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FINAL MINUTES

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

Date: 17/05/2021

(Videoconference)

Chair: Mr Paul Lopez

Organisations present: All Organisations were present, except: AnimalHealthEurope, Beelife, Bureau Européen des Unions des Consommateurs (BEUC), EuroCommerce, EFNCP, EPHA, BirdLife Europe.

1. Approval of the agenda

The agenda was approved as circulated.

2. Nature of the meeting

The meeting was non-public.

2. Market prospects

2.1 Market situation for poultry meat including short term outlook - Martin SZENTIVANY, DG Agri

The poultry production forecast is based on the data provided by the MS experts, thus forecast quality directly depends on quality of MS data. It was noted that some experts did not provide the data and those MS are clearly flagged in the forecast.

According to the forecast for 2021 the EU poultry production should see a notable decline of 2.8% in total. This overall evolution is driven by a notable decline in broiler meat production of 2.8%, significant decline in turkey meat production by 5.5% and, contrary to other poultry species rise in duck meat production by 6.6%, although from a low base in 2020. The forecast for rabbit meat production shows a marked decline by 7.3%.

The overall production drop is driven by lower production in major producing MS. A massive production decline of more than 12% is foreseen for Poland. There are probably two main factors behind: Covid related drop in demand from the food services and widespread epidemics of avian flu in the EU over latest season leading to sanitary export restrictions on poultry. Apart from Poland a decline is also projected for Germany, France and Spain. In Italy, Romania and Belgium the production should stay stable. From major producers only Hungary should see rise in its production.

On turkey meat, we should see in 2021 a decline which is driven by a significant drop of production in Poland, and notable drops also in Germany, France, Spain and Hungary. Turkey sector was more importantly hit by avian flu over this season than broilers.

On duck meat production, an increase of production is foreseen in 2021, contrary to the other species, albeit from a low base in 2020. A massive increase is forecasted in Hungary, but decreases are projected in Italy and Germany. Finally, steep decline is expected in France, the leading duck producer. This is mainly due to the avian influenza epidemics hitting hard .

Only 6 MS report on rabbit meat forecast. Accordingly, we should see a significant decrease in production across all important producing countries (ES, FR, IT, PL).

Concerning the real production data – EU poultry production in 2020 has seen a moderate increase of 1% which was mainly impacted by a limited growth in the 2nd half of the year. Comparing January and February 2020 to 2021 we see a steep downward production adjustment of more than 7%. We expect it to be temporary as that drop may be a reaction to the weak poultry prices towards the end of 2020 combined with a negative outlook for avian influenza.

Evolution of poultry prices was positive in 2021 as a steady increasing trend in broiler prices could be observed from the beginning of the year, following the usual yearly pattern but ending at an exceptionally high levels. This trend is due to a drop in production and a gradual recovery of domestic demand, but also increasing trend of feed costs might have played a role in the price evolution.

Avian Influenza has impacted the market and the production decisions. It is very widespread and until the end of April 1200 outbreaks in poultry holdings were recorded in 18 MS. Almost 20 million birds were culled. Most affected in terms of number of outbreaks are France, Poland and Germany. The highest number of birds was culled in Poland (almost 60% of all birds culled in the EU). Most affected farm types are ducks, turkeys and laying hen farms, which might suggest some biosecurity issues in free-range farming systems. There is the direct impact of culling of birds which affects the income of the farmer, but the epidemics has only small impact on the total production. More important is the indirect impact of the rising export restriction from our trading partners, which will only gradually be lifted.
In the EUs the market situation was more stable than in our main competitors US and Brazil. Especially in the US high fluctuations in the prices during the beginning of the Covid-19 pandemics were observed.

In January-March 2021, poultry imports to the EU have declined by 29% compared to the same period last year. A large decline could have been observed in the imports from Ukraine (-85.8%), China (-38.7%) and Argentina (-58.7%), but also the biggest importers - Brazil and Thailand. The only country which has imported more was Norway. The biggest share of poultry meat imports is still coming from Brazil and Thailand.

Also. European poultry exports to the third countries have declined by 6.7% mainly due to the important declines of exports to Philippines, Hong Kong and South Africa that were not fully offset by increasing exports to Ghana, Ukraine, Congo, Benin, Gabon and other countries.

The trade with the UK has decreased by both in volume and value. A decrease in exports of -35/31% and of imports of -56/71% could have been observed between January-February 2021 compared to the same period last year. European exports to the UK are still considerably higher than the imports from the UK. This clearly indicates that more time is needed for traders to adapt to the new trade ruled applicable from 1 January 2021. Also, exports to the UK have been less affected than imports from the UK, largely because the UK has so far delayed introduction of SPS checks of EU food imports.

