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MINUTES OF THE WORKING PARTY ON BREEDING LIVESTOCK WHICH TOOK PLACE ON 16/04/2013

PRESENT: SCHONS (Chairman), DAVID, VENNEMAN, PONTAGA, FIORETTI, ROSATI, LAURITZEN, MATOUSEK, HOWARD, GOOS, STURMLECHNER, BASTO, DAVIES, MULVIHILL, MANNIEN, KICINSKI, JOURNAUX, GASTINEL, LYKKE, ERIKSSON, RUTKAUSKAS, WINTERS, DENKIEWICZ, ENDRODI

GUESTS: Sergio PAVON (DG SANCO), Alf FUESSEL (DG SANCO)

SECRETARIAT: DI RUBBO, RUNGE, GYORFFY

Item 1: Adoption of the agenda

 \rightarrow The group adopted the agenda.

Item 2: Approval of the minutes

→ The Chairman asked the members to send written comments to the minutes.

Item 3: Zootechnical legislation - state of play

→ The Commission representative(s) presented the state of play on this subject. There is a slow progression on this item due to the necessary alignments of the current provisions to the Lisbon Treaty. Legal services are expected to give their final opinion by next week. Once the College of Commissioners approved the text, it will probably be presented during the Irish Presidency. This act will be subject to co-decision and at least two years of discussions are expected.

Several questions on the position of the MS on cross-border activities, definition of "breed" – who is responsible for it, timing for implementing and delegated acts, changes to genomic breeding values, decision body in case of disputes, what impact on national level is foreseen were asked.

The Commission representatives replied that:

- in principle there should not be changes to the substance (this would involve an impact assessment) but a more clear wording this is the case for cross-border activities for example, recognition of breeding organisation and the approval of the breeding program the latter can be carried out outside the MS where the breeding organization has the headquarters
- Cross-border activity of breeding organisations was identified as one of the most critical points of the text. In a preparatory meeting at the beginning of 2012, a divergence of views of Nordic vs. southern MS was observed.
- According to the draft, a MS might forbid the breeding programme of a BO of another MS in his territory, but only under very strict and clear conditions (notably if the future development of a rare breed would be endangered).
- Zootechnical controls by MS authorities will be part of the text (as these will no longer be included in the EU Official Control Regulation (successor of reg. 884/2004).
- initially it was tried to provide a definition of breed but there was a fear that additional problems might arise especially related to horses
- annexes will be amended by delegated acts while breeding certificates by implementing acts
- there will not be a very long period between coming into force and being applicable

- under performance testing, genetic evaluation based on genomic breeding values is mentioned
- In contrast to earlier expectations, there are no specific provisions for bilateral disputes settlement. Instead the COM representatives now referred to the EU competition law that is already in place. As usual, infringement procedures can be used in case of problems with the implementation of the law.

The Chairman concluded that we need to wait for the final text and then consider our strategy to lobby the Council and the EP.

Item 4: Electronic identification of cattle

→ The Commission representative presented this point. The trialogues are to be finalized in May after the meetings which took place in February, March and April. Voluntary beef labeling is more problematic than EID. Stricter sanctions as a result of the horsemeat issue were asked. The EP requests mandatory labeling of meat from clones and offspring. But the Commission and Council are against. COM needs to finalize the Impact Assessment and based on it, it will most likely present new legislation on cloning for food purposes. Several aspects on delegated and implementing acts, derogations are being discussed.

Questions on the transitional period, the mandatory approach preferred by the EP, rules for imports, financial provisions on costs, if cloning could block the process were asked.

The Commission representative replied that:

- the Council asked for a 7 year transitional period but the Commission is against because the costs with upgrading the database are not excessive (however a period between 1-3 years could be accepted by the Commission in order to advance with the file)
- COM points to many benefits from EID: faster and more accurate data, make the sector more competitive. However small farms can be affected; the ideal situation would be that EID were introduced on a mandatory basis, however it is extremely expensive, therefore the COM proposed that farmers choose, but some MS are reluctant to them being obliged to introduce it in the legislation;
- if the system goes well enough, it is possible that there is a review before 5 years in order to make bovine EID mandatory;
- the legislation applies at EU level; for imported beef there is a possibility to ask that it has been produced under "equivalent" standards of identification, traceability and public health;
- there are no financial provisions on costs, EU money could only be given for EID if the system were compulsory. Any decision taken by MS should be in consultation with stakeholders and provisions on payment could be fixed at national level.

The French representative expressed the need to uptake this technology sooner since it could help genetics, so benefits can also be at farm level. Comments were also made on the fact that ISO standards do not (yet) recognize UHF.

