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EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR AGRICULTURE AND RURAL DEVELOPMENT

Directorate E – Markets
**The Director**

Brussels,
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**MINUTES**

**Meeting of the CDG on Animal Production – Poultry and Eggs**

**10 October 2023**

Chair: AGRI E.3 – Animal Products

The following organisations were represented: AVEC, BEUC, CEJA, CELCAA, COGECA, COPA, EAPA, ECVC, EEB, EFA, EFFAB, EFFAT, ERPA, EURAF, FEFAC, FESASS, IFOAM, IPIFF and ORIGINEU (details in Annex).

## 1. Nature of the meeting

Hybrid - Non-public

## 2. List of points discussed

### 1. Welcome and approval of the agenda.

The agenda was adopted.

### 2. EU poultry meat market presentation and exchanges of views on production figures.

The Commission gave a presentation on poultry market, comprising of a forecast and current situation.

According to feedback received from experts of 11 Member States, EU total poultry meat production is projected to see a modest growth in 2024 (-0.6% year-on-year).
Looking at individual poultry species, experts project an increase in production of broilers (+0.6%), turkey (+0.6%) duck (+3%). Finally, experts forceast further decline in rabbit meat production (-1%).

In January-July 2023, EU total poultry meat production observed solid growth of over 3% compared to the same period in 2022. The upward developments were observed for most Member States, with a strong rebound in IT (+14%), but also in HU, ES, and IE.

On the other hand, weak growth was noted in DE and NL.
After the sharp increases observed in 2022, prices continued to remain on high level in the first half of 2023. During most recent weeks, there were some fluctuations downwards, but prices seem to rather stabilize around similar values observed in the last year.

In January-June 2023, EU poultry exports declined in volume (-10%), but continued to increase well in value terms (+17%) compared to the last year. Year-on-year shipments continued to fall in volume to several EU main destinations (e.g. Ghana, DRC and Ukraine). On the other hand, EU poultry exports increased the most to the United Kingdom and Saudi Arabia.
In 2022, EU poultry imports increased in volume (+10%) and significantly more in value terms (+61%) compared to the last year. EU imports increased most from Brazil (+25%) and Ukraine (+61%). Imports from the UK have continued to decline (-21%).

On Ukraine, for the first 39 weeks of 2023 EU poultry meat imports reached 185 633 t cwe- an increase of +62% compared to the same period of 2022. Within this category, imports of frozen meat reached 92 226 t cwe of fresh meat with 73 282 t cwe.

The EU trade balance of poultry meat in volume and value has continued to remain positive.

Stakeholders underlined that thanks to high output prices and tight supplies of live birds, situation of poultry meat producers is rather good. On the other hand, margins of slaughterhouses are squeezed due to major rise of imports and retailers' push for price downwards. In the long term, stakeholders expressed their concern on the future of the sector being undermined by significant volume of poultry meat imports, which are not produced under the same standards as in the EU.

## 3. <u>EU eggs market presentation and exchanges of views on production figures.</u>

The Commission presented the most recent market data. EU eggs production is expected to increase in 2024, for eggs for consumption (+0.1%) as well as for hatching eggs (+1.2%) following the experts forecast data.

The distribution of laying hens among production systems showed a slight increase of barn and free-range system while cage production decline and organic production is stable. After high levels of prices in 2022, the EU egg prices declined sharply from April until August 2023. They are on a more stable trend since this summer and are staying above the historic five years average (+ 48%) and last year prices (+ 4.6%). The increase of prices since last year is slightly higher for free range and barn eggs than cages.

Imports of eggs and egg products increased in the first semester 2023, both in volume and in value, and Ukraine stayed the first origin representing 58% of EU imports. Since the entry into force of the temporary trade liberalization

Regulation (R2022/870), Ukraine imports are well above the previous years and in particular, imports of fresh eggs increased. For the first 39 weeks of 2023, 32 800t were imported, 125% higher than in 2022, and fresh eggs represented 73% of the imports. EU exports slightly decreased in volume but not in value. United Kingdom stayed EU first destination representing 48% of the exports. The trade balance is largely positive.

For the first semester of 2023, exports of hatching eggs are staying on the decreasing trend even if exports to Ukraine have increased by 80%; Russia is staying the first destination representing 17% of EU exports. Exports of one-day-chicks is increasing, and Ukraine is now representing 57% of our exports.

Members highlighted their concern regarding the increase of imports from Ukraine, especially with the EU going back to higher production level after the period of outbreaks of avian influenza. They also expressed concerns regarding the standard of production in Ukraine compared to EU, especially for the cages.

