EUROVEAL
THE EUROPEAN VEAL SECTOR

VISION OF THE EUROPEAN VEAL SECTOR

APRIL 2021

EUROVEAL

THE EUROPEAN VEAL SECTOR

EuroVeal is a European gathering of actors of the veal chain in various Member States, meant to raise awareness of the true value of the veal chain for the sustainability of the EU food systems. It is supported by national veal chain platforms (BVK in Belgium, **SBK** in The Netherlands, Interbev in France, Assocarni in Italy , xxx in Germany) and by European Federations (Copa-Cogeca, UECBV, EDA and **FEFAC**). It is logistically supported by FEFAC and its member associations (**SDVF**, **Nevedi**, BFA, DVT, **Assalzoo**).

(in bold: confirmed)

Contact point:

FEFAC
Rue de la Loi, 223 Bte 3 - 1040 Brussels
Tel: +32 (0)2 285 00 50
Fax: +32 (0) 2 230 57 22
fefac@fefac.eu
www.fefac.eu

Veal is a product of excellent quality, high value and of international reputation as well as having a cultural heritage associated with European gastronomy.

The EU veal sector is a prime example of the working circular economy, turning inevitable co-products into valuable resources ranging from high quality meat to leather, with every stage contributing to the sustainability of all sectors linked to veal production. It is also an illustration of a resilient sector, with highly diverse farming systems, continuously seeking to improve on its environmental performance.

EU veal production is an undisputed model of the successful implementation, in the heart of rural Europe, of modern husbandry practice, which places animal welfare at the forefront.

The important link bringing balance to the dairy and beef chains

- Veal: a cultural heritage and a quality label
- The indispensable link reinforcing the dairy, beef and many other sectors of the bio-economy
- A model for a successful transition to more sustainable meat production – The veal sector in 2030

VISION OF THE VEAL SECTOR

Veal is internationally recognised as a high quality and nutritious meat. However, little attention is paid to its specialised producers who operate a real value-chain, with specialised operators. Historically, decision makers were only interested in the veal sector as a way to reduce surplus dairy products and male calves but nowadays, the veal sector has much more to offer to EU agriculture and the livestock production model of the future. It was, is and will remain an essential part of our European gastronomic culture.

The EU Green Deal Objectives, and in particular the Farm to Fork Strategy, lay down the foundation for sustainable food systems whose pillars are climate neutrality, resource efficiency and circularity, while also caring for animal welfare and forest protection. Veal production is a unique kind of agricultural activity that is interconnected with many other sectors, with an underrated capacity to deliver on those objectives. Achieving success in veal production should be of mutual interest for the sectoral chains that interconnect with veal production, such as beef, dairy and leather production. There is a need to break the 'silo thinking' mentality where necessary and build on the synergies that allow for a smooth transition of feed materials, veal calves and processed meat. This vision paper is calling on veal producers themselves, as well as the interconnected sectors, to search for a common path forward that safeguards the position of veal production in sustainable food systems.

VEAL: A CULTURAL HERITAGE OF A HIGH QUALITY MEAT

A short history of veal

The consumption of veal dates from antiquity and the Latin name "Vitellus" emerged in the XIIth century. Veal is the main ingredient of some of the most famous dishes associated with the culinary legacy of EU in countries such as Italy or France: Vitello tonnato, saltimbocca, veau Marengo, blanquette de veau, etc. Regarded initially as a luxury meat, veal has become more accessible to many citizens across the EU in the second half of the XXth century. Traditionally, veal being a has been closely linked with milk production, whilst also being associated with different husbandry practices, in particular the weight and age of the animal at slaughter. Regulation N°700/2007/EC illustrates these cultural differences and established, for the sake of market organisation, a classification depending on the age at slaughter, i.e. the term "veal" being used for meat from calves less than 8 months old and the term "rosé veal"[1] for bovine animals slaughtered between 8 and 12 months of age.

Some statistics about veal production

In 2019, the production of veal in EU-27 is around 645,000 t/year of meat produced from 4.4 mio calves. This represents 14% of the calves born every year in the EU-27. In addition, app. 400,000 calves are raised to produce rosé veal for a total volume of 76,000 t/year. The main production countries are The Netherlands (36%), France (28%), Italy (13%), Belgium (9%) and Germany (7%).

