

# Civil Dialogue Group on Animal Products

## Sector “Pig Meat”

### 14<sup>th</sup> April 2015

### Minutes

The Civil Dialogue Group on Animal Products – Sector “Pig Meat” – met on 14<sup>th</sup> April 2015 and was chaired by Paul Brand.

#### 1. Approval of the agenda and the minutes of the previous meeting (28<sup>th</sup> October 2014)

- The agenda and minutes were approved.

#### 2. Re-examination of the composition of the forecast working groups

- The EU Commission services explained the procedure aiming at renewing the experts of the forecast working groups on beef, pork, sheep meat, etc.
- The EU associations are invited to propose regular and substitute experts.
- The deadline has been already extended and is extended again until the end of April. However, the available inputs can be forwarded to the EU Commission services, already now.

#### 3. Information and exchange of views on markets

##### 3.1. The pork and processed products [market situation](#), APS and forecast

- There was a drop in the EU price at the end of 2014, to below the world price, but a recovery started at the end of January. The prices of piglets also recovered and have now plateaued.
- The US has PEDv under control, so its production is increasing and its prices will start falling to compete with the EU.
- EU production is forecasted to be higher this year as there was an increase in the number of pigs in 2014, including sows.
- The forecasts indicate an increase in slaughter in the first two quarters of 2015 compared to 2014, but a drop in the last two quarters.
- Last week there was an average price of €145 average across the price of all categories. Towards the end of the year, the difference in the classes will not be particularly large.
- Feed costs will remain at a moderate level.

- Therefore, the pork price may be lower than the prices in 2014 but margins are expected to slightly improve.
- Globally Hong Kong and China are the biggest importers, then Japan and Mexico. EU exports fell by 5% in 2014. Russia used to be the biggest export partner at 24%. It has been replaced by several Asian markets, in particular China. Exports, particularly to South Korea, rose in the first two months of 2015. The EU is still the biggest exporter of pig meat, followed by US and Canada.
- Private storage is being used for pig meat. 75% of applications came from ES, DK, PL, and DE. 70% of quantities are for a 3-month storage period to catch the high summer prices. 50% of applications were received in the first week. Two thirds of the applications are for deboned noble cuts, none for whole carcasses.

The largest storer is Spain with 24% of total storage but only 16% of the total slaughter. DK does 7.2% of slaughter but takes up 20% of the storage. France slaughters nearly 9% but uses only 4.8% of APS.

### Discussion

- Copa-Cogeca representative welcomed as a positive step the EU Commission's move to open a private scheme to temporarily store pig meat to help ease the difficult market situation in the short term. Nevertheless, he proposed that the products mostly affected by the Russian blockage (fat and lard) should be included in the scheme. In addition, this scheme should allow operators to destock during the period of private storage as soon as market conditions are better in order to avoid that the summer market will be depressed by an increased offer. He recommended also other support measures, such as alternative export markets and a special scheme for fat. Fat that is no longer fit for human consumption should be sold for biofuel. Finally, he was not as optimistic as the EU Commission services as regards the farmer margin. He considered that the cereal prices and soya are going to rise because of the fall of the euro against the dollar. Therefore this delegate proposed also to provide promotion for pig meat.
- The EU Commission services (EUCS) said that there is no possibility to financially support the use of fat no longer fit for human consumption for biofuel.
- EEB was against APS as it supports over production.
- The EUCS said that they are aware of the problems with APS but it is the only available market support measure for pork under the CMO. The EUCS are not in favour of supporting storage of low value products like fat because the impact on stabilising the pig price is very questionable.

