



MINUTES

CDG ANIMAL PRODUCTS – SHEEPMEAT, GOATMEAT AND BEEKEEPING SECTORS

Meeting via videoconference (Interactio)

02 December 2022

Chair: AGRI E3 Animal Products

The following organisations were not represented: AnimalhealthEurope, BEUC, BirdLife, EuroCommerce, ECVC, EFA, EFFAT, EFNCP, EMB, EPHA, ERPA and IFOAM.

1. Nature of the meeting

Online, Non-Public

2. List of points discussed:

Beekeeping

1. Adoption of the agenda

The agenda was adopted and no AOB points were brought forward.

2. Honey market overview

The Commission presented an overview of the honey market situation using the latest available data. There was a positive trend since 2017 in the number of beehives in the EU, reaching 20 million in 2021 (+6.0% compared to 2020). In 2020, EU honey production had dropped in 2020 to 218 000 tons (-3.5% compared to 2019).

The EU remains a net importer of honey. In January-August 2022, EU total imports in volume increased by 19% to 130 700t, following a steep rise of shipments from China (+71%) and Argentina (+53%), while imports declined from Ukraine (-17%) and Mexico (-14%). Most recent preliminary import data by mid-November 2022 indicate that imports kept increasing, albeit at a slower pace than in H1 of 2022 (+10% year-on-year), with a continued rise in imports from China and Argentina and drop of imports from Ukraine and Mexico.

In January-August 2022, EU exports stagnated at 15 900t (-0.5% year-on-year). This export performance results from a significant rise in exports to Switzerland, USA,

Japan and UAE, while exports dropped into the UK, Saudi Arabia and several less important export destinations.

The average unit value of honey imported into the EU saw a notable increase over the latest period January-August 2022 (2.60 EUR/kg, +10.8% year-on-year) with honey at the lowest value imported from China (1.58 EUR/kg) and Ukraine (2.61 EUR/kg). The average unit value of exported honey increased as well (6.13 EUR/kg, +6.4%), indicating a substantial rise in honey world market prices this year.

Stakeholders highlight that EU honey production this year might be somewhat higher than in 2021, with fairly good production in Northern Europe but severe losses in Southern Europe, where most production is concentrated. This is due to the impact of drought and rising production costs. They request an increased CAP support to the EU beekeeping and the revision of the Honey Directive to protect EU beekeepers from what is considered by them as unfair competition. Other stakeholders note that the world honey market is heavily influenced by the war in Ukraine and antidumping measures taken by the US against imports from some trading partners. On top, transport costs increased and shipments were disrupted, negatively affecting honey availability when needed. Bulk honey prices increased rapidly with retail prices following suit but with a delay. Rising costs are considered to be a general problem along the supply chain, including for consumers.

The Commission reminded that apiculture is subject to increased CAP support and programmed through national strategic plans under the new CAP (a presentation on the uptake of apiculture measures is foreseen for the next CDG meeting). Honey imports are subject to import duties while preferential access to the EU market is limited by tariff rate quotas.

3. Review of EU marketing standards (Honey Directive) – state of play

The Commission explained how the amendment of the Honey Directive 2001/110 is integrated in the ongoing review of several EU marketing standards that takes place within the Commission's Farm to Fork action plan. In relation to the origin labelling of honey, the EP and Council already expressed their positions in 2020/21. The Commission recapitulated the established principles of the single market and food traceability. A legal proposal from the Commission to the Council and EP is expected in the 1st quarter of 2023 most probably in a package with other marketing standards.

4. EU coordinated action "From the hives"

Commission's representatives (SANTE / JRC / OLAF) informed CDG members about the EU coordinated action "From the hives" (Context, objectives, organization and preliminary results) and the possible course of action that could be proposed at EU level to address its findings.

The Commission recalled the responsibilities of all players (FBOs, competent authorities, Commission) to address the issue but insisted on the main responsibility of the one placing products onto the market (safety and authenticity).

Conclusions demonstrate that the issue of honey adulteration is both to be addressed in third countries and within the EU.

The Commission pointed at the need of dedicating more resources to the issue (for investigations and controls) with appropriate control methods (investigation techniques and laboratory techniques).

The need to continue developing analytical techniques and the possibility to endorse such official control methods in the EU Honey Directive framework was mentioned.

The Commission committed to share detailed results of the action among CDG members ahead of the general communication to the public to prepare for the implementation of possible corrective actions and called for keeping these preliminary results embargoed pending finalization of the action.

5. New organic rules and their implementation in the beekeeping sector

A Commission representative presented an update of the legislation for organic beekeeping, highlighted the main changes compared to previous rules and explained the main implementation issues. The presentation from the Commission was made available to participants.

Several participants highlighted the need to better harmonize the implementation of the rules and the difficulties to identify areas suitable for organic beekeeping. One participant mentioned that in some Member States cities are considered as suitable for organic beekeeping while in other Member States this is not the case.

One participant highlighted that the situation should improve under the objectives the Farm to fork strategy for pollinators. One participant suggested that the Commission analysed the CAP national strategic plans to assess the level of support given to organic beekeeping.

The representative of the Commission concluded that further work will be done to improve harmonization of the implementation of the rules and statistics on organic beekeeping.

