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DIRECTORATE-GENERAL FOR AGRICULTURE AND RURAL DEVELOPMENT

Directorate E – Markets
**The Director**

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# MINUTES

## Meeting of the CDG ON ANIMAL PRODUCTION - BEEKEEPING AND SHEEP/GOATMEAT

## on 22 April 2024

Chair: DG AGRI.E.3 – Animal Products

**Nature of the meeting**: Non – public - Hybrid / Interactio

**List of points discussed:**

***Morning session – Beekeeping***

### 1. Welcome and adoption of the agenda

The chair welcomed participants and the agenda was adopted.

### 2. Revision of the Honey Directive - state of play

AGRI E.3 presented the new elements of the Honey Directive revision as voted by the EP plenary on 10 April and outlined the remaining next steps before the revised Directive comes into force (expected for the first half of June).

Key amendments concern (1) mandatory country of origin labelling for honey blends in the principal field of vision, in descending order, together with the % of each origin (with a 5% tolerance) and flexibility for Member States to require indicating % shares for the 4 largest shares only, if they represent more than 50% in the blend, (2) Commission implementing powers to introduce within 4 years harmonised analysis methods to detect honey adulteration with sugar, (3) Commission delegated powers to trace the origin of honey, to lay down criteria to ascertain that honey is not overheated and pollen is not removed (within 5 years) and (4) a Honey Platform set up to advise the Commission on those matters.

Some stakeholders welcomed the revision, acknowledging that harmonising analysis methods requires time, but pressing the Commission to speed up work on methods to trace honey's origin and composition criteria. Other stakeholders signalled willingness to cooperate with the JRC in developing harmonised methods and enquired about selection criteria for members of the Honey Platform. Stakeholders across the spectrum seemed to share concerns over the flexibility for Member States to label % shares for the 4 major origins only (concerns over the level playing field on the EU market). There were also comments about a perceived unfair treatment of honey compared to other food as honey is the only food where origin percentages will have to appear on the label. Concerns were expressed about the technical feasibility to label countries of origin with % shares on small breakfast packs for lack of space.

The Commission took note of stakeholders' concerns. It was clarified that it will be for Member States to decide using (or not) the flexibility granted to them by the co-legislators. The Honey Platform will be formed following an open and transparent call for applications; the first meeting of the Platform is expected by the end of 2024. It was confirmed that the only derogation foreseen for origin labelling on small packs is to use ISO country codes instead of full country names.

## 3. Honey market overview

AGRI E.3 presented an overview of the EU honey market situation based on the latest data available. The number of beehives in the EU has continuously increased since 2017, reaching 20.3 million in 2022 (+1.1% year-one-year) and EU honey production increased to 286 000 t in 2023, +25% compared to 2022.

After high imports in 2022, shipments in 2023 dropped to 163 000t (-14% year-on-year), with lower imports across all main origins but Argentina. Main EU suppliers continue to be China and Ukraine, shipping to the EU half of quantities imported. EU exports in 2023 declined marginally to 24 800t (-0.7% year-on-year). The EU honey trade balance remains largely negative. Import unit values declined notably in 2023 to 2 EUR/kg (-18% year-on-year), indicating a drop in world honey prices. The U continued importing honey with lower unit and exporting honey with higher unit value.

Several stakeholders expressed concerns over an accumulation of unsold honey stocks in the EU, partly attributable to imports of cheap honey into the EU, which they perceive as an unfair competition to EU honey. High honey imports and an abundant EU honey harvest in 2022 in combination with stagnating demand at retail, resulted in downward pressure on producer prices. Other stakeholders noted a rise in honey retail prices, that together with a partial loss of consumer trust in imported honey (due to suspicion of adulteration) led to a drop in consumer demand. Some stakeholders made a renewed call on beekeepers, honey packers and traders for positive reporting on honey to regain consumer trust in honey. Some suggest improving traceability of honey used as an ingredient in food products. Others observe an increase in size of beekeeping holdings to face competitive pressure.

