

Minutes of the Civil Dialogue Group on Animal Products Sector "Pig Meat" 28th October 2014 Brussels

The Civil Dialogue Group (CDG) on Pig Meat met in Brussels on Tuesday 28th October 2014 from 9:30 until 17:30 under the chairmanship of Mr. Paul Brand.

The Chairman informed that on 8th October 2014, Mr. David Burns (Copa-Cogeca), Mr. Paul Brand (Celcaa) and Mr. Paul Lopez (FoodDrinkEurope) had been elected as Chairman and Vice-Chairmen of the CDG on Animal Products, respectively, for a one-year term that can be renewed for one more year.

1. Approval of the agenda and the minutes of the previous meeting of 7th May 2014

The agenda and the minutes were approved, without amendment or comment.

2. Civil Dialogue Group: functioning

A DG AGRI representative explained the outcomes of the reform of the consultation procedure for agricultural issues:

- ✓ The system of Advisory Committee in place since 2004 has been revised on the basis of Commission Decision 2013/767.
In total 68 organisations were selected, 50% being newcomers. 47% of the organisations are not-for-profit organisations according to their classification in the EU register.
- ✓ A better balancing (in the past, the share of business representatives amounted to 93% - today it is 53% for them and 47% for NGOs).
- ✓ A better transparency.
- ✓ A better compliance with the new DG structure due to the last CAP reform.
- ✓ The new system is in a "phase-in" period. Adjustments on working procedure might be needed in the coming months.

The roles of the Chair and Vice-Chair:

- ✓ According to the Commission, chairs should be "professional in managing meetings" and steering the discussions. Chairman can bring an assistant to take notes.

- ✓ There were reiterated concerns regarding the diversity of sectors (5) represented in this group, but only three posts in the presidency. According to the Commission, the chair and vice-chair have to organize the work /chair for each of the groups. Meetings will be organized by the Commission according to availability of rooms.
- ✓ Agendas need to be targeted according to the competence of the Civil Group. Points that would be more specific to another group (eg. international aspects, promotion, quality, etc.) will be discussed there. It is the responsibility of the chairs to set the agenda under the supervision /acceptance of the Commission services.

The next steps will be:

- ✓ Rules of procedure: a draft is available. DG AGRI called for suggestions.
- ✓ Strategic agenda: the CDG on animal products shall decide on the topics for the next 5 years.
- ✓ CIRCA setting up one login per Member Organisation.

3. Strategic agenda

The chairman called for close collaboration with the chairmanship in particular regarding the drafting of the agenda and the strategic agenda:

- ✓ The Commission indicates that setting a strategic agenda is a voluntary option for the group.
- ✓ The new chairmanship indicated that a strategic agenda might be useful. The chair will work on a draft with the support of the vice-chairs and the organisations represented in the CDG. Once available, the draft would be posted on CIRCA for consultation and be discussed by the various subgroup. It could serve as a basis for the work of the dialogue group for the next 7 years.
- ✓ The Chairman called for suggestions but the subgroup did not comment. However, written suggestions will be more than welcome.

Every participant introduced him-/herself.

Beside the traditional representatives of the EU pork business (Copa-Cogeca, FoodDrinkEurope, Celcaa), there were NGOs such as:

- ✓ BEUC (EU consumers' organisation),
- ✓ EEB (EU environmental bureau),
- ✓ EFA (Eurogroup For Animals),
- ✓ EFFAT (EU federation of food, agriculture and tourism trade unions).

4. Information and exchange of views on

4.1. The pork market and processed production

The DG AGRI representative explained the price development for:

- ✓ **Pork:** as usual at this time of the year, the prices dropped but faster and deeper than in 2013 and the average of the last 5 years. In the last weeks, the prices stabilized.
- ✓ **Piglets:** the prices reached a satisfactory level in the first half of 2014 but, afterwards, they fell because of an increase in the offer. In October, the prices stabilized and even increased.

The DG AGRI representative showed that the EU herd grew by 0.9% for the first time since 2005. Nearly all the categories are concerned by this increase:

TOTAL	Sows	Piglets	Young pigs
+0.9%	+0.6%	+1.6%	+0.6%

This trend is the outcome of a structural change due to the implementation of the animal welfare standards.

4.2. The forecast for the pork market

- ✓ **Production:** the consequence of the increase in the herd should be a larger offer. According to the data that was provided by the Member States, the offer should increase by 1% in the last quarter of 2014 and 1.4% in the first quarter of 2015. But, according to the data that was provided by the business experts, a status quo should be expected.
- ✓ **Pig producers' margin:** the level was satisfactory until September. Then, the pork price reduction was faster than the feed price reduction. As a consequence, in the last quarter of 2014, the margin should be lower than the average of the past 5 years.
- ✓ **Trade:** the exports to
 - Belarus, Russia and Ukraine will drop significantly.
 - China, Japan, Philippines, South Korea, USA, etc. will improve significantly.
 In total, a fall by 9% is expected despite a fall of EU exports to the Federation of Russia by 90% (EU exports to the Federation of Russia accounted for 24% of the total EU exports in 2013).
- ✓ **International prices:** the EU prices are very competitive due to a sharp increase in the main producing regions.
(€/100kg cw.)