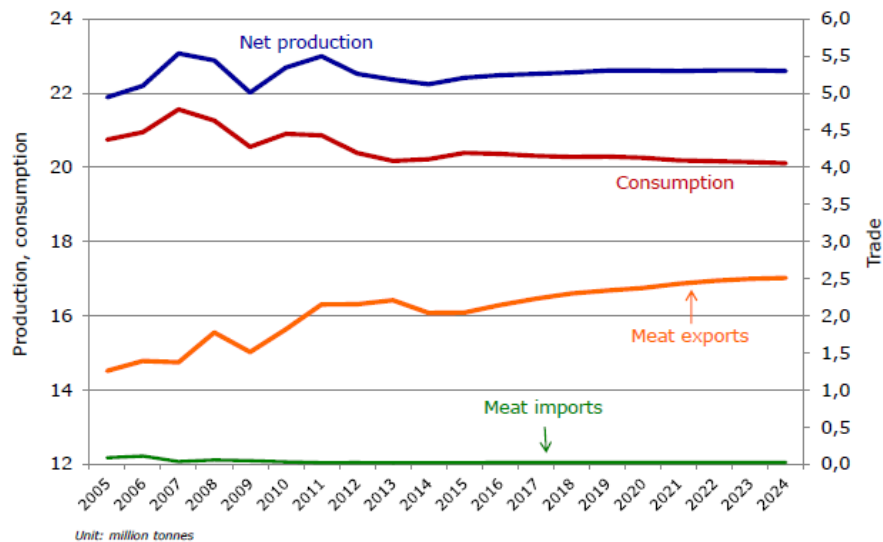
### 3.2. The animal feed [market](#)

- The end stocks have been the highest for 15 years. There was a strong increase of feed use of wheat in 2014, due to low prices and quality problems in Europe.
- There was record production in 2014 of maize so there was a big surplus. The ending stocks were highest in 27 years.
- The prospects for 2015/2016 show a decrease in total grains of -3%; Russia and Ukraine in particular will decrease their production. For 2015/16 EU and global wheat and maize production will be down but from a record production in 2014/2015.
- World cereal prices will start to rise in the near future, but still remain quite low.

#### 4. Medium-term outlook for pig meat markets 2014-2024

- Consumption of pig meat will continue to grow in developing countries but at a slower pace than before. In the EU it will stabilise or slow down a bit. Therefore there are good export opportunities for pig meat. Subsequently EU production will rise.
- The EU to dollar exchange rate will fall in the short term but start recovering in 2017/18. EU GDP will remain rather stable.
- The pig meat price will fluctuate but be on a generally increasing path.

#### Pig meat market balances



#### Discussion

- In response to a question about why EU consumption would decline, the EUCS said that higher consumption of pig meat is a sign of improved standards of living. In developed countries, the standard of living has stagnated so consumption has stagnated so exports to developing regions are necessary.

#### 5. Exchange of views on the veterinary issues

##### 5.1. The animal health situation in the Baltic States and Poland and the impact on trade

- Belarus has not notified any outbreaks of ASF and the disease seems to stop at the border so it may not be credible.
- In the Baltic States and Poland, most of the outbreaks were in wild boars, some in small backyard farms and one big farm in Lithuania.
- Amongst the wild boar, the disease does not spread that fast. The disease is not entering farms in 2015 so Member States are doing a good job.
- The Commission is working hard with veterinary services in Member States on making road maps to lift the restrictions. In 9 months there have not been outbreaks of ASF in farms.

- EFSA has a mandate to review the science on epidemiology of disease in wild boar. First results are expected in June. According to the conclusions, the Commission and Member States may review control measures.
- Disorganised hunting to eradicate the wild boar can actually cause more harm than good.

### **Discussion**

- The UECBV representative noted that all of the cases registered in Poland are at the most 20 kilometres away from the Russian border. Poland has limited the wild boar population, 1 head per kilometre<sup>2</sup>. It would be very important to accelerate the discussion on regionalisation; Poland has lost 15% of its exports and lost the Russian, Chinese and South Korean markets.

