

## Comments on the Proposals for the CAP Health Check (COM(2008)306)

### 1. Simplification of the Single Payment Scheme

Eurogroup for Animals agrees that the level of subsidies should not be based on past levels of production but payments should be calculated so that there is a fairer repartition of subsidies. In our paper on an animal welfare friendly agriculture policy<sup>1</sup> we propose that for livestock farmers, subsidies should be linked to the land in relation to its carrying capacity so that environmental conditions are safeguarded. This would prevent subsidies going to very intensive indoor livestock farming systems with little land linked to it. We also believe that subsidies should be granted in relation to the number of active people working on the farm.

If no conditions are linked to area payments, this would not change very much the current picture of unequal distribution.

### 2. Cross-compliance

Eurogroup welcomes the statement in preamble (2) that the “cross-compliance” system forms an integral part of Community support under direct payments and should therefore be maintained. We are however disappointed that in the Commission proposals the animal welfare statutory management requirements only include those minimum legal standards already included in 2003.

The European Commission published at the end of November 2007 a report which concludes that a substantial part of the administrative burden from the CAP is related to understanding changes in the system but is expected to disappear or substantially reduce over time. About cross-compliance, the study concludes: “*It should also be noted that the administrative costs related to cross compliance included in the scope of the study are relatively low. This is mainly explained by the relatively small number of farmers that is subject to cross compliance controls*”. Because administrative costs are low and only few animal welfare standards exist we believe that all existing standards should be included in cross-compliance. This means that the laying hens directive<sup>2</sup> and the meat chickens directive<sup>3</sup> should be added to the list of Statutory Management Requirements included in cross-compliance under Annex II of the Commission proposal.

Given that the structure for implementing cross-compliance should already be in place in Member States, including additional SMR should only have a minimal impact on administrative costs.

Eurogroup believes that keeping the list of SMR as it is would mean a missed opportunity to make the CAP more acceptable to EU citizens and to fulfil its objective of improving animal welfare. For that reason we are calling on the European Parliament and the Member States to include in the cross-compliance rules a provision allowing a revision of the animal welfare SMR list whenever new animal welfare standards are adopted.

<sup>1</sup> « Towards an Animal Welfare Friendly Agriculture Policy » available at : [http://www.eurogroupforanimals.org/policy/pdf/paper\\_cap\\_health\\_check\\_sep\\_07.pdf](http://www.eurogroupforanimals.org/policy/pdf/paper_cap_health_check_sep_07.pdf)

<sup>2</sup> Council Directive 1999/74/EC of 19 July 1999 laying down minimum standards for the protection of laying hens.

<sup>3</sup> Council Directive 2007/43/EC of 28 June 2007 laying down minimum rules for the protection of chickens kept for meat production.

### 3. Decoupling and specific support (Article 68)

Eurogroup agrees that subsidies should be decoupled from production to avoid further intensification of livestock farming. However we believe that special measures must be put in place to support farming methods which present particularly high environmental and/or animal welfare benefits. Extensive farming with good environmental and animal welfare records must particularly be targeted. Eurogroup believes that these systems of production are not targeted enough in the Commission proposals.

We welcome the provision under the proposed Article 68 which allows Member States to use up to 10% of the direct subsidies for specific support and particularly: *for specific types of farming which are important for the protection or enhancement of the environment; for improving the quality and/or the marketing of agricultural products; to address specific disadvantages affecting farmers in the dairy, beef, sheep and goat meat sector (...) in economically vulnerable or environmentally sensitive areas (...)*. There are clear links between animal welfare friendly systems of production and environmental protection as well as food quality, and Eurogroup believes that this article gives Member States the opportunity to support farmers who are applying higher animal welfare standards and at the same time care about the environment and the quality of their products.

It is however left to Member States to use this possibility or not. In addition the budget which could be allocated to support these systems may be divided among other objectives for special support such as crop insurance and compensation for losses due to epidemics. The amount of money would then be far too low to have a significant impact.

Eurogroup calls on the Member States to adopt compulsory measures to prevent the risk that good farming systems disappear because they are simply not profitable and to ensure that increased funding is allocated to these systems.