EU	USA	Canada	Brazil
143.99	172.30	174.17	180.02

4.3. The available tools in the CAP aiming at supporting the pork market

The DG AGRI representative reminded about the support market mechanisms that were enforced in the past:

- ✓ **Export refunds:** they are not an option today.

- ✓ **Aid for the private storage (APS).** From 1993 to 2013, APS was enforced 8 times, the last time in 2011. Every time, there were specific parameters in terms of pork price, feed price, margin that defined a crisis situation. These parameters are not met today.
In addition, the budgetary constraints played a great role in the final decision.
Therefore, for the time being, the EU Commission is very cautious and sceptical about the outcomes of an APS scheme now.

The exchange of views that followed the presentations showed a disagreement between:

- ✓ The farmers in favour of a market support measure because of the crisis situation due to the Russian bans. They underlined the weakness of the EU pork market, compared to the Brazilian, Canadian, US pork markets. They underlined also the market support mechanisms that are enforced for the dairy, fruit & vegetables sectors.
They recommended:
 - New alternative export markets, and dismantle of SPS barriers
 - Market support and alternative use for by-products
 - Promotion measures
- ✓ The NGOs for environment, animal protection, the processing industry and the EU Commission services. All opposed any support market mechanism.
The unbalanced market is due to structural factors that should be addressed by the market forces.
The NGO representatives pleaded for a sustainable EU pork production.
The EU Commission services considered that the conditions for a private storage scheme are not met (price level, short-term price outlook, farmers' margin). In addition, the budgetary constraints could not be ignored.

The Commission reassured the participants that it is closely monitoring the situation and, if necessary, will put forward the necessary market support measures.

5. Information on simplification and reduction of administration burden for the carcass classification and price reporting in the pork sector

The Commission informed about its intention to streamline and simplify the current legal framework of carcass classification and price reporting (Reg. 1249/2008 and others). Member States have been involved within the frame of an expert group..

Main point for discussion in the pig sector are the authorisation procedure of classification devices, including the use of the computer tomography, flexibility for Member States to subdivide carcass class S in subclasses and the future work of the carcass classification committee.

6. Labelling rules as laid down in Regulation (EC) No 1337/2013

The representative of the EU Commission services commented on a working document with guidelines to ensure the traceability of origin information of meat.

He highlighted again that the indication “reared in several Member States” can only be used if it is proven that the minimum rearing period of 4 months was not achieved in any Member State.

The Member States will receive the final document in December (pre-information will be shared at the management committee meeting on 20th November 2014).

Finally, the representative of the EU Commission services focussed on the responsibility of the slaughterhouse to ensure the link between the pig and the pork.

The presentation was followed by several comments, questions, amongst them:

- ✓ NGO for animal welfare: the representative regretted the lack of information on the farming conditions and the transport of piglets that is unacceptable. He hoped that more information to the consumer will be available thanks to the voluntary labelling.
- ✓ The representative of the processing industry queried on the necessity to transmit rearing information from cutting plants to the processors of products for which no origin information is obligatory (other products than pre-packed meat for final consumers and mass caterers).
- ✓ A producers’ representative looked for the confirmation of the national origin when birth, rearing and the slaughtering occur in one Member State.

7. Exchange of views on the outbreak in the US and Canada of Porcine Epidemic Diarrhoea (PED) and preventive measures

The Commission official explained that disease is complex, at least four viruses appear to be involved, and there is a myriad of scientific uncertainties.

Because of the occurrence of the disease in the US and Canada, the EU adopted minimum precautionary temporary measures that do not block trade:

- ✓ Safe treatment for the spray-dried blood and blood plasma
- ✓ Import conditions for live pigs
- ✓ Assessment of the risk, the pathways for disease introduction and protective measures.

The next step will be a prolongation of the measures.

The producers’ delegate confirmed the risk because of the nasty virus in the US. It moves with people (feet, clothes, etc.).

He attended meetings in Chicago where the Canadian success was emphasized. In Canada, the competent authorities and the industry cooperated closely with one another.

The same delegate informed that the three vaccines that are available are far from 100% efficiency. He also informed that the Japanese, South Korean and Canadian authorities have developed good information material.

He concluded by reminding about the proposal to set up a joint industry/Commission expert group in order to share knowledge and provide inputs on relevant measures, and also with a view to preparing a contingency plan aiming to prevent, control and in the worst case eradicate this disease.

8. Exchange of views on the cases/ outbreaks of African swine fever in Estonia, Latvia, Lithuania and Poland, and trade restrictions imposed by the third countries

The Commission official reminded of the successful experience acquired in Iberian Peninsula to control and eradicate this disease. Despite the EU border protection measures, the disease entered the EU in 2014 from Belarus and Russia, due to the movements of wild boars.

Since January 2014, 162 cases (wild boars) and 80 outbreaks (40 in Sardinia, Italy) were notified in Estonia, Italy, Latvia, Lithuania and Poland.