### **5.2. The market access barriers due to ASF**

- The Commission is doing everything it can to get other countries to accept regionalisation, some partially accept it like Albania, Kyrgyzstan and Moldova. Others do in theory but have a lot of scientific conditions such as inspections, like Japan, South Korea and Singapore. Singapore may accept the EU's rules soon and trade could start.
- The EU took up a WTO dispute with Russia one year ago. Some third countries like Australia, Brazil, China, US, Taiwan and others, announced interest to be as third Parties. A ruling can be expected early next year. The producers delegate reminded that the re-opening of the Russian market is the priority and therefore it is important to maintain dialogue and negotiations with Russia.
- Poland has a new piece of legislation on biosecurity and it has started implementing this in the infected zone. All small farms and medium-sized farms have been closed. In 2014, 2,700 wild pigs were living in the area and 30 were found dead. The disease does not seem to be dying out on its own.

### **5.3. The Porcine Epidemic Diarrhoea (PEDV) in North America, Europe and the preventive measures**

- The Commission informed on the main conclusions of the Advisory Group meeting (March) about the animal health and welfare session focussing on PEDv. The Commission mandated EFSA to carry out a study and gather data on the virus that should be ready by September.
- EFSA will produce two reports: one descriptive and one on impact and significance of PEDV in EU. First conclusions are expected in September.
- EFSA is aware of the difference of the virus around the world. The strains present in the EU seem to be different from those present in the US. EU piglets do not die the way they do in America.
- Once EFSA knows the impact of the virus, the EUCS will propose appropriate actions.
- The producers delegate informed that the situation in Canada and USA is not as severe as it was last year, and production is recovering in spite of some recurrences in certain farms.

### **5.4. The market access and the SPS barriers, more especially in Mexico and South America**

- The EU's SPS measures with Mexico are governed by an agreement that is 12 years old and not very detailed. Recently Mexico failed to come to Brussels for an SPS Committee meeting which led to an impasse in EU access to the Mexican market for pig meat.

- Mexico said that it would audit the EU as a block for all meat and products. A number of questionnaires were sent out. The Commission answered the questions in the questionnaires that applied to all Member States, collected the rest and sent them to Mexico. Mexico plans to visit 5 Member States, including 2 that did not fill in the questionnaire: Belgium, Portugal, France, Romania and Poland. The authorities of these Member States have already been informed; Romania and Belgium had not filled out of the questionnaire initially but are doing it now. Denmark is the only country currently allowed to export to Mexico. Spain was visited last year and is about to get green light. A report on the audit has been received and the Spanish authorities will provide some comments.
- If the outcome is positive, then the whole of the EU would be recognised based on pre-listing.
- The Commission has agreed on a certificate of pig meat for export which will be put on TRACES soon. Currently the certificate can only be used by Denmark, it is the only country authorised by Mexico.
- Concerning Colombia, 3 Member States have filled the questionnaire (Spain, France, and Portugal). Denmark had problems with the translation and will soon be ready. Italy has to provide more data (list of establishments).
- Colombia has replied to the three questionnaires and that week there will be a meeting with the Member States.
- The talks with Peru are a step behind. The Commission, Member States and the Peruvian authorities are considering how to proceed. The SPS Committee EU-Colombia/Peru will be held in June.

#### **Discussion**

- Spain is one of a group of priority countries and was the subject of an audit last year, and the others will be visited in June. Denmark would become part of this procedure. The Commission intends to accompany the inspectors on their trip.
- What happens if one of the Member States fails the audit? The Commission hopes that there will be some room for manoeuvre, if all the audits do not go to plan it will depend on why it has failed.
- The UECBV representative said that the associations in Romania started working with central veterinary services to lift the restrictions with regard to CSF. This should help a positive outcome for the Mexican audit.

#### **5.5. Market access issues – Alternative markets**

Following the Russian blockage, the EUCS have been working on an evaluation of export markets which are hampered for SPS reasons.

