

# Report with recommendations from the European Pigmeat Reflection Group

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## 1. Context

In the (Agriculture and Fisheries) Council of the European Union on 21 February 2022, the Commissioner for Agriculture announced the creation of a **European Pigmeat Reflection Group** to look into the future of the sector. The main aim was to have an-depth insight into all aspects of the sector with a particular view to its sustainability.

The EU pigmeat sector had been facing serious economic difficulties due to the combination of several factors:

- sanitary restrictions impacting out of home consumption in the context of COVID-19,
- slowdown of exports to China,
- further spread of African swine fever (ASF) to more EU Member States, and
- increase in input costs;
- delayed adjustment in supply.

Subsequently, the Russian attack on Ukraine added to the difficulties of the sector due notably to even higher feed and energy prices and the impact on consumer demand.

The way forward required in-depth reflection, as these difficulties went beyond the seasonal fluctuations of the pigmeat production cycle.

## 2. Format and participants

The European Pigmeat Reflection Group took the form of joint meetings of [the Civil Dialogue Group for Animal Products](#) (Section Pigmeat) gathering stakeholders from 20 different organisations, and of the Expert Group of the [Common Organisation of Agricultural Markets](#) (Section Animal Products) gathering national experts from all 27 EU Member States. Its task was to review all aspects of the pigmeat sector from its socio-economic dynamics to the

sector's environmental and climate challenges, as well as animal health and welfare considerations.

The Civil Dialogue Group participants were from the following organisations:

- COPA-COGECA representing farmers and cooperatives
- CEJA representing young farmers
- Via Campesina representing small-scale farmers
- FoodDrinkEurope representing the processing industry
- CELCAA representing trade
- EUROCOMMERCE representing retailers
- BEUC representing consumers<sup>1</sup>
- IFOAM representing organics
- EEB, Eurogroup for Animals, representing environmental and animal welfare interests
- FESASS, representing animal health and food safety
- AnimalhealthEurope, representing manufacturers of animal medicines, vaccines and other animal health products in Europe
- EFFAT representing workers

The Expert Group gathered experts from the 27 MS' agricultural ministries.

### **3. Timeline and topics for discussion**

The European pigmeat reflection group met seven times. It started in March 2022 with the objective of delivering its report in January 2023. Meetings took place online, with interpretation from and into six languages (EN, DE, FR, IT, PL, ES).

After a kick-off meeting introduced by Commissioner Janusz Wojciechowski (10 March 2022), five plenary sessions were held in 2022 (6 April, 25 May, 4 June, 12 September and 21 November) before a final meeting on 18 January 2023. The Pigmeat Reflection Group received contributions from invited representatives of stakeholders, Member States and their national authorities (paying agencies, farm advisory services), ad hoc experts (academics, researchers) and different Commission services (DG AGRI, DG ENV, DG SANTE, DG COMP). In total, there were 65 presentations (34 stakeholders, 11 academics, 8 Member State authorities, 12 Commission representatives from DG AGRI, DG COMP, DG SANTE and DG ENV). In each meeting some 100-130 participants were connected remotely.

The topics were addressed under three major sub headings: 1) socio-economic dynamics of the sector, 2) environment and climate challenges, 3) animal health and welfare considerations.

The agendas, minutes and documents relating to each meeting of European Pigmeat Reflection Group were made available on the [Civil Dialogue Group on Animal Products page](#) and on a dedicated [webpage](#).

### **4. Introduction to the EU pig sector**

After a strong increasing trend until 2021 the EU pig population started to decrease, with demand impacted by developments on animal diseases in both the EU and key third country export markets and the COVID pandemic.

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<sup>1</sup> BEUC was invited to the Group but did not participate in any meetings.

The pig market is highly volatile and cyclical. In 2022 – after the unprecedented downturn in 2021 - EU pig prices increased to historically high levels that could, however, not fully compensate for higher input costs. The weight of input costs is particularly heavy in pig production as are geopolitical developments such as the war in Ukraine on imported feed (in particular maize and soy).

