

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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**EU-27**

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**Annual Report 2010**

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**Report Highlights:** During 2010, beef and pork exports are expected to recover due to increased domestic availability, a weak Euro, limited competition, and recovering demand on the world market. In the second half of 2010 and 2011, EU beef production is anticipated to fall following the long term trend contraction of the herd. While piglet and pork production is expected to peak in 2010, a reduction is anticipated in 2011 as a result of rising feeding and investment costs and increasing competition on the world market. Between 2009 and 2011, the EU cattle and pig stock are projected to shrink 2.3 and 1.6 percent, respectively.

## DISCLAIMER

The numbers in the PSDs in this report are not official USDA numbers, but they result from a collaborative effort by FAS EU offices to consolidate PSDs from all 27 EU member states.

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## NOTE

In this report the following HS codes and conversion factors are used:

	<b>HS codes</b>	<b>Conversion factors</b>
<b>Beef</b>	0201, 0202 021020, 160250	PWE X 1.40 = CWE PWE X 1.79 = CWE
<b>Pork</b>	0203, 021011, 021012, 021019, 160241, 160242, 160249	PWE X 1.30 = CWE

PWE = Product Weight CWE = Carcass Weight

## ABBREVIATIONS

EU: All twenty-seven Member States of the European Union.  
EU-25: All Member States of the European Union, except NMS-2.  
EC: European Commission  
MS: An EU Member State  
NMS: The twelve new Member States which joined the EU in May 2004 and January 2007.  
NMS-2: Romania and Bulgaria, which joined the EU in January 2007.  
Benelux: Belgium, the Netherlands and Luxembourg

## **Executive Summary**

### **Cattle & Beef:**

During 2009 - 2011, the EU cattle stock is projected to shrink 2.3 percent, from 88.8 million head to 86.8 million head. This trend is mainly a result of increasing costs for land, feed and energy and restricted government support. Considering the slow recovery of the EU economy and anticipated rising feed costs, no rebound in calf crop, animal stock levels, and beef production is expected for 2011. During the first half of this year, a relative high slaughter level in combination with slackening demand led to an increased availability of beef on the domestic market. This oversupply situation, in combination with a limited supply on the world market and a weak Euro, slowed down beef imports and boosted exports.

### **Swine & Pork:**

During 2009 – 2011, the EU pig stock is forecast to decrease by 1.6 percent, from 153.1 million head to 150.7 million head. EU piglet and pork production is forecast to recover temporarily in 2010. During the first half of 2010, the sector benefitted from the low feed costs, the increased demand for pork in Russia and Asia, and the weak Euro. During the second half of 2010, and during 2011, EU exports are expected to face increased competition, in particular from Brazil and the U.S. In addition, EU domestic supply is expected to fall due to shrinking margins as feed prices are anticipated to increase and EU legislation is requiring more investments from swine breeders and fatteners.

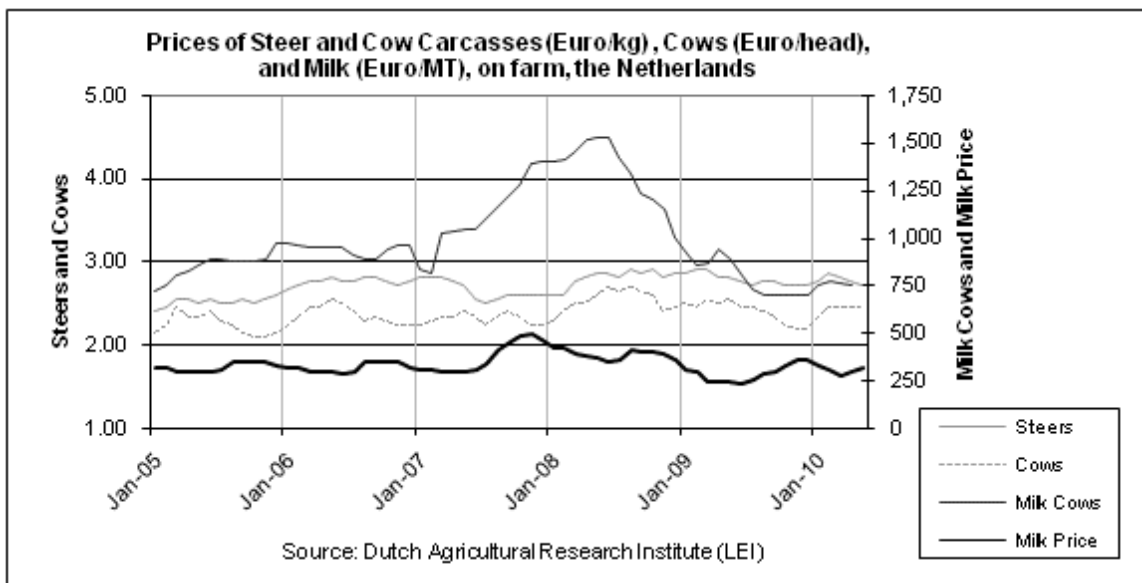
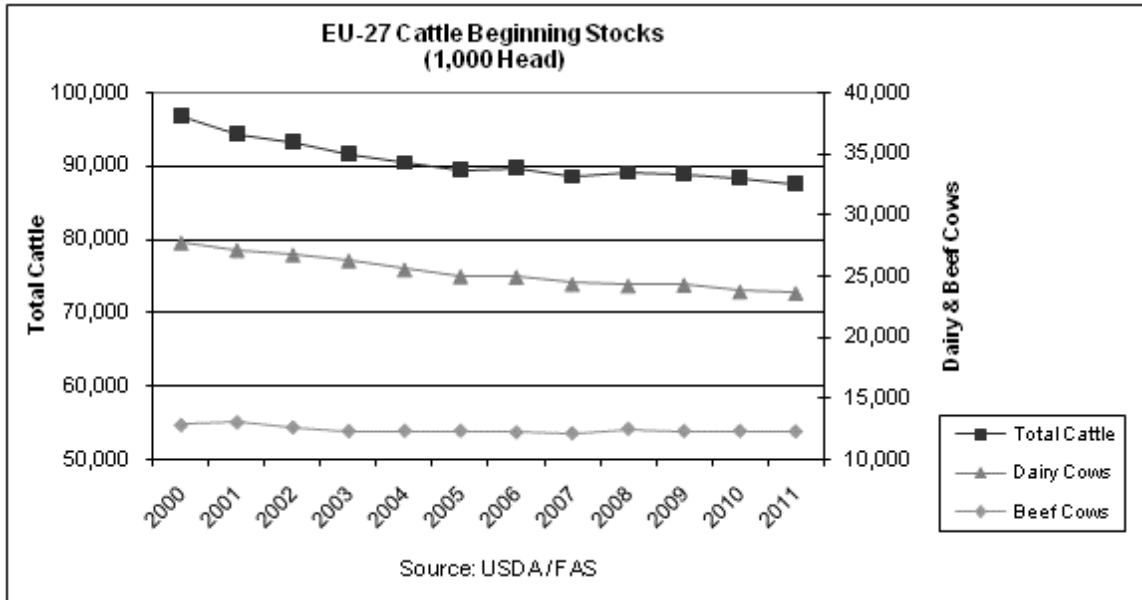
## **Cattle**

