

Minutes of the Civil Dialogue Group on Animal Products –

“Pig Meat” Sector

5th December 2016, Brussels

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8. AOB.

The meeting was chaired by Mr Paul Brand.

1. Approval of the agenda and the minutes of the previous meeting of 13th April 2016

The participants approved the agenda and minutes.

2. Information and exchange of views on pork and pork processed products market situation:

2.1. Forecast for the pork market (outcomes of the FWG of the CDG on pork held on 24th October 2016)

The Commission (DG AGRI C 3) presented the market situation following the results of the Forecast Working Group. The charts have been made available to the delegates. Some of the highlighted points were:

- The prices are above the level of last year although the production is on a very high level. Production during the last recorded months (August, September) is higher than in 2015.
- In the main competitor countries (USA, Canada, Brazil) since mid-2016 the prices have been much lower than in the EU.
- For the first half of 2017 the prices are forecast at a level well above 2016. In the 2nd half of 2017 there might be a further moderate increase but the level will not be much different from 2016.
- Foreign trade

- Exports are moving towards a record level in 2016. The quantities delivered to China have nearly doubled (+85%). Large increases can be recorded for exports to Hong Kong, the USA, Philippines and Vietnam.
 - Main exporters of the world are the EU with a large increase, the USA with a small increase. The third largest exporter is Canada.
 - Special attention is paid to the exports of dried/smoked, salted/in brine and sausages. Those products generate an especially high export value. The export of dried/smoked pork has further increased but the deliveries to the USA have declined in 2016 compared with 2015. The exports of salted/in brine and sausages are lower in 2016 than a year ago.
 - Imports are negligible at around 24,000 t (until September). The main supplier is Switzerland with 16,000 t.
- The Commission was asked about consumption data. Apparently it is difficult to generate reliable figures.

2.2. Animal feed market development

The Commission (DG AGRI C 4) representative gave a presentation on the feed market. The database with his presentation charts has been made available to the delegates.

Main findings:

- Wheat: 4th consecutive year with an increase in world production. Production is estimated at 749 MM t. Consumption is estimated at 736 MM t. Consumption levels, although increasing, stay below production since 2013. Stocks are at a record level.
- Maize (corn): high harvest in 2016, the U.S. produced a record harvest.
- Oilseeds: also record harvest especially because of high soybean harvest.
- Prices therefore relatively low.

Some comments from delegates:

The representative of pig producers noted that prices for pig meat are moving in the right direction, but is not sure whether the price trend for feed will continue in the long term. The Commission reports that the market situation is stable and calm. The reality is that we are dependent on China. We have been lucky that the sales to the Chinese market went up so explosively. But we did not have a concept.

The new situation is that EU prices go up and the prices in the USA are 50% lower. We need a better balance. The Commission must intensify their efforts to open up new markets. The forecasts were made on stock records of December 2015. The expected outlook is fierce competition.

Commission must continue investing on opening new markets. The dialogue with Russia must be revitalised. Otherwise, there will be a closer cooperation between the USA and Russia after Donald Trump takes office as President of the USA.

On top of that, China is apparently accepting meat produced with Ractopamin from the USA.

An important point to be developed by the Commission is the promotion of pig meat and its nutritional qualities.

– ECVV (Small Farmers)

They are opposed to opening markets. They believe that exports do not help farmers in securing a better income since the export products have to compete against lower production costs in other Third Countries. What is more, President Trump is expected to protect the U.S. market. There is fear that even more pig farmers will have to leave the sector.

– Food Drink Europe

Main concern is the development of consumption which is going down. 95 % of the sales are generated within the EU and developments here have a larger influence on market development than export market changes.

Answers from the Commission:

- There have already been and will be more missions with Commissioner Hogan to Third Countries.
- There is constant contact with Russian authorities. But there must be a willingness on the Russian side to lift restrictions.
- It is true that China poses a risk. The Commission does not expect the same export volumes to China in 2017 as in 2016.
- There will be a renewed concept with more funds for promotion.
- As to Ractopamin, there is information about a new Ractopamin-free production line in the USA, but there are no figures about the volume.
- The consumption of meat in general is influenced by an increasing vegetarian movement. But it is also influenced by convenience: There are other meats which are easier to cook.