The proposal is still expected to be adopted in first reading. If this fails, the second reading could follow.

The Chairman concluded by saying that Copa-Cogeca's position favours a voluntary approach. There may be costs for farmers and if the market would remunerate it could be better accepted.

Item 5: Cloning of farm animals

→ The Chairman introduced this point. The European Commission is conducting an Impact Assessment to which Copa-Cogeca was also asked to provide input. The pressure from the EP is very high on the Commission.

The exchange of views between the members revealed that there might be a link between this

topic and EU-US trade agreement. The idea to ask for labeling of products from clones and up to three generations will complicate things. The Commission also requested information on the dependence of the livestock sector on imported semen. The need for better communication and improving Copa-Cogeca visibility was mentioned.

The Secretariat underlined that at the time of the horsemeat issue, Commissioner Borg mentioned that the Commission will finalize the Impact Assessment in 2-3 months with proposal possible for summer.

The Dutch member favoured restricting labelling of cloning to the 1st generation. Embryo splitting should not be considered as cloning. More lobbying towards the EP should be considered.

The Chairman underlined that the initial discussion was a very strict one because of the EP pressure but the issue is now moving at a slower pace. He favoured an increase in communication to improve the image of modern farming while taking into account the societal opinion. It is important to state that there are more offspring of cloned animals in the US than expected. A dangerous approach is to say that there are no clones, no offsprings. We will consider how to lobby together the EP.

The EFAB representative favoured a communication strategy in which simple messages in nonemotive way are put forward to the EP so that they acknowledge the positive aspects.

The Secretariat presented the traineeship to USA on cloning and new technologies (all presentations can be found on Agri-Info under the BR section).

Item 6: Research item

→ Dawn Howard from EFFAB presented FABRE-TP strategic research agenda which was established in 2011 with its 5 key priorities. She also presented the Animal Task Force (ATF), that links with 4 Technology Platforms (on breeding (Fabre TP), animal health, feeed and qquaculture). (membership, activities including the seminar organized on 7th November 2012 etc.). It was mentioned that the ATF will produce a White Paper for Horizon 2020 (the Commission asked for technical support as far as the livestock sector is concerned) based on the messages which were expressed during the seminar. The priorities mentioned in this White Paper are resource efficiency, responsible livestock farming systems, healthy livestock and people, knowledge exchange towards innovation, opportunities for 'excellent science', pan-European research infrastructures. ATF advocates for improved research support.

It was asked if there are active projects of ATF.

EFFAB representative replied that an event will be organized on May 14th, there is currently a project on dairy cow fertility which is ongoing.

The Secretariat presented the state of play on the EIP. On 19th April, Sherpa group will meet (42 different stakeholders, 5 from the farming sector). Funding will be available under Rural Development and Horizon 2020. Art.36 is extremely important, operational groups will have a major role. Within the rural development programme there might be funding for setting up the operational group. Under Horizon 2020, there will be two new types of projects: "multi-actorial projects" (bringing different actors together with specific research questions. Since it is difficult to prepare those calls, the Commission has requested support for topics) and "Thematic networks" that will facilitate working together for different objectives and it is important to identify the important topics for the breeding sector, valorize the diversity of food chain, sustainable consumption - how can breeds provide more specific nutrition elements for food.

The lack of presence of representatives of the breeding/animal production sector in different fora was underlined. The low level of involvement of the livestock sector in EIP was also pointed but the livestock sector plays an important role in bio-economy.

ICAR representatives mentioned that genetic improvement, increase efficiency in animal farming, animal welfare, breeding for functional food are areas of interest.

The Secretariat reminded the need to be involved in the expert focused groups (SCAR is

represented in the EIP but there are expert focused groups which are asked to deliver the state of art for research topics: quality, digestion, antimicrobial resistance - first focus on pigs, genetics. Document RES(13)798 refers to ways to make the EIP workable.

The Chairman concluded that there is a big challenge on how to bring farmers in the process, for now there isn't any breeding company prepared take part in the EIP.

It was suggested that to invite Interbull to participate in an EIP project.

Item 7: Animal health issues

→ The Chairman mentioned that the presentation of the Animal Health legislation is expected by end of April and invited the Secretariat to present this point.

The Secretariat underlined that due to fact that MFF perspectives are uncertain, it was decided to take out the proposals on financial expenditure, therefore end of April only the texts related to plant and animal health will be presented. The preliminary views of Copa-Cogeca were to be validated by Praesidia on 18th-19th April. One difficulty is to assess the animal health provisions without knowing the money behind. Copa-Cogeca also has concerns on biosecurity, we would like to see no new costs at farm level. A high level conference will be organized by Copa-Cogeca together with the Irish Presidency on 6th-7th May.