## 4. Update on Ukraine trade issue

AGRI G.4 gave an update on trade relations with Ukraine. Since June 2022 all Ukrainian agricultural products have benefited from duty-free and quota free access to the EU market under Autonomous Trade Measures (ATMs). On 31 January 2024, the Commission proposed to extend the current ATMs for another year starting from 6 June 2024. The Commission proposal aims to continue supporting Ukraine, but at the same time takes into account EU stakeholders' concerns. To this end, the Commission proposal, as modified by the co-legislators, includes a strengthened safeguard clause (that can be triggered also in case of adverse effect in one or several Member States) and an automatic safeguard for 7 sensitive products (including honey). The threshold for triggering the automatic safeguard will be calculated on average imports of the relevant product from Ukraine in July 2021-December 2023 (based on Comext data).

## 5. Commission Notice on Q&A on implementation of EU rules on organic beekeeping

AGRI B.4 gave a presentation on a draft Commission Notice – Questions and answers on the implementation of EU rules on organic beekeeping (C/2024/2874) (published in the Official Journal on 25 April 2024 and available under the following link https://eur-lex.europa.eu/eli/C/2024/2874/oj).

In particular, the Notice concerns the application of provisions of point 1.9.6.5 of Part II of Annex II to Regulation (EU) 2018/848 related to the siting of apiaries and the inclusion of beeswax as a product in the scope of the organic regulation. A stakeholder expressed concern with respect to the capability of third country operators to comply with new rules on compliance certification in due time, an issue that is relevant not only for the beekeeping sector. The Commission representative underlined the organic sector had some years to be ready for the new compliance certification scheme. Moreover, DG AGRI is working on a transition to the new compliance certification scheme and ongoing progress allows to be optimistic with respect to no trade disruption. Another stakeholder asked clarification with respect to the non-quantification in the Notice of the term “essentially” as set in point 1.9.6.5 of Part II of Annex II to Regulation (EU) 2018/848 related to organic and low environmental impact crops as sources of nectar and pollen. The Commission representative explained the technical considerations and Member States concerns on the basis of the Notice.

## 6. B-THENET: Thematic Network of European Beekeeping

The project coordinator of B-THENET informed that it is a 4-year Horizon-funded thematic network that aims to modernise the EU beekeeping sector by sharing knowledge ready to be put into practice and fostering best practices exchanges. The project’s ambition is to create a European network through dedicated available Platforms, available at: https://bthenet.eu, where it is possible to engage relevant actors to collect, organise, share, disseminate, and store valuable knowledge on beekeeping practices and research solutions at national and international level.

In the first of the 4 rounds of activities foreseen, 284 Best Beekeeping Practices were validated by local beekeepers in the field of "Apiary set-up and management/maintenance" and "Varroosis". The training on Best Beekeeping Practices was provided both at local and international level, via the National and International B-THENET Centres. National B-THENET Centres were established in 13 EU countries: Austria, Belgium, Croatia, Denmark, Germany, Greece, Hungary, Italy, Poland, Slovakia, Slovenia, Spain, Sweden.

At EU level, 3 International B-THENET Centres (stakeholders, beekeepers, and advisors) guarantee knowledge dissemination. B-THENET developed a tailored methodology for the analysis of practices considering sustainability, scientific value, and readiness-to-use based on the One Health concept and a cost-benefit ratio analysis.

The first set of Best Beekeeping Practices has been published in 13 languages on B-THENET's Repository platform. A Guideline for the Training of Advisors was developed along with an Open Educational Platform for international train-the-trainers. Aimed to enhance the economic viability of beekeeping, B-THENET also mapped consumer preferences in beekeeping and apiculture products.

## 7. EU Pollinator Hub: online collaborative tool from the beekeeping sector

Representatives of EFSA and BeeLife made a joint presentation of the EU Pollinator Hub, a platform funded by EFSA and implemented by BeeLife. The platform was designed following a conference organised in 2017 jointly by EFSA and the European Parliament, part of the Bee Week Event. The platform was developed to promote harmonised data collection and sharing among stakeholders on bee/pollinator health, through an EU Bee Partnership, a group of stakeholders involved in bee/pollinator health.

The platform was developed following FAIR principles for data management and is delivering detailed data analysis reports with dynamic graphs/mapping/figures displayed on a fine resolution and friendly interface.