3. Information from the pig meat sector on the state of recognised producer organisations for slaughter pigs and piglets

The Commission (DG Agri G.1) refers to the Report of the Agricultural Market Task Force. The Commission feels supported by the findings of the report. The Commission will start with an inventory to find out:

- How many already recognised producer organisations there are;
- How many producer organisations there are which are not registered;
- Whether there is a significant development;
- Why farmers are interested in organising and why not.

The organisations present at the meeting were asked to give some information on the situation in the pig meat sector in their countries:

- Belgium (Wallonia): A representative from ECVC reported that 400 pig farmers in Wallonia are organised in an organisation to run a PGI.
- Austria: The representative of pig producers reported about positive experience in his country with producer organisations (3 organisations). He suggested that we pick up on this issue in a separate meeting. Important to share experiences and to have the questionnaire in advance.
- Portugal: There are 2 producer organisations that are active and recognised representing 20% of the national volume.
- Denmark: The market is a highly integrated cooperative system, most producers being members of a cooperative. It could be called a producer organisation.
- France: 99% of the pig producers are members of a producer organisation.
- UK: There are no producer organisations.
- Spain: There are no producer organisations as defined in the EU legislation. 75% of the production is vertically integrated and 15% is free. There are no recognised organisations.
- Sweden: 80% of the pig farmers are organised in producer organisations.
- Finland, two cooperatives with 85 and 90% of production
- Germany: There has been a legal basis for recognised producer organisations long before the EU legislation (*'Marktstrukturgesetz'*). In the pork sector there are recognised producer organisations which are organised on a second level in the Union of Producer Organisations (*'Vereinigung der Erzeugergemeinschaften für Vieh und Fleisch'*, VEZG). The organised producers have a large share of the market.
- Poland (IFOAM): It is difficult for ecological producers to organise in producer organisations. One of the reasons is the different intensity of production. However, the organisations can be helpful. The representative pointed at *'Erzeugergemeinschaft Schwäbisch-Hall'* in southern Germany as a positive example.
- Poland (the representative of pig producers): The representative stresses that there are 100,000 pig farmers in Poland and many of them are too poor to see a point in grouping. Only those large pig farmers who come from Denmark have contracts. There is one recognised PO and there are only few cooperatives and they are only local.

4. Market crisis management

4.1. Information on the implementation of the EU July support measures in the pork sector

The Commission presented the support measures package which was decided in July 2016:

- An EU-wide scheme to give an incentive to a reduction in milk production (€ 150 MM);
- Conditional adjustment aid to be defined and implemented at Member State level out of a menu proposed by the Commission (€350 MM that Member States will be allowed to match with national funds, thus potentially doubling the level of support being provided to farmers);

- A range of technical measures to provide flexibility (e.g. on voluntary coupled support), cash-flow relief (e.g. through an increase in the amount of the advances for both direct and area-based rural development payments) and reinforce the safety net instruments (by prolonging intervention and private storage aid for Skimmed Milk Powder);
- The national envelope of €350 MM can be used for the pork sector, but also for other sectors.
- Member States may top up the sum up to 100%.
- The money has to be used according to objective criteria and non-discriminatory (e.g. production reduction, small-scale farming, cooperation projects, quality projects, training in financial instruments, risk management).
- Payment must be done before 30th September 2017.
- The measures had to be notified until 30th November 2016.
- At least 2 Member States have notified measures in the pork sector. Some have only notified measures in the dairy sector.
- There will be detailed information at the next pig meat CDG meeting.

4.2. Exchange of views on national and European aids for the pig production: transparency on the amounts and their impact on the market – EEB presentation

The representative of the European Environmental Bureau (EEB) presented her view on the allocation of aids and their impact on the market. The charts of that presentation have been made available to the delegates.

Some elements stressed were:

- Aids have influence on which kind of production will disappear and which will stay;
- As an example, she referred to aids in the German State of Baden-Württemberg, where the EAFRD aids favour reorientation ;
- Usually the aid is not connected with animal welfare criteria;
- Usually aids do not serve as a signal;
- FEADER subsidies, however, should privilege quality. All together the programs cause confusion;
- Main effect of the aids is overproduction;
- Small-scale farms are disadvantaged;
- The encouragement should go in the direction of reorientation towards excellence;
- The developments, however, go in the directions:
 - Overproduction,
 - Animal cruelty,
 - Confusion;

- Competitiveness must be more based on social and ethical elements.

EEB asks the COM for a study analyzing the real as well as potential impacts of public aids.