Country	EU-27					
Commodity	Animal Numbers, Cattle (1,000 Head)					
	USDA Official [EU- 27]	Posts estimates [EU-27]	USDA Official [EU- 27]	Posts estimates [EU-27]	USDA Official [EU-27]	Posts estimates [EU-27]
Market Year	2009		2010		2011	
Total Cattle Beg. Stocks	88,837	88,837	88,400	88,300	0	87,500
Dairy Cows Beg. Stocks	24,248	24,246	23,800	23,701	0	23,570
Beef Cows Beg. Stocks	12,250	12,258	12,200	12,271	0	12,220
Production (Calf Crop)	30,400	30,200	30,150	29,800	0	29,700
Extra EU27 imports	5	5	5	2	0	2
<b>TOTAL SUPPLY</b>	<b>119,242</b>	<b>119,042</b>	<b>118,555</b>	<b>118,102</b>	<b>0</b>	<b>117,202</b>
Extra EU27 exports	403	403	400	450	0	450
Cow Slaughter	7,750	7,751	7,500	7,600	0	7,550
Calf Slaughter	5,720	5,500	5,650	5,500	0	5,500
Total Slaughter	28,700	28,600	28,450	28,450	0	28,300
Loss	1,739	1,739	1,705	1,702	0	1,652
Ending Inventories	88,400	88,300	88,000	87,500	0	86,800
<b>TOTAL DISTRIBUTION</b>	<b>119,242</b>	<b>119,042</b>	<b>118,555</b>	<b>118,102</b>	<b>0</b>	<b>117,202</b>

Source: FAS EU Offices.

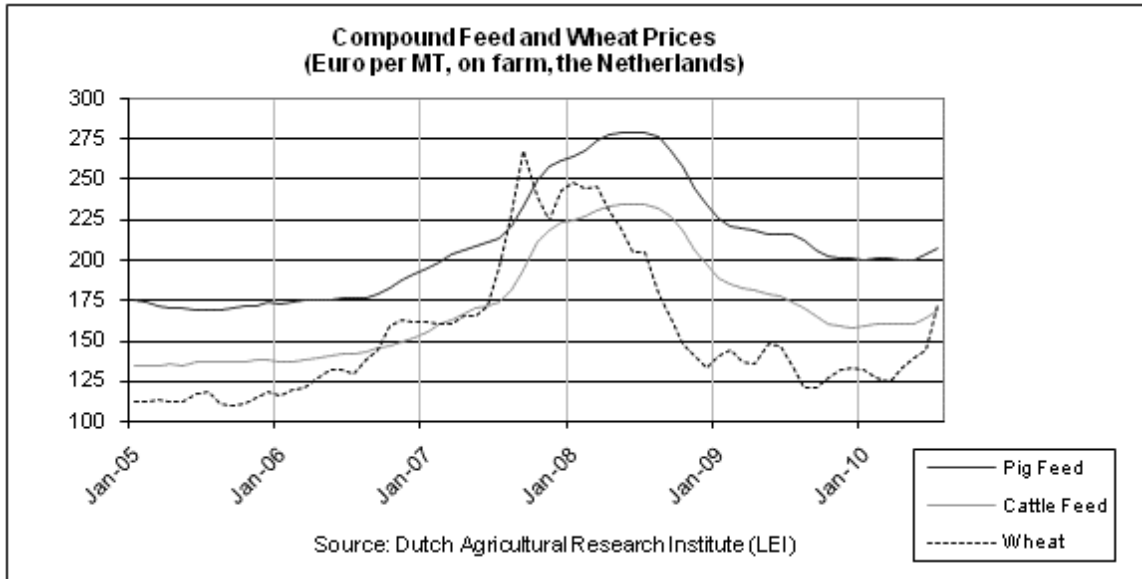
The long term trend of contraction of the cattle herd continues.

During 2009 - 2011, the EU cattle stock is projected to shrink 2.3 percent, from 88.8 million head to 86.8 million head (see graph below). In 2008, elevated beef and milk prices temporarily halted the long term trend of contraction. This trend is mainly a result of increasing costs for land, feed and energy and restricted government support. Throughout the EU, the smaller farms with only a few cows are abandoning the sector, while the biggest and most efficient farms are expanding. Whereas prices of carcasses were supported by the limited beef supply from South America, milk prices dwindled (see graph below). These price developments are reflected in the contraction of the herds. The size of the beef herd increased slightly in 2009, while the dairy herd shrunk further.



The weak economy and rising feed costs will hinder a rebound in the cattle sector.