Veal trade with Third Countries is very limited, hence consumption is almost equivalent to production. Average per capita consumption is around 1.3 kg/head/year, concentrated at 83% in 4 countries: France (35%), Italy (24%), Germany (15%) and Belgium (9%)[2].

The EU-27 veal production plays a key role in maintaining around 25,000 jobs, and generates revenue of €5.8bn in 2017.[3]

KEY FIGURES

Number of calves raised for veal production: 4.4 mio. / year

Veal production: 650,000 t/year

Number of calves raised for rosé veal production: 400,000

Rosé veal production: 76,000 t/year

Employment (direct): 25,000

Turnover: 5.8 billion €

[1] The term "rosé veal" is the official English denomination to be used in Ireland, while the term for UK is "beef"

[2] Source: Eurostat, Agreste, PVE – 2014 (Data are lacking since 2014).

[3] CHAFEA, 2018 - https://ec.europa.eu/chafea/agri/en/campaigns/european-veal-meat

A high quality meat

The main characteristic of veal is its tenderness and the consumer is sensitive to its light colour, being very distinctive from that of beef and which appeals to the consumer. Veal is regarded as a lean meat, due to its low fat content. Compared to other types of meat, it contains a higher proportion of non-saturated fatty acids (more than 70%). It contains more oleic acid than palmitic acid, which is beneficial for heart health[4].

Its protein content is around 24/30% of dry matter (depending on cuts), i.e. very similar to beef. As with many other meats, veal is an excellent source of B group vitamins (B2, B3, B6, B12) and a good source of selenium and phosphorous. It contains less iron than beef but, contrary to belief, as much as lamb and more than pork or poultry.

VEAL IS A HIGHLY NUTRITIOUS AND TENDER FOOD PRODUCT, SUITABLE FOR HEALTHY DIETS FOR GENERATIONS OF THE FUTURE.

THE VEAL CHAIN: THE INDISPENSABLE CEMENT REINFORCING THE DAIRY SECTOR, THE BEEF SECTOR AND MANY OTHER SECTORS OF THE BIO-ECONOMY

As well as being important both as an employer and part of the value chain, the veal sector utilises co-products from various food sectors such as the dairy and cheese sectors. What is less known is that 80% of the solid fraction of the veal calves diet are co-products from grains (straw, co-products from grain processing industry), thus a working example of circular economy.

Veal calves were historically raised on the dairy farm where they were born. With the professionalisation of the dairy sector, male new-born calves were considered as a by-product for a dairy farmer (a cow will only produce milk after calving). Since the1960's, veal production has become a specialised activity.[5] Nowadays, most young calves still originate from dairy herds (dairy breeds or cross breeds) and a small proportion of calves come from suckling herds[6].

The veal chain is composed of many sectors all interacting in a circular way:

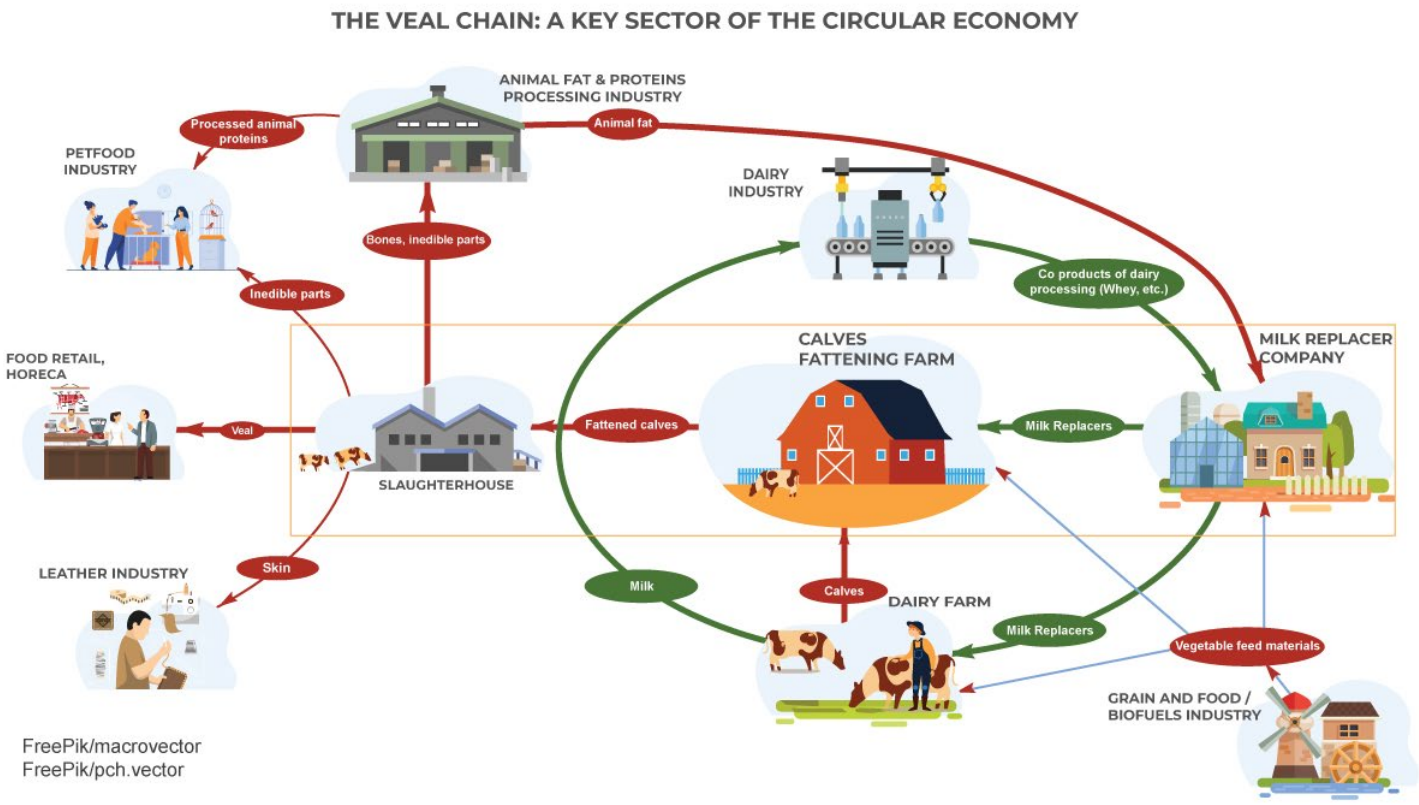
- The dairy or suckling farms take in feed, including milk replacers for breeding calves, and produce milk and calves;
- The veal calves diet is composed of feed materials of plant origin, co-products from the dairy industry and animal fats from the animal fat processing industry, as well as feed additives;
- The calf husbandry companies, so-called integrators, purchase calves from dairy or suckling farms and house them in fattening farms; they deliver milk replacers and provide the monitoring devices.
- The farmers provide the facilities and equipment, water, energy and daily labour to feed and monitor the animals[7].
- Fattened calves are sold to the meat processing industry;
- The meat processing industry delivers meat to retail/restaurants and co-products to the leather industry (skin), the animal protein and animal fat processing industries and the petfood or the pharmaceuticals industry (offal, inedible tissues);
- The animal fat industry sells animal fats to the milk replacers industry.

[4] Passeport Santé

[5] Le mangeur et l'Animal - Mutations de l'élevage et de la consommation - Julien Coleou, sous la direction de Monique Paillat - Autrement, Coll. Mutations/Mangeurs, N°172, Paris, 1997, 150 p.

[6] In France, there is a very important diversity in the origin of veal calves (dairy calves 55 %, cross bred calves 28 % and calves from suckling herds 17 %). In The Netherlands a vast majority (85% plus) of veal calves come from Holstein Friesian dairy farms.

[7] The farmers receive a reliable, stable and significant income for these services, which is extremely helpful in rural areas were employment is scarce and where maintaining agriculture activities is essential



TYPICAL VEAL CALVES DIET

- A veal calf will consume over its lifetime between 400 and 700 kg of feed. The diet is composed of a solid and a liquid fraction (milk replacer).
- Different feeding schemes are used in EU involving differences in the share of solid vs. liquid fractions.
- Typically, the overall diet is composed in majority of vegetable feed materials (protein concentrates, fiber rich feed materials like straw and co-products from the grain processing industry), whey and whey derivatives, completed by fatty ingredients rich in energy (lard, tallow, palm oil and coconut oil), feed additives and minerals, fiber rich feed materials.
- A large majority of the ingredients used in veal calves diet are secondary materials not used for food.