Further comments from organisations on the EEB presentation were:

- ECVC:

In Belgium farm aid can be refused for holdings with more than 2,000 animals in one building. Applying producers must first demonstrate how they can improve welfare.

- EEB:

The EU gives support money although they know that the producers do not respect legislation on animal welfare.

- Representative of pig producers:

Refuses the allegation of EEB. Life is not perfect, but farmers generally abide by the rules. If breaches are found, they must be notified to the authorities.

- Eurogroup for Animals:

They support EEB's point. Eurogroup claims that tail docking is only allowed as an exceptional measure, but widespread applied as a general measure.

- Butchers:

They refuse the position of the environmental groups. According to them, competitiveness is not only based on prices. Quality and a lot of other elements have a large influence. On top of that, segmentation of the market is not cynical, but the result of consumers' demands.

- The Commission answers that it is up to the Member States to choose what they want to support. However, breaches of the rules cannot be accepted by the Commission.

- The Eurogroup for Animals comes back on the issue of tail docking and proposes that the Commission should produce a report about what is really going on.

4.3. Information on the works of the Meat Market Observatory

The EU Commission (DG Agri G 3) gave a concise overview on the work done:

- The MMO consists of the two sections: beef & veal and pork;
- The MMO is not a replacement for the CDG. The issues tackled are of a pure technical nature and deal with market transparency;
- Seven organisations have been selected to work in the Economic Board;
- Information about the markets is provided on a special website (https://ec.europa.eu/agriculture/market-observatory/meat_en);
- The kick-off meeting was held on 15th July 2016; the first working session took place on 27th October 2016;

- The main issue during the October meeting was a presentation of France AgriMer about the developments of margins for meats especially in the retail sector;
- Reports about the meetings can be looked at on the above-mentioned website;
- The next meeting will be held on 16th March 2017.

4.4. Information on the EU co-financing internal promotion schemes for pork and draft programme for 2017

The EU Commission gave an outline on the scheme for 2017 on the basis of charts which have been made available to the participants.

- The programme was approved by the Commission on 9th November 2017.
- The total volume for 2017 amounts to €142.5 MM.
 - o €90 MM is allocated to so-called simple programmes of which €22.5 MM for the internal market and €63 MM for activities in Third Countries. €4.5 MM is reserved for additional calls in the case of market disturbances.
 - o €43 MM goes into multi-programmes. €9.5 MM are allocated for own programmes of the EU.
- The groups of geographical regions have been reduced from 10 to 4.
- Programmes increasing the awareness of sustainable agriculture in the EU and the role of the agri-food sector for climate action are now part of the promotion package.
- There have been a lot more applications than previously. The total number of applicants was 199 for the simple programmes and 27 for the agri-multi programmes. The numbers of accepted programmes were 60 and 6 respectively.
- The share of approved budget by product categories shows that fruit and vegetables have got the largest share with 30% and meat comes next with 17% before dairy with 15%.
- The money which is not used will be allocated to dairy and pig meat.

Some comments from delegates:

- Representative of pig producers:
 - o The delegate complains about the share of the budget dedicated to pork and dairy which is much lower than the share of the production value of those sectors. On top of that, the sum for Third Countries was reduced to €12.6 MM, but had been €21 MM the year before. Furthermore, there had been unused funds, although there had been applications for which money had not been granted.

The Commission gives an explanation on unused money: It can only be allocated if the sum fits into the requests on the reserve list.

For the inconsistency of the market shares and the shares in the budget: the allocation for 2017 has been adopted and there is no possibility for change. The representative of pig producers should make their point for the 2018 budget instead.

- The representative of pig producers also requests the Commission to allocate money to specific sectors, but not to milk and pork together, as it is the case at the moment, and to keep a balance between sectors.

The Commission acknowledges the point and promises to consider it in the future.

- From Lithuania supported by a Polish delegate there is the complaint that ASF- related trade barriers cause large price differences in the affected countries and there are no instruments to make up for those differences.

The Commission replied that a market disturbance, in order to be regarded by a market scheme, had to be of an EU-dimension.

5. Market Access

The agenda point was used for the presentation and discussion of the EU-study on possible impacts of future trade agreements.

The Commission representative (AGRI B 2) gave a presentation which had been made available to the delegates. Please find it [here](#).