Calf production in 2009 and 2010 is adjusted downwards from the forecasts in the Semi-Annual Livestock Report. Ending inventories are revised to a lower number accordingly. After a reduction of 2.6 percent in 2009, the calf crop is expected to decline 1.3 percent in 2010 and 0.3 percent in 2011. The lower calf crop in 2009 is partly a result of the restructuring; thus smaller size and increased efficiency of the dairy sector. Also the low milk price and the outbreak of Bluetongue Disease had a negative effect on the calf/cow ratio in 2009. Another effect of the restructuring is that it induced dairy cow slaughter in 2009 and 2010. During the beginning of 2010, total slaughter was also elevated by the increased slaughter of beef animals which have been fattened during a period with an abundance of grains available. The relatively high slaughter level of dairy cows and beef cattle is facing a decreasing demand for beef, in particular high quality beef, and is likely to generate an important slowdown in the cattle and beef sector in the second half of 2010. Considering the slow recovery of the EU economy and rising feed costs, no rebound is expected for 2011. During the second half of 2010, feed prices are anticipated to follow the price hike of wheat and other feed grains (see graph below and FAS Crop Updates).



Calf crop production (Top 5 EU MS) 1,000 Head

	2009	2010	2011
France	6,036	6,034	6,000
Germany	4,420	4,370	4,320
United Kingdom	2,839	2,813	2,800
Italy	2,765	2,850	2,850
Benelux	2,238	2,160	2,155

Cattle slaughter (Top 5 EU MS) 1,000 Head

	2009	2010	2011
France	4,952	4,980	4,890
Italy	3,838	3,830	3,830
Germany	3,803	3,900	3,800
Benelux	2,874	2,800	2,800
United Kingdom	2,523	2,536	2,510

## Beef

Country	EU-27					
Commodity	Meat, Beef and Veal (1,000 Head) (1,000 MT CW)					
	USDA Official [EU-27]	Posts estimates [EU-27]	USDA Official [EU-27]	Posts estimates [EU-27]	USDA Official [EU-27]	Posts estimates [EU-27]
	2009		2010		2011	
Slaughter (Reference)	28,700	28,600	28,450	28,450	0	28,300
Beginning Stocks	0	0	0	0	0	0
Production	7,970	7,900	7,920	7,870	0	7,850
Extra EU27 imports	495	495	500	490	0	490

TOTAL SUPPLY	8,465	8,395	8,420	8,360	0	8,340
Extra EU27 Exports	148	150	150	160	0	160
TOTAL Domestic Use	8,317	8,245	8,270	8,200	0	8,180
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	8,465	8,395	8,420	8,360	0	8,340

