The beef and veal sector is the second largest production sector in the Community, accounting for around 10% of total agricultural production (after dairy with a share of 18% in 1998).

The reform of the beef market organisation, agreed as part of the Agenda 2000 package, aims to:
- contribute to market stability,
- strengthen the competitiveness of the sector,
- stabilise farm incomes,
- provide further incentives for producers to move towards more extensive methods of production,
- give Member States the means to adapt aspects of the regime to their particular circumstances.

A brief summary of the decisions adopted under Agenda 2000 are described in the pages that follow.

Guiding principles of the reform
The reform of the common agricultural policy (CAP) agreed by the European Council at its meeting in Berlin on 24 and 25 March 1999 is designed to prepare European agriculture for the internal and external challenges awaiting it in the year 2000 and beyond.

This reform will encourage agriculture to be more competitive but also more environmentally friendly. It marks a further stage in the policy of supporting farmers rather than products, and of remunerating not only farmers’ output but also their additional contribution to society.

The reform will further provide the basis for the Union’s stance in the next round of multilateral trade negotiations started in the beginning of 2000 within the framework of the World Trade Organisation (WTO).

In the longer term, the reforms now being undertaken will create the right conditions for the integration of the agricultural economies of the applicant countries, whose adjustment will be facilitated by the financing of structural “pre-accession” measures.

Meeting new challenges
Agricultural markets are increasingly geared towards economic globalisation. The reform should make it easier for European agriculture to participate in this process and guide production towards effective demand, while taking account of consumers’ requirements in terms of quality. The lowering of intervention prices provided for in the reform, in particular for cereal crops and beef and veal, should bring market prices down, thus narrowing the gap between internal prices and world prices. As a result, agricultural production should align itself more closely to demand with a more competitive edge.

The increase in direct payments to farmers, either per hectare or per head of cattle, will help to ensure the level and stability of their incomes.

Rural development policy has been confirmed as the “second pillar” of the CAP, with the purpose of improving the economic and social integration of all rural areas. With this in mind, a single regulatory framework will provide for a better use of rural development instruments designed to promote not only agricultural activities, but also economic diversification in rural areas. These instruments include agri-environmental measures, which have been strengthened.

The reform also aims to encourage more environmentally-friendly production methods by introducing the possibility of a “cross-compliance” principle, in other words, subjecting direct payments to environmental criteria.

National authorities have been granted greater room for manoeuvre in the implementation of the reform, so as to bring the CAP closer to the realities and expectations of people in general and farmers in particular. Part of the direct payments can thus be allocated on the basis of national criteria and broken down into “national envelopes” managed by each Member State according to its own requirements. This system will need to respect Community criteria so as to avoid distortions of competition while it allows greater flexibility to respond to very diverse situations.
Reform of the beef and veal sector

Key features
The reform of the beef and veal sector provides internal market measures in order to:
- stabilise markets,
- ensure a fair standard of living for the agricultural community,
- rebalance meat consumption in the Community to the benefit of the beef sector,
- improve the competitiveness of these products on the international markets.

The main elements of the internal market measures include direct payments to beef producers, private storage payments and a public storage scheme. A comprehensive scheme of direct payments has been established to offset the gradual reduction of the market support, which is, as part of a long-term strategy, necessary to restore a better balance between supply and demand on the European market.

All parts of the reform concerning direct payments to producers will be applicable from the 1 January 2000. The new intervention scheme will enter into force on July 1, 2002.