- The motivation, limitations and objectives were presented;
- The reason for this study was the lack of analysis of cumulative impacts on a number of agreements;
- The study looks at the potential impact at imports and exports;
- The perspective is year 2025 with and without agreements; 12 agreements recently concluded, under negotiation or likely to be launched and the ones which need to be modernised have been taken into account;
- No TRQs were considered, except for Canada and Vietnam;
- Two scenarios: ambitious (98.5% of the tariff lines with zero duty and the rest reduced by 50%) and conservative (97% of tariff lines with zero duty and the rest reduced by 25%);
- The EU representative presented the methods and the limitations of the study; e.g. no Brexit included, no SPS barriers included.
- Some outcomes:

- Wins: dairy and pork;

Within the general equilibrium model approach, pork could only be approached combined with poultry. The outcome was a large gain in exports and a small increase in imports. On the other hand, the analysis based on the partial equilibrium model provides separate results for the pigmeat sector. In the ambitious scenario, the gain for pork due to higher production value was up to €2 billion because of higher prices and an increase

in production volume. The reduced duties would not create a lot of additional imports. Some losses in consumption were forecast because some consumption moves to beef, since for beef the scenario results in lower prices. However, that reduction is more than set off by larger exports.

- Losses: Beef and sugar.
- For Japan the TPP would create a big loss for EU-Exports if only TPP were concluded. Even if the EU concludes a trade agreement with Japan, there would be a loss because in the TPP Japan grants a generous condition to the other signatories.

There were some comments from the delegates:

- Representative of pig producers:
 - The scenario for pork is not as favourable as indicated. The competitors in North and South America have much better production conditions (30% lower costs of production). The scenario regarding the price relations is much too favourable.
 - The production structure in the EU is not competitive, since it is much too small-scale and the rules impose a lot of restrictions on production, bureaucracy and regulations. Even inside the EU the situation is not coherent. It is a task for the EU Commission to create a level playing field.
- CELCAA/UECBV
 - The reality is different. E.g. CETA: There, the reality is not a tariff reduction by 25% or 50%, but there are zero tariff quotas.

The answer of the Commission was as follows:

- We assume positive outcomes despite the sector claiming negative competitiveness because we already export a lot. A reduction of duties by 25% or 50% would give a further boost to exports. All that is approached *ceteris paribus*.
- The argument with quotas is correct; however, in the case of Canada the study modelled the actual agreement's outcome, namely a tariff rate quota for pigmeat. For all other major agreements, we can't speculate what the outcome will be, i.e. how large quotas might be. This is why for those agreements a partial tariff cut approach was chosen.
- Whether or not there would be trade after the implementation of quotas we do not know. When trade is zero at the moment (as it is with deliveries from Canada to the EU), it is difficult to estimate a possible change.

Further comments and answers:

- Butchers:

Why doesn't the study include meat products? Two thirds of meat in the pork sector is used for meat products.
- Representative of pig producers:
 - The delegation does not believe that TRQs would not be used;

- It is likely that there won't be a TPP; however, in that case, there will be a bilateral deal between Japan and the USA.

The Commission's answers were as follows:

- Sausage:

The models are not exact enough to calculate the development under inclusion of sausage consumption. That is a problem, but the models are dependent on the availability of data.

- Canada:

A trade partner could ask for and obtain a TRQ concession, but eventually not fill it. For instance, the existing beef quotas up to now have not or nearly not been used by Canada. We will see whether or not the quotas will be filled.

- TPP:

After Mr Trump having been elected as the new President of the United States, the TPP indeed seems to be dead. But the study shows what will happen should there be an agreement between the USA and Japan along the lines of TPP provisions. For the EU, it would be crucial to have the same access conditions as the other trade partners of Japan.

5.1. SPS barriers (e.g. Mexico, Colombia, Russia etc.)

The EU Commission services provided an overview on the existing trade barriers and the outcomes of the initiatives aiming at repealing them:

- Mexico: while the EU and Mexico are engaged in a modernisation of the current trade agreement, several Member States have recently been approved for pork export to Mexico. But no progress for the other interested Member States. Maybe in 2017.
It means that Mexico does not recognise the EU as a single entity and does not grant the pre-listing.
- Colombia: four Member States (DK/FR/IT/PT) are approved for the export of pork and pork products and were granted with the pre-listing.
- Peru: two Member States (IT/ES) are approved for pork export. There is ongoing negotiation for an EU harmonised veterinary certificate.
- China: 11 Member States are approved and exporting pork and pork products. Poland is approved, but is not allowed to export because of ASF and the lack of Chinese decision on the regionalisation. Poland and the EU Commission services are using all opportunities aiming at amending the Chinese mind.
- Hong Kong: the EU Commission succeeded in getting an agreement in principle aiming at simplifying the veterinary certificate.

