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FINAL MINUTES

*Meeting of the Civil Dialogue Group
« CDG Animal Products – Pig meat Sector »*

Date: 29th May 2018

Chair: Mr Luis CARAZO JIMENEZ (DG AGRI)

Organisations present: All Organisations were present, except Beelife, BEUC, Birdlife, EFA, EFFAT, EFNCP, EMB, EPHA, ERPA and IFAH Europe.

1. Approval of the agenda and the minutes of previous meeting held on 7th November 2017.

Both were approved.

2. Nature of the meeting

The meeting was non-public.

3. List of points discussed

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

3.1.1. Forecast for the pork market (outcomes of the FWG of the CDG on pork held on 12th April 2018)

The Commission (DG AGRI G3) 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:

- Pig population: increase for all categories and especially the breeding sows (+1.4%) and the pigs from 20 kg to less than 50 kg (+4.4%).
- Production: in tons: the increase amounted to 6.5% in January and February. For the whole 2018, an increase by 1.2% is foreseen as a consequence of the higher number of pigs.
- Prices: they are weak because of the increase in the offer, a poor demand and a reduction in the exports. In the last weeks, the prices improved thanks to an improvement of the domestic demand, in compliance with the seasonal trend, and helped by the sunny weather which allowed the early start of the BBQs season. However, they are lower than the prices in 2017 at the same period (-18/19%). According to the forecasts, the EU average price should stay between the 2017 & 2016 levels except in the last quarter where the EU average (€138/100kg) is expected to be lower than the prices of the last two years.
- Trade:
 - o The imports do not play any role, since the volumes are minimal.
 - o The exports decreased by 1.8% in volume during the first quarter of 2018. While the exports to China (-11%), Hong Kong (-27%), Australia (-6%) and Vietnam (-22%) decreased, they increased to other Asian countries (Japan, South Korea, Philippines), the USA and Ukraine. Due to the increase in the domestic production and the fierce international competition, the decrease in EU pork exports to China is expected to continue during the rest of 2018.
- World prices:
 - o Brazil: sharp decrease (loss of Russian market and weak domestic demand);
 - o USA & Canada: drop two months ago because of trade tensions with China, then improvement thanks to the domestic demand. The U.S. and China's trade tensions should be fixed shortly.

The stakeholders confirmed the difficult market situation as a consequence of the parameters that are listed above but also the spreading of ASF that is increasing the uncertainties.

The EEB requested data on the intensive pork production in the EU. DG AGRI highlighted the unavailability of such data.

3.1.2. Animal feed market situation

The Commission representative (DG Agri G4) gave an overview on the feed situation. The presentation was made available to the delegates.

Some main findings:

From a low level, the prices are increasing for cereals, soya beans and soya meal. As the 2018/2019 crops should be lower than the 2017/2018 and the ending stocks should decrease, the upward trend should continue.

It means that the margin of the pig producers should shrink in the world and the EU.

3.2. Report from the last meeting of the Meat Market Observatory (6th March 2018)

The Commission (DG Agri, G3) gave a short summary on the main issues of the last meeting of the MMO. As usual, there was a broad exchange of views on the situation of the markets of beef and pork.

Furthermore, there was a presentation on a DG AGRI project to get a better insight into the development of meat consumption. The project will deliver its first results in June 2018.

Additionally:

- EUROCOMMERCE presented data about the retail sales development for meat and meat products in different Member States;
- UECBV introduced an impact assessment on the consequences of a hard Brexit on the EU meat market.

There was a question from the European Environmental Bureau about a place where information about use of pesticides, healthy and sustainable nutrition and responsible feeding will be combined.

The Commission answered that such an issue falls under the responsibility of DG SANTE.

3.3. Market Access

3.3.1. Analysis of the Mexican Trade agreement

The Commission representative (DG AGRI A3) reported on the situation of the negotiation:

As a follow-up to the political agreement achieved on 21st April, technical works are ongoing in order to fine-tune the text of the agreement, before the legal scrubbing exercise and the translation.

The market access rules are based on full reciprocity. In the pork sector, there will be basically free trade except for two products which will be covered by quotas:

- The EU will open a duty-free quota for 10,000 t of hams,
- Mexico will open a duty-free quota for 10,000 t of loins.

Both quantities are carcass weight equivalence. For the free trade products, the reduction in the tariffs to zero will be subject to a transitional period. That will be six years for meat and five years for meat products.

In relation to GIs flagship denominations will receive a protection.

Due to the high number of uncertainties, including the EP elections and the renewal of the EU Commission in 2019, the date of entry into force of the deal cannot be foreseen.

The representative of CELCAA insisted on an administration of the meat TRQs by the EU through import licences.

The sensitivity of the meat sector is well understood by the EU negotiators. The administration should be decided by the on-going technical negotiations.

3.3.2. Exchange of views on potential impact of FTA Australia and New Zealand for pig meat

The Commission representative (DG AGRI A4) gave a concise overview on the situation of the negotiations:

The first rounds of negotiations are scheduled for July 2018 and the second for September/October.