2.2 Market situation eggs including short term outlook - Diane SPLITERI, DG Agri

The production of eggs for consumption has been stable and the forecast is for a modest increase of 1.8% in 2021 compared to 2020. This is driven by small increases in the major producing countries France, Germany, Spain and Poland.
The forecast for the production of hatching eggs is slightly negative at -0.6%.

Regarding the number of laying hens in different farming methods the share of layers in enriched cages has further declined to 48.1%. Barn range has a share of 34%, free range 11.9% and organic laying hen cover 6.1% of the market. 23% of all laying hens kept in cages are located in Poland, followed by Spain with 20% and France covering 15%. The European barn egg market is very well covered in Germany with 27% of all hens reared in barns, followed by Italy and the Netherlands, both with 16%. Germany is also the leader when it comes it free range and organic laying hens covering 27% and 33% of all hens grown in these production systems in Europe. France and the Netherlands follow with 25% and 13% respectively for free range and 24% and 9% in the case of organically grown laying hens.

When it comes to the farming method over the last 4 years there was a declining trend in the enriched cages followed by an increase in barn egg production and also a slight increase in free range. Organic production has stayed more or less the same.

In most countries enriched cages are still the most dominant farming system. However, there are quite a few countries that already have a very small share of cages or others as Luxemburg and Austria that have moved away from enriched cages and only have the alternative systems.

In the last part of 2020 the placings of hens decreased which had an impact on the pricing.
After many months of stable but very low prices, in February the prices started to increase sharply until Easter. The main factors to this positive development were an adjustment of the market and a decrease in imports as well as increasing feed prices. After April prices have started to drop and are below last year's exceptional levels but still above the five year historical average. Prices are at 126 EUR per 100 kg which is about 6% less than during the same period last year.
The feed prices have been increasing since last October and in April some 55% of the selling price was going towards the cost of cereals & proteins in feed.

The average prices in Europe are above those in Brazil and India and keep well with the prices in the US. The imports in the first three months of the year have decreased by 3.3% compared to last year. Ukraine remains at the forefront, although their imports have dropped by 19% due to Avian Influenza related restrictions until mid-March when the EU recognized Ukrainian regionalization. Similarly, imports from most of the other countries have decreased as well particularly from Argentina and China. The export of eggs have on contrary increased by 37.3% from January to March. Exports to Japan have increased substantially, reversing the negative trend of last year. We also see positive increases to most countries especially to South Korea, Singapore and Mauritania.

In January and February, exports of eggs for consumption and egg products to the UK fell by -34%, while imports dropped even more by 71%. There was a 223% increase of hatching eggs exported, which was the only positive trend observed. Traders need some time to adapt to the new requirements but already in February the trade situation was better than in January and in the coming months it should continue to improve.
The egg trade balance is very positive. The volume of imports is about 10% of the volume of exports.

Exports of hatching eggs in the first three months of 2021 have risen by nearly 20% driven by increases to most countries. Exports to Russia, our main export market have dropped by over

16% and is expected to drop even further if the Russian Government moves ahead with its plan to impose 5% import taxes on hatching eggs in 2022 increasing to 15% in 2023 Exports of one-day old chicks have dropped by -6.5% with substantia losses in many export markets except for positive development in Ukraine, Ghana and Albania.

2.3 Latest information on market situation for feed - Mareike DELHANGE----/Justyna WROBEL, DG Agri

Wheat situation on the world level is a little bit tense. World production has reached a record level in 2020/21, but at the same time an extension of the consumption is noticed. The activity of China in terms of import needs was extremely strong. There is a strong demand for wheat. Next year the global production is expected to increase by 2.2% and it would be the largest ever. The consumption will also reach a new peak.

The crop conditions have been broadly favorable in the EU. Production is expected to be average. Ukraine has not had a very good harvest in 2020/21 but is supposed to be better this year. The harvest in 2020/21 in Australia was very exceptional but will now go back to average. In the US we might see a slight increase.

Maize situation is very tight as is also seen at the prices. In the current year both production and consumption have increased, but consumption even stronger. The stocks in the US are very tight and more than 30% below the previous season. Due to the very strong Chinese demand they have sold out almost everything. In 2022 a new peak in production is forecasted. The stocks are expected to decrease to the nine years low.

Despite delate plantings the EU production is expected to be average. The US production is expected to increase the production areas only slightly. In Brazil the level of production is still uncertain due to the weather conditions, but the area is extending due to the high prices. There is also a trade of between maize and soya. Both prices have increased, and those uncertainties are keeping the pressure high. Both harvested area and production are expected to slightly decline in 2021/22. World barley consumption is expected to rise fractionally.

Prices of soya are very high, and an average yield is expected. Any weather accidents would make a big problem to the market. The market is very tight, and stocks are seriously declining. If there is a delay in the harvest or any other issue, there might be some problems. Consumption is still increasing. In the US the area is expecting to moderately increase. South America is expecting to increase the area as well.