Sheepmeat and Goatmeat

1. Adoption of the agenda

The agenda was adopted.

3. Update on trade (EU-NZ FTA)

A Commission representative updated participants on the EU-NZ FTA concluded at negotiators' level at the end of June 2022, considered state-of-the-art and creating a precedent for future agreements with Australia, Indonesia, India and other potential partners.

Beside the classic liberalisation of trade in goods, the draft agreement contains new sustainability commitments: in particular a dedicated chapter on Sustainable Food Systems, a modern SPS chapter recognising regionalisation, animal welfare provisions.

The Agreement includes unprecedented conditions in respect of the Paris Convention on climatic commitments – lack of their respect could be sanctioned and lead to

suspension of preferences introduced by the Agreement. This is a first time ever in EU FTAs.

In terms of market access, the EC handled with care EU sensitivities with the aim of preserving a level playing field for farmers.

For sheep meat, the agreement opens an additional TRQ of 38 000 t (carcass weight equivalent) duty-free (which adds to the WTO TRQ of 126 000t); volumes will be gradually phased-in over 7 years after entry into force. The volume of the new TRQ has been split into fresh/chilled (30%) and frozen meat (70%).

Given that existing WTO TRQ (126.000 t) has remained very substantially under filled over a decade by NZ, NZ is unlikely to use the new TRQ in a foreseeable future, as the sheep herd in NZ is decreasing and NZ continues to export the vast majority of its production to more lucrative Asian markets.

3. Sheep and goatmeat market overview

The Commission presented an update of the situation of the market for sheep and goat. Sheep supply is limited as livestock numbers are reduced and slaughtering has not yet significantly recovered in many key EU producers. Lamb prices are still increasing as Christmas approaches and remain at record level, around the quotation of 7,5 euros/kg cw for both types of carcasses. EU sheep trade has increased with New Zealand, Australia and the UK after being limited during Covid. Stable production is foreseen for 2023 despite a positive evolution of market prices.

Several participants highlighted worries regarding the rise of production costs and difficulties in domestic trade since competition from New Zealand and British shipments is increasing.

4. EC report on mirror clauses for imported agriculture and agri-food products

The Commission's representative presented the Report from the Commission to the European Parliament and the Council published in June, on the application of EU health and environmental production standards to imported agri-food products. The report shows that, while the EU has developed, and implemented, over the past decades, high standards for agricultural and agri-food products produced in the EU, it also has at its disposal tools to enhance production standards for imported products.

The report analyses and confirms that, in certain circumstances, health and environmental standards (including animal welfare standards) relating to process and production methods can be applied to imported products. This will nevertheless require a careful case-by-case assessment to ensure compliance with the EU's international obligations, including WTO rules.

The report further identifies three areas of action for the EU:

- Multilateral fora, to support progress on the Sustainable Development Goals, advocating in the WTO for a more sustainable trading system or promoting sustainability in international standard-setting bodies;
- Bilateral cooperation and trade agreements, by encouraging EU partners to make progress in the field of sustainable development, cooperation on animal welfare and fight against antimicrobial resistance, and by including a chapter on

Sustainable Food Systems in the trade agreements currently under negotiations as well as future ones

- Autonomous EU measures, which have been applied in few cases (animal welfare and antibiotics used in farm animal production) or recently proposed by the Commission (proposals on deforestation, pesticide residue limits, Forced Labour Regulation), in compatibility with WTO rules.

The report confirms that the EU is committed to promote the global transition towards sustainable, resilient and fair food systems. The report also highlights that, when taking measures related to health, environmental protection or ethical concerns to imported products, the EU can act in compliance with WTO rules, when the measures are non-discriminatory and necessary to achieve these legitimate policy objectives.

One participant highlighted the need to impose EU health and environmental production standards on imported agricultural and agri-food products. One participant inquired on control mechanisms and on how to ensure that the process and production standards are met in third countries.

5. EC report to EP and Council on classification and sales designation in the sheep and goat sectors

No later than 30 June 2024, the Commission is to present to the European Parliament and the Council a report on carcass classification and sales designation in the sheep and goat sectors. Before drafting the report, the Commission will send questionnaires to MS and stakeholders to collect information on the state of play of carcass classification and sales designations in the EU. One participant mentioned the importance of this report on the future evolution of the SEUROP carcass classification scheme.

5. List of participants

See annex

(e-signed)

Pierre BASCOU

List of participants– Minutes
**MEETING OF CIVIL DIALOGUE GROUP ANIMAL PRODUCTS -
SHEEPMEAT, GOATMEAT AND BEEKEEPING SECTORS**

02/12/2022

ORGANISATIONS
Bee Life-European Beekeeping Coordination (Bee Life)
European agri-cooperatives (COGECA)
European Council of Young farmers (CEJA)
European Environmental Bureau (EEB)
European farmers (COPA)
European Liaison Committee for Agriculture and agri-food trade (CELCAA)
Fédération Européenne pour la Santé Animale et la Sécurité Sanitaire (FESASS)
FoodDrinkEurope (FoodDrinkEurope)

Ad-hoc experts

ORGANISATION
Fédération Européenne des Emballeurs et Distributeurs de Miel (F.E.E.D.M.)