

## EU: The beef cattle seeks to curb the crisis



**The most representative European associations of beef cattle manifest the serious situation of crisis in the beef in some Member States of the EU and warn of possible degradation of the situation in the second half of 2016 unless the EU takes place decisive action to correct critical aspects of beef cattle stocks. They add that before this, the adoption of any multilateral trade agreement is totally suicidal and propose to Brussels a series of actions to avoid greater evils.**

The meeting among the most representative European associations of beef cattle, under the so-called Group of Madrid, the Spanish Asoprovac, Irish, Irish Farmers Association, the French Fédération Nationale Bovine (FNB) and the Italian Consortium Italy Zootecnica took place last May 17 in Paris, and was organized and chaired by Jean Pierre Fleury, president of the FNB.

Key topics at the meeting on prices and markets, trade agreements and the CAP were discussed, and established a series of proposals for action for the EU Commission critical.

### **Market situation**

Prices in major producing countries of European beef, France, Italy, Spain and Ireland have deteriorated significantly, even, according to denounce France and Ireland below production costs, and this situation is untenable.

Market difficulties generated by the closure of the Russian market-for political reasons that have nothing to do with the sector rancher production increased following the deregulation of the dairy market and the fall in consumption, have led to a general collapse of prices and they are directly impacting the specialized beef producers.

The main producers of beef from the EU ask the EU Commission to take decisive action on the following issues and market price:

- Russian embargo related actions, either reopen the market or compensation to producers for their losses.
- Measures to ensure access to key for beef and live cattle exports to EU markets.
- Organize immediately Observatory beef market, including producer prices and consumer, as well as other key indices on issues such as costs or other factors representing the major producing countries of meat of European cattle, with a view to forecasting and decision accurate and timely actions.
- Provide additional funding to promote and simplify access to these measures for beef in order to cope with the increasing decline in domestic consumption in the EU.
- Actions to improve the relations of the livestock-meat chain including a fairer prices over the same deal.

## **Trade affairs**

Producers of beef in the EU welcomed the recent decision to remove the beef supply transmitted by the EU to Mercosur countries thanks to strong lobbying campaign both nationally and community sector, by producer organizations of European meat. We hope that this temporary measure becomes final.

There is total opposition between European beef producers for any EU action aimed Commission to negotiate a trade agreement with Mercosur, since it can only be detrimental to the European meat sector.

Allow imports of beef in the EU market that does not comply with EU standards through the key issues of traceability, food safety and animal health programs, animal and environmental welfare, is a betrayal European Commission by the consumers, the Parliament and the countries that support it.

The Institut de l'Elevage has presented a detailed report on the impact of TTIP trade agreement between the EU and the US report showing a 10% drop in prices of beef and veal Europeans and up to -40 to -50% of farm income of producers of suckler cows in countries such as France and Ireland, which would cost the industry about 3 billion € per year.

Producers of beef from the EU request the Commission to fully defend the European beef industry in any trade negotiations, including:

- Ensure that the European meat sector is not sacrificed in the negotiations with Mercosur or the TTIP and no other offer is made in respect of tariff quotas for beef.
- As a basic principle, the EU can not accept from countries that do not meet the high standards of EU traceability, food safety and animal health programs, animal welfare and the environment no imports. In this sense, we are studying different ways to demand political responsibilities to community leaders and each of the Member States, in accordance with the requirements of EU consumers.
- The EU should conduct and publish an assessment of cumulative impact of all commercial offers in the beef before proceeding to final closing or reopening of any other negotiations.

## **PAC**

With regard to the Common Agricultural Policy (CAP), during the meeting the capital of direct payments importance for the maintenance of European incomes and other aspects of vital importance for a possible mid-term review it is stated:

- The CAP budget must be maintained.
- Direct payments are absolutely necessary for the maintenance of the income of European beef producers.
- Coupled payments and other specific Pillar 2 payments are extremely important for maintaining the quality of the European herd.
- Pillar 2 payments program and rural development are essential to support low incomes of livestock sectors and rural areas of the Member States.
- It is important that the exercise of simplification of the CAP provides real positive changes, including those related to Greening.

**Source: Asoprovac**