The European feed wheat prices are following the world trend. In barley the situation is similar with more than 30% increase in Germany and France compared to the last year. In maize there were strong increases between 35% and 40%.

DG Agri forecast for the marketing year 2021/2022 projects a better wheat production after not very strong season last year. Also, for maize and barley we hope for relatively average prices, but it is still early in the season. The feed line is expected up for 0.5% due to growth projections in milk production.

We do not know how the prices will evolve in the future. All will depend on the developments of the crops. If some crops of major producers are delayed or harmed due to the bad conditions, we might even see further price increases. If the supply is good prices may stabilize and even decrease a little. Demand from China is unpredictable, and our prices will depend on it.

COPA COGECA underlined the need of further developing the marketing standards also for broilers as it is already the case for the laying hens/egg production. There is a need to develop authorized methods of rearing.

COPA COGECA highlighted how the high prices on the feed market are affecting the farmers. Producers would need more information prices of raw materials as the latest development was a huge shock and is seriously compromising producers margins. Farmers feel powerless and do not have any instruments to fight against the development. Copa-Cogeca is asking how those aspects are being dealt with from the side of the Commission and how the plans on the protein independency are involving?

CELCAA explained the situation of the egg market in Spain with the high raw material costs but no coverage of those from the market. The same goes for the changes in production systems. The consumers are often not looking for products with higher animal welfare and are very sensitive to price changes. Therefore, on the supermarket shelve the prices for eggs from the different systems are more or less the same – the difference between prices of eggs from cages and free range eggs in the Spanish supermarkets is 3% whereas the production costs are about 18% higher. Costs should be reflected in the final prices.

CELCAA stated that the Danish data on laying hens in different systems is not up to date. The expert has sent the more accurate version to the Commission.

CHAIR concluded that the sector was hardly hit by the Covid-19 crisis. At the same time still a lot is imported from the 3rd countries with lower animal welfare standards. The imports have decreased during the last year, but this was due to the low prices on the internal market. The sector would appreciate the help from the Commission to face the difficult situation as it is in an urgent need for more protection.

COM commented that the EU is dependent on soya imports and they are trying to find a solution to boost the domestic production, but it is a long-term process. Europe will still be reliant on the imports for a longer period. Our internal prices are fully aligning with the world prices.

3. Avian influenza

3.1 Latest update on the situation of avian influenza in the EU - Iulia COHEN, DG Sante

A description of the ongoing epizootic season was made by the Commission. 23 MS have detected AI outbreaks in wild birds and 18 in poultry.
A high number of wild birds was detected in Germany and Denmark, while there is a large number of cases of commercial poultry in 3 countries: France, Poland and Germany. Most cases were found in duck production (foie gras, especially in South West of France) and turkeys. She highlighted the correlation between detection in wild bird population and commercial poultry and insisted on the high pathogenicity of the virus. She pointed out that this episode has been larger than previous one with more than 20 million birds affected compared to 9 million in 2016/02017. It was hoped that epidemic should slowly come to an end with higher temperatures.

COPA COGECA questioned the COM on their position on vaccination of AI.

EFA indicated that significant public funds are given to the sector which should support enlarging of production. Foie gras production is unsustainable and it is banned in many EU countries. It is also high-risk sector and should not be enlarged. Additionally, turkey raising conditions are not acceptable and should not be restarted under the current schemes.

COM explained that vaccination was possible according to legislation 94/2005 that was implemented until 21st of April 2021. With new animal health law, MS are requested for approval of vaccination program. Vaccination is possible for MS to use for major diseases such as AI. The

COM, together with MS started the discussion on setting the rules for the use of Veterinary medicinal products, also vaccines, for major diseases also AI. The discussion will go on in the coming months.

COPA COGECA highlighted the very difficult situation and raised a question on implementation of new animal health framework.

CELCAA asked about the details in the EU information and reports on AI outbreaks. It is very important for the producers in different sectors to know the total number of affected animals (not only at the farm where the outbreak is declared, but also in the area where the official authorities implement measures of killing the birds at the farms to minimize risks). And it is also important to know the commercial type of the animals at these farms: How many commercial chicken (broilers) o laying hens, ducks, turkeys…have been affected? How many parent birds of laying or meat lines? The effect in the market is very different in each case, more in the current situation, with several million of birds involved around Europe.

COM replied that for public funds used for relaunching the production, there are compensations for the farmers for the birds being destroyed.
For the types of production, in France it was mostly duck and geese farms. Number of birds killed were almost 2 million poultry but there were around 1 million which were killed as preventive measure. In Germany and Poland most of the outbreaks were found in Turkeys. Also, many laying hens and big broiler farms have been affected in Poland.
On AHL, the rules are status quo of the previous rules. The interpretation of these new rules seems to be more restrictive according to some stakeholders. COM has listened to the comments and will analyse what can be done to solve these issues.

