



EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR AGRICULTURE AND RURAL DEVELOPMENT

Directorate E – Markets
The Director

Brussels,
agri.e.3(2023)4293424

Minutes

Meeting of the CDG Animal Production – Beef and Veal Sector 31 March 2023

Chair: AGRI.E3

Following organisations were represented: AVEC, BirdLife Europe, BEUC, FEFANA, EFA, COGECA, EURAF, EAPA, ECVC, EEB, EFPRA, COPA, FEFAC, EFNCP, CELCAA, ELPHA, F.E.E.D.M., FESASS, FoodDrinkEurope, IFOAM, IPIFF, OriginEu.

European Economic and Social Committee attended as Observer.

1. Nature of the meeting: Non-Public

2. List of points discussed

(1) Welcome and adoption of Rules of Procedure

EC presented Rules of Procedure which was then adopted by members.

(2) SCIC intervention

SCIC recalled rules for successful hybrid multilingual meeting when connecting remotely, providing examples on recommended equipment please read DG SCIC [Code of Conduct for Remote Speakers](#). Watch this short [video](#)

(3) EU Beef market presentation & Exchanges of views on production figures with market experts

The Commission presented most recent market data. The beef market is characterised by a positive price situation but producer margins are under pressure by increasing production costs. Nevertheless, the reduction of feed ingredients registered in the last months allowed for a slight recovery.

EU production is expected to decrease in 2023, following a sensitive reduction of 2.4% in 2022. The herd decapitalisation is progressive in the main EU producers.

World supply of bovine meat is limited and the demand is firm, however uncertainties around feed and fertiliser prices as well as inflation are influencing the market.

EU imports are expected to slightly increase in 2023 and come back to level of pre-COVID period.

Members highlighted that the sector will face new and bigger challenges in the future linked to environmental protection and climate change and that to avoid leaks, reciprocity of standards for imported meat should be set up.

(4) World beef market – presentation from GIRA

GIRA's representative gave a presentation on the evolution of worldwide beef markets with the particular emphasis on recent world trade developments.

(5) Update on feed market

In a first outlook for 2023/24, the International Grains Council (IGC) expects increased maize and sorghum production but smaller wheat, barley and oats harvests globally.

After a record harvest in 2022/23, wheat production is projected to decrease moderately in 2023/24 reaching 787.0 million tonnes (-1.7% y/y).

As for maize, 2022/23 world production is forecast at 1,150.0 million tonnes (-5.8% y/y), with the annual drop mainly linked to drought-related losses in Argentina and the EU, as well as very difficult growing conditions in Ukraine. Feed use of maize is placed at 691.6 million tonnes (-4.2%). In respect of 2023/24, global output is projected to reach an above-average level of 1,202.4 million tonnes (+4.6% y/y).

Driven by a recovery in feed use (712.1m t, +3.0% y/y), world consumption is forecast at 1,198.1 million tonnes (+2.0%), potentially the second largest on record.

Since the start of the war in Ukraine, a key driver of the grain markets is the availability of grains from the Black Sea ports. The Black Sea Grain Initiative ("grain corridor") was extended following its expiry on 18 March. However, Russia only agreed to an extension of 60 days, instead of 120 days laid down in the agreement, which maintains the uncertainty about the future availability of Ukrainian grains from the sea ports.

Cereals prices fell considerably on an annual basis, in particular for wheat and barley, aided by the opening of the Odessa ports in summer and the record wheat harvests in Australia and Russia, among others. Maize price decreased only moderately due to a decline in global output and sharply lower production in some key producers.

According to a first official projection for 2023/24, EU cereals production is expected to recover to 288 million tonnes (+8.4% y/y or +2.6% above recent average). Maize production, assuming more normal conditions, is forecast at 65 million tonnes (+25%).

Animal feed use is expected to remain broadly unchanged y/y at around 156 million tonnes.

Global oilseeds production in 2022/23 is forecast at 630 million tonnes by the USDA, incl. a record soya bean harvest. Both Brazil and USA had excellent crops, while Argentina was severely impacted by drought. Soya bean prices fell by 15-25% in a year, with Brazil being the cheapest origin of the three largest exporters.