EU pork exports have been on an upward trend over the last decade. The EU is the world's most important exporter of pig products. Spain, Denmark, the Netherlands and Germany are the four main exporters with 75% of the total EU exports. Exports are to a large extent driven by demand from Asian markets and the UK. Dependence on pigmeat exports to China has grown hugely in the last decade. This growth has come to an end with the recovery of Chinese domestic production and subsequent lower import demand.

African swine fever represents a global risk for the pig sector and also plays a role in pigmeat trade: many third countries block market access to pigmeat from Member States where there is an outbreak, even if only in wild boar, disregarding the regionalisation principle set out in international and commonly agreed standards<sup>2</sup>.

Against this background, the European Pigmeat Reflection Group has made the following set of recommendations to provide a strong policy framework for a socio-economically and environmentally sustainable European pigmeat sector<sup>3</sup>.

## **5. Recommendations of the European Pigmeat Reflection Group**

### **5.1. The socio-economic dynamic of the sector**

#### **5.1.1. Structure of the sector and production model**

In general, there has been a trend towards more concentration of production both geographically and in size of production with a consequential decrease in the number of pig farms, especially small holdings. Of the 1.4 million pig producers, 2% account for 75% of production. There is a clear trend to specialised farms. Farms that invest into the future mostly combine this with increasing their production capacity. Investments in more efficient production systems and to achieve compliance with higher environmental and animal welfare standards tend to stimulate further concentration of the sector. Pig farmers who are not able or willing to invest stop producing. This is in particular the case in mixed farms where pig production is just one area of activity. Small holdings that can continue are mainly those which invest in niche markets where consumers are ready and able to pay for distinctive quality and other attributes linked to societal expectations.

The ageing of pig farmers is, as in other agricultural sectors, one of the main challenges that the sector is facing. Working hours which include weekends together with low margins and high financial risks makes the sector less attractive, in addition to repeated criticism by vocal opponents.

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<sup>2</sup> <https://www.woah.org/en/what-we-do/standards/codes-and-manuals/>

<sup>3</sup> The report does not fully reflect the EEB's position that could not be reconciled with a majority view.

There are also differences in terms of production methods, scale, concentration, integration and structure across and within Member States. In some areas of the EU, highly concentrated pig production creates challenges in relation to environmental protection. There is a general societal debate about animal welfare aspects in pig production.

The prevalence of low margins and high financial risks calls for stronger horizontal cooperation between farmers and vertical integration within the chain.

### **5.1.2. The pig sector in the new CAP**

Member States have the possibility to address specific needs of the pig sector when designing their CAP Strategic Plans. This includes the newly introduced eco-schemes as well as environmental, climate-related and other management commitments supporting the sector to become more sustainable, which is one of the main specific objectives of the new CAP. A particular challenge of the pig sector is the fact that, in many Member States, pig farms do not necessarily cultivate land and receive (area-based) direct payments. There is no coupled income support to the pig sector either. Such pig farms, therefore, only marginally benefit from CAP support, largely limited to pillar 2 interventions.

In the new planning period, Member States have the possibility to target sustainability in the pig sector directly and indirectly via eco-schemes, investments, risk management tools, cooperation, advisory services promoting and piloting innovation and specific interventions for the sector (e.g. animal welfare, antimicrobial resistance, biosecurity).

### **5.1.3. EU as player in a global market for pigmeat**

About 22% of EU pigmeat production is exported (17% to the UK and 26% to China). Integration in global trade flows allows for a high valorisation of the pig carcass. For example, bacon has a high value in the UK and offal in China. The demands of third countries for pigmeat cuts and products differs substantially and the EU pig sector has the opportunity to deliver these different products to their specifications that are produced to European standards.