3.2 EFSA scientific report on the latest epidemics of avian influenza EFSA – Francesca BALDINELLI

EFSA has been mandated to analyse the situation and the evolution of the HPAI outbreaks within and outside the EU. 15 reports in total have been published.
In the report from September 2020, it was recommended to take biosecurity measures following a large number of outbreaks in Russia and Kazakhstan during the summer 2020.
This season has been the most severe season seen in Europe. This time the season started earlier compared to 2016/2017 season (which was also severe) and is still ongoing.
We can see that South West of France has been affected in both high epidemic seasons, with the foie gras production.
She presented the distribution of HPAI cases by virus serotypes, species and wild birds. 15 genotypes have been identified and it is really important to monitor the evolution of these reassortments.
There have been 2 pics at the beginning of the season and in the spring in the wild bird population, especially in swans which are residential birds.
Raptors were found infected since the beginning of the epidemic which is unusual. Usually affected at a later stage, here they have been infected since the beginning. GE, DE and NL were heavily affected as presented by Iulia Cohen.
Germany has been heavily affected in wild bird but also in poultry. Wild bird pics are preceding poultry cases. But wild birds are not the only source of contamination, since contamination between establishments in high density area is also common.
In first pick, important number of cases in France, linked to foie gras production in South West of the country. 570 outbreaks notified by 18 countries notified in this first pick with 8 million birds.
Most of the outbreaks were in foie gras farms and is a result of high risk of incursion of the virus

in this production system with high density, outdoor farming and frequent movement of ducks for fattening. The virus was also detected in breeding farms, with highest biosecurity measures.
There was then a second pick with many outbreaks in Poland and many poultry outbreaks.
In this second pick there were 550 HPAI outbreaks in 15 countries and 10 million birds were affected. Laying hens was the most affected also domestic ducks and turkeys.

Conclusions:
In 2020 2021 Europe experienced the largest HPAI epidemic season. A better understanding of the factors regulating wild bird migration is of the utmost importance to improve our ability to detect the virus early and monitor its spread. It of utmost importance to reinforce and maintain high and sustainable biosecurity and surveillance standards along the chain.
The evolution and increasing occurrence of reassortment events need to be closely monitored for the potential risk that avian influenza viruses transmit from birds to human, and subsequently between humans, and/or to other wild or domestic mammals.
People exposed unprotected to infected birds, should be actively monitored for respiratory symptoms or conjunctivitis following exposure.

4. Eco-schemes and the role of the poultry sector – Juan ALVAREZ, DG AGRI

They are part of the green architecture included in the new CAP and also fit in the context of the Farm to Fork strategy which is part of the Green Deal to transition towards a more sustainable food system. Part of the objectives of the new CAP include reduction of pesticides and the reduction of antibiotic use by 50 % by 2030, as well as increasing biodiversity by extending 10% the areas with lanscape features and reaching 25 % of EU land under organic farming.

These eco-schemes in the new green architecture of the new CAP will provide aid to farmers going beyond basic rules on conditionality. MS will set eco-schemes in their CAP strategic plans. In the slide is described the indicative list of practices included in the eco-schemes and the areas of action under future CAP strategic plans, such as climate mitigation, prevention of climate change, or protection of biodiversity as well as improvement of animal welfare and reduction of antimicrobials use.

COM has published a list of practices to provide best practices that can be part of eco-schemes. All of these are coming from discussion with experts. Among others, these practices could be agroforestry, protection of water and soil or precision farming. In particular as regards animal welfare, the recommended practices are access to feed and water, optimized feed strategy, housing conditions, extended housing conditions, more free-range, better access to outdoor or ventilation…
There will be a trilogue debate with Council and EP at the end of May and we hope there will be an agreement on the new CAP. To implement the new CAP, MS should submit their national strategic plans by the end of the year. A Q&A document on eco-schemes is being finalised and will be published soon. There could be bilateral meetings with MS to help their implementation eco-schemes and to define their intervention of their future CAP plans. DA and IA should be discussed and adopted from September 2021. The submission of CAP plans by MS is foreseen in the first quarter of 2022 and the approval by the Commission by end of 2022 in order to start their implementation by 2023.

COPA COGECA asked whether this might lead to different legislations in different MS for the poultry sector.

IFOAM supported this comment hoping that measures could be applied UE wide.

AVEC asked whether eco-schemes will be decided by MS by selecting specific species/sectors or rather defining specific practices.

COM responded that we expect that the CAP regulations will be adopted soon. Then each MS, based on their needs will send their CAP plans, hopefully the CAP regulations will be adopted this year in May. The Commission will verify MS proposals to check it is in line with general objectives but at the same time it is adapted to each MS situations.
Practices have to be detached from any type of production, so there is no exclusivity of a sector. Animal welfare practices to be eligible for eco-schemes will mainly be mangement practices like improve feeding or watering of animals, improving the housing conditions by giving outdoor access or managing periods for grazing, among others.