Products covered by the regulation
- Live animals of the domestic bovine species, other than pure-bred breeding animals
- Meat of bovine animals, fresh or chilled
- Meat of bovine animals, frozen
- Thick skirt and thin skirt, fresh or chilled
- Thick skirt and thin skirt, frozen
- Meat of bovine animals, salted in brine, dried or smoked
- Thick skirt and thin skirt, salted, in brine, dried or smoked
- Edible flours and meals of meat or meat offal
- Other prepared or preserved meat or meat offal of bovine animals, uncooked: mixtures of cooked meat or offal and uncooked meat or offal
- Live bovine pure-bred animals (with a live weight of more than 300kg)
- Edible offal of bovine animals excluding thick skirt and thin skirt, fresh or chilled other than for the manufacture of pharmaceutical products
- Edible offal of bovine animals excluding thick skirt and thin skirt, frozen, other than for the manufacture of pharmaceutical products
- Edible meat offal of bovine animals, salted, in brine, dried or smoked, other than thick skirt and thin skirt
- Fats of bovine animals, raw or rendered, whether or not pressed or solvent-extracted
- Other prepared or preserved meat or preserved meat or meat offal, of bovine animals, other than uncooked meat or meat offal and uncooked meat or offal
- Other prepared or preserved meat containing bovine meat or offal other than uncooked, and mixtures of cooked meat and uncooked meat or offal

Main producers of beef and veal in the EU (1998)

Spain: 8.8%
Ireland: 8.6%
Germany: 19.0%
France: 20.2%
Italy: 14.1%
United Kingdom: 10.3%

Market support and intervention scheme
The new regulation introduces a 20% reduction of the level of market support in three equal steps.

The intervention price is set at EUR 3 475 per tonne for the first six months of 2000 and reduced thereafter to EUR 3 242 per tonne for the year 2000/2001 and to EUR 3 013 per tonne for the year 2001/2002.

On 1 July, 2002 the intervention price will be replaced by a basic price for storage, fixed at EUR 2 224 per tonne. A payment for private storage can be granted when – as in the pig sector - the average Community market price is less than 103% of the basic price. The Commission will follow market developments closely and implement the required regulatory measures.

From July 1, 2002 producers may also benefit from a “safety net” intervention system. When the average market price for bulls or steers in a Member State (or region thereof) is less than EUR 1560 per tonne for two consecutive weeks, buying-in tenders will be organised in the respective Member State by the Commission through the Management Committee procedure. In addition, the European Council has asked the Commission to closely monitor the European market in beef and veal and to take the necessary measures if the market is liable to be disturbed.

Direct payments to producers
Taking account of the variety of different livestock holdings within the European Community, direct payments will include various types of direct farmers’ support measures. They are destined to:
• compensate for the reductions in the intervention price (slaughtering premium and the special beef premium);
• support incomes to producers who are specialised in beef production (suckler cow premium);
• encourage producers towards extensive farming (extensification payment);
• assist producers in less favoured areas or in Member States highly specialised on beef production (additional suckler cow premium);
• balance the market throughout the year (deseasonalisation premium);
• permit Member States to support specific production systems (national envelopes).

Terminology
• Producer: an individual farmer, whether a natural or a legal person or group of natural or legal persons, irrespective of the legal status conferred by national law on such a group or its members, whose holding is located in Community territory and who is engaged in rearing bovine animals,
• Holding: all the production units managed by the producer and located in the territory of a single Member State;
• Region: a Member State or a region within a Member State;
• Bull: an uncastrated male bovine animal;
• Steer: a castrated male bovine animal;
• Suckler cow: a cow belonging to a meat breed or born of a cross with a meat breed, and belonging to a herd intended for rearing calves for meat production;
• Heifer: a female bovine animal from the age of 8 months which has not yet calved;
• Intervention price in the bovine meat sector: the price for adult male bovines carcasses, fixed by the Council, which triggers public intervention when market prices for certain categories of bovine meats fall below a pre-determined percentage of this price. From the 1st of July 2002, the intervention price will be replaced by a minimal threshold price, fixed at 1560 euro per ton of carcass weight, which allows for public intervention when the market price, in a Member State or a region, is inferior to this level.
• Basic Price: the price level for adult male bovine carcasses, fixed by the Council at 2224 euro per ton as from July 1st, 2002. This price serves as a point of reference for grant aid for private storage which may be made available when the average Community market price falls and is likely to remain below 103% of the fixed price.
• Market support level: the level at which the Community may intervene to support beef market prices. When the new reform will be fully implemented as from July 1st 2002, that level will be situated between 103% of the basic price for private storage (EUR 2224) and the price, below which the safety net intervention is being triggered (EUR 1560).