However, participating in this global market creates also dependencies. EU pigmeat exports to China went up strongly in 2019-20 when China's production capacity was severely impacted by outbreaks of African swine fever. More than half of the EU's pigmeat exports went to China. But with the spread of African swine fever within the EU, several Member States face export restrictions, in particular from China. As a consequence, EU exports stagnated in 2021 and went down by 20% in 2022. Although EU exports reach a large number of countries, the fact that the bulk depends on a few key export markets leaves the sector vulnerable.

Imported protein concentrates are still an essential component in pig feed. Further valorisation of EU protein sources is essential.

### **5.1.4. Valorisation of pigmeat through consumer information and quality labelling**

Pigmeat is the most consumed meat in the EU and represents 49% (2021) of total meat consumption. Per capita consumption and the share of pigmeat in total meat consumption are on a slightly decreasing trend. Consumption patterns have changed. Traditionally, a use was found for all parts of the pig carcass. However, increasingly, demand is now for high value cuts like pork tenderloin or barbecue cuts in summer which have a stable market. In contrast, for

less popular cuts (e.g. feet or bellies), the EU is depending on valorisation on export markets. Demand for these cuts is low in the EU and knowledge about traditional recipes disappears.

The attention of EU consumers to product quality and method of production is growing. Organic pig farming is still a niche and challenging in terms of organising production and marketing. There is already a broad spectrum of quality labels at retail or national level to differentiate between products. In the framework of the Farm to Fork Strategy, the Commission is to adopt by the end of 2023 a proposal for a sustainability labelling framework to empower consumers to make better informed sustainable food choices.

In addition, the well-established system of EU Geographical Indications provides the basis for labelling quality and regionality.

### **5.1.5. Risk Management**

Pig producers are facing usual market risks linked to changes in demand and consumption. Unlike other sectors, pig producers historically never benefited from support measures like public intervention or coupled payments. The pigmeat market is volatile by its very nature but this volatility has increased due in particular to animal disease challenges and trade disruption. Domestic demand and supply vary and the EU as the world's first exporter of pigmeat heavily depends on global developments. Pig producers are used to cyclical market developments and hedging their risks by saving in good times and compensating losses in bad times. This rational approach may not always succeed in stabilising producers' income.

The CAP traditionally provides different types of risk management tools (insurance premiums for crops, animal and plant health insurance, mutual funds and income stabilisation tools). In the new CAP, there is an even higher flexibility in designing and implementing risk management tools but only some Member States showed interest in introducing these instruments in their CAP Strategic plans, which is partly due to the availability of well-functioning national credit institutions and cooperatives.

On the socio-economic dynamics of the sector, the Reflection Group recommends:

- **Promoting cooperation between pig producers (producer organisations and cooperatives) and between them and the other steps of the supply chain for a better integration of societal expectations on improved sustainability at all levels of the production chain, better training and sharing of knowledge as well as creating attractive conditions for young farmers;**
- **Encouraging MS to use all CAP tools available for the sector to become more sustainable. This also includes the newly created sector-related interventions;**
- **Diversifying EU export markets and reducing dependency on a few destinations, in particular unreliable partners;**
- **Further valorising EU protein sources in pig feeding;**
- **Promoting EU quality and production standards around the world;**
- **Better information campaigns on the role of family pig farms and benefits of short supply chains; better communication by the pig sector on actions towards more sustainable production methods;**
- **Raising awareness on organic farming and GIs in the pig sector;**

- **Raising awareness of food uses and cooking recipes that valorise less favoured parts of the carcass and incentivise retailers to sell more parts of the pig carcass rather than offering the most demanded only;**
- **Encouraging Member States to test and pilot different agricultural risk management strategies and tools with the involvement of pig producers at national and regional level;**
- **Considering linking the benefit of risk management tools with concrete actions to adjust supply to demand.**

## **5.2.Environment and climate challenges**

The different pig productions systems, be it intensive or extensive, indoor or outdoor, vary considerably in their environmental and climate impact. They differ in relation to the level of emissions, use of resources, production costs, animal welfare concerns, biosecurity, energy intensity, etc.

