European Coordination Via Campesina (ECVC)	-----
European Council of Young Farmers (CEJA)	2
European Environmental Bureau (EEB)	2
European farmers (COPA)	7
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)	-----
Fédération Européenne pour la Santé Animale et la Sécurité Sanitaire (FESASS)	1
FoodDrinkEurope	6
International Federation of Organic Agriculture Movements EU Regional Group (IFOAM EU Group)	1
Stichting BirdLife Europe (BirdLife Europe)	-----
Total: 35	