## Identified priority alternative markets (SPS)

Priority country	Sector/product
<b>BRAZIL</b>	Pork, dairy, bovine
<b>CHINA</b>	Bovine, pork, dairy
<b>CHILE</b>	Pork, fruits and vegetables
<b>COLOMBIA/PERU</b>	Pork, poultry, dairy
<b>INDIA</b>	Pork, poultry, dairy
<b>INDONESIA</b>	Fruits and vegetables (port access)
<b>MEXICO</b>	Pork, fruits and vegetables
<b>TURKEY</b>	Bovine, poultry, dairy, fruits and vegetables
<b>USA/CANADA</b>	Bovine, dairy, fruits and vegetables
<b>VIETNAM</b>	Fruits and vegetables

Country	Problem	Actions
Brazil	Backlog of applications submitted by Member States; approval of labels (products of animal origin)	<ul style="list-style-type: none"> <li>•Letter COM to Secretary of State of Brazil (SRI/MAPA), February 2015</li> <li>•Meeting COM with Ambassador of Brazil in Brussels, October 2014</li> <li>•Mid-term review of all export issues, under the EU-Brazil SPS Mechanism, December 2014</li> <li>•Study visit to DK for pork sector, November 2014</li> </ul>
Colombia	Slow approval process for additional Member States / establishments	<ul style="list-style-type: none"> <li>•Letter to Trade Minister</li> <li>•COM mission performed January 2015. Minister for Private Sector and Good Governance promised to present a simplified procedure</li> <li>•Letter to Trade Vice-Minister about to be sent</li> <li>•Study visit scheduled for May 2015</li> </ul>
Peru	Slow approval process for additional Member States / establishments	<ul style="list-style-type: none"> <li>•Videoconference held with SENASA 3/12</li> <li>•COM mission performed January 2015. New problem detected: uncertainty over competences between SENASA and DIGESA leaves EU with no clear interlocutor</li> <li>•Letter to Vice Minister sent already highlighting concerns over unclear competences, plus inadequate implementation.</li> </ul>
China	No recognition of regionalisation (e.g. PL/ASF) and slow processes	<p>Departments, most recent ones:</p> <ul style="list-style-type: none"> <li>•Visit by COM to Beijing in Nov 2014 (beef/pork and dairy covered)</li> <li>•16 Jan 2015, meeting COM with MoA in Berlin (beef/pork raised) – outcome. MoA just referred to other CN department (AQSIQ)</li> <li>•Visit by COM to Beijing – 28 January 2015, raised issues pork and beef</li> <li>•30/01/2015 COM - CN mission Brussels: raised the point with the Trade Ambassador (Minister Zhang)</li> <li>•18-19 March 2015: visit COM to Beijing: Pork/Beef issue raised Outcome so far of all meetings – China confirmed to continue to work on pending applications of EU Member States for pork. For PL – ban still in place due to ASF – CN did not provide an indication to</li> </ul>

		lift the ban in due course. COM has planned next meeting in Beijing beginning of May – continue to push for pork exports.
India	Import requirements (OIE incompatible, no regionalization)	<ul style="list-style-type: none"> <li>•India notified recently new import conditions on its website (DAHD). COM is in process of preparing comments – any input is welcome, also further info on the market access opportunity to the Indian market for pork.</li> <li>•COM plans mission in May to New Delhi – pork on the agenda.</li> </ul>

The Commission informed about the resolved SPS restrictions affecting EU pork exports in 2014 and 2015 and indicated how the industry could collaborate in solving SPS barriers.

### Discussion

- The UEGBV representative said that he does not understand why work with Colombia and Peru is taking so long when the EU has FTAs with them.
- The EUCS explained that had repeatedly raised concerns linked to the continuous problems regarding the implementation of provisions in FTA and was working on solving them.
- Spain, France and Portugal are Member States having completed Colombia’s questionnaire. Denmark should soon. Italy will provide the list of establishments. Colombia will only accept information in Spanish.  
The Special SPS Committee EU- Colombia /Peru will be held in June.

## 6. Animal welfare

### 6.1. State of play on guidelines on enrichment material and tail biting

- Very few new information. The guidelines are currently in internal procedure and awaiting the Commission’s decision.
- The EUCS said that the guidelines on enrichment materials are in an internal procedure and are awaiting a decision from the Commission.
- The guidelines on tail biting are being considered.