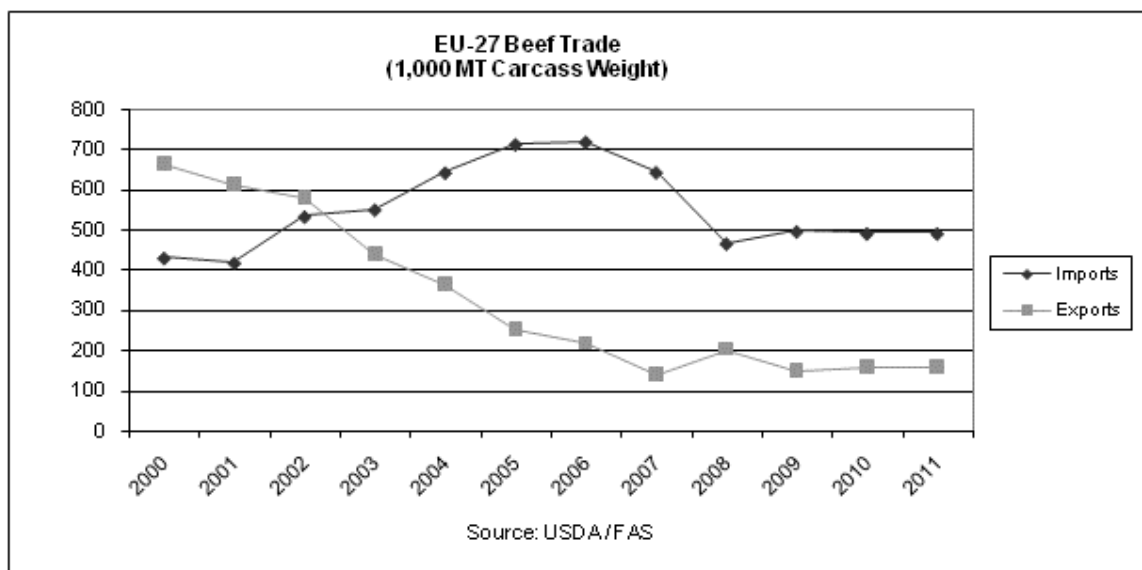
Source: FAS EU Offices

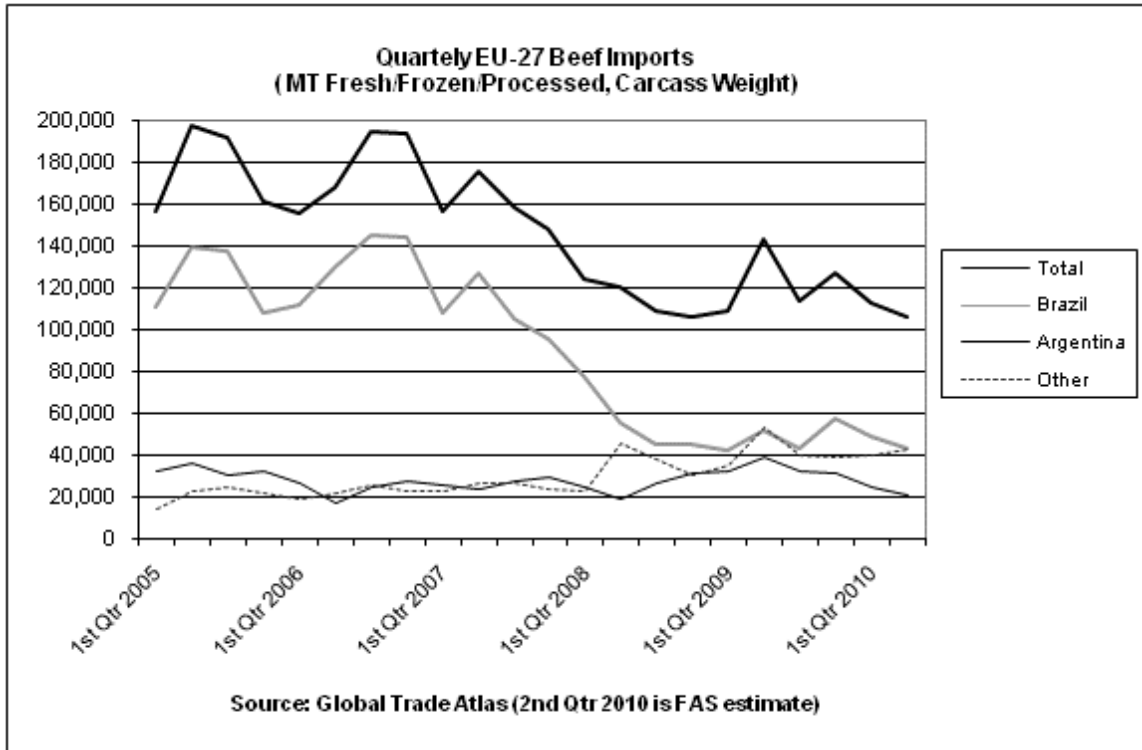
EU regulations restricted Brazilian beef exports to the EU.

The EU beef supply fell drastically in 2008, mainly due to sanitary restrictions laid down by the European Commission (EC) on EU beef imports from Brazil (see GAIN Report E48016). Due to the limited number of farms regaining eligibility to export, imports from Brazil recovered only marginally during 2009 (see graph below). In addition, partly as a result of the EU veterinary requirements, Brazil reportedly prefers to export to other destinations.

Limited world supply, slacking demand and a weak Euro restricted imports further.

Through 2009, minor increases were reported for imports from Argentina, Uruguay, Australia and the United States. In 2010, imports from Uruguay and the United States are expected to grow further, while also imports from Brazil are forecast to increase, although just slightly. Compliance of the Brazilian cattle sector with EU veterinary and traceability is improving (see FVO Report). Interest by U.S. suppliers as well as EU importers is growing for the new quota for high quality beef (see Policy section). However, the supply of beef from South America, North America, and Oceania remains limited. The beef prices in Brazil are reportedly at the same level as in the EU. Imports from Argentina are even anticipated to plummet due to cattle shortages and export restrictions imposed by the Argentine government. Besides the limited supply, other factors of importance are the weak Euro, and slackening EU demand. Higher beef prices, in combination with the economic recession lowered EU beef sales, and shifted consumption to the cheaper cuts, such as minced meat. Another factor for the stagnating beef consumption is the increasing popularity of broiler meat for its low price, leanness, and convenience (see graph below). Overall, EU beef imports are expected to stagnate at about 500,000 MT during 2010 and 2011. A significant recovery of imports in 2010 or 2011 is only possible if the supply side of the market changes, such as a drastic reduction of domestic demand in South America, a significant change of the Euro exchange rate with the South American currencies, or a change in the Argentinean export policy.



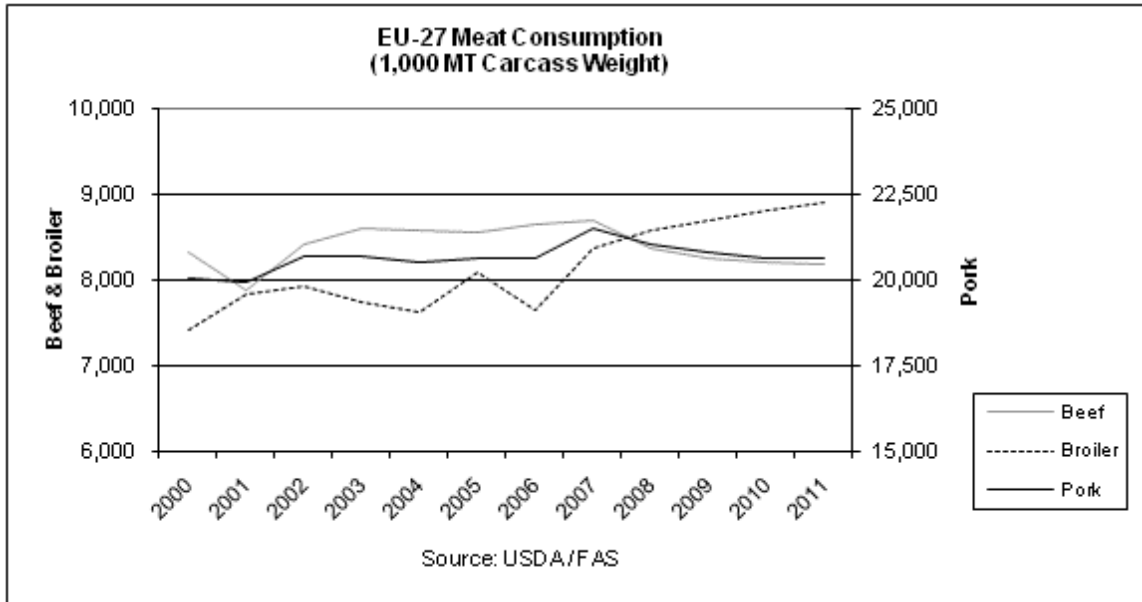


EU beef supply outpaced demand during the first half of 2010.

Elevated slaughter during the first half of 2010 (see Cattle section) in combination with slightly higher slaughter weights increased the domestic beef supply. The average slaughter weight increased due to lower feed price levels (see graph below), higher carcass prices, and increased slaughter of beef cattle relative to dairy cattle. As consumption is slackening, EU beef supply is thought to have temporarily outpaced demand. This resulted in private stock building and increased availability for exports during the first half of 2010. As beef prices in South America rose, Russia increasingly sourced their imports from the EU. Exports were further supported by the weak Euro against the Brazilian Real and the Russian Ruble.