The EU pig sector supports the EU target to be climate-neutral by 2050: an economy with net-zero greenhouse gas emissions. The sector is convinced of the necessity to move in this direction both in its own commercial interests and in the interest of combatting climate change and wants to look for solutions to the challenges to sustainability.

In general, carbon removal certification is seen as a potential instrument. Effective carbon farming practices not only provide opportunities for increased carbon removal, more biodiversity and increased climate resilience but also additional sources of income for farmers. Attention is drawn to the fact that the Commission proposal in the matter focuses on carbon storage only and not all GHGs at farm level.

Biogas and biomethane can add value to the pigmeat sector. Biogas plants based on manure can be a means to reduce livestock emissions. For biogas plants to be viable, there must be sufficient and secure substrate supply and energy sale opportunities. The size of biogas plants must be adapted to the availability of raw materials. The high cost of investment and long payback times are seen as barriers.

Imported soybean is probably the biggest contributor to the carbon footprint of pig production. However, slurry and its management is also a major source of emissions in pig production. There are several technical solutions to prevent emission in the barn and reduce emission at the source. Nevertheless, advanced ammonia reduction techniques for pig housing, external manure storage cover, manure processing and improved field application are still not widespread among farmers. The new CAP provides an improved framework for pig farmers to become more sustainable.

On Environment and climate challenges, the Reflection Group recommends:

- **Improving the awareness of farmers of the necessity to embrace more sustainable agriculture, including manure management and emission reduction;**
- **Developing manure processing (e.g. RENURE products) and more efficient use of organic fertilizers;**
- **Designing a sustainable framework for managing manure for fertilizing purposes;**

- **Supporting local bio-gas solutions based on slurry, residues and waste that involve not only pig farming but local communities.**

### **5.3. Research and innovation**

Research and innovation are fundamental to address environmental and climate challenges and to improve animal welfare and health standards. Innovation can only grow in close cooperation between science and practice. Pig farmers are ready to formulate their needs.

The sector needs to be aware of existing and on-going research and innovation projects funded by the EU or national governments. The research topics are broad, ranging from pig production systems (housing, infrastructure, genetics, breeding, feed efficiency and sustainability), environmental issues (e.g. manure management, reduction of ammonia emissions and odor, organic fertilizers) to animal welfare and health (e.g. ethology, vaccinology, antimicrobial resistance, epidemiology, endemic diseases, diagnostics). The transfer of knowledge is still a challenge, as is the implementation of recent research outcomes into on-farm or agri-land activities.

Implementation of the results on the ground takes time and requires capital investments. New digital tools, technology can help share information among the rural and farming community.

On research and innovation, the Reflection Group recommends:

- **Better information and involvement of end-users (producers, advisory services, etc.) in research and innovation projects;**
- **Speeding up knowledge transfer between farmers, advisors and researchers, making better use of farm advisory services.**

### **5.4. Animal health**

Healthy animals are the basis for a healthy and sustainable pig sector. African swine fever is currently one of the biggest threats for the EU pig sector.

African swine fever is already on five continents, in more than 70 countries, and is one of the most challenging global animal health issues the world is facing. This disease has serious economic consequences for pig producers. Enhanced passive surveillance in pig farms and awareness campaigns for pig farmers, veterinarians, hunters, citizens, especially truck drivers, mushroom and forest fruit pickers, travellers etc. are crucial. Currently, there is no approved and commercially available vaccine to combat the virus. Nevertheless, there are research projects, including EU-financed VACDIVA, which is working on safe and effective vaccine for wild boar and domestic pigs.

Biosecurity is still a huge challenge for some pig farms. Farms with low biosecurity pose higher risk for infections and spreading the disease. The proper management of wild boar is necessary in all parts of the EU.