## 4. Review of marketing standards – state of play.

The Commission presented an update on the review of marketing standards for eggs. After adoption in August and transmission to the Council and European Parliament, publication is foreseen by the end of October 2023 and entry into force 20 days after.

Some participants expressed satisfaction at the lifting of the 16 weeks' limit for free range eggs and the authorisation of solar panels in free range areas. Some raised concern in relation to a possible transitional period for the use of already labelled packing.

On poultry marketing standards, the adoption procedure is still pending. Answering participants' questions, the Commission confirmed that:

- The latest version of the text is the one submitted for public feedback in spring.
- Marketing standards apply to products marketed in the EU, irrespective of where they come from.
- Water content limits are not likely to be changed in the near future. The issue continues to be investigated, notably in the context of a pilot project just launched by the JRC on the physiological water content of chicken breast fillet.

## 5. EU feed market overview.

The Commission started the presentation on EU feed market overview with the **International Grains Council (IGC)** forecasts 2023/24 global **wheat** production at 783.5 million tonnes (-2.6% y/y), representing the first drop in five years, still the 2nd largest ever. Due to adverse weather a larger share than normal could be of feed quality only, including the EU and the Black Sea region, as well. Wheat consumption is projected at a new peak of 803.4 million tonnes (+1.0% y/y), including feed us at 153.4 million tonnes (+1.7%).

**Maize** world production is projected at 1,222.4 million tonnes (+5.2% y/y). Aided by ample supplies and competitive pricing, consumption is projected to rebound to 1,208.3 million tonnes (+2.9% y/y), the 2nd largest on record, including 721.9 million tonnes for feeding (+3.3% y/y).

While maize production in Ukraine is forecast at 28 million tonnes (+1.2% y/y), exports could drop by 39% to 18 million tonnes only due to smaller beginning stocks.
Key cereals **prices** have fallen by 20-30% during past year and the expected to remain at around these levels in the short-term due to ample availabilities.

**EU total cereals production** is forecast at 268.5 million tonnes, while slightly up from the previous year, 4.3% less than the recent average. Maize output is to rebound by 15% to 60 million tonnes, mostly offset by declines for barley and oats. Of the total EU consumption, 156.8 million tonnes is forecast to be use for animal feeding, broadly steady y/y.

Global **soya bean** output is forecast to reach a new peak of 396 million tonnes, incl. a record Brazilian crop, while demand is projected at a new peak of 388 million tonnes.

Prices for soya bean declined by only 14% during past 12 months, to USD 480-500 per tonne for key origins.
EU oilseeds production is projected at 33.0 million tonnes, +5.7% y/y and nearly 11% above the recent average.

## 6. Update on Ukraine trade issues.

The Commission services gave an overview of the EU Autonomous Trade Measures (ATMs) granted to Ukraine first in June 2022 and extended for a further year in June 2023. ATMs are a strong signal of support to Ukraine in the context of Russian military aggression, providing for duty-free and quota-free export of all Ukrainian products into the EU. In the poultry sector, the ATMs have resulted in significant increases of imports of UA poultry and eggs. To reflect the concerns of the EU industry, the current ATM Regulation includes an expedited safeguard clause allowing the Commission to take swift action in case of adverse effect on Union market. In the comments, members of the CDG reiterated the concerns with increased UA imports, suggested to facilitate UA exports of poultry and eggs to third countries' markets and drew attention to the respect of SPS and animal welfare standards in UA.

## 7. Update on avian influenza and Newcastle disease.

The Commission presented the updates of the epidemiological situation with highly pathogenic avian influenza (HPAI) and Newcastle disease. For highly pathogenic avian influenza, it has been shown that after a quiet summer, when no outbreaks have been confirmed in kept birds, the new epidemic season is at its beginning as the risk of the virus to be spread to poultry increases during the autumn migration of wild birds. Consequently, few outbreaks have been detected in kept birds by two Member States. The Commission informed as well on the availability, since March 2023, of the specific rules for vaccination against HPAI as laid down in Annex XIII to Commission Delegated Regulation (EU) 2023/361, to be used by Member States if they decide to use vaccination as additional tool to prevent and control HPAI. It also informed on the publication of the scientific opinion issued by EFSA based on the request from the Commission, related to available vaccines and vaccination strategies against HPAI.

## 8. Available vaccines against HPAI and vaccination strategies.

The Commission presented the main finding of the Scientific Opinion on vaccination against HPAI in poultry that was published on 10 October 2023 (https://efsa.onlinelibrary.wiley.com/doi/full/10.2903/j.efsa.2023.8271).