In April 2010, the EC and Russian government agreed upon the veterinary requirements for EU exports of beef with bone entering Russia. In August, the certificates facilitating this trade were issued by the EC. Despite increased demand from Russia and the new opportunities to export beef with bone to Russia, EU exports are expected to stagnate in 2011. This forecast is based on falling EU beef supply during the second half of 2010 and 2011.





**Beef production (Top 5 EU MS) 1,000 MT**

	<b>2009</b>	<b>2010</b>	<b>2011</b>
France	1,467	1,470	1,450
Germany	1,193	1,220	1,190
Italy	1,049	1,047	1,047
United Kingdom	850	859	850
Spain	575	580	580

**Beef consumption (Top 5 EU MS) 1,000 MT**

	<b>2009</b>	<b>2010</b>	<b>2011</b>
France	1,592	1,587	1,572
Italy	1,389	1,377	1,382
United Kingdom	1,232	1,241	1,242
Germany	988	985	980
Spain	605	603	602

**Beef exports (Top 5 EU MS) 1,000 MT**

	<b>2009</b>	<b>2010</b>	<b>2011</b>
Germany	24	25	25
France	23	23	23
Benelux	20	16	15
Italy	17	20	20
Poland	14	12	12

**Swine**

<b>Country</b>	<b>EU-27</b>
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Commodity	Animal Numbers, Swine (1,000 Head)					
	USDA official [EU-27]	Posts estimates [EU-27]	USDA official [EU-27]	Posts estimates [EU-27]	USDA official [EU-27]	Posts estimates [EU-27]
Market Year Begin	<b>2009</b>		<b>2010</b>		<b>2011</b>	
TOTAL Beginning Stocks	153,067	153,067	149,000	151,961	0	151,150
Sow Beginning Stocks	13,951	13,950	13,800	13,901	0	13,850
Production (Pig Crop)	254,500	257,300	256,000	258,000	0	257,800
Extra EU27 imports	3	3	3	4	0	4
<b>TOTAL SUPPLY</b>	<b>407,570</b>	<b>410,370</b>	<b>405,003</b>	<b>409,965</b>	<b>0</b>	<b>408,954</b>
Extra EU27 exports	2,208	2,210	1,500	1,650	0	1,700
Sow Slaughter	5,250	4,075	5,000	3,925	0	3,875
Total Slaughter	249,000	248,912	248,000	250,000	0	249,500
Loss	7,362	7,287	7,003	7,165	0	7,104
Ending Inventories	149,000	151,961	148,500	151,150	0	150,650
<b>TOTAL DISTRIBUTION</b>	<b>407,570</b>	<b>410,370</b>	<b>405,003</b>	<b>409,965</b>	<b>0</b>	<b>408,954</b>

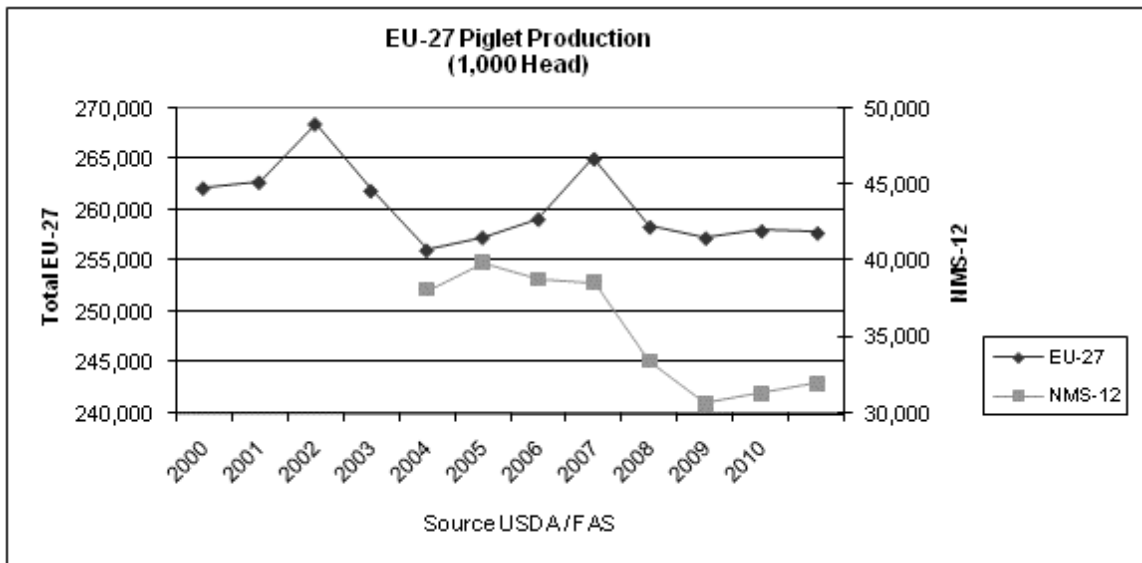
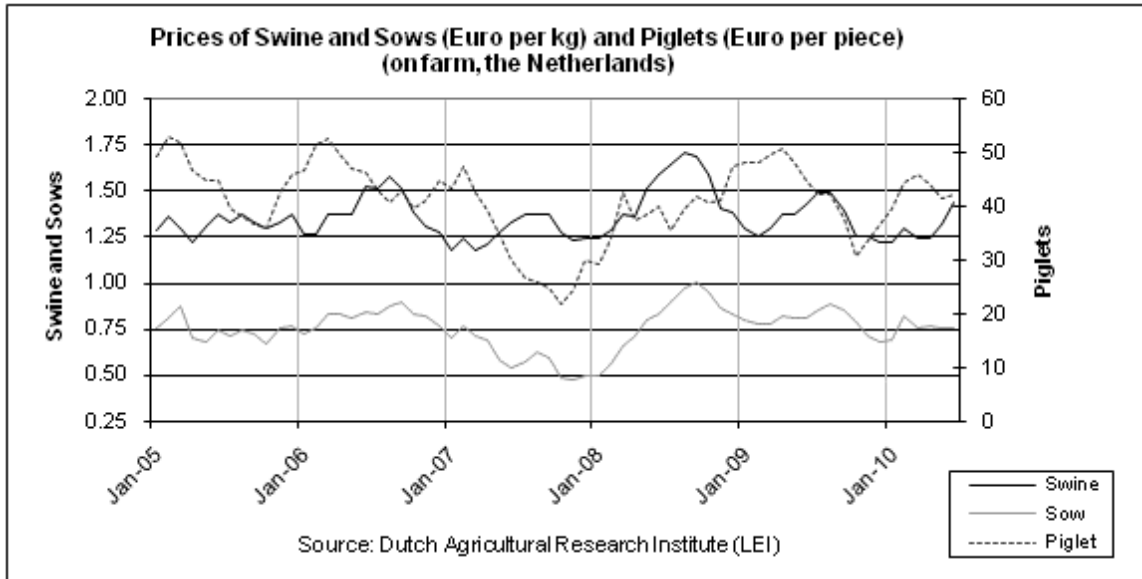
Source: FAS EU Offices