### 6.2. Outcomes of the conference on alternatives to pig castration held on 26<sup>th</sup> February 2015 and follow-up

- More than 200 participants attended a conference in Brussels on alternatives to pig castration.
- The audience discussed possible options to decrease/remove boar taint. The presented studies showed that management (clean environment, less stress), feeding and breeding can reduce the boar taint of entire male slaughter pigs.
- Currently the best method for the detection of boar taint is the human nose and it is debatable how reliable this is for a slaughterhouse situation. The Commission is considering to launch a study to develop a boar detection method applicable in slaughterhouses.
- Consumer acceptance of boar taint in pork meat varies between countries. The consumer is not aware that porc meat is coming from castrated pigs and that castration is necessary to avoid the boar taint. The consumers expect a good meat quality. There is a growing awareness among consumers on the various animal welfare issues related to specific meat products.

- There were discussions on vaccination against boar-taint and the use of anaesthesia/analgesia in Member States.

## Discussion

- The group was informed on a letter being drafted by the expert group on alternatives to surgical castration requesting a new meeting as soon as possible.
- The producers' representative underlined the importance to discuss and find a common solution to the following issues: traditional products, export destinations, acceptance of third countries, consumer participation, fair distribution of costs, detection methods, alternatives to anaesthesia and analgesia, penalisation of entire males, more research on castration.
- The sub-group on traditional products did not reach an agreement yet on defining the criteria to establish a list of traditional products, as required by the declaration.
- Copa-Cogeca said that changes to feed would not be enough to solve the problem. The conditions of the Brussels Declaration of 2010 have not been fulfilled and some questioned if we will have all the conditions in place to respect the 2018 deadline. The conditions and studies foreseen in the declaration are not all met and there are a lot of open questions.
- The EUCS said that the study required by the Declaration will be carried out and that the result so far shows that by using certain feed and changing the way the animals are reared can have an impact on boar taint, but is not the only factor.
- Copa-Cogeca thought that this would only solve 10-20% of the problem, using unfit alternatives could harm animal welfare.
- The UECBV representative wanted to know what would happen to meat if it went beyond the acceptable level of taint. Hygiene legislation should be changed so it does not have to be destroyed.
- Copa-Cogeca noted that the anti-inflammatory and painkillers are not always effective, and asked for alternatives.
- The EUCS said that the start of the study on methods of anaesthesia and analgesia for all pigs and other alternatives for pigs used in traditional products is foreseen for June. Boar taint vaccination is one of the alternatives to pig castration. There is little market acceptance of meat from boar taint vaccinated pig.
- Copa-Cogeca said that it is not the producers who want to castrate pigs: they are castrated because consumers want meat without boar taint.
- Consumers have concerns about Improvac and hormones. The Commission underlined that it is not a hormone: it is a vaccine that suppresses hormonal changes. A study has shown that it has no impact on consumers.

## 7. Exchange of views on the implementation of Regulation (EU) No 1169/2011 on the provision of food information to consumers (FIC) in the pork sector

### 7.1 [Enforcement of Regulation \(EU\) No 1337/2013 \(country of origin label for pork\)](#)

- Lard, fats, offal, sausages and prepared/preserved (marinated pork chops, peppered steaks) are not covered by Regulation (EU) No 1337/2013.
- Unpackaged butcher meat does not fall under this either.
- Food business operators should ensure the link between meat and animal, transmit provenance information at subsequent stages of production and distribution and only put raw material of