EU oilseeds production is projected to increase by 7% to 33.6 million tonnes in 2023/24, incl. rapeseed at nearly 20 million tonnes (+1%).

(6) Update on animal welfare ongoing initiatives

- DG SANTE, gave an overview on the state of play of the current reviews of the EU animal welfare legislation. She highlighted that the scientific opinions on animal welfare that the Commission had requested to EFSA for the review of the legislation have been adopted. The conclusions and the recommendations made in those opinions will be considered in the review. These conclusions and recommendations will be assessed together with economic, social and environmental impacts in view of

the development of well-balanced legislative proposals to be adopted by the Commission in the second half of 2023.

AVEC gave a feedback on EFSA scientific opinion on Broiler welfare.

(7) Presentation from ECVC on the “Manifesto for agricultural transition to address systemic climate crises”

ECVC speaker presented the confederation’s perspective on livestock farming in the EU called: Supporting an ambitious transition to peasant farming. It refers to ECVC publication available here: <https://www.eurovia.org/publications/livestock-farming-in-the-european-union-supporting-an-ambitious-transition-to-peasant-farming/>

Since 1962, the productivist approach led to the fact that either farmers would obey and grow, or disappear. This simply got reinforced through time. However two model are co-existign, yet opposed to each other. The “peasant model”:

- Search for autonomy,
- Producing added value on reasonable surfaces in order to leave land for everyone,
- Rooted in the territory,
- Innovating to preserve nature, and
- Transmission of the farm to future generations

The “industrialized model”:

- . Race to the lowest prices and search for competitiveness without social aim.
- . globalisation of exchanges which revolves around the deregulation of markets and sectorial segmentation and often, downstream integration.
- . Seeks financial optimization resulting in overinvestment and no capping
- . Disconnection from the territory,
- . Artificialization of the natural environment,
- . Use of dangerous practices

After identifying the current challenges, that could be catergorized under the following titles: the Global markets affects generation transmission, an agroecological transition is urgently needed to cope with climate change, Sanitary rules unsuitable for small and medium-sized farms, it is needed to strengthen the rural social fabric, we come to the conclusion that Small and medium farms livestock keep the countryside alive , provide good quality food , are more resilient and significantly better for the environment and the climate . But two questions remain: How to protect virtuous farms and how to allow larger farms to undertake a transition?

Political solutions are needed for political problems. First of all, support for peasant farming is the pillar of a sustainable transition and re-territorialisation of livestock farming. A significant and mandatory reduction of the negative externalities linked to industrial livestock production will lead to an increase in peasant farms that will offer better quality products.

This said, the CAP must include a plan for **generational renewal, access to land**; and promotion of **agroecological and mixed farming**. CAP subsidy criteria must be radically changed to include criteria for credible **agroecological transitions for livestock farms**. A transition of livestock farming systems can only take place within a **strict framework of respect for human and workers' rights**. The criteria for the assignment of new **Protected Designation of Origin (PDO) and Protected Geographical Indication (PGI)** labels and revisions of existing specifications. Plus, the **European statistics process (MMO)** must be more transparent and relevant. **Civil Dialogue Groups** should actively work towards a balanced and fair distribution of added value. The presence of the largest organisations must be rebalanced and structural means must be provided to the smaller organisations to enable them to intervene.

For the re-territorialization of livestock farming to succeed, it must be undertaken notably through the CAP. A coherent and systemic approach is needed to ensure the highest possible environmental rules. Hygiene regulations must allow the existence of small and medium-sized farms, food processing sites and slaughterhouses. Highly processed production should be prohibited or strictly regulated.

The question of the price must be central. This includes that the access of all citizens to quality food must be taken into serious consideration. Market regulations must ensure stable prices that cover cost of production and allow a decent income for the food producer. As a strategic priority, the implementation of the EU Unfair Trade Practices directive (UTP) must be strengthened to ensure appropriate purchase prices and transparency on how they are set.