1 according to Council Regulation (EC) N° 1254/1999 of 17 May 1999
Basic premia

Beef special premium
This is an annual premium granted per calendar year and per holding within the limits of regional ceilings for not more than 90 animals (Member States may derogate this limit according to their objective criteria):

- once a lifetime for bulls older than 9 months or at a minimum carcass weight of 185 kg;
- twice a lifetime for steers, respectively at the age of 9 months and after 21 months.

### Special premium for male animals

<table>
<thead>
<tr>
<th>Per eligible bull</th>
<th>2000</th>
<th>2001</th>
<th>2002 (onwards)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>EUR 160</td>
<td>EUR 185</td>
<td>EUR 210</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Per eligible steer and age bracket</th>
<th>2000</th>
<th>2001</th>
<th>2002 (onwards)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>EUR 122</td>
<td>EUR 136</td>
<td>EUR 150</td>
</tr>
</tbody>
</table>

### Suckler cow premium

<table>
<thead>
<tr>
<th>Year</th>
<th>Per eligible animal</th>
<th>2000</th>
<th>2001</th>
<th>2002 (onwards)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>EUR 163</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2001</td>
<td>EUR 182</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2002</td>
<td>EUR 200</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Regional ceilings for the special male premium

1. Excluding the extensification programme set out in Regulation (EC) No 1017/94
2. This ceiling shall be temporarily increased by 100 000 until such time as live animals under 6 months of age may be exported.
3. Without prejudice to the specific rules laid down in Regulation (EEC) No 3763/91

<table>
<thead>
<tr>
<th>Country</th>
<th>Ceiling</th>
</tr>
</thead>
<tbody>
<tr>
<td>Luxembourg</td>
<td>18,962</td>
</tr>
<tr>
<td>Greece</td>
<td>143,134</td>
</tr>
<tr>
<td>The Netherlands</td>
<td>157,932</td>
</tr>
<tr>
<td>Portugal</td>
<td>175,075</td>
</tr>
<tr>
<td>Belgium</td>
<td>235,149</td>
</tr>
<tr>
<td>Sweden</td>
<td>250,000</td>
</tr>
<tr>
<td>Finland</td>
<td>250,000</td>
</tr>
<tr>
<td>Denmark</td>
<td>277,110</td>
</tr>
<tr>
<td>Austria</td>
<td>423,400</td>
</tr>
<tr>
<td>Italy</td>
<td>598,746</td>
</tr>
<tr>
<td>Spain</td>
<td>713,999</td>
</tr>
<tr>
<td>Ireland</td>
<td>1,077,458</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>1,419,811</td>
</tr>
<tr>
<td>France</td>
<td>1,754,732</td>
</tr>
<tr>
<td>Germany</td>
<td>1,782,700</td>
</tr>
</tbody>
</table>

Suckler cow premium
Suckler cow premia are paid annually to producers provided that for at least six consecutive months from the day on which they lodge their application for the premia, the percentage of suckler cows and heifers in their possession in relation to the number of animals for which the premium is requested, equals at least 80% for suckler cows, and at most 20% for heifers.

This premium is limited by an individual ceiling and by an optional farm ceiling related to milk quota (currently 120 000 kg milk; Member States may also fix a different limit). It may be complemented by an additional national premium of up to a maximum of EUR 50 per animal provided that no discrimination is caused between stockfarmers in the Member States concerned.

These premia are granted provided that the stocking density on the holding is not more than 2 livestock units per unit of forage area used for these animals.

National ceilings to cover all suckler cow premium rights are set on the highest level of premium payments in the years 1995, 1996 and 1997 plus 3% (see table below). For Austria, Finland and Sweden, the ceilings are fixed at the levels foreseen in the Accession Treaty.

The new regulation also foresees a national reserve of suckler cow premium rights to be maintained by each Member State. These reserves shall be used for the allocation of premium rights particularly to newcomers, young farmers and other priority producers. The total number of suckler cow premium rights of each Member State may be fixed on the basis of the premium payments actually made in respect of historical reference years, increased by a certain margin for maintaining the national reserve.