5. Animal welfare: outcomes of the evaluation of the animal welfare strategy with a focus on poultry – Lucie CARROUEE, DG Sante

The EU AW strategy was adopted in 2012 and contains 6 main objectives.

1. consider the feasibility of introducing a simplified EU legislative framework;
2. support Member States to improve compliance with AW legislation;
3. develop EU level knowledge of certain issues;
4. promote EU animal welfare standards globally;
5. optimise synergies with the Common Agricultural Policy (CAP);
6. provide consumers and the public with appropriate information on animal welfare.

20 actions were listed in annex of this communication.

In 2018 the EU Court of Auditors recommended for the EC to carry an evaluation of the strategy. The latter is an evidence-based assessment of the strategy's overall relevance, coherence, effectiveness, efficiency and EU added value, and whether the strategy remains relevant and coherent until today.

Key findings:

- all actions have been implemented
- significant positive outcome and positive impact of the knowledge, sharing best practices and development of guidelines
- harmonized EU voice in the international for a
- none of the 6 objectives have been fully achieved for example on:
    - CAP
    - Animal transport
    - Animal welfare during slaughter and welfare of broilers
    - Tail docking of pigs
    - Need to inform the consumers more

The evaluation will look at the gaps from the strategy and any new gaps.
Next steps towards the revision of the AW legislation: several impact assessments and consultations ongoing to deliver a legislative proposal by end of 2023.

Eurogroup for Animals does not share this soft vision of the evaluation. We have a lot more problems than those implied. We feel this is not going far enough.

CELCAA stated that it seems we are reviewing AW legislation in the framework of the F2F strategy which is especially emphasizing sustainability but there is a difference between AW in conventional production and organic production for which we received information where the latter is not that sustainable because it requires more land and more feed for example. There is a contradiction so we need a joint evaluation so as not to take decision where farmers would have to choose between AW or sustainability. The EC should try and join these requirements.

COGECA underlined that we should avoid basing the legislation on emotions. With respect to coherence and consistency of legislation, the AW notion should be integrated in all legislation for example on marketing authorizations and procedures. Transparency of market, economic sustainability are important notions to ensure. We must install reciprocity and imported products should meet the same EU standards.

Copa-Cogeca asked if we are taking about a national approach like the one which is being prepared in Germany and Denmark or is it only an EU label?

CELCAA mentioned that animal welfare and sustainability can be understood in different ways and their understanding has changed a lot in the last years. Most intensive production has the lowest climate impact. The most extensive have higher climate impact but coming to AW, the most extensive one has good aspects and the intensive ones less positive points.

COM answered that the evaluation recognized that the 6 objectives have not been fully achieved and that’s the reason why this action of review of the whole set of AW legislation has been launched.
In the F2F strategy, AW is part of sustainability. Sustainability is broader. The evaluation of the current strategy will feed into the future AW legislation as well as sustainability requirements.
Coherence and consistency will be taken into account within this strategy. We take note of the need for reciprocity in terms of imports. It is a complex issue and there is limited scope of having requirements on AW for imports.
Regarding the AW labelling, the F2F strategy is not announcing there will be an AW label but rather the EC is exploring the option. For that, a subgroup on AW labelling has been set up and is running now and the outcome will be delivered in June or autumn 2021. Second action is a study contracted a few weeks ago and which will be delivered end of this year. Once this is done, EC will consider the next steps.
Regarding, the definition of AW, sustainability, the F2F strategy gives some elements on how the EC sees the sustainability. Of course, it is complex. There is also the action to establish a framework for sustainable food system and it is in this context that the definition of sustainability will be further refined.

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

Revision of marketing standards is one of the actions of the Farm to Fork initiative. The COM has already performed an evaluation of the current marketing standards to evaluate how fit for purpose they are. Now with new Farm to fork strategy, the aim is to see whether more sustainability criteria can be included in those marketing standards.

Now COM is carrying out an impact assessment process in line with the better regulation guidelines. COM has published an inception IA already and based on that is prepared a public consultation. The questionnaire is being finalized and it should be published in early June. All stakeholders and citizens can then provide feedbacks on the revision. There will be room for all kind of comments.

What we know already, is that marketing standards fulfil already their objectives. There can be room for improvement, because of new technological changes, marketing strategies or consumer demands, that will be covered by the open public consultation.
More specifically relating to poultry and eggs, some issues relate to the current labelling, water content in poultry, how to treat frozen poultry versus fresh poultry meat and also the issue of minimum weight for foie gras.

After the results of the public consultation, a full impact assessment will be carried out, but for the moment there is no result on which option COM will decide to go.