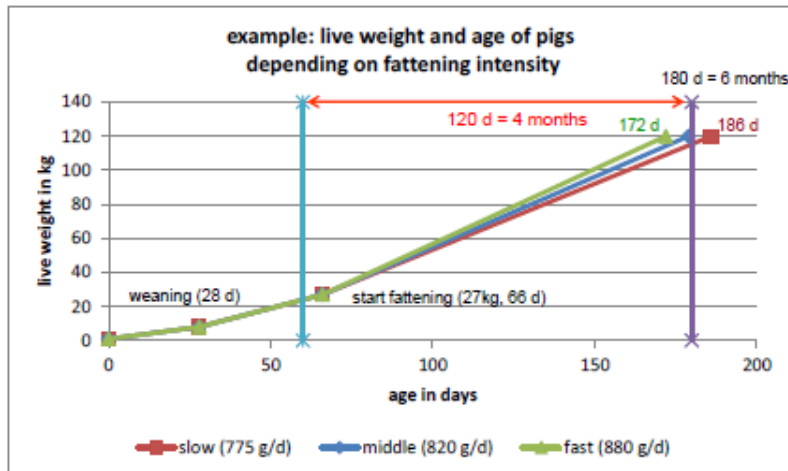


the same origin in one batch (size max 1 day). There are derogations for minced meat and trimmings.

- There should be information from farm to slaughterhouse via 'food chain information'.
- For pig meat if slaughtered at > 6 month: last rearing period of 4 months (only if this is not achieved in any Member State – "reared in several Member States of the EU"), < 6 month, min. 80 kg live weight: rearing period after 30 kg and < 80 kg live weight: whole life.

#### Practical example: fatterer buys piglets from another MS

- Slow fattening (> 6 months) proof of rearing period of 120 days
- Fast fattening (< 6 months) proof of that animals were bought <30kg



- There is a guidance document which states that:
  - All weights are average weights of groups of animals – no individual weights
  - Time limits can be determined on the basis of on-farm documentation (invoices, weights, daily gain)
  - Live weight can be calculated from carcass weight (e.g. factor 0.78)
  - 30kg limit for pigs characterises moving from rearing to fattening unit
  - Member States may determine weight limits that can be used as indication of the age of animals (</>6 months).
- Regulation (EU) No 1337/2013 shall not apply to meat placed on the market before 1<sup>st</sup> April 2015 until the stocks are exhausted. "Placing on the market" means holding of food for the purpose of sale.

The clarifications that the EUCS provided in the last weeks will be discussed at the next management committee meeting on 23<sup>rd</sup> April 2015.

#### 7.2. EU Commission's report on the country of origin labelling for meat used as an ingredient – state of play of the discussions in the EP and Council of Ministers

- In the Council debate on the Commission's report in March 2014, Member States were divided: some Member States were in favour of mandatory origin labelling while others were against.
- The EP considered the report and adopted a draft resolution in February 2015 calling for mandatory origin labelling. The EP and Commission had different views on how much mandatory origin labelling would cost.

- The Commission's position on the EP resolution will be published in the coming weeks.
- The Commission does not consider the Council will reopen the matter.

### Discussion

- BEUC said it was disappointed that no action is foreseen and the Council is not going to reopen it. BEUC agreed with the EP that the Commission overestimated the costs and more research should be done.

### 8. Simplification and reduction of administrative burdens for the carcass classification and price reporting in the pork sector - [State of play](#)

- The EUCS would be in favour of raising the threshold for compulsory carcass classification to 500 pigs per week.
- The results of the classification should be forwarded to the supplier.
- The new legislation will make it clear that computer tomography may be used in place of manual dissection.
- The Member States complained that many carcasses fall into one class – S. They would like to divide the categories into sub-categories. The EUCS can do this in the regulation.
- In the beef sector there is an inspection committee, the EUCS would like to include this in pigs as well.
- Industry said that there are too many markings on the carcass so it is up to Member States on where and what size marks should be.
- Member States would have more flexibility on on-the-spot checks.
- Written comments are welcome.
- The EUCS would like to finish the drafting of this simplification method by the end of the summer this year but then there will be further consultation.
- The legal frame is decided by the single CMO, all pigs that are slaughtered have to be classified with no exception for pigs that are used for specific purposes.

### 9. AOB

None

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