(See quantitative limits for the special and the suckler cow premium on page 7).

National ceilings for the suckler cow premium

<table>
<thead>
<tr>
<th>Country</th>
<th>Ceiling</th>
</tr>
</thead>
<tbody>
<tr>
<td>Luxembourg</td>
<td>18 537</td>
</tr>
<tr>
<td>Finland</td>
<td>55 000</td>
</tr>
<tr>
<td>The Netherlands</td>
<td>63 236</td>
</tr>
<tr>
<td>Denmark</td>
<td>112 932</td>
</tr>
<tr>
<td>Greece</td>
<td>138 055</td>
</tr>
<tr>
<td>Sweden</td>
<td>155 000</td>
</tr>
<tr>
<td>Portugal¹</td>
<td>277 539</td>
</tr>
<tr>
<td>Austria</td>
<td>325 000</td>
</tr>
<tr>
<td>Belgium</td>
<td>394 253</td>
</tr>
<tr>
<td>Italy</td>
<td>621 611</td>
</tr>
<tr>
<td>Germany</td>
<td>639 535</td>
</tr>
<tr>
<td>Ireland</td>
<td>1 102 620</td>
</tr>
<tr>
<td>Spain</td>
<td>1 441 539</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>1 699 511</td>
</tr>
<tr>
<td>France²</td>
<td>3 779 866</td>
</tr>
</tbody>
</table>

¹ Excluding the specific reserve (78 740) provided for in Article 2 of Regulation (EC) No 1017/94.
² Excluding the specific ceiling (35 000) as provided for in Article 5(3) of Regulation (EEC) No 3763/91.

Source: Council Regulation (EC) No 1254/1999, on the common organisation of the market in beef and veal, Annex II.
Other premia

**Slaughter premium**
(applicable at slaughter or export to a third country)

The animals eligible for this premium are:
• bulls, steers, dairy cows, suckler cows and heifers from the age of 8 months (EUR 80 per head);
• calves at the age of more than 1 month but less than 7 months and less than 160 carcass weight (EUR 50 per head).

The slaughter premium will be paid directly to the farmer provided that the eligible animals have been held for a minimum period of 2 months. Furthermore granting of this premium is subject to particular proof that the animal is slaughtered or exported to a third country.

The national ceilings for this premium are given in the Commission’s application regulation (EC) N° 2342/1999 of 28 October 1999.

### Slaughter premium

<table>
<thead>
<tr>
<th>Year</th>
<th>Bulls, steers, cows and heifers</th>
<th>Calves</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>EUR 27</td>
<td>EUR 17</td>
</tr>
<tr>
<td>2001</td>
<td>EUR 53</td>
<td>EUR 33</td>
</tr>
<tr>
<td>2002 (onwards)</td>
<td>EUR 80</td>
<td>EUR 50</td>
</tr>
</tbody>
</table>

**“Deseasonalisation” premium**

The “deseasonalisation” premium aims to encourage slaughter out of the traditional slaughter season, in order to reduce surges in supply at particular times of the year, as well as to reduce the pressure on prices. The premiums are available in Member States where steer slaughters in a given year account for more than 60% of total slaughters of male animals and where more than 35% of the slaughters take place between September 1 and November 30.