It was highlighted that the scope of vaccination is to complement already existing preventive and control measures but not to replace them. Available vaccines, as defined in the Scientific Opinion, and the characteristics of the retrieved vaccines were described. Main conclusions were that there is a large array of available vaccines with whole inactivated virus vaccines being the most widely used.

Continued research and development was recommended, as there is a lack of harmonised and comparable data particularly on onset and duration of immunity, vaccine efficacy, mass applicable vaccines and vaccines designed and evaluated for species other than chickens.

The assessment of different vaccination scenarios, evaluated by using a kernel model, showed that there was no single solution to fit all situations. Depending on the objective of vaccination, a type of strategy should be chosen: if the aim is to minimise the number of infected and culled farms and the epidemic duration, preventive vaccination of the most susceptible and infectious poultry species is recommended in high-risk transmission areas; in case of an outbreak in a high-risk transmission area, emergency protective vaccination in a 3-km radius is recommended, as it showed to be the most effective strategy among the three emergency vaccination scenarios tested

## 9. Update on animal welfare legislation review.

Due to the absence of DG SANTE colleagues, DG AGRI took the floor and confirmed that work on revision of animal welfare continues in the Commission. As announced by Vice-President Mr Sevcovic, the Commission will publish proposal on protection of animals during transport in December 2023.

Stakeholders underlined the need for transition periods for farmers to adjust to possible new legislation and they all agreed that same level of production standards need to be required from imports to the EU.

## 10. Discussion on protection of terms for animal products.

The Commission representatives explained that Union rules, be it product specific legislation or the general provisions of Regulation (EU) 1169/2011 on the provision of food information to consumers, provide a solid framework to ensure that EU consumers receive accurate, clear and easy to understand food information. Regulation (EU) 1169/2011 defines the name of the food and provides for fair information practices.

The assessment on whether the use of a specific term may mislead consumers has a linguistic and cultural dimension and national authorities are best placed to carry out such an assessment on a case by case basis in light of the Union provisions.

With regard to novel foods, Regulation (EU) 2015/2283 provides for the adoption of additional specific labelling requirements to inform consumers of any specific characteristic or food property, which renders a novel food no longer equivalent to an existing food.

**11. AOB.**

- Mercosur: the Commission is analyzing the official reaction from Mercosur's following the proposed additional instrument to address the environmental concerns. The finalization of the list of Mercosur "prior users" benefiting of grandfathered rights for the 9 EU Geographical Indications is ongoing in parallel.

- Mexico: the modernized EU-Mexico Agreement is a priority for the Commission, and a Global Agreement plus Interim Trade Agreement has been proposed to Mexico. The formal validation is pending the political approval, upon this, ratification procedures could begin.

## 3. List of participants

See annex.

(e-signed)

Pierre BASCOU

List of participants– Minutes

**Meeting of the Civil Dialogue group on**

**ANIMAL PRODUCTION - POULTRY AND EGGS**

**10/10/2023**

| **ORGANISATIONS** |
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| AVEC - Association of Poultry Processors and Poultry Trade in the EU |
| BEUC - Bureau Européen des Unions de Consommateurs |
| CEJA - Conseil Européen des Jeunes Agriculteurs / European Council of Young Farmers |
| CELCAA - European Liaison Committee for the Agricultural and AGRI-Food |
| COGECA - European agri-cooperatives / General Confederation of Agricultural Co-operatives of the European Union |
| COPA - European farmers / Committee of Professional Agricultural Organisations of the European Union |
| EAPA - European Animal Protein Association |
| ECVC - European Coordination Via Campesina |
| EEB - European Environmental Bureau |
| EFA - Eurogroup for Animals |
| EFFAB - European Forum of Farm Animal Breeders |
| EFFAT - European Federation of Trade Unions in the Food, Agriculture and Tourism sectors |
| ERPA - European Rural Poultry Association |
| EURAF - European Agroforestry Federation |
| FEFAC - European Feed Manufacturers Federation / Fédération européenne des fabricants |
| FESASS - Fédération Européenne pour la Santé Animale et la Sécurité Sanitaire |
| IFOAM - International Federation of Organic Agriculture Movements European Regional Group |
| IPIFF - International Platform of Insects for Food and Feed |
| ORIGINEU - Organisation pour un réseau international d'indications géographiques |

| **OBSERVERS** |
|---|
| EUROPEAN ECONOMIC AND SOCIAL COMMITTEE |