EUWEP asked attention regarding free-range eggs. As we have heard earlier in the day, the sector is experiencing a big AI epidemic, with more than 24 weeks of housing order. That makes our producers lose the free-range status, leading to economic losses. On the other hand, organic hens are keeping their organic status for their eggs, which is difficult to accept. We will bring that issue in the public consultation.

7. Feedback on technical meeting of 8 February 2021 between West African and EU poultry stakeholders – Eleftheria VOUNOUKI, DG Agri

EU exports of poultry meat in Africa has become a controversial issue. It is the most eaten meat in Africa. Poultry is gaining importance in the consumer basket given its nutritional value, taste and diversity. Nevertheless, local supply is not sufficient to answer the increasing demand. Consequently, many African countries are heavily dependent on imports for satisfying the increasing internal demand.

Many NGOs and African associations pointed the EU exports as responsible for Africa sectors under development. On the contrary, several EU stakeholders consider Africa as an ordinary market offering a trade opportunity.
In order to discuss this controversial issue, there has been an informal discussion on the 8th of Feb. The main objective was to listen to the African side and have an open and constructive dialogue and a technical discussion.

Amongst the African speakers:

- VP of west Africa farmers organization
- DG of poultry association of Nigeria
- National president of women in poultry value chain from Ghana
- Secretary General of ROPPA (Réseau des organisations Paysannes et des producteurs Agricoles de l'afrique de Ouest)
- Poultry entrepreneurs from Nigeria and Ghana

On the EU side:

- Senior project managers of large poultry meat companies
- Professor of Business administration
- Traders and investors
- Rep of DG trade, DG Agri, DG INPA
- NGOs

Very positive and constructive atmosphere and acknowledgement on both side of the need for a dialogue and the will of building a partnership between the 2 continents.
There are big prospects for poultry meat in Africa.
Infrastructure is crucial. For ex, the need for stable electricity was stressed.
Competition in the market is high not only with the EU market but at international level too.
From the African side there were claims made that chicken of EU is from inferior quality and that the EU production is subsidized. This was explained and the EU does not dump poultry in Africa but trades on market terms. There are some problems with some domestic policies. There is a need for reliable data to have full picture of what is happening.

Overall, the EU has emphasized its procedure, instruments, and mechanism to achieve the sustainable development goals.

AVEC stated that that was a very fruitful meeting with a good dialogue with the different stakeholders. It has highlighted some EU investments made in Africa especially on genetics programs. We want to continue the dialogue and show there is room for both productions in Africa.

8. Mercosur agreement: impact on the EU poultry sector: AVEC's perspective – Paul-Henri Lava, Senior Policy Advisor in AVEC

He first apologized for Birthe Steenberg who was supposed to give this presentation.
He explained that since 2017, poultry is the most consumed meat in the world, overcoming pork consumption. The EU is the 3rd producer of poultry meat in the world, after US and China and before Brazil (figures include UK).

He then described that EU cost of production is higher than most competitors, partly due to higher standards on animal welfare, animal health, social aspects and environment. He expressed that these standards should not be lowered, but that third countries should live up to EU standards when they want to access the EU market.

Regarding Mercosur negotiations, he explicated that in the last week of negotiations, the Commission consented a significant offer of 180 000 T, while until then 90 000 T had been offered to Mercosur countries. This will add up to the existing TRQs and imports of poultry meat may then reach more than one million Tons of imported poultry meat, more than any other type of meat.

He explained that 180 000 T of poultry meat represents 6 Million chicken per week that will not be produced in the EU, almost the same quantity of poultry meat produced in Sweden, Finland and Denmark together.

He pictured the fact that standards of production are non-existent or much lower than in EU in Mercosur countries, especially on welfare, and that EU produces meat on a more climate smart way than in South America.

He added that controls at the border are insufficient and did not allow to discover frauds resulting from Carne Fraca scandal in Brazil, that was actually found by Brazilian authorities.
He concluded saying that the agreement should be opposed, but if it should be votes positively, the following should applies:
-the new rules resulting from F2F/Green Deal/biodiversity strategy should apply identically to Mercosur countries

-the new rules on deforestation, such as due diligence, must apply to imports of poultry meat from Mercosur countries and not only on imports of soybean
-a compensation mechanism should be implemented, where sectors benefiting from the agreement should help sectors harmed by the agreement
-the agreement must not be split or implemented provisionally

Via Campesina: could you explain why in Brazil or Mercosur they do not have the same standards on animal welfare? We should not have imports that do not comply with our standards.

COPA COGECA: if we reduce production in the EU because standards are being raised, and then have to improve imports, there has to be compensations for sector suffering from these agreements. Other sectors winning from these agreements should compensate poultry sector.