Furthermore, antimicrobial resistance continues to be a serious threat to human and animal health. It is important that this challenge is kept high on the EU agenda with a One Health approach.

On animal health, the Reflection Group recommends:

- **Supporting efficient biosecurity measures across the pig sector and during hunting of wild boar**
- **Supporting measures through National action plans for wild porcine animals in order to avoid the spread of African swine fever in the Union and sharing of knowledge and best practices between Member States;**
- **Implementing all available tools, including interventions under the CAP, to improve efficient biosecurity measures**
- **Supporting the development of vaccines for wild boar and domestic pigs;**
- **More engagement with third countries, including in international bodies such as the WTO and WOAHA, to ensure recognition of the EU regionalisation principle;**
- **Continued focus through a One Health approach on the challenges posed by antimicrobial resistance.**

### **5.5. Animal welfare**

EU animal welfare standards are among the highest worldwide. Nevertheless, EU citizens are increasingly concerned about the way animals are kept, transported and slaughtered. Castration of piglets, housing conditions of sows and ending the practice of tail-docking of pigs are some of the key challenges for the sector. Good animal welfare is not only a growing demand from a concerned society; it is also basic condition for economically viable farming. The pig sector very well understand the demands of society and is looking into practical solutions together with authorities and scientists. Pigs are intelligent animals with innate behavioural needs that must be satisfied in order to ensure they experience good health and good welfare and a positive life experience. They also need attention and care from well trained people – be it on the farm, during transport or in the slaughterhouse. The availability of competent staff, ready to work with pigs, is an increasing challenge, also from an animal welfare perspective.

As part of its Farm to Fork Strategy, the Commission has already committed to propose a revision of the animal welfare legislation. All stakeholders are committed to participate in this process.

Aspects to be considered include lower density, later weaning, lower prolificacy of sows and greater longevity, enough space allowing physical exercise, access to fresh outside air, physical and thermal comfort, climatic stimulation, adequate enrichment material, feeding taking more into account physiological and behavioural needs, etc.

On animal welfare, the Reflection Group recommends:

- **Implementing all available tools, including interventions under the CAP, to improve animal welfare for pigs with livestock-friendly management practices;**
- **Maintaining a science-based approach in all regulatory steps related to improvement of animal welfare;**
- **Supporting action, including research, to develop and implement systems with a high level of animal welfare, respecting the behavioural needs of pigs and reducing antibiotics use;**
- **Promoting EU animal welfare standards in international fora and in particular within the framework of free trade agreements.**



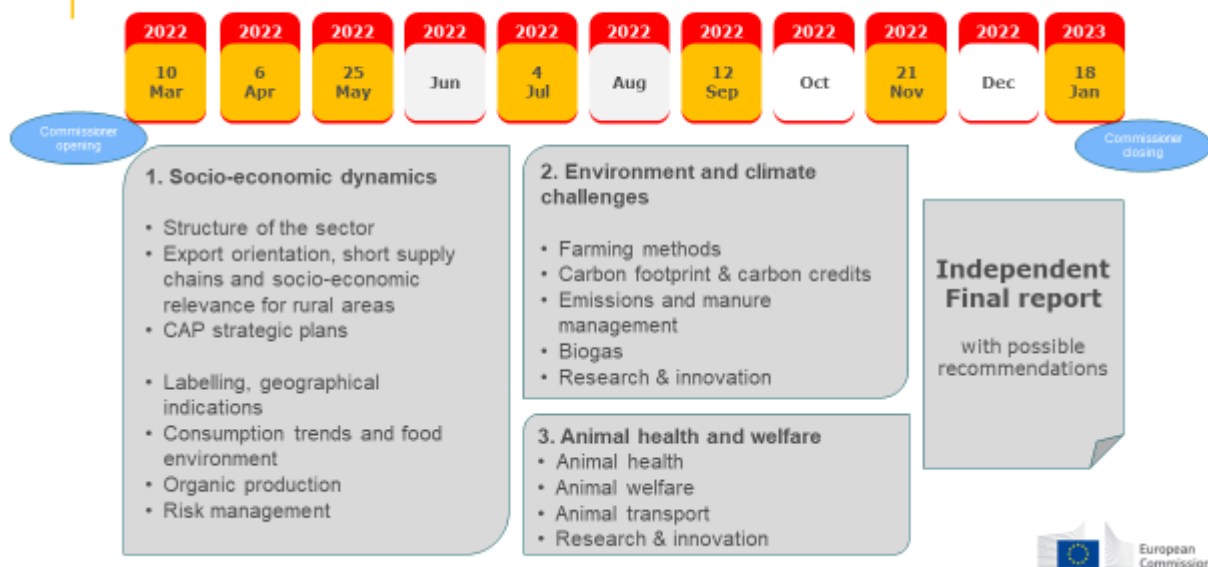
The European Pigrate Reflection Group is advocating that the recommendations from the Group be taken on board by all relevant stakeholders and institutions and implemented at EU and national level. The Recommendations from the Reflection Group have been presented to Commissioner Wojciechowski on 18 January 2023.