There is a need to change global trade policies, including putting an end to animal feed imports, thanks to the re-territorialisation of livestock. There is a need to curb unfair competition within European common market. Structural levers in the EU must be activated to allow multiplication of short supply chains and on-farm processing practices. Free trade agreements are to be stopped given that they lead to unfair competition at the global level. <https://www.eurovia.org/>

(8) Presentation from EURAF on “Livestock agroforestry systems”

EURAF speakers presented an overview of agroforestry systems and how CAP Strategic Plans could be used to support and promote agroforestry practices in the EU. Examples were given for positive effects of agroforestry systems on animal welfare, nutritional value of meat, fire prevention, climate and the environment.

(9) Update on trade (EU–NZ and EU–AUS FTAs)

New Zealand:

- Agreement concluded in June 2022 (30th).
- Preparatory procedures for signature ongoing (legal scrubbing, translations completed)
- Currently the Agreement with the Council for its approval and then consent of the EP
- Tentative planning for signature at the beginning of EU summer (June/July)
- After the ratification process will start. Rather smooth in NZ given general political acceptance for the FTA in NZ, similar in the EU

Australia:

- The last round of FTA (14th) took place in Canberra in early February, and the next and last is scheduled for late April in Brussels
- President VDL announced publicly (similarly to PM Albanese) the objective to conclude negotiations before the European summer break
- The deal with AUS is to be seen in the context of the war in UKR, need to get closer to like-minded countries and the importance of securing future access to critical raw materials (which AUS has plenty) that will play a key role in achieving the objective of the EU Green Deal
- The current AUS Gov is determined on sustainability and climate issues, including in the agricultural sector (e.g. current discussion on banning live sheep exports, agri industry led targets of carbon neutrality for red meat by 2030, etc.)
- AUS main offensive interest in the FTA is on agriculture, and top priorities include red meat for which they expect “commercially meaningful” market access; these are key sensitive sectors for the EU, liberalisation of the most sensitive products is not possible, will be TRQs
- Discussions on this have not yet taken place, only after the next round of April and already during the end game of negotiations; no offers have been made or exchanged up to now on these products (last offer in October 2019, 2nd offer in October 2022)
- Sustainability considerations permeate all the negotiations, and a range of chapters (TSD, SFS...) will address EU objectives and concerns

Question from Irish association: Does the EU take into account concerns relating environmental issues, carbon emissions in AUS negotiations?

Reply: the EU has carefully analysed the production methods and will take them into account, by logical deduction – the EU’s approach will be strict and similar to what was decided for NZ.

3. List of participants

Attached

(e-signed)

Pierre BASCOU

List of participants– Minutes
Meeting of the CDG Animal Production – Beef and Veal Sector
31 March 2023

ORGANISATION	
Association of Poultry Processors and Poultry Trade in the EU Countries	AVEC
BirdLife Europe	BirdLife Europe
Bureau Européen des Unions de Consommateurs	BEUC
EU association of Speciality Feed Ingredients and their mixtures	FEFANA
Eurogroup for Animals	EFA
European agri-cooperatives / General Confederation of Agricultural Co-operatives of the European Union	COGECA
European Agroforestry Federation	EURAF
European Animal Protein Association	EAPA
European Coordination Via Campesina	ECVC
European Environmental Bureau	EEB
European Fat Processors & Renderers Association	EFPRA
European farmers / Committee of Professional Agricultural Organisations of the European Union	COPA
European Feed Manufacturers Federation / Fédération européenne des fabricants d'aliments composés	FEFAC
European Forum on Nature Conservation and Pastoralism	EFNCP
European Liaison Committee for the Agricultural and AGRI-Food Trade	CELCAA
European Live Poultry and Hatching Egg Association	ELPHA
Fédération Européenne des Emballeurs et Distributeurs de Miel	F.E.E.D.M.
Fédération Européenne pour la Santé Animale et la Sécurité Sanitaire	FESASS
FooddrinkEurope	FoodDrinkEurope
International Federation of Organic Agriculture Movements European Regional Group	IFOAM

International Platform of Insects for Food and Feed	IPIFF
ORIGINEU Organisation pour un réseau international d'indications géographiques	ORIGINEU
<u>Observers:</u>	
EUROPEAN ECONOMIC AND SOCIAL COMMITTEE	EESC
Ad-hoc expert	GIRA