### 4. Dairy quotas

Eurogroup believes dairy quotas have promoted high milk production in single individual cows, with negative impacts on the animal's welfare, and welcomes the abolition of dairy quotas providing there is a soft landing and the European Commission commits itself to adopt good welfare standards for dairy cattle before quotas are removed. Indeed the abandonment of quotas could lead to a rapid intensification of a sector that is still composed of a majority of family farms with relatively extensive methods of production and access to pasture for dairy cows. The EU milk production potential is very high and the abandonment of quotas will lead to increased production. As a consequence prices risk dropping and the more extensive farmers, which are generally also the less competitive ones, could be forced out of business, leading to a drastic intensification of the sector, with negative consequences for animal welfare and the environment.

The European Food Safety Authority is currently preparing a report on the welfare of dairy cows which should be adopted in March 2009. Eurogroup believes that good EU standards on the welfare of dairy cows should be a priority and a pre-requisite to the removal of quotas. In addition export refunds should be abolished at the same time for milk and all milk products and farmers should be encouraged through targeted rural development support to apply environmentally and animal welfare friendly methods of production by entering quality schemes. In brief Eurogroup believes that a number of safeguard mechanisms need to be in place to ensure that any change in policies doesn't have drastic negative consequences for the environment and the welfare of dairy cattle. We urge the Commission to work on the establishment of these mechanisms, and the European Parliament and the Council to support them.

## 5. New challenges, such as managing risks and climate change

Independently from the fact that potential risks might increase, Eurogroup believes that it is not the role of rural development to address these risks. Rural development has been allocated a budget which is much smaller than previously planned and more countries must be covered. The range of measures Member States can offer has increased considerably as compared to the previous programming period, and is already too high for the money available. We believe that the European Commission must tackle price and production risks through prevention rather than compensatory payments under the CAP, and that rural development should be used primarily to improve the protection of the environment and animal welfare.

Animal welfare is central to the future of the whole farming and food production sector, with its close links to measures designed to improve animal health and the environment, as well as responding to consumers and producers wishes and needs. Eurogroup believes that re-orientating agricultural production in the EU would allow tackling and mitigating climate change problems. We do not believe that including a few additional measures under rural development will be the solution to climate change. Environmental and animal welfare friendly measures already exist in rural development and the European Commission should concentrate on their correct implementation and on assessing that they really have the impact they are intended for on the environment and on animal welfare. In particular Eurogroup believes that climate change brings changes in disease patterns (eg the northward migration in EU of bluetongue) and the CAP should reflect this by promoting veterinary assistance and especially Veterinary Health Plans under the NRDPs. Adoption of veterinary health plans will produce clear welfare and performance benefits but some farmers may not be convinced that the costs are outweighed by the future benefits and so may be reluctant to implement such a plan. Support with part of the costs (such as 30 percents) may be justified to encourage farmers to set up veterinary health plans.

We also believe that the European Commission should put in place a mechanism to assess that any CAP payment has no detrimental effect on the environment or on animal welfare. It would be a positive step to prevent detrimental practices which have the potential to contribute to climate change.

## 6. Rural development: Modulation

Eurogroup welcomes the proposal to transfer further additional funds to the Rural Development pillar. We specifically welcome the proposal to reduce the highest amounts of direct subsidies by a further 3 to 9% to increase rural development funding. However we believe that the regular increase of 2% per year from 2009 is not enough. We are calling on the European Parliament and the Member States to support an increased modulation rate to 20% by 2013, and we believe that the proposed extra funds would only allow current measures to be more correctly funded. If Member States want to include measures to tackle new challenges we think that additional funding (on top of modulation) will be needed.

Eurogroup believes the additional modulated funds should be allocated to existing measures to protect animal welfare and the environment. In particular a given amount should be devoted to animal welfare, making it obligatory for Member States to include animal welfare in their RDP. At present very few Member States have included animal welfare measures in their 2007-2013 RDP, which makes questionable that the 2003 CAP objective to improve animal welfare will be reached.

We call on the European Parliament and the Member States to support increased rates of transfer of funds to rural development and the allocation of these extra funds to animal welfare and environment measures.

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