In the pork sector, the EU has offensive interests.

A questionnaire will be available in order to gather the inputs of the stakeholders.

There is hope to conclude the negotiations in 2019.

The representative of CELCAA underlined the SPS issues for the access to the Australian market for EU pork.

3.3.3. Follow-up on SPS barriers

3.3.3.1. Report on Russia

The Commission Representative (DG SANTE D3) gave a short overview on the situation in relation to the Russian veterinary ban on pork products. He also put that in relation to the political ban on the import of certain animal products from the EU into Russia which was the mean used to prevent resumption of pig products exports despite the lifting of the EU-wide Russian veterinary restrictions in relation to African swine fever.

As the country did not comply with the relevant WTO ruling (DS475), the EU followed the appropriate procedure to preserve its interests. The two parties are currently negotiating an agreed solution but in case that is not achieved the EU would request a new WTO panel to examine Russia's compliance with the ruling that could lead to the authorisation of EU sanctions apply sanctions against Russia.

In May, Russia lifted a sanitary ban on trimmings, offal and fat that had been introduced in 2014 for the beef and pork sectors.

However, most of the other products are still under the political embargo apart from the products falling under CN code 1602 that were affected by those measures.

The Commission will continue to push Russia to comply with the international guidelines with regard to its import requirements as well as the currently very restrictive and non-transparent authorisation procedures for animal product establishments. On the latter the EU requests Russia to implement the systems-based approach with pre-listing of compliant establishments by the exporting country, already foreseen in its legislation, which would replace the current state of play of requiring every new establishment to be inspected by the Russian authorities first.

3.3.3.2. Report on other SPS issues

The representative of the Commission (DG TRADE D3) gave an overview on the last developments since the CDG meeting held in November 2017.

No real change can be reported. However, the EU Commission services are developing a roadmap aiming at the mutual recognition of the regionalisation for Avian Influenza and African swine fever.

The focus of the EU Commission is on 20 countries amongst which are China, Japan, South Korea, Taiwan and Ukraine.

In addition, the recent agreement in principle for a FTA with Mexico will help for recognition of the regionalisation, the EU as a single entity, the pre-listing and the visual inspection by this country.

3.3.4. Debriefing on the High-Level Mission to China

The representative of the Commission (DG AGRI A4) delivered the following information:

The purpose of the mission was twofold: political meetings in Beijing (EU Commissioner Phil Hogan and three Chinese Ministers) and food promotion in Shanghai, including a specific event on EU meat safety co-organised by UECEBV. The Commission commented positively on that event.

Other pieces of information were:

- AQSIQ will be integrated into the customs services
- In November there will be China's International Import Exhibition. The EU Commission will be represented with a stand but no business delegation is planned.
- The Commission hopes to have finalised the agreement by then on organic products.
- E-commerce is showing a considerable growth.

FoodDrinkEurope complained that in most cases every Member State makes its own agreements with China.

3.4. Animal Health

3.4.1. Situation in the EU and measures regarding disease eradication – with a special focus on ASF

The Commission representatives (DG SANTE G3 and D4) informed as follows (charts on this issue are made available):

Despite the high number of outbreaks in 2018 (the vast majority in wild boar population), the EU Commission services considered that the disease is under control, thanks to the surveillance programme, the protective measures and the eradication measures. There was still an extension of the disease but it was slow and mainly confined in wild boar population.

Further actions are foreseen such as a ban on the movement of live wild boars between the Member States, the lifting of the derogation on the compulsory registration for the backyard farms.

Soon, the EU Commission will propose a review of the Regulation on ASF in order to improve the efficiency of the measures that are science-based, and simplify them. A draft will be submitted to the Member States at a SCoPAFF meeting.

Furthermore, the Commission gave a short outline on the financial funds which were made available (€ 44 Mio. for 2014-2018). These funds are used to reimburse up to 75% of the eligible costs already spent by the MS.

3.4.2. Exchange of views

Eurogroup for Animals commented that immuno-castration of wild boars should be taken into consideration as a measure. The Commission answered that this would be part of the considerations of EFSA. However, the EFSA opinion on possible actions on ASF is not yet available.

The stakeholders recognised the substantial involvement of the EU Commission in the fight against the disease. They focused on the future actions and recommended a coordinated approach for vaccine research; a reduction of the wild boar population in order to minimise the risk of further spreading; a better follow-up to the audit recommendations; recognition of the regionalisation principle by the EU trader partners.

3.5. Animal Welfare

3.5.1. Information from the Commission on recent developments regarding actions to prevent tail biting and to prevent routine tail docking of pigs

The Commission representative (DG SANTE F2) gave an outline of the EU-project which started in 2017. There is a presentation from 12 July made publicly available on this issue on the DG SANTE website

(https://ec.europa.eu/food/animals/health/regulatory_committee/presentations_en).

The general findings of five audits of Member States are that very little has been done by most Member States on this issue. There is an estimate of 98.5-100% of routine tail docking. Member States have been requested to produce action plans to improve compliance with existing legal requirements relating to the avoidance of routine tail-docking. 24 out of 26 action plans have been received. Most plans propose improvements but there is a wide variation of measures and deadlines proposed.