On Official controls, a lot of MS implemented them in different manner because of financing, political issues. One new thing on the financial side is the provision on mandatory system of fees collection for private operators.

The Durch delegate asked for a more modern interpretation of certain elements of directive 88/407. Today, laboratories are separated from AI suds, storage centers of semen sexing centers. Rules for identification and traceability of semen should be adapted accordingly.

The Secretariat reminded that we are speaking about two different pieces of legislation, however the movement of animals makes the link with the animal welfare legislation for which legal proposals are expected in 2014-2015. As far as the conference is concerned, chief veterinary officers, attaches, relevant stakeholders were invited and the program can be found on AI.

The Chairman concluded for the need to wait for the final version of the text and then make our lobbying strategy.

Item 8: Animal welfare

→ The Secretariat presented this point.

EFSA is investigating the possibility to use welfare indicators in risk assessment methodology. Last year, a pilot project was assigned by EFSA to collect information on short list of indicators understand which indicators are already collected at farm level, by who, which are the prevalences. EFSA has given a short time to reply, Copa-Cogeca was asked to provide preliminary views by 19th April. Copa-Cogeca asked EFSA to be prudent with data since this collected information will be used in risk assessment methodology.

The Chairman insisted that members help in collecting the data needed.

Item 9: Control post project

→ The Chairman presented this point <u>AHW(13)2544 (rev.1)</u>.

Animal welfare problems, biodiversity being excluded, divergent interests between UECBV and cattle and pig breeders were raised.

The Chairman underlined that reference is made on how to improve control post. It is important that in the scientific evaluation we provide arguments why it would be better not to unload at all. The chairman concludes that the objectives of the project are in general good, , it should help to demonstrate that animals can be transported in acceptable conditions, and how farmers and/or

exporting companies and drivers resume their responsibility if something goes wrong etc.

Item 10: the Schmallenberg virus

→ The Chairman presented this point by underlining the problems with the trade restrictions due to Schmallenberg Virus. Official statistics show a decline in quantity and value of exports. SBV is not an OIE listed disease. For some third countries, the COM is leading the negotiations with Third countries, for others it is the MS in question. It is complicated to find a common position in the EU. The Chairman referred to the presentation he gave within the SPS market committee. For now, no solution is envisaged, the OIE General Assembly will take place soon and we will have to see what developments will be.

It was mentioned that the SBV spread all over Europe, even in Russia. In most affected MS, farmers do not observe a significantly higher level of stillborn calves and malformations (maybe except for sheep). Exports are greatly affected, if more and more countries are opening borders for live cattle, for semen the situation is disastrous (several EU countries are not able to export to Russia, USA, China). In February 2013 the OIE has published an update of its SBV factsheet. The UK representative underlined that this is a big problem for the sheep industry (30% sheep dying) and that UK favoures the developments of vaccines and the vaccination.

Item 11: State aid reform

→ The Chairman mentioned that the Commission has launched a public consultation on new state aid guidelines which was closed on 20/03/2013 and that a proposal for a revision of these guidelines could be expected this year.

The Secretariat presented the letter received from the Lithuanian farmers organization on this subject which requests for the maintenance of the current support and the introduction of the possibility to finance (up to 50%) the costs with the purchase of pure bred animals or that the Rural Development programme recognizes this as eligible for the investment measures. The Chairman underlined that this instrument was not used much in other countries.

The Latvian member mentioned that Baltic States used this instrument in the past to improve the pure bred animals since most of the pure bred herd was imported from Western countries. Since breeding animals are expensive, the state aid would compensate to be able to improve the beef herds. The Lithuanian member mentioned that there is a small number of pure bred animals in Lithuania and that they would like to increase the number.

The Dutch member considered that any form of state aid creates a non-level playing field and that the Netherlands does not support that type of state aid in relation to the breeding sector.

The Chairman underlined the need to keep in contact with the COM to know what is next.

Item 12: Genomic selection

→ The Chairman invited the members to inform each other about the evolution of this topic. The Dutch member mentioned that the date is postponed for August. Regarding the acceptance of bulls with gbV's, it was underlined that Romanian and Polish authorities have changed their attitude towards this, but there still is Italy to be convinced. The Chairman concluded that the situation remains unchanged compared with last meeting.

The Chairman concluded the meeting by thanking the members for their participation and by announcing the next meeting which will take place on $15^{\rm th}$ October 2013.