Now that the platform has been implemented (from a proof of concept to an operational platform), EFSA is seeking externalisation of the platform for further use in the EU. For this purpose, some specific examples were shown on how the platform could support the beekeeping sector and in return, how the platform could be supported by national apiculture programmes. National/local Institutions and associations are invited to identify such needs and services they would like the platform to deliver to ensure the platform is fit for purpose and further supported in the EU beyond EFSA.

## 8. AOB: Pollinator-friendly Best Farming Practices: Initiative by BeeLife

A BeeLife representative updated the group on their ongoing collaborative work that will feed into the B-THENET thematic network (see above under point 6). The aim is to help farmers become more bee-friendly by defining and sharing sector-based pollinator-friendly farming practices. Several sectors joined this collaborative exercise while some important sectors are still hesitating (cereal sector mentioned as an example) – collaboration from those sectors is encouraged. This activity may also be presented at the workshop on pollinator-friendly farming practices organised under the EIP-AGRI in Slovenia.

***<u>Afternoon session – Sheep and goat meat</u>***

## 1. Exchange of views on EU market evolution following feedback from questionnaires

AGRI E.3 presented a summary of Eurostat production figures for the sector in 2023 (meat production, evolution of flocks, slaughtering per member State), evolution of per capita meat consumption and prices, as well as an outlook on sheep and goat production, from figures communicated by market experts and Eurostat. Production for sheepmeat and goatmeat is expected to stabilise in 2024 after significant decreases in 2023.

The Commission invited market experts to share their assessment on data supplied in the questionnaires on the evolution of the sector in several Member States. Market Experts from DE, HR, IT, IE, EL/CY, and PT supplied additional information. COPA-COGECA gave some hindsight on the evolution of the French sheep sector. Questionnaires were not provided by market experts of BE, BG, CZ, DK, EE, LT, MT, NL PL, PT, RO and SI.

## 2. EU Sheep and goat market situation

AGRI E.3 presented an overview of the EU sheep and goat market situation based on the latest data available. EU sheep throughputs remain lower in the first weeks of 2024 whereas goat production increased in EL, ES and N. Sheep meat prices are benefiting from overall tighter supply, particularly for heavy lambs. The export market continues to support the sector, along with demand from key events including Ramadan, an early Easter and Eid Al-Fitr early April. Australian and New Zealand prices continue to be internationally competitive, and both are a key watch point for EU import volumes and values, with reported challenges through both the Suez and Panama canals adding risk and uncertainty to imported volumes.

COPA-COGECA expressed concerns over AU exports of lamb and mutton to the EU markets. The Commission answered that trade data available to date (January 2024) showed no significant increments of volume flows from AU.

## 3. World sheep/goat meat: development and outlook

A GIRA expert outlined views on world market developments and outlook, pointing at (1) a modest flock expansion globally, notably driven by Australia (at least in 2024), resulting in supply expansion which is only slightly offset by contractions in the UK & the EU, (2) consumption gains, although demand appears not as strong as expected in some markets, notably in China, where volume gains are offset by price falls, (3) mixed performance in MENA countries, (4) a weakening US demand, and (5) an ongoing cost-of-living crisis that remains a concern.

## 4. FTA cumulative impact study

AGRI G.1 presented the third edition of a study on the cumulative economic impact of upcoming trade agreements on EU agriculture, published on 22 February 2024. The study assesses the potential impact of ten free trade agreements (FTAs), recently concluded or under negotiation by the EU. It contains a sensitivity analysis on the impact of the UK trade agenda. It shows that the FTAs analysed would lead to a balanced increase of both EU agri-food exports and imports, with the overall EU trade balance slightly increasing as a result.

With regards to the sheep sector, the FTAs studied lead to a moderate increase of EU sheep meat imports and have a neutral impact on EU exports. Increased imports mostly originate from Australia. Imports from New Zealand are partially eroded. Increased imports would be absorbed equally by increased consumption and reduced production in the EU and would impact EU producer prices. The UK trade agenda could also lead to a reduction of EU sheep meat exports. Other results in the study show that tariff rate quotas are an appropriate tool to limit potential negative impacts of FTAs in sensitive sectors.