- South Korea: process regarding the regionalisation of Poland was suspended last summer because of the disease development in Poland. The negotiation will have to resume from zero.
- Russia: The trade restrictions linked to ASF and the veterinary certificate are dealt now in the framework of the WTO dispute settlement procedure. A report was released in August 2016. Russia appealed. The WTO Appellate Body should have delivered an opinion within the two months following the Russian appeal, but, because of the workload, the opinion is expected in the first quarter of 2017. In addition to the SPS issue, trade with Russia is impeded also because of the political embargo.

The representative of pig producers underlined the importance of the Mexican market for the EU pork trade. The current issue is the import duty for pork and pork fat. It should be fixed thanks to the FTA negotiation.

The UECBV representative asked the EU Commission services for information on other countries, such as India.

5.2. State of play on trade negotiations (TTIP, Mercosur, Japan) and FTA adoption procedure (CETA, Singapore, Vietnam) to be confirmed.

The EU Commission services provided an overview of the ongoing FTA negotiation and adoption procedure, and more especially the FTA negotiation with Japan. The negotiations intensified in the last weeks. The regionalisation for ASF in Poland is touched in that context. Both parts were close to a decision on that regionalisation last summer but, because of further outbreaks in Poland, a new process is needed.

5.3. EU co-financing external promotion programmes and business diplomacy (in 2016 and programme for 2017)

The agenda item was not discussed.

6. Information and exchange of views on the veterinary issues and public health:

6.1. Animal health

6.1.1. Regulation (EU) 2016/429 on transmissible animal diseases and amending and repealing certain acts in the area of animal health ('Animal Health Law'). Main outlines and implementation;

The EU Commission (DG SANTE) gave a short presentation on the recently published EU-Regulation 2016/429 ("Animal Health Law"). The new Regulation replaces ca 40 Directives and Regulations. One of the elements highlighted was that the new Regulation gives more flexibility for intra EU movements of live animals and provides for the possibility to adopt delegated acts to derogate from the animal health certification requirement (Article 144). The Commission has launched a study to assist the Commission in the decision-making process on that issue.

Timeframe for that study is September 2016 until June 2017. It is an economic study, not a risk assessment, and therefore it may be followed by an Impact Assessment.

The new "EU-Animal Health Law" will apply from 21st April 2021, i.e. five years after its entry into force. It includes ca 110 empowerments to the Commission to adopt Delegated Acts (DA) and ca 70 empowerments to adopt Implementing Acts (IA). The "Key" DA and IA acts will be adopted within 24 months before the date of application of the Regulation. Other rules will be developed later (2019 onwards).

Answering a request from the representative of pig producers on the particular implications for farmers, the Commission informed that the purpose of the new regulation is primarily to put all existing rules covering animal health in one coherent set of rules.

The charts accompanying the Commission's presentation have been made available to the delegates.

6.1.2. Animal health situation in the Baltic States and Poland, and EU measures regarding the pig herd protection and disease eradication.

The fact that outbreaks are spreading is due to human factor and wild boar movements.

The control measures are in place in order to monitor and manage the situation, including road checks.

The problem is not only in the EU, but also in the European neighbouring countries, such as Moldova and Ukraine.

On the EU territory, four Member States are involved and have been regionalised according to a risk analysis.

Thanks to the control measures and the regionalisation, the speed of the spread is not catastrophic.

The EU Commission co-financed the control and eradication measures (€6 million in 2016 and €17 million are foreseen for 2017).

A review of the policy and strategy is ongoing. The following are considered: the update on visits in farms, surveillance, management for wild boars, biosecurity during hunting, regionalisation principle and legislation (channel system), measures in protection and surveillance zones, canned wild boar meat, ...

The representative of pig producers queried the EU Commission services on the intra-Community trade in wild boars for hunting purposes. He considered it is a risk that should be eliminated.

The EU Commission services confirmed that the EU legislation is not ambiguous: no movement is allowed. Furthermore, in case a movement is allowed, the Member State of destination shall provide its agreement. Therefore, there is a double-tier control.