### National ceilings for the slaughter premium

<table>
<thead>
<tr>
<th>Country</th>
<th>Adult bovines</th>
<th>Calves</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgium</td>
<td>711 232</td>
<td>335 935</td>
</tr>
<tr>
<td>Denmark</td>
<td>711 589</td>
<td>54 700</td>
</tr>
<tr>
<td>Germany</td>
<td>4 357 713</td>
<td>652 132</td>
</tr>
<tr>
<td>Greece</td>
<td>235 060</td>
<td>80 324</td>
</tr>
<tr>
<td>Spain</td>
<td>1 982 216</td>
<td>25 629</td>
</tr>
<tr>
<td>France</td>
<td>4 041 075</td>
<td>2 045 731</td>
</tr>
<tr>
<td>Ireland</td>
<td>1 776 668</td>
<td>0</td>
</tr>
<tr>
<td>Italy</td>
<td>3 426 835</td>
<td>1 321 236</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>21 867</td>
<td>3 432</td>
</tr>
<tr>
<td>The Netherlands</td>
<td>1 207 849</td>
<td>1 198 113</td>
</tr>
<tr>
<td>Austria</td>
<td>546 557</td>
<td>129 881</td>
</tr>
<tr>
<td>Portugal</td>
<td>325 093</td>
<td>70 911</td>
</tr>
<tr>
<td>Finland</td>
<td>382 536</td>
<td>10 090</td>
</tr>
<tr>
<td>Sweden</td>
<td>502 063</td>
<td>29 933</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>3 266 212</td>
<td>26 271</td>
</tr>
</tbody>
</table>

The premium levels are on a sliding scale depending on the time of slaughter (from EUR 72.45 for animals slaughtered in the first 15 weeks of the year, to EUR 18.11 for animals slaughtered between 22nd and 23rd weeks of the year).

“Extensification” premium
Producers receiving the special premium and/or the suckler cow premium may qualify for an additional payment of EUR 100 per premium granted, provided that during the calendar year the stocking density on their holding is less than 1.4 livestock units per hectare.

However, Member States may decide to grant the “extensification” payment as follows:
1. In respect of the calendar years 2000 and 2001 at an amount of:
   - EUR 33 for a stocking density of 1.6 livestock units per hectare or more and less than or equal to 2.0 livestock units per hectare;
   - EUR 66 for a stocking density of less than 1.6 livestock units per hectare.
2. In respect of the calendar year 2002 and the subsequent years at an amount of:
   - EUR 40 for a stocking density of 1.4 livestock units per hectare or more and less than or equal to 1.8 livestock units per hectare;
   - EUR 80 for a stocking density of less than 1.4 livestock units per hectare.

The criteria to qualify are made more rigorous by taking account of all the adult cattle actually present on the farm as well as sheep on which premia are claimed.

The number of hectares taken into account is limited to temporary and permanent pasture and all the other forage areas, except arable crops. The pastureland, to be defined by the Member States, should represent at least 50% of the total forage area declared. This does not exclude the mixed use of this land (pasture, hay, grass silage) during the same year.

In Member States where more than 50% of the milk is produced in mountainous areas, the “extensification” premium is also applicable in the case of dairy cows kept on holdings situated in these areas.

Quantitative limits applying for special and suckler cow premia
While the total number of animals qualifying for the special premium and the suckler cow premium will continue to be limited to 2 livestock units per hectare of forage area, Member States may fix a maximum of special premia per holding different from 90 animals.

If there is any scaling back in the number of premia, due to premium applications above the regional ceiling, Member States can make sure that this is not applied to small farmers who did not submit special premium applications for more than the number of animals to be fixed by the Member State. In such a case the reduction necessary to stay under the ceiling will be borne only by those farmers who have exceeded the regional ceiling. The milk production eligibility limit of 120 000 kilograms for the suckler cow premium can be changed or waived by Member States.

Farming for the environment
Member States are encouraged to adopt environmental measures they consider appropriate. In fulfilling this obligation, Member States would have three options at their disposal:
• Implementation of appropriate agri-environmental measures applied under rural development programmes;
• Member States may also make direct payments under the market organisations conditional on the observance of generally applicable environmental requirements;
• They may attach specific environmental conditions to the granting of such payments.

In the latter two cases, a proportionate reduction or cancellation of payments would be applied in cases of non-compliance. In addition to the fact that the special premium and suckler cow premium are linked to the respect of a density factor on the holding (2 livestock units per hectare), the beef market organisation (as outlined above) also offers specific financial incentives for producers moving into extensive production. The premiums are significantly increased compared with existing levels and eligibility conditions made stricter.
**National Envelopes**

Member States are empowered to make additional payments to producers in the form of headage payments on male cattle, suckler or dairy cows and heifers, either within the terms of the basic premium schemes or as supplements to the slaughter premium for adult cattle.