COM replied that in free trade agreements, there are on both sides products where competition increases. There are products which are extremely sensitive and are protected in these negotiations through quotas, even if the purpose of the negotiations is to have free-trade. He conceded that the poultry quota is a high volume, but this quota prevents unlimited access to Mercosur products. CMO is there to play the role of safety net.
Why we accept different animal welfare standard: animal welfare has higher importance in the EU, and other regions of the world may not pay same attention to it.
The WTO framework does not allow to require animal welfare standards for imported products – in contrast to food safety and animal health rules.
EU is very active at global level to raise animal welfare standards and to have it implemented in other 3rd countries (example of Ukraine was given in this context which is committed to align its animal welfare legislation to that of the EU).

9. Organic Farming

9.1 Presentation of the new organic action plan with a focus on poultry sector – Henri DELANGHE, DG Agri

The objective included in the Green Deal's Farm to Fork and Biodiversity Strategies is to reach 25% of EU land cultivated as organic by 2030. Currently organic farming account for 8,5% of EU agricultural land and if we would follow the same path we would reach between 15% and 18% by 2030. MS have very different starting points.
The new organic regulation will enter into force on 1st of January 2022, which will help having legal clarity. There is an increase of the awareness of the organic logo.
The new organic action plan is build around 3 main axes.

- Axis 1: Organic food and products for all: stimulate demand and ensure consumer trust

The aim is to have a demand-driven approach, covering both the public and private sectors, along the complete value chain.
30% of the budget for research and innovation in agriculture, forestry, etc. will be reserved for topics relevant for the organic sector and there will be substantial support through Horizon Europe, promotion policy, CAP and green public procurements.
On the demand side, a lot of potential is seen in organics in public canteens. Green public procurement will be important to be mobilized.

School schemes are also important, with a review in 2023, to increase the distribution of organic products through these schemes.

There is also a whole series of action to prevent fraud, especially on imports of risky products and on the harmonization of sanctions for example. Also, by developing digital tools. Another objective is to improve traceability and to improve the contribution of the private sector.

- Axis 2: On the way to 2030: stimulating conversion and reinforcing the entire value chain:

The objective is to mobilize the existing EU policies such as CAP or CFP. The aim is also to highlight best practices and to improve the transparency through publication of statistics.
The position of farmers in the value chain should also be improved and help small farmers through group certification. The plan aims at favouring short supply chains.
Another action aims at developing animal nutrition, developing new sources of feed through research, such as algae

- Axis 3: Organics leading by example: improving the contribution of organic farming to sustainability

Actions in this axis aim at reducing climate and environmental footprint and to enhance biodiversity and increase yields.
The plan will also develop alternatives to contentious inputs and other plant protection products and also work on enhancing animal welfare and make a more efficient use of resources, especially on the use of plastics.

EFA highlighted that is plan looks very promising but expressed one concern regarding the size of the farm with potential limit of 33 000 birds. It is important to make sure that young farmers are encouraged to go into organic production.

IFOAM explained that he set up an organic farm and he is really interested in these organic actions. Organic means organic and it is important these standards are maintained at the same level when we import from third countries.

COPA COGECA pointed out that organic farming needs investments. DG FISMA is working on Taxonomy and green finance and it is important to set up these criteria to permit these investments. What is the relation between DG AGRI and FISMA to set up these criteria?

FESAS noticed that animal health is missing in the presentation and he was wondering what the approach of the Commission on that was.

COM replied that the action plan takes the new organic regulation as a given, and it is not the intention of the action plan to revise it. We need legal clarity.
The next CAP is still under discussion, but what is clear is that with ecoschemes and rural development, substantial support will be available for organic farming.
With respect to risk, we should increase demand but not at all cost, we need to maintain consumer demand and this is why we have all those actions on controls and traceability.
For taxonomy discussion, DG AGRI is fully part of the collective decision-making process. Rules on AMR and animal health have to be complied with if you want to be part of the organic farming system.

9.2 New production rules for poultry: availability at EU and national level of reared pullets and day-old chicks from parents raised in outdoor systems– Laurence BONAFOS, DG AGRI

Under the current organic scheme, the access to open air area was already mandatory. But year after years, we have maintained a derogation. Clearly the ultimate objective is to have pullets and DOC coming from organic animals.
Each time we renewed the derogation, we asked the sector to get concrete information on availability. The answer was always there was not sufficient supply.
We were very sorry at COM level that we had not sufficient data, and the last renewal of the derogation is foreseen until December 2021, to avoid disruptions of the production.
Now with the new organic reform, we want to limit the number of derogations and also to make sure the rules are respected.
We still do not have concrete figures on the availability of DOC and pullets nowadays, but under the new rules, in article 26[1], Member States may (not an obligation) create a system where operators who are able to provide organic pullets or DOC can list and publish the availability of the products, so that operators could buy from it.
COM has the obligation to make public these MS database on DG AGRI website.
MS every year will have to send to the COM the availability of organic pullet and DOC, and on basis of this information, different action will be carried out by the COM:
-COM will report to Council and European Parliament on the availability of organic DOC/pullets
-COM will have the possibility, after this report, to do draft a Delegated Act to oblige MS to have such a system of information
-depending on the level of availability and the information available, COM will have the possibility to end the derogation or to extend it, knowing that the intention of the legislators during the reform was to end the derogation by December 2036.
There are some transitional measures foreseen in new Implementing Act 2020/464 regarding in particular the minimum indoor and outdoor surface but only for the holdings that were compliant with previous rules.