On 20th January 2017, UECEBV and Copacogeca, in collaboration with DG SANTE, organised a "Healthy EU pigs to open new market opportunities" seminar in Berlin, in the framework of the Green Week.

6.2. Animal welfare

6.2.1. Report of the meeting organised by DG SANTE (Directorate for health and food audits and analysis-HFAA) on actions to prevent tail biting and reduce tail docking of pigs

The Commission (DG SANTE F 2) representative gave information on a meeting in Grange (Ireland) held on 4th-6th October 2016 on the issue of tail biting and tail docking.

A web stream of the meeting is still available on the Commission's website (http://ec.europa.eu/dgs/health_food-safety/information_sources/events/20161004_tail-docking_en.htm). The results of the research initiatives in this area are being compiled by the German Friedrich-Loeffler-Institut (FLI) (<https://www.fli.de/en/institutes/institute-of-animal-welfare-and-animal-husbandry-itt/departments-working-groups/working-group-pigs/research-projects-about-tail-biting/>)

Furthermore, the Commission had visited Finland, Sweden and Switzerland with Member States' national experts to get information on how pigs are reared with intact tails in these countries.

The Commission referred to the project "Farewelldock", in which a number of scientists from different EU-countries are trying to find solutions and compile results.

Despite much effort on the issue, there is no single definitive reason for tail biting: it is a multifactorial problem. The Commission sent out letters to Member States in August asking for information on the state of play. 25 replies have been received.

Some information from the replies:

- Studies are ongoing in DK, FR, LT, SE, FI and UK.
- Docking is practised: DK 97%, IE 99%, PT 65%, LT 50%.
- Countries with active strategies on the issue: DE, DK, FR, NL.
- IE is preparing a plan.
- 5 other Member States are active on the issue.
- The other Member States are not active.

Furthermore, the Commission referred to Commission Recommendation (EU) 2016/336 of 8th March 2016 on the application of Council Directive 2008/120/EC laying down minimum standards for the protection of pigs as regards measures to reduce the need for tail-docking.

One major finding is that farmers cannot solve the problem of tail biting on their own. It must be a joint action together with partners from the industry. Funding for research and exchange of experience are needed.

Comments from the delegates were:

- Representative of pig producers:
 - o The representative of producers and cooperatives complain that COPA and Cogeca were not invited to attend the seminar in Grange.

- Stopping docking is anything but easy.
 - When tail biting happens, it can be a very serious problem.
 - Experience shows that castrated animals tend to do less tail biting than non-castrated animals.
 - The representative of pig producers is happy that the Commission is moving forward on the issue. Should we find a solution to eliminate tail biting without tail docking, we would be well ahead of others. Guidance is key on this issue and welcomes the publication of guidelines by the commission last year.
 - In Portugal Producers are carrying on a project on raising awareness on reduction of tail biting, using enrichment materials.
 - In Sweden they have a program with retailers to stop tail biting. The representative referred to the difference between tail biting and tail damage (slide 11).
 - In the UK the number of tail docking is recorded for insurance purposes, but it is not simple to stop and producers need to be given the tools and support.
- EEB asks about the strategies of the Commission in relation to enrichment material.

The Commission points at the website on CIRCABC where all the information collected is compiled including translations.

6.2.2. Exchange of views on the animal welfare label scheme in Denmark and the Netherlands (concept and impact on the market)

There was a question from EUROCOMMERCE on the welfare schemes for pigs in the Netherlands and in Denmark. Representatives from the said countries were asked to provide some information regarding the following questions:

- What are the main issues regarding welfare criteria?
- How are farmers reimbursed for extra elements?
- Market share (if available)?
- Presentation towards consumer?
- How are controls organised and financed?
- Are the schemes open to producers from other EU-countries?

The questions had been answered by written replies of representatives of pig producers (DK) and CELCAA (NL). The answers were made available to the delegates.

Some of the comments of the participants were:

- There is some criticism in Denmark, since the first level still permits tail docking. However, since it is the legal situation, there is little room.