They may also make area payments in respect of permanent pasture (to be defined by Member States) which is used for rearing cattle but is not used to support a claim for additional payments on cattle.

The total funds for this aid are fixed at 164.4 million EUR, 328.7 million EUR and 493 million EUR respectively in 2000, 2001, and 2002 to be distributed between the Member States on the basis of their share in Community beef production.

<table>
<thead>
<tr>
<th>Country</th>
<th>2000</th>
<th>2001</th>
<th>2002 and subsequent years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgium</td>
<td>13.1</td>
<td>26.3</td>
<td>39.4</td>
</tr>
<tr>
<td>Denmark</td>
<td>3.9</td>
<td>7.9</td>
<td>11.8</td>
</tr>
<tr>
<td>Germany</td>
<td>29.5</td>
<td>58.9</td>
<td>88.4</td>
</tr>
<tr>
<td>Greece</td>
<td>1.3</td>
<td>2.5</td>
<td>3.8</td>
</tr>
<tr>
<td>Spain</td>
<td>11.0</td>
<td>22.1</td>
<td>33.1</td>
</tr>
<tr>
<td>France</td>
<td>31.1</td>
<td>62.3</td>
<td>93.4</td>
</tr>
<tr>
<td>Ireland</td>
<td>10.5</td>
<td>20.9</td>
<td>31.4</td>
</tr>
<tr>
<td>Italy</td>
<td>21.9</td>
<td>43.7</td>
<td>65.6</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>1.1</td>
<td>2.3</td>
<td>3.4</td>
</tr>
<tr>
<td>The Netherlands</td>
<td>8.4</td>
<td>16.9</td>
<td>25.3</td>
</tr>
<tr>
<td>Austria</td>
<td>4.0</td>
<td>8.0</td>
<td>12.0</td>
</tr>
<tr>
<td>Portugal</td>
<td>2.1</td>
<td>4.1</td>
<td>6.2</td>
</tr>
<tr>
<td>Finland</td>
<td>2.1</td>
<td>4.1</td>
<td>6.2</td>
</tr>
<tr>
<td>Sweden</td>
<td>3.1</td>
<td>6.1</td>
<td>9.2</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>21.3</td>
<td>42.5</td>
<td>63.8</td>
</tr>
<tr>
<td>EU-15</td>
<td>164.4</td>
<td>328.7</td>
<td>493.0</td>
</tr>
</tbody>
</table>

**Production and consumption of beef and veal in the European community**

**Production**

Production of beef and veal in the European Union currently accounts for about 14% of world production.

The Community beef market has recently been experiencing a cyclical decline in production, although on a modest scale. On current estimates beef and veal production has amounted to 7.6 million tonnes in 1998, a drop of 4.2% over 1997. Two factors combined to produce this fall: a cyclical reduction in production after the peak achieved in 1996 and the impact of the urgent measures decided in October 1996 in response to the BSE (bovine spongiform encephalopathy) crisis.

The measures adopted to deal with the BSE crisis were:

- destruction of bovine animals over 30 months of age in the United Kingdom;
- selective slaughter in several Member States;
- the option for Member States of applying the calf processing premium and/or the early slaughter of meat calves.
Consumption

Beef consumption in the European Community was around 19 kg per head in 1999. A downward trend in price of beef is consolidating consumption and offsetting the decline in beef consumption that occurred during the 1996 BSE crisis. Following the 7.4% fall recorded in 1996, caused essentially by this crisis, beef and veal consumption rallied somewhat in 1997 (up 2.7%) and in 1998 (up 2.8%). The introduction of the Community programmes to promote quality beef and veal has contributed to this return of consumer confidence.

Consumers and the traceability of goods

In order to reassert the quality of European meat, the Community grants payments for measures to promote specifically identified meat. These rules need to be seen in the context of the wider set of rules that govern health and safety standards. Cattle are being identified and registered in national databases in an effort to improve traceability. In addition, the Commission proposes the implementation of a scheme on new beef labelling rules.