#### The restructuring of the pig sector continued.

After the cutback of the EU pig stock in 2008 (-4.2%), the stock is forecast to decrease further during 2009, 2010 and 2011, respectively by 0.7, 0.5 and 0.3 percent. In 2009, feed costs were significantly reduced from 2008 (see graph above). But the financial crisis pressed carcass prices (see graph below), and as a result fattening margins remained tight. As a consequence, the restructuring of the intensive pig sector continued. Restructuring implied termination of the most inefficient farms throughout the EU and a reduction in backyard farming, in mainly the NMS. As a result, the piglet/sow ratio and the loss ratio improved significantly in 2009.

#### Piglet production is expected to recover temporarily in 2010.

In the Semi-Annual Report, the 2009 sow slaughter number was overestimated. Due to the high piglet prices (see graph above) farmers kept their breeding stock, by which the number of sows declined only 0.35 percent. In addition, the piglet/sow ratio increased significantly in 2009. For that reason piglet production is adjusted to a higher number than was previously estimated in the Semi-Annual Report. As anticipated in the Semi-Annual, EU piglet production is forecast to recover in 2010 (see graph below). An upturn is believed to have taken place during the last quarter of 2009 and the first quarter of 2010 and mainly in Denmark, the Netherlands, the UK and the NMS. The Danish sector benefitted from the increased demand for pork in Russia and Asia, and the weak Euro. In addition, the economy in Danish pig production improved due to lower feed costs, higher carcass prices, and increased efficiency. Danish slaughterers paid higher prices to the farmers to be able to compete with German slaughterers. In the UK, the low Sterling / Euro exchange rate benefited profitability to which farmers responded by increasing sow stocks and piglet production. In the NMS, cutbacks in piglet production of eight percent in 2008 as well as in 2009 are expected to be followed by a recovery of 1.2 percent in 2010. This rebound is supported by better market conditions; lower feed prices and higher prices for piglets and hogs.



Increased slaughter is expected to follow increased piglet production.

Following the increased piglet production during the first half of 2010, EU slaughter is anticipated to peak during the second half of the year. Another factor for the elevated slaughter is the reduction of the trade of slaughter hogs to Russia. Due to the new customs union of Russia, Belarus and Kazakhstan, import duties on live pigs were raised from 5 to 40 percent. As a result, the trade of 1.1 million slaughter hogs to Russia in 2009 is expected to be reduced by 40 percent in 2010. These animals are expected to be slaughtered on the EU domestic market. Production of pork is anticipated to increase significantly in Germany. The German production expansion is mainly based on piglets and slaughter hogs sourced from Denmark and the Netherlands. German slaughter numbers have increased steadily since 2000 and are currently nearly a quarter of total EU slaughter.

Tight profit margins and stringent regulations will force many farmers to stop.

In the second half of 2010 and in 2011, increasing competition on the world market for pork and slacking domestic demand is forecast to pressure carcass and piglet prices, and thus lower piglet production. Also feed prices are expected to be on a higher level than during 2009 and the first half of 2010. In addition, a large percentage of pig farms do not yet comply with the EU environmental and animal welfare requirements that will enter into force in 2013 (see Policy section). As margins

have been tight since 2007, farmers are reluctant to invest in their farms, and a high percentage is anticipated to stop. This trend is in particular expected to take place in France. The French pig crop was in the downward cycle in 2009 and the trend is expected to continue in 2010 and 2011. While the major competitors (Denmark, Germany and the Netherlands) have restructured their industry, France has not and has lost competitiveness. Germany is expected to further expand in slaughter capacity, while further specialization of breeding is anticipated in Denmark and the Netherlands. The NMS are forecast to remain a good market for piglets. The sector in Poland, Hungary, Romania and the Baltic Region is expected to rebound in 2011. High feed prices could, however, impede this revival.

Pig crop production (Top 5 EU MS) 1,000 Head

	2009	2010	2011
Germany	47,700	47,000	47,000
Spain	41,399	40,970	40,850
Benelux	34,100	33,700	33,600
Denmark	28,700	29,300	29,200
Poland	19,000	20,000	20,500

Swine slaughter (Top 5 EU MS) 1,000 Head

	2009	2010	2011
Germany	56,415	57,750	58,300
Spain	40,117	39,040	39,040
France	24,921	24,800	24,490
Benelux	25,108	25,050	24,950
Poland	18,678	19,400	19,900