IFOAM: There is availability of organic pullets already today, you need to plan it well in advance, but there is no lack of organic pullets, it is just that it is more expensive for producers.

COPA COGECA: would like to draw the attention of the COM on another very important issue, on parasite treatments that can be used in organic providing that withdrawal period is respected. The new regulation foresees a 48 h withdrawal period with veterinary medicinal products, even though the EU medicine agency has foreseen a shorter withdrawal period. It means, that 5 days normal treatments for laying hens will means 7 days without possibility to sell eggs. For the time being there is no alternatives to medicines to deal with these parasites. This is contradictory with the aim of the organic action plan. Without proper tools, it will be difficult to convert layers from conventional production into organic.

ELPHA: reiterate their position that it could be very dangerous to have mandatory outdoor access to parents because of the biosecurity risks and diseases that could be transmitted along the poultry chain. The latest AI episode shows how dangerous it could be. 2 questions:
-When will it become mandatory for MS to report on the availability?
-when DOC or pullets raised outdoor will be available in 1 MS, will that become automatically mandatory for producers to use it?

COM replied that indeed people complained that they are producing pullets/DOC with open air areas and that there was availability on the market, and therefore thought that the derogation was causing prejudice to them. The sector has to work to develop the production, there is some support that has been provided with transition period.

[1] https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018R0848&from=EN

To ELPHA: now it is an option for MS to report, when outdoor products are available, they can provide the data, but it is not mandatory for MS. COM will have the delegated power to transform it into an obligation to report at a later stage.
Regarding the obligation to use organic pullets and DOC, the principle of the organic production is that you use non-organic only if organic are not available. It is a derogation to use non-organic and it is something to decide for the competent authority when the derogation should be stopped. She referred to point 1.3.4.3. of the new organic regulation.
Regarding the access to open air area for parents, I repeat that this is a requirement from the basic act, where co-legislators in Council and Parliament have been asking for it. It was also a requirement in the previous legislation, now it is even clearer in the new Implementing act for poultry production.
It will have to be applied, we know there are challenges and we have discussed it with colleagues from DG SANTE but this is a clear obligation in organic production that livestock need to have access to open air. Regarding AI, there are specific provisions in the basic act saying that you can derogate from the requirement on open air under certain conditions.
On veterinary medicines, COM hopes to clarify the situation by the summer. The situation has already been clarified regarding vaccines.
Regarding veterinary medicines for parasites, there very different practices between MS. The practices regarding withdrawal period differs between MS. COM would refer to recital 26 of the new regulation, where it is clearly mentioned to have a 48 h withdrawal period. The interpretation needs to be in line with the basic act. We hope to be able to provide an interpretation before the summer, but it will be very difficult to derogate from co-legislators' will.

CHAIRMAN thanked the interpretation team and the COM for the support and the participants for their inputs. Next meeting will be held on the 25th of November hopefully in Brussels.

List of participants – Minutes

Meeting of the CDG ANIMAL PRODUCTS – POULTRY MEAT AND EGGS

Date: 17/05/2021

MEMBER ORGANISATION	NUMBER OF PERSONS
AnimalHealthEurope	/
Beelife	/
Bureau Européen des Unions des Consommateurs (BEUC)	/
EuroCommerce	/
Eurogroup for Animals	**1**
European agri-cooperatives (COGECA)	**8**
European Coordination Via Campesina (ECVC)	**1**
European Council of Young Farmers (CEJA)	**1**
European Environmental Bureau (EEB)	**2**
European farmers (COPA)	**8**
European Federation of Food, Agriculture and Tourism Trade Unions (EFFAT)	**1**
European Forum on Nature Conservation and Pastoralism (EFNCP)	/
European Liaison Committee for Agriculture and agri-food trade (CELCAA)	**7**
European Public Health Alliance (EPHA)	/
European Rural Poultry Association (ERPA)	**1**
FoodDrinkEurope	**6**
International Federation of Organic Agriculture Movements EU Regional Group (IFOAM EU Group)	**2**
Fédération Européenne pour la santé Animale et la Sécurité Sanitaire (FESASS)	**1**
Stichting BirdLife Europe (BirdLife Europe)	/
	Total: 39