**The European Pigrate Reflection Group**

**January 2023**

**Annex: Meeting calendar & Meeting agendas and questions**

## Timeline and topics



## Kick-off meeting

10 March 2022

- ❖ Opening by Commissioner Janusz Wojciechowski
- ❖ Operation of the group by AGRI E3
- ❖ Import dependence for animal feed by Nicolas Coudry-Mesny, Vice-President of FEAC
- ❖ Exchange of views with the participants
- ❖ Concluding remarks by AGRI DG Wolfgang Bartscher

- **Q1:** To which extent does EU internal market balance need imported animal feed?
- **Q2:** Does import for animal feed increase crisis risks or does it play a role in hedging risks?

## First meeting

6 April 2022

### Socio-economic dynamics (1/2)

- ❖ Structure of the sector across and within Member States
  - Producer organisations (overview by AGRI E3 + experience by AT PO)
  - Cooperatives (experience by DK Agriculture Council)
  - Interbranch organisations (experience by FR Inaporc)
  - Contracts/vertical integration (experience by ES Vall Companys Group)
- ❖ Export orientation (UECBV trade view & COPA-COGECA farmer view), short supply chains (CEJA young farmer view & Via Campesina small farmer view) and socio-economic relevance for rural areas (Thünen Institute academic view)
- ❖ CAP Strategic Plans
  - CAP measures targeted to the sector (overview by AGRI E3 of rural development measures & future CAP plan interventions)
  - Association of Producer Organisations (FR Grand Ouest view)
  - Member State's sectoral interventions (SK Ministry example)

## First meeting

6 April 2022

- **Q1:** Are there particular economic models that ensure resilience?
- **Q2:** To which extent does EU internal market balance need exports? Does export orientation increase crisis risks or does it play a role in hedging risks?
- **Q3:** What is the role of short supply chains in EU internal market balance? Do they help mitigate risks?
- **Q4:** What is the added value of pig farming for rural areas? Are there threats to be mitigated?
- **Q5:** To which extent can structural measures help the pigmeat sector?

## Second meeting

25 May 2022

### Socio-economic dynamics (2/2)

- ❖ Pigmeat GIs (overview by AGRI F3 + experience by ES COVAP),  
Farming method labelling (experience of DE Initiative Tierwohl) and  
Origin labelling (experience by NL Vion Food Group)
- ❖ Consumption trends (overview by AGRI A2 + retail perspective by Eurocommerce)  
Food environment (EPHA view & ASSICA processor perspective)
- ❖ Organic production
  - Producer (experience by FR organic pigmeat farmer)
  - Direct sales (overview by Via Campesina)
  - Academic perspective (by Swiss FiBL)
- ❖ Risk management
  - Overview of CAP risk management tools (by AGRI B1)
  - MS' example (PL Ministry)
  - Risk hedging outside the CAP (by ES ENESA)