The next steps indicated are:

- Finalise the review of Member State Action Plan
- Review Member States' compliance
- Write to Member States on Action Plan:
 - o Updates
 - o Clarifications
 - o Omissions
 - o Dissemination of Good Practice
- Formulate Commission's policy options
- BTSF (Better Training for Safer Food) training on Pigs aligned with DG SANTE work plan
- Work with EU Animal Welfare Reference Centre on animal/Resource indicators
- Contribute to DG AGRI consultation on revised CAP
- TAILS team visits (industry advisors visiting 4 or 5 Member States- Continued liaison with pig sector, research, NGOs, EP, FVE, etc.
- Meeting November 2018 to refine/discuss improved Action Plans.

The representative of COPA/COGECA gave an outline on actions which had been taken by the farming community to reduce tail biting. Also on that presentation, there are charts publicly available. Some important findings:

- Only roughly a quarter of the countries give subsidies to implement measures to prevent tail biting
- Prevalence of tail docking in most countries is above 80 %
- In about 50 % of the holdings the tail biting is stable
- Around 70 % of farms work with enrichment material
- According to first correlation estimates enrichment material does not seem to reduce tail biting
- The use of chains and/or toys seem to even enhance the necessity of tail docking
- The use of concrete on floors seems not to have an influence on tail biting

One of the main conclusions is that there is a need for more research on that issue.

The Commission denied the need for more research, and stressed instead the need for more action on the part of all concerned.

3.5.2. Availability of approved products for anaesthesia and analgesia regarding castration of pigs.

The Commission representative informed how different veterinarian products can be used for anaesthesia and analgesia for piglet castration (see presentation).

The representative of FESASS commented that for the use of these products it is necessary to use the “cascade procedure” and the responsibility is for the veterinarian who makes the prescription. Some products need authorisation for anaesthesia of piglets and a protocol defining their use. Lidocaine was specifically mentioned. Also, it will be very positive if these products can be used by the farmer under the control of a responsible veterinarian.

Eurogroup for Animals stressed that, during the transition towards non-surgical solutions, the surgical castration of pigs should always be carried out under anaesthesia & prolonged post-operative analgesia.

3.5.3. Presentation of COST Action GroupHouseNet regarding synergies for preventing damaging behaviours in group housed pigs.

The point was postponed until the next meeting.

3.6. AOB.

None.

4. Next steps

- The next meeting of the MMO will focus also on the pork and pork products consumption;
- If animal welfare issues will be on the agenda of the next meeting, the NGOs will ask to discuss them at either the end of the morning or the beginning of the afternoon.

5. Next meeting

19th October 2018.

6. List of participants - Annex

Disclaimer

"The opinions expressed in this report represent the point of view of the meeting participants from agriculturally related NGOs at community level. These opinions cannot, under any circumstances, be attributed to the European Commission. Neither the

European Commission nor any person acting on behalf of the Commission is responsible for the use which might be made of the here above information."

List of participants – Minutes

Civil Dialogue Group Meeting « Animal Products – Pig meat Sector »

Date: 29th May 2018

Member Organization	Name	First Name
AnimalhealthEurope (formerly known as IFAH-Europe)	Gobbe	Clara
EuroCommerce	Landsiedl	Pia
EuroCommerce	STACHETZKI	Detlef
Eurogroup for Animals	Martínez	Míriam
Eurogroup for Animals	NALON	Elena
COGECA	ÅBERG	Margareta
COGECA	BLICHARSKI	Tadeusz
COGECA	ENDRODI	Gyorgy
COGECA	MÄRTSON	Ulve
COGECA	Schlederer	Johann
COGECA	TAMSTORF	Trine Vig
COGECA	TAVARES	António
COGECA	Ukas	Tonci
ECVC	Bernis Castells	Jaume
ECVC	Faergeman	Ole
CEJA	Fénix	Tomáš Ignác
CEJA	Heikola	Otso

CEJA	RUSTICI	Francesco
EEB	VONESCH	Anne
COPA	Antikainen	Taru
COPA	Baravykas	Algis
COPA	Hogan	Thomas
COPA	Huet	François-Régis
COPA	Lejniece	Dzintra
COPA	Matarranz Herrero	Pedro
COPA	Parmigiani	Giovanna
COPA	VAN DIEPEN	Johan
CELCAA	Badila	Costin
CELCAA	Duggan	Peter
CELCAA	Esteve Lombarte	Manuel
CELCAA	Lasiecka	Katarzyna
CELCAA	Menzl	Rudolf
CELCAA	Mériaux	Jean-Luc
CELCAA	Mocarski	Tomasz
FESASS	Higuera	Miguel
FoodDrinkEurope	Éder	Tamás
FoodDrinkEurope	PATRUNO	Paolo
FoodDrinkEurope	Pons Argimon	Ignacio
FoodDrinkEurope	TOMEI	François
FoodDrinkEurope	VOLUT	Robert

IFOAM EU Group	Sakowski	Tomasz
	Total	41