Promoting European Union agricultural products

In an ever more competitive world market, measures to raise product visibility and consumer awareness are essential to the stability and increase of consumption of Community agricultural products. Working with the Member States, the Commission co-funds information and promotion campaigns in the Community for different groups of these products. In 2000 the volume for beef promotion and information campaigns will be 27 million euro with an EU assistance of 16 million euro.

In December 1999, based on a Commission proposal, the Council agreed to extend these campaigns to third countries. The principle of co-funding and partnership with the Member States and the interested professional organisations is maintained in this new initiative.

Currently there are two measures to assist the beef and veal production to gain back consumers’ confidence:

- The promotion of quality beef and veal (Council Regulation (EC) N° 2067/92), which benefits from 60% Community co-financing. Strict criteria in terms of scheme production (feeding stuff, slaughter conditions, traceability, labelling, etc.) were established in order to ensure maximum quality and product security for the consumer. (for conditions, see Commission Regulation (EC) N° 1318/93).
- Information on Beef and Veal Labelling (Council Regulation (EC) N° 820/97 and 2071/98). This campaign, 100% financed by the Community, is designed to increase consumer awareness of the information provided by the labels on the meat products. (for conditions, see Commission Regulation (EC) N°890/1999).

Development of production and consumption levels of beef and veal in the EU (in 1000 tonnes)
Organic Farming

Definition

Organic farming uses environmentally friendly methods of crop and livestock production, without the use of synthetic fertilizers, growth hormones, growth enhancing antibiotics, synthetic pesticides or gene manipulation. The aim of organic farming is to establish and maintain soil-plant, plant-animal and animal-soil interdependence.

Organic farming has developed into one of the most dynamic agricultural sectors in the European Union. Between 1993 and 1998 this sector has grown by 25% per year, yet still remains a minority activity involving only 2% of EU agricultural area and 1% of agricultural holdings. The percentage of food trade in the European Union accounted for by organic products has grown substantially and the sector expects this growth to double or even treble over the coming years.

Reasons contributing to the development of this sector include an increased consumer demand for traceability of goods and in response to this demand many organically produced goods are now labelled as such on the European market. A general heightening of environmental concerns among consumers has also been a factor in the growth of the organic farming sector. European Commission measures to promote the greening of the CAP as part of the reforms have played an important role in acting on. One of the driving forces behind the CAP reforms is to establish sustainability as a basic principle in rural development through farming methods that are environmentally friendly.

Legislation at a Community level dates back to July 1991 when a Council Regulation on organic production of agricultural products and indications referring to agricultural products and foodstuffs was adopted (Regulation (EEC) N° 2092/91). This regulation covers four main aspects: rules of production/preparation, labelling, inspection requirements and control on imports from third countries. There is a Standing Committee on Organic Farming created by the above-mentioned Regulation, and this committee assists the Commission in the management of the Regulation.

So far, the scope of this Regulation covered unprocessed agricultural crop products and products intended for human consumption composed essentially of one or more ingredients of plant origin.

However, in July 1999 the Council adopted a new Regulation extending the scope of the Regulation above to livestock products and feeding stuffs. It establishes rules of production for the main species: bovine, ovine, caprine, equidae, and poultry. Rules for other species will be defined at a later date by a Commission Regulation.

In the area of livestock production the organic farming practices should ensure that:

- animals receive sufficient in-door and out-door areas to permit their natural behavior;
- veterinary treatments are essentially based on natural medicinal products;
- antibiotics and other medicinal additives in feedingstuffs are forbidden;
- animals are mainly fed with organically produced feedingstuffs;
- breeds are selected by taking into account their natural environment and resistance to diseases;
- manure is managed in such a manner that contamination is avoided.

With regard to feedingstuffs, provisions related to labelling and detailed inspection measures for industries preparing these products are being developed. At present the legislation permits a limited number of additives and processing aids in animal feeding.

In an attempt to raise the profile of organic farming and its inspection system, the EU has adopted a logo for organic products, in December 1999.