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## Second meeting

25 May 2022

- **Q1:** To which extent do GIs add value to the pigmeat sector?
- **Q2:** What's the advantage of farming method labelling for pigmeat production? What are the constraints?
- **Q3:** Does origin labelling address consumers' expectations?
- **Q4:** Is a shift perceptible in consumer habits?
- **Q5:** To which extent does policy influence consumer purchasing acts?
- **Q6:** What are the challenges and opportunities of organic pig production?
- **Q7:** To which extent is risk hedging a private concern?

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## Third meeting

4 July 2022

### Environment and climate challenges (1/2)

- ❖ Farming methods
  - Overview (academic)
  - Conventional farmers' experience
  - Experience of a farmer with an alternative method
  - Retail perspective
- ❖ Carbon footprint & carbon credits
  - Policy overview (AGRI B2)
  - Young farmers' perspective
  - MS' view
- ❖ Emissions and manure management
  - Overview of the potential of the sector (academic)
  - Policy overview (DG ENV)
  - Farmers' perspective
  - Traders' perspective

## Third meeting

4 July 2022

- **Q1:** To which extent can differentiated farming methods add value to the pigmeat sector?
- **Q2:** To which extent can differentiated farming methods address environment and climate challenges?
- **Q3:** Should certain farming methods be prohibited?
- **Q4:** Is carbon farming taken into account in pig farming?
- **Q5:** To which extent can carbon credits play a role in the pigmeat sector?
- **Q6:** To which extent can pig farming mitigate emissions?
- **Q7:** To which extent can manure management add value in the pigmeat sector?

## Fourth meeting

12 September  
2022

### Environment and climate challenges (2/2)

- ❖ Biogas
  - Overview (academic)
  - Farmers' experience
  - MS' approach
- ❖ Research & innovation
  - Overview (DG AGRI F2)
  - Cooperatives' experience
  - MS' advisory service
  - Details on 3 specific R&I projects (academic)
  - Small farmers' perspective
  - Retail perspective
  - MS' perspective

## Fourth meeting

12 September  
2022

- **Q1:** To which extent can biogas add value to the pigmeat sector?
- **Q2:** To which extent can biogas address environment and climate challenges?
- **Q3:** Are there pitfalls with biogas that should be avoided?
- **Q4:** : Is the pigmeat sector kept actively informed of research and innovation in pig farming?
- **Q5:** What are the benefits expected from R&I projects for the pigmeat sector?
- **Q6:** What's the expected timeline of R&I projects before they can effectively apply to pig farming?
- **Q7:** What's the cost of implementing R&I projects for pig farming?

## Fifth meeting

21 November  
2022

### Animal health, welfare, research & innovation

- ❖ Animal health, R&I
  - Policy overview (DG SANTE)
  - Farmers' experience
  - MS' view
  - R&I overview (DG AGRI F2)
  - Academic
- ❖ Animal welfare and transport, R&I
  - Academic
  - Policy overview (DG SANTE)
  - Environmentalist and animal welfarist view
  - Farmers' experience, challenges and solutions for young farmers, small farmers
  - Challenges and solutions in meat processing

## Fifth meeting

21 November  
2022

- **Q1:** What are the main challenges to keep pigs healthy on farm? How important are multifactorial infectious diseases compared to ASF?
- **Q2:** What concrete actions on farm prove efficient for pig health? What are the most efficient steps to prevent ASF outbreaks in farms?
- **Q3:** Are there measures to prevent citizens from spreading ASF?
- **Q4:** How realistic are the prospects of having a vaccine against ASF? Are the pros outweighing the cons?
- **Q5:** What concrete actions prove the most efficient for animal welfare on farm? In slaughterhouses? During transport?
- **Q6:** Can animal welfare and farm efficiency go hand in hand?