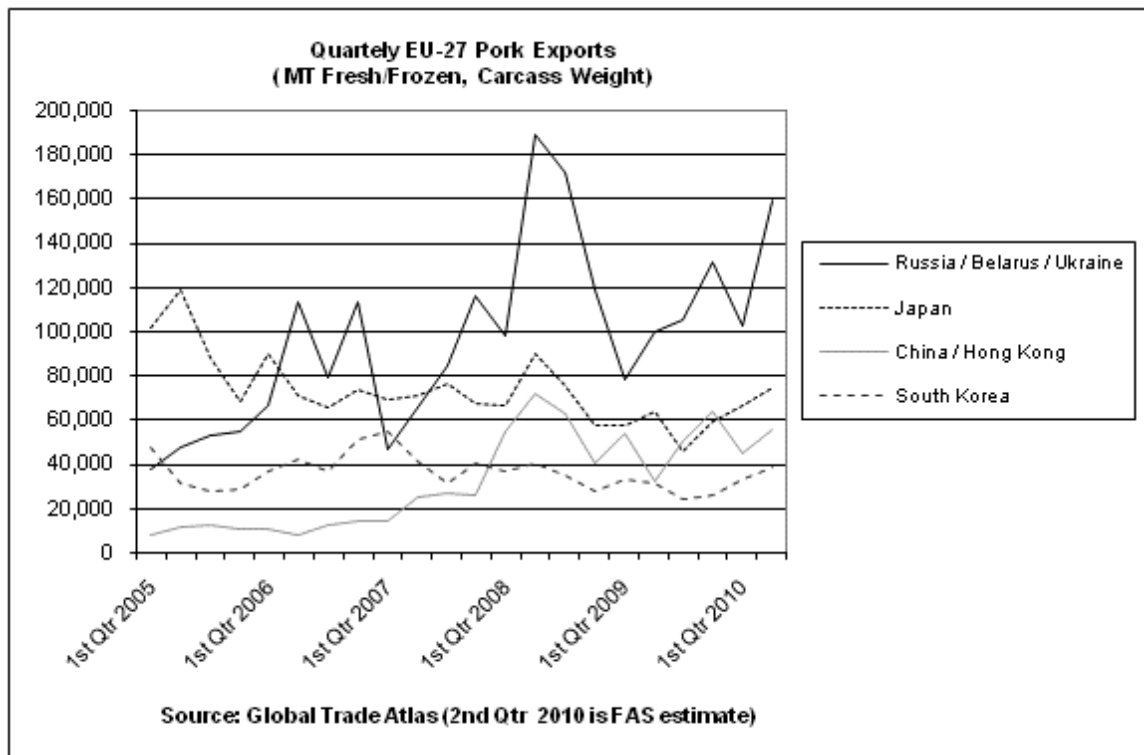
## Pork

Country Commodity	EU-27					
	Pigmeat (1,000 Head)(1,000 MT CW)					
	USDA Official [EU- 27]	Posts estimates [EU-27]	USDA Official [EU- 27]	Posts estimates [EU-27]	USDA Official [EU-27]	Posts estimates [EU-27]
Market Year Begin	2009		2010		2011	
Slaughter (Reference)	249,000	248,912	248,000	250,000	0	249,500
Beginning Stocks	0	0	0	0	0	0
Production	22,060	22,159	22,000	22,250	0	22,120
Extra EU27 imports	38	38	50	30	0	30
<b>TOTAL SUPPLY</b>	<b>22,098</b>	<b>22,197</b>	<b>22,050</b>	<b>22,280</b>	<b>0</b>	<b>22,155</b>
Extra EU27 exports	1,414	1,413	1,450	1,680	0	1,550
TOTAL Domestic Use	20,684	20,784	20,600	20,600	0	20,600
Ending Stocks	0	0	0	0	0	0
<b>TOTAL DISTRIBUTION</b>	<b>22,098</b>	<b>22,179</b>	<b>22,050</b>	<b>22,280</b>	<b>20,750</b>	<b>22,150</b>

Source: FAS EU Offices

Exports are forecast to recover temporarily in 2010.

In line with increased slaughtering, EU pork production will rise by 0.4 percent in 2010. As domestic pork consumption is stagnating, this additional volume of pork is destined for exports. During the last quarter of 2008 and first quarter of 2009, EU pork exports to Eastern Europe and Asia plummeted, mainly due to the economic recession (see graph below). In the Semi-Annual Report, a recovery in trade was anticipated in 2010. In this report, the 2010 export volume is revised further upwards from the forecast in the Semi-Annual Report. Pork exporters benefitted from the economic growth, and thus demand for pork, in Russia and Asia, the low supply from the U.S. and Brazil, and the low value of the Euro and Kroner against the currency of both competitors as well as of customers. Another factor is the reduction of EU trade of slaughter hogs exports to Russia (see Swine section), which lowered Russian slaughter and pork production. According to industry sources, the limited number of plants still blocked by Russian authorities has no effect on the export capacity of the EU.



Lower supply and increased competition are expected to press exports.

In Russia, a low grain crop will possibly result in an increased import demand for pork. Relatively good grain harvests and high grain stocks in the NMS could be a competitive advantage. Another positive sign for exports is that the EU increased access to the Chinese market. While Denmark, France and Spain already export directly to China, the Netherlands is expected to receive eligibility this year. Even if China reaches self sufficiency, import demand for pork by-products is expected to grow. However, during the second half of 2010 and during 2011, EU exports are expected to face increased competition on the world market, in particular from Brazil and the U.S. In addition, EU domestic supply is expected to fall due to shrinking margins as feed prices are increasing and EU legislation is requiring more investments. Overall EU pork exports are forecast to drop from 1.68 MMT in 2010 to 1.55 MMT in 2011.

**Pig meat production (Top 5 EU MS) 1,000 MT**

	2009	2010	2011
Germany	5,276	5,400	5,450
Spain	3,290	3,250	3,250
Benelux	2,366	2,360	2,350
France	2,006	1,995	1,970

Poland	1,587	1,670	1,720
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Pig meat consumption (Top 5 EU MS) 1,000 MT

	2009	2010	2011
Germany	4,530	4,550	4,550
Italy	2,376	2,410	2,410
Spain	2,236	2,215	2,215
Poland	1,980	2,000	2,040
France	1,889	1,883	1,868

Pig meat exports (Top 5 EU MS) 1,000 MT

	2009	2010	2011
Denmark	547	600	600
Germany	219	280	260
Benelux	205	205	205
France	112	115	115
Poland	91	90	95

## Policy

### Update on the new EU beef import quota for high quality beef

The details for the administration of this new zero duty, 20,000 MT beef quota were published in [Commission Regulation \(EC\) No 620/2009](#) [1]. This U.S. - EU compromise deal was formally approved in [Council Regulation \(EC\) No 617/2009](#) [2], published in the Official Journal on July 15, 2009. The quota has been imposed on August 1, 2009, for a period of two years. With mutual agreement the quota will possibly be enlarged to 45,000 MT after this period. Go for more information to the website of the [U.S. Mission to the EU](#).