**Definition**

Organic farming uses environmentally friendly methods of crop and livestock production, without the use of synthetic fertilizers, growth hormones, growth enhancing antibiotics, synthetic pesticides or gene manipulation. The aim of organic farming is to establish and maintain soil-plant, plant-animal and animal-soil interdependence.
Rules governing products from specific regions of the Community

In addition to the work to promote different agricultural products, European Union rules also exist to protect foodstuffs that come from particular regions or that have been produced using traditional methods handed down over the generations. The objectives of this initiative are to:
• encourage diverse agricultural production;
• protect product names from misuse and imitation;
• provide consumers with information on the specific character of products.

Quality labels
There are three types of protection schemes provided for foodstuffs:

1. Protected Designation of Origin (PDO) – Foodstuffs produced, processed and prepared in particular areas and made using recognised know-how which ensure a link between the product and its origin;

2. Protected Geographical Indication (PGI) – Products where there is a geographical link in at least one of the stages of production, preparation or processing;

3. Traditional Speciality Guaranteed (TSG) – Products made from traditional ingredients or that are made using a traditional method.

Each has a logo, thus helping the consumers recognise the products and providing producers and retailers with new marketing tools.

The following beef products are labelled according to their:
• Protected Designation of Origin (PDO);
• Protected Geographical Indication (PGI).

Spain

Fresh Meat
Carne de Ávila (PGI)
Carne de Morucha de Salamanca (PGI)
Ternera Gallega (PGI)

France

Fresh Meat
Boeuf de Chalosse (PGI)
Veau de l’Aveyron et du Ségala (PGI)
Boeuf charolais du Bourbonnais (PGI)
Boeuf de Maine (PGI)
Veau du Limousin (PGI)

Italy

Fresh Meat
Vitellone bianco dell’Appennino Centrale (PGI)

Meat-Based Products
Bresaola della Valtellina (PGI)

Portugal

Fresh Meat
Vitela de Lafiões (PGI)
Carnalentejana (PDO)
Carne Arouquesa (PDO)
Carne Marinha (PDO)
Carne Mertolenga (PDO)
Carne Barrosã (PDO)
Carne Maronesa (PDO)
Carne Miranda (PDO)

United Kingdom

Fresh Meat
Orkney beef (PDO)
Scotch beef (PGI)
Trade with third countries

The main elements of the import and export regime applied under the CAP regulation

An import or export licence must accompany all beef and veal imported into or exported from the Community. Imports of beef and veal are subject to the rates of duty fixed in the common customs tariff. In the case of exports, the difference between quotations or prices for those products on the world market and prices in the Community may be covered by export refunds, which will be granted on presentation of the export licence. Refunds may vary according to the destination where certain markets have specific requirements.

Refunds are fixed taking account of:
• the current situation on the Community and the world markets and likely developments;
• the objectives of the common organisation of the market in beef and veal;
• any restrictions arising from international agreements (World Trade Organisation, etc);
• the need to avoid disturbances on the Community market;
• the economic aspect of the proposed exports.

Imports and Exports

Trade in products in the beef sector, similar to trade in other agricultural products, is subject to multilateral and bilateral agreements aiming to increase access to markets. The table below gives a comparison of meat and live animals imports and exports between 1995 and 2000.

Community imports in the beef sector show a steady average of around 405,000 tonnes which fulfil the Community commitment under the WTO agreement for minimum access to markets.

Community exports, however, have shown some variations. In 1996 and 1997 total Community exports amounted to 1,117 and 1,050 million tonnes respectively. The figure for 1998 is lower, at round 775,000 tonnes reflecting the lower levels of production and the financial collapse in the main importing country.

According to the Community’s commitments under the WTO agreement the maximum limits for subsidised exports are subject to gradual reduction each year (around 60,000 tonnes) from 1995 onwards. In 2000/2001 subsidised exports of meat can be granted up to around 822,000 tonnes.

Comparison of European meat imports and exports between 1994-2000 (in 1000 tonnes)

- Imports “meat” and “live animals”
- Exports “meat” and “live animals”

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