The situation is not stable because of the apparent spread of the disease from Belarus.

The EU undertook actions and protective measures based on the international standards and experiences.

Three zones have been delimited:

- ✓ High-risk zone (wildboar cases and outbreaks in domestic pigs),
- ✓ Medium-risk zone (wildboar cases only),
- ✓ Buffer zone (no cases/ outbreaks).

Despite the EU compliance with the international standards, few third countries implemented disproportionate restrictive import measures such as Russia.

Therefore, the EU:

- ✓ launched a WTO dispute settlement procedure against Russia,
- ✓ opened diplomatic and scientific discussions with other third countries such as China, Japan, South Korea, ... which enforced certain import restrictive measures but less painful than Russia.

The producers' representatives reminded about their early warnings in 2013. Their priorities are:

- ✓ the disease eradication,
- ✓ the protection against further entry of the disease from Belarus (fencing),
- ✓ the financial support for structural adaptation of the pig production in the Baltic States and Poland (activity ceased in very small and small pig holdings).

The NGOs for animal welfare recommended that any movement of pigs be stopped in order to fight against the spread.

The representative of the processing industry suggested that a war compensation scheme aiming at helping the hit Member States be set up.

The EU Commission services replied that:

- ✓ the epidemiological situation in Belarus is uncertain (no notification since 2013)
- ✓ the EU co-financed the protective measures in the Baltic States and Poland
- ✓ the fencing of such a long border is not a suitable tool to control a disease

- ✓ the vaccination does not exist.

✓ 9. Pig castration

- ✓ In 2010 at the invitation of the European Commission and the Belgian Presidency representatives of European farmers, meat industry, retailers, scientists, veterinarians and animal welfare NGOs signed the European declaration on alternatives to surgical castration of pigs. This voluntary declaration implies that the signatories, as a first step, as from 1 January 2012 should perform the castration of pigs with anaesthesia and prolonged analgesia. Secondly, they should stop the surgical castration by 1 January 2018. The signatories established an expert group to ensure the implementation of the European Declaration. The annual report of the expert group represents the first progress report as foreseen in the declaration. The expert team (subgroup of the expert group) on communication and information are preparing a plan for this by end of 2014. In addition the expert team responsible for drafting a list of traditional products is defining the criteria to establish it as required by the declaration. The Commission only supports the work of the signatories. In January 2015 the Commission will inform the Member States on the current progress of the European Declaration.
- ✓ Four studies to ensure the implementation of the end of the surgical castration funded by the Commission are completed: two Studies on boar taint detection methods, study on costs and benefits as well as a study on consumer acceptances of boar taint. The study on consumer acceptances shows that 35% of the people are sensitive to *androstenone* ((and women are more sensitive than men).
- ✓ In the meeting it was recommended that coordination of research be done.
- ✓ Acceptance and practice of boar taint vaccination was discussed as one of the alternatives to pig castration .
- ✓ The representative of the meat processing Industry asked the participants to very attentive with the current market situation and not to add more pressure on the market by adding additional costs.
- ✓ The Commission will organize a workshop on pig castration on 26th February 2015.

10. State of play on the ongoing EU debate on the Commission's Official Controls proposal

No EU Commission expert but a written contribution was provided:

- ✓ The EP adopted its opinion in April 2014
- ✓ The Greek Presidency produced a compromise text
- ✓ The Italian Presidency continued the discussions and focuses on the veterinary controls, the financing of official controls. The Italian Presidency hoped to reach a compromise test by the end of 2014.

11. State of play on the ongoing EU debate on the EU Commission proposal for the animal health law

No EU Commission expert but written inputs were provided:

- ✓ The EU Commission's proposal was published in May 2013.
- ✓ The EP adopted its opinion in April 2014.
- ✓ The Council is still discussing the proposal at the technical level. The Italian Presidency was hopeful of having a mandate for trilogue negotiation (EU Commission, European Parliament, Council) by the end of 2014.
- ✓ An agreement might be expected in the early part of 2015.

12. AOB

12.1. Promotion scheme

The Copa-Cogeca representative pleaded for a generic promotion scheme aiming at supporting the domestic pork production. The model should be the scheme for sheep meat. This scheme should promote the high quality and high standards of EU pig meat.

The EU processing industry supported the request made by Copa-Cogeca.

However, the NGO for animal welfare opposed. The industry cannot guarantee the compliance with EU legislation with regard to animal welfare. It called for high vigilance on the use of public funds in such circumstances. Also it reminded about the added value of the voluntary labelling scheme on the animal welfare issues.

The Commission official suggested that this point be placed on the agenda for the next meeting of the CDG on promotion.

12.2. FTA

The representative of trade unions asked for an assessment of the impact of the FTA on the EU production.

12.3. Social dumping

The same representative denounced the social dumping that brought about a shifting in the pig fattening. An improvement is expected thanks to the implementation of a minimum wage in Germany. However, he called for vigilance and asked for a point on that issue at the next meeting in 2015.

DISCLAIMER:

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