During 2006 – 2008, annual U.S. beef exports increased from 500 MT to 4,700 MT, mainly due to increased efforts of importers and wholesalers, re-introducing this high quality meat on the European market. In 2009, U.S. beef imports were further supported by the introduction of the new zero duty quota for high quality beef. During the first ten months after the opening, sales of U.S. beef amounted to nearly 8,000 MT. The quota has induced Australia to also file for access, which was granted by [publication](#) [3] on January 20, 2010. While the supply from Australia is believed to be limited, expectations are that the quota will be filled in the second year. For EU importers this new beef quota is an opportunity to rebuild the market for U.S. beef in the EU, while supply from competitors remains limited.

### Animal welfare

#### Housing Requirements for Swine

On January 1, 2013, the EU swine sector needs to comply with environmental (Council Directive 2008/1/EC) and animal welfare regulations (Council Directive 2001/88/EC). Council Directive 2008/1/EC sets limits on the ammonia emission of intensive livestock farms and in many cases will require adjustments in animal husbandry and/or investments in air treatment systems. Council Directive 2001/88/EC imposes specific requirements for the housing of pigs related to animal welfare such as introduction of group housing for sows, and the expansion of the living area for weaned piglets and fattening pigs. A large percentage of pig farms do not yet comply with the EU environmental and animal welfare requirements that will enter into force in 2013. As margins have been tight since 2007, farmers are reluctant to invest in their farms, and a high percentage is anticipated to stop.

New Animal Welfare Strategy 2011-2015

The European Commission (EC) is working on the follow-up plan of the Community Action Plan 2006-2010. Key elements for the new plan include upgrading animal welfare standards, introducing standardized welfare indicators and promoting animal welfare on the international scene.

#### Animal welfare labeling

On October 28, 2009, the EC adopted a report [COM\(2009\) 584](#) [4] on Animal Welfare Labeling. In this report, a range of issues is presented concerning animal welfare labeling and consumer education campaigns, and the possible establishment of a European Network of Reference Centers for the protection and welfare of animals. The reports suggest that labels should inform the consumer of the ethical factors related to production and the way animals are treated. With this report, the Commission seeks to facilitate a political discussion with other European institutions, including the Parliament. The outcome of the political debate will function as the basis for a future animal labeling system as part of the Animal Welfare Strategy 2011-2015.

#### Pig castration

The debate about pig castration is raging in Europe. Several retailers in different Member States (MS) have already banned pork from classically castrated pigs from their shelves. Farmers are gradually applying anesthetics for castration. The most common method is castration under gas anesthesia. In other EU MS, pigs are slaughtered at lower carcass weights before boar taint develops. While a vaccine for immune-castration has been approved, it is controversial as retailers are not eager to accept pork from vaccinated pigs. EFSA has adopted a [Scientific Opinion on the welfare aspects of the castration of piglets](#) [5]. The EFSA report concludes that the use of anesthesia offers the best practical prospects for pain alleviation in piglets. Other options discussed are immuno-castration, specific management practices and genetic selection of animals.

#### **Salmonella in pigs**

The EC is working on a salmonella reduction target in pigs. The EC expects to adopt a proposal by early 2011. On March 11, 2010, EFSA published a [Scientific Opinion on a Quantitative Microbiological Risk Assessment of Salmonella in slaughter and breeder pigs](#) [6], which will serve as basis for the EC reduction targets.

#### **TSE Road Map 2010-2015**

In the Agriculture Council of February 22, 2010, Commissioner in charge of Health and Consumer Policy, John Dalli confirmed that the EC was working on a new TSE roadmap for 2010-2015. New proposals would include an increase in the age limit for the testing from 48 to 60 months or to limit the testing requirement only to cattle born before January 1, 2004. Relaxation of the total ban on animal protein feeding in the EU will likely be another area of interest. See GAIN E50041 - [EC planning TSE Roadmap 2010-2015 as decrease in BSE cases continues](#) [7].

#### **CAP post 2013**

The EU Common Agricultural Policy (CAP) faces a budget-driven reform after 2013, as the current EU budget was set for the 2007 – 2013 financial perspective. The financial crisis is affecting the underlying decision making for the new budget and politicians are now keen to spend greater amounts on climate change, research and development, and employment. As a consequence of the Lisbon Treaty, CAP Reform is now subject to co-decision, meaning the European Council and European Parliament have equal weight in the decision-making process. While no Commission Communication on the post 2013 CAP Reform is anticipated before September 2010, new Agriculture Commissioner Dacian Cioloș has made statements that there would be no reversals of previous CAP reforms.

[1] <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:182:0025:0030:EN:PDF>

[2] <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:182:0001:0001:EN:PDF>

[3] <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2010:013:0011:0011:EN:PDF>

[4] <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2009:0584:FIN:EN:PDF>

[5] [http://www.efsa.europa.eu/EFSA/efsa\\_locale-1178620753812\\_117862075386.htm](http://www.efsa.europa.eu/EFSA/efsa_locale-1178620753812_117862075386.htm)

[6] <http://www.efsa.europa.eu/en/scdocs/scdoc/1547.htm>

[7] <http://gain.fas.usda.gov/Recent%20GAIN%20Publications/EC%20planning%20TSE%20Roadmap%202010-2015%20as%20decrease%20in%20BSE%20cases%20continues%20Brussels%20USEU%20Belgium%20EU-27%206-10-2010.pdf>

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