- The financing of higher levels of welfare shall come from the market. However, not all parts of the carcass are marketed in the EU. How can exporters recover the money needed for refunding the higher cost? The Dutch representative acknowledged the relevance of the question. He states that even the basic level causes extra cost. Since it can only partly be recovered, it needs good prices on the home market for the meat involved. There is hope that benefit from the program will be put into effect over time and that even Third Countries will value the effort made.
- There was a comment from Sweden saying that there is a two-star system already applied in that country. Basis for that is a national law. The Swedish representative asked for the organisation of the control in Denmark. Answer: The interested farmer has to apply for being approved in the system. However, the controls, he has to pay himself.

6.2.3. State of play on the reintroduction of PAPs to pigs and poultry and the impact of the animal proteins feed to omnivores on animal welfare (tail biting, feather picking)

The Commission representative gave a short report on the state of the problem of feed of animal origin in animal feeds.

- There is still a prohibition of feeding animals with feed originating from their own species.
- Furthermore, it is prohibited to feed ruminant material to non-ruminants.

A PCP test was validated last year. The purpose was to find out a method to be carried out on commercial samples. A problem not solved is the high frequency of false positive results. Possible reasons for that are unintended traces of other material like milk and blood in the technical process. The representative concluded that additional tests were necessary. The problems are not yet solved.

6.3. Public health. IARC/WHO Report: Red meat and processed products-link with cancer (to be confirmed)

The agenda item was not discussed.

7. Food information to consumers. Information and exchange of views on the national compulsory country of origin label for pork as ingredient. Impact on the internal market

The Commission (SANTE E 1) representative outlined the situation regarding the recent actions in EU Member States to make origin labelling for meat in processed foods compulsory. He explained that the EU legislator has decided not to introduce compulsory labelling for meat and milk as ingredients in foods. The decision is based on the outcomes of three studies. Although there is some interest of consumers in the origin information, there is insufficient willingness to pay for the extra cost involved.

The Commission is now working on the implementation rules for Article 26 Paragraph 3 of Regulation 1169/2011. The rules are about information of the origin of primary ingredients of foods for which voluntary origin information is given, whose primary ingredients, however, have an origin that is different from the origin information for the food.

The Commission representative explained that the picture shown in the above-mentioned studies could differ from Member State to Member State and in relation to specific products. France and three other Member States have taken national measures in relation to compulsory origin information for meat and dairy in foods. The Commission decided not to oppose the adoption of the measures. That decision does not mean that the Commission approves the measures.

The EUROCOMMERCE representative explained that Article 39 Paragraph 2 sets a clear prerequisite for such a national measure and cites from the Regulation as follows: *“By means of paragraph 1, Member States may introduce measures concerning the mandatory indication of the country of origin or place of provenance of foods only where there is a proven link between certain qualities of the food and its origin or provenance. When notifying such measures to the Commission, Member States shall provide evidence that the majority of consumers attach significant value to the provision of that information.”*

The EUROCOMMERCE representative added that he could not see any specific quality of milk and meat from France as a whole country that could justify the introduction of a mandatory origin indication. He asked the Commission to give an explanation about that issue.

CELCAA added that steps like that in France lead to a segregation of the market and a dismantling of the idea of the Single Market.

ECVC explained that they want to know where the meat comes from. The Finnish representative of pig producers supported that view.

The EUROCOMMERCE representative explained that it is fair enough that people have demands. For rules, however, you have to have a legal basis. You cannot produce a regulation against the clear provision of the higher ranking Council and Parliament Regulation.

The Commission stated that if there is a certain interest of farmers and consumers in particular information, there is the option to satisfy it on a voluntary basis. The projects of for instance France are limited in time. By not opposing the Commission has not given an approval stamp.

FOOD DRINK EUROPE pointed out that the aim of the French measure only was to increase the revenue of the farmers. Already before the implementation of the compulsory indication, 60% of the products had origin information about the ingredients. So the consumer was able to choose between products of French origin and other products. Under such situation, it is obvious that the measure had a clear protectionist purpose.

8. Any Other Business

The representative of pig producers raised the issue of compensation for pig farmers in animal disease affected Member States due to trade loss. Poland already requested the enforcement of Article 220 of the Common Market Organisation (CMO) Regulation.

The EU Commission services replied that the request is under examination. However, today's situation is different from the situation prevailing last summer because of the extension of Zone III in Poland. This means that the situation is not exceptional but permanent due to the risk caused by ASF.

Next meeting: 28th March 2017 (provisional date).

After that point, the session was closed.

DISCLAIMER:

"The opinions expressed in this report represent the points of views 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 information here above."