

Common Agricultural Policy Post 2020

Summary

- Shift from stimulating intensive livestock farming and promoting animal based products towards lesser and animal friendlier livestock farming and promoting plant production and consumption.
- Further shift from direct, Pillar I payments towards Pillar II payments to invest more and more in making agriculture more sustainable including animal friendlier.
- Cross-compliance for