## 5. Update on FTA trade with New Zealand and Australia

AGRI G.3 updated participants on trade relations with NZ and Australia

*Australia*

- In relation to Australia, FTA negotiations are close to their final stages. While the recent attempt to strike a deal at the side lines of a G7 meeting in Osaka in late October 2023 has not been successful, the EU's aim remains to conclude an agreement with Australia when a balanced outcome will be achievable – but no clear time frame for this, and it does not appear feasible in the coming months. This agreement remains a priority for the EU trade agenda from an economic and a geopolitical perspective.
- The range of issues that remain to be agreed is not wide but includes several of relevance to agriculture: agricultural market access for the most sensitive agricultural products, geographical indications and sanitary and phytosanitary (SPS) issues.
- Beyond these, also issues related to energy and raw materials, services and investment, and trade and sustainable development are part of these end game discussions.
- The most sensitive issues for the EU farming sector concern market access for beef, sheepmeat and sugar.
- These are also the top trade interests of AUS in the whole FTA negotiation, and a deal will not be possible without EU concessions including on sheepmeat.
- The Commission will strive to ensure that any concessions on sheepmeat be <u>moderate</u> given the sensitivity of this sector.

*New Zealand*

- The Agreement enters into force on 1.05.2024.
- The Commission has been attentive to the sensitivity of the sheep and goat sectors and agreed with NZ a small quota (split into frozen and fresh/chilled meat).
- NZ has access to a large quota under WTO that has remained underfilled for many years.
- For that reason, the Commission does not expect imports from NZ of sheep meat within the FTA quota, also due to shrinking herds in NZ and its access to the lucrative and proximity market of China.
- The Commission will keep on monitoring import volumes.

## 6. Commission proposal on the protection of animals during transport with focus on sheep and goats

DG SANTE presented the proposal for the new Regulation on the protection of animals during transport as relevant to the transport of small ruminants.

In that respect, the proposal foresees limitations on maximum journey times, greater space allowance, provisions on transportation of animals in extreme temperatures, digitalisation of administrative tasks, including positioning of vehicles, better defined provisions on transport in import and export, and better protection of vulnerable animals, in particular unweaned animals.

In the discussion, several comments were raised to the issue of transportation in extreme temperatures. Southern Member States consider foreseen limitations of journey time in cases when temperatures are above 30°C and potential transport by night as seriously damaging to trade. Similarly, northern Member States cannot accept limitations for transports in cold temperatures.

In some of the Nordic states the network of slaughterhouses is not adequate to allow only short transport to slaughter.

Several comments focused on the issue of increased space allowance. Consequently, more transports would be needed, leading to more trucks on roads, which is not in line with the efforts for environmentally sustainable food production.

COM in the reply emphasised that the proposal entered the ordinary legislative procedure. In the following months it will be subject to debate between the co-legislator and possible amendments. Measures in the proposal are based on EFSA scientific opinion, and their economic, social and environmental impacts were carefully assessed. COM will take proactive stance in the upcoming discussions with the co-legislators.

**List of participants**

Organizations that were present (see the enclosed list).

List of participants– Minutes

**Meeting of the Civil Dialogue group on**
**ANIMAL PRODUCTION - BEEKEEPING AND SHEEP/GOATMEAT**

**on 22 April 2024**

| **ORGANISATIONS** |
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| AVEC - Association of Poultry Processors and Poultry Trade in the EU Countries |
| AnimalhealthEurope |
| BEELIFE – European Beekeeping Organisation |
| 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 |
| ECVC - European Coordination Via Campesina |
| EURAF - European Agroforestry Federation |
| FACEnetwork - Farmhouse and Artisan Cheese and Dairy Producers' European Network |
| FEEDM - Fédération Européenne des Emballeurs et Distributeurs de Miel |
| FESASS - Fédération Européenne pour la Santé Animale et la Sécurité Sanitaire |
| FoodDrinkEurope |
| IFOAM - International Federation of Organic Agriculture Movements European Regional Group |
| ORIGINEU - Organisation pour un réseau international d'indications géographiques |

| **OBSERVERS** |
|---|
| EUROPEAN ECONOMIC AND SOCIAL COMMITTEE*COMITE ECONOMIQUE ET SOCIAL EUROPEEN |
| **AD HOC EXPERT** |
| GIRA - Mr. Brown Richard<br>Mr. Hamilton, James<br>Agricultural University of Athens – Mr. CHATZIGEORGIOU, Ioannis |