What if the veal calves sector did not exist?

Possible destinations for a dairy calf are either staying on the dairy farm as a replacement heifer (this contributes to about 10% of all calves born in the EU-27), be fattened for veal production (20% of calves), or be fattened for beef production on the dairy farm or elsewhere. Some may also be culled shortly after birth and disposed of or processed into petfood. However, this last approach is clearly not the preferred option in the EU, whereas in New-Zealand 40 % of calves are killed around 5 days and destined to pet-food.[8]

If all calves were to be raised for beef production, this would mean:

- Veal calves live about 8 months, whereas beef cattle are raised for about 30 months. This implies an increase in cattle population of 11 mio animals, generating higher environmental emissions;

[8] https://www.stuff.co.nz/business/farming/74762096/qa-bobby-calves-new-zealand-vs-the-rest-of-the-world

- An extra amount of 1,320,000 t of beef (4.4 million of bovine animals slaughtered at 300 kg live weight), i.e + 18% which is not viable in volume. In addition, this extra amount is of medium quality, since most of the calves originate from dairy breeds that are not very suitable for beef production;

Since the percentage of replacement animals is fixed, the only option to keep animal numbers constant would be the culling of young calves shortly after birth, which may not be consistent with societal aspiration for more "humane" livestock production systems.

Another outlet would have to be found for the 645,000 t of whey and whey derivatives that would no longer used for veal calves feeding (i.e. app. 25% of the production). Also luxury manufacturing industries currently make use of leather produced from calf skin and, with a reduction in supply of this source, would need to rely further on synthetic alternatives to replace approximately 90 million kg of 'veal leather'.

Finally, the integration model which predominates in the EU, is a factor of stability in terms of income for the farmers, enables a better management of the supply/demand balance and mitigates the risk of disinvestment in the chain. These advantages for the farming community would be lost if the veal calves sector was no longer in existence, since the integration model is found less frequently in beef production.

DEFINITIVELY, VEAL PRODUCTION IS THE UNDERRATED LINK THAT BRINGS THE DAIRY AND BEEF CHAINS IN BALANCE.

A MODEL FOR A SUCCESSFUL TRANSITION TO MORE SUSTAINABLE MEAT PRODUCTION - THE VEAL SECTOR IN 2030

Reconciling ambitions at European level with priorities at national level

The veal sector is aware that the drive for sustainability can have different meanings depending on the European country, resulting in different challenges and priorities. It is therefore important to put an emphasis on starting the journey of continuous improvement and measurable progress, as opposed to setting the same thresholds for all veal production countries. The veal sector therefore believes in common ambitions and country-specific targets and deliverables. The veal sector considers that in its development over the past decades, it has many strengths that justify its place in any sustainable food system. At the same time, it is ambitious to improve on its weaknesses and deliver on the five ambitions below.

The veal calves sector wants to identify those indicators that are suitable for measuring progress in achieving the EU Green Deal Objectives that the sector can report on. The development of these indicators shall be considered cautiously, in particular it should be based on good quality monitoring data and use the right methodology which for some indicators still needs to be developed.

Either way, in many cases the collection of data remains the key first step that needs to be made, regardless of the methodology that determines how to numerically express findings. This is why in this vision paper, the veal sector identified a list of common monitoring parameters. Only those that are under the direct control of the veal chain are specified in Annex 1. Other parameters, such as calf mortality index, might have been useful to report as an indication of animal welfare. However, since mortality is occurring mostly in the early days of the calves when the calf is still on the farm where it was born, any improvement of the mortality index is therefore primarily dependent on the dairy farmers.

1) Contribute to Climate-Neutral Livestock Production

Veal farmers have shown the will to make changes in their farm environment through energy recovery. Increasingly, anaerobic digestion is applied to manure surpluses and solar photovoltaic panels are implemented on farm stables. These investments are however quite significant and need support. The veal sector has the ambition to monitor the progress made in this area.

At slaughterhouse level, making energy savings has been a priority for many years. Efforts have been made to reduce the consumption of energy, with a particular focus on reducing fossil energy use. Also hydrofluorocarbons (HFCs) have been withdrawn from the meat processing units in the cold production circuit.

In terms of transport, the expertise of the integrator in terms of logistics is a key asset to minimise the length of transport of young calves from dairy and other farms and transport of fattened calves to the slaughterhouse. In France, some operators record and monitor the number of km per calf or number of km per kg of veal. In this regard, the specialization of the sector is a real asset.

The veal sector wants to move forward on the use of a realistic and coherent environmental footprint methodology (PEF) to support steps taken to improve the environmental performance and communicate on common indicators, first on a B2B basis. This will ensure reliable and transparent communication to show the progress made at feed production and slaughterhouse level.

2) Foster Sustainable Food Systems Through Increased Resource & Nutrient Efficiency

As highlighted before, the veal sector plays a key role in the circular economy and the flow of nutrients and products across the bio-economies. The veal sector mainly uses male calves, which are in essence inevitable co-products that cannot be valorized within the dairy sector. Veal production is therefore a very optimal use of resources and nutrients that become available.

In regards to input, the improvement of the feed efficiency of milk replacers is a topic of scientific interest for decades. The resource efficiency of the feed ingredients used by milk replacer producers is shown by the use of co-products such as dairy by-products, animal fat and vegetable raw materials (oils and meals). These feed ingredients are often inedible for humans, meaning veal production is not in competition with non-animal food production. The veal sector is open to using novel feed materials as they become available.

For the output, slaughterhouses are specialized to maximise the share of the carcass that can be destined for human consumption. This can include offal, which would otherwise be destined to petfood. Next to the edible parts, a veal carcass provides a variety of co-products which are all usable. Examples are high quality leather made from the hides, pharmaceuticals from the blood and crop fertilization from manure use (instead of chemical fertilization).

3) Promote Responsible Sourcing Practices

Because the veal sector commonly sources its feed ingredients from within the EU, it generally relies little on imported feed and therefore has fairly low exposure to deforestation risks. Nonetheless, raw materials such as palm oil, soybean protein concentrate and coconut oil do carry sensitivities that need to be accounted for. The veal sector has the ambition to explore the deforestation risk exposure in detail of these raw materials in feed composition of calf milk replacers. For soy, towards 2030 the veal sector will increase its commitments to source in line with schemes benchmarked against the FEFAC Soy Sourcing Guidelines that provide responsible and deforestation-free soy. For palm oil, the veal sector will seek to increase its use of RSPO or equivalent certification.

4) Contribute to Improving Farm Animal Health & Welfare

The veal sector is experienced when it comes to addressing societal expectations in terms of animal welfare. Upon impulse of research and establishment of legal requirements in the 90es, the veal production

system has changed dramatically. The present legislation (Council Directive 2008/119/EC, as amended) establishes minimum dimension for pens and grouphousing is required for animals of eight weeks and more. Calves are not to be tethered and must be fed according to their physiological needs. In particular their diet must contain sufficient iron and a minimum daily ration of fibre must be provided. Nowadays, all animals are under permanent veterinary supervision and preventive measures are taken to avoid anemia like blood monitoring.

The integrators and the veal farmers have a focus on reducing mortality and morbidity. They are also setting up approaches that stimulate higher animal welfare standards (following the European Welfare Quality program). An increasing proportion of veal is produced under certification schemes including animal welfare commitments.

In France, Belgium and The Netherlands, animal welfare managers are appointed in each and every slaughterhouse to ensure calves are treated in compliance with animal welfare standards.

Other sectors of the livestock chain may take the experience of the veal sector as a reference for a successful transition towards more sustainable food systems as far as the animal welfare dimension is concerned. Potential areas for improvement concern the transport of young calves (in particular long distance). Positive evolutions exist in more comfortable lying areas via the types of floors (e.g. rubber floors and strawed floors).

The veal sector has made significant improvements in reducing the amount of antimicrobials used in its production chain. With different initiatives to enhance the calf health, particularly in the sensitive early life stage including the placement of the calves from the dairy to the veal farm, the aim is to further reduce the needs for antimicrobials, such as antibiotics. A key element here is an optimized focus on hygiene, tailor-made to the great variety in veal farming systems.

5) Enhance the Socio-Economic Environment and the Veal Sector's Resilience

The localised nature of the veal sector, rooted in the rural community, has been described. Keeping the balance between the dairy and meat sectors also means ensuring sufficient income. Their competitiveness, as well as that of the veal farmers, is of crucial mutual importance to all involved sectors to remain resilient. Across the board, the COVID-19 outbreak has brought new challenges.

Income in veal farming is generally higher compared to other animal production chains. Precisely thanks to contractualisation under the integration regime, supervised by public authorities, the farmer enjoys income security and long-term guarantees thereby mitigating the adverse effects of market volatility and contributing to improved resilience of the farming sector in the long-term. The veal sector has the ambition to continue supporting the farming community and its socio-economic environment and fight for its resilience.

Beyond farming, veal production generates significant and attractive employment at all levels of the chain, in particular at the level of the slaughterhouse as well as service providers.

ANNEX 1: KEY MONITORING PARAMETERS PER AMBITION

To make further progress, it is essential for the veal sector to align on the identification of relevant collective indicators and harmonized reporting methodologies. To support this, the veal sector has the ambition to monitor the parameters below for each ambition laid down in the vision paper.

1) **Contribute To Climate-Neutral Livestock Production**

- The carbon footprint of the sector
- The share of recovered or renewable energy among total energy consumption
- The share of HFCs in total refrigerant charge
- The water consumption of the sector

2) **Foster Sustainable Food Systems Through Increased Resource & Nutrient Efficiency**

- The share of human inedible feed used
- The shelf life of the meat
- The share of the whole animal used as human food
- The share of the whole animal used for non-food applications
- The share of waste in the whole animal
- The recyclability rate of meat trays and packaging material

3) **Promote Responsible Sourcing Practices**

- The share of responsible and deforestation-free soya in feed for veal calves
- The share of responsible and deforestation-free Palm Oil in feed

4) **Contribute to Improving Farm Animal Health & Welfare**

- Number of animal welfare managers in slaughterhouses
- Percentage of companies audited
- Use of antibiotics

5) **Enhance the Socio-Economic Environment and the Veal Sector's Resilience**

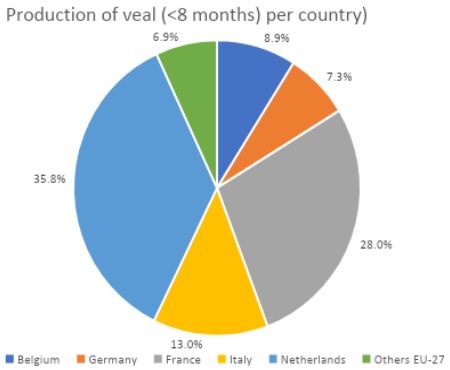
- The share of direct and indirect employment
- The share of contractualization

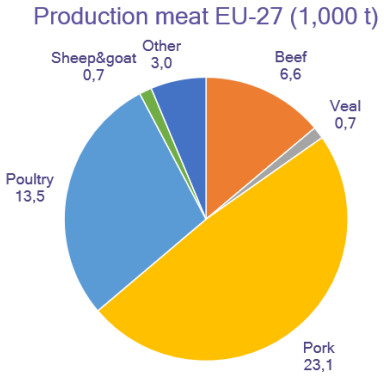
ANNEX 2: STATISTICS

A European production mostly for a European consumption Production

In 2019, 93% of the EU-27 production of veal (in tons) is performed by 5 countries: The Netherlands (36%), France (28%), Italy (13%), Belgium (9%) and Germany (7%).

Veal (including rosé), remains a marginal meat with 721,000 t produced per year, i.e. 1.4% of the total meat production, far behind pork, poultry and beef but equivalent to sheep & goat meat production.



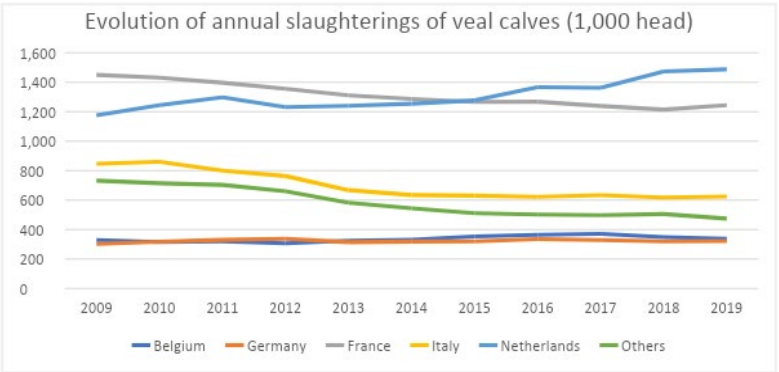


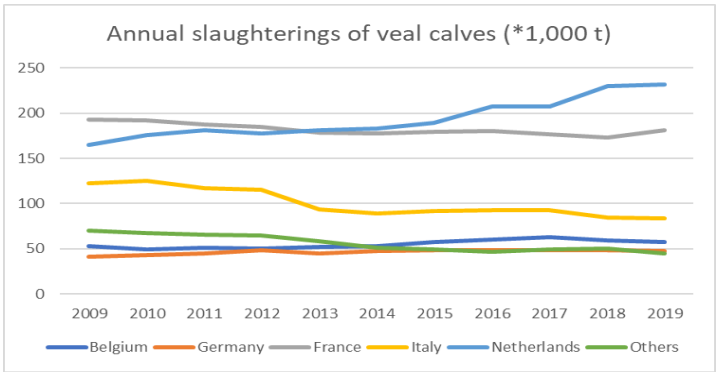
FATTENING CALVES OUTSIDE THE EU

- The EU dominates the global veal market. Only a few other countries have an organized calves fattening activity. Outside Europe mainly Canada, USA, New Zealand and Australia produce meat from calves fattening. However, the system and products differ from their European counterpart.
- The New Zealand and Australian producers focus mostly on the product of bobby veal, the calves used are usually no more than two weeks old and weigh less than 30 kilograms after being processed.
- The American and Canadian sector focusses on a more integrated form of production, which differs in housing and type of feed used.

Trend in veal production

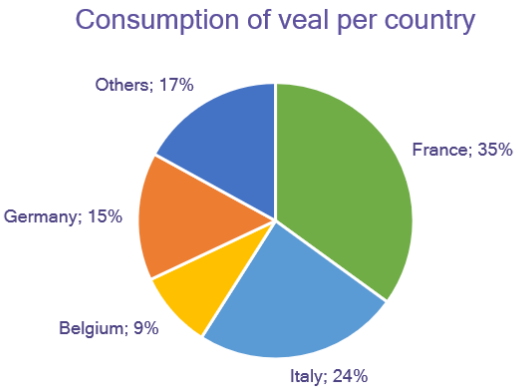
The evolution of veal production over the last 10 years remains within a range of 600-650 KT.



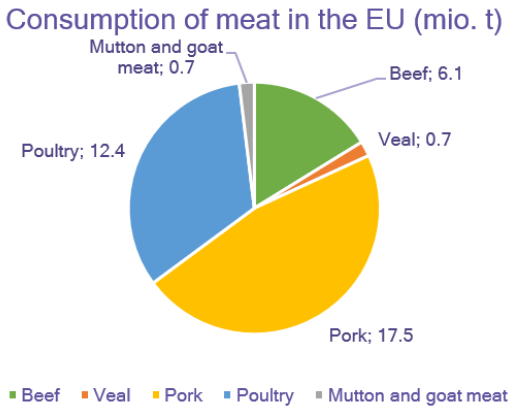


Consumption

The main consumption countries in 2014 were France (35%), Italy (24%), Germany (15%) and Belgium (9%).



Veal represents almost 2% of meat consumption in EU-27, i.e. equivalent to lamb and goat meat together.



Trade with Third Countries

EU exports are modest (150,000 t in 2016) but rising, especially destined to the USA, Canada, Middle East countries as well as East Asia (China, Japan, South Korea) following lifting of BSE-export bans. The high quality of veal is a factor of development of niche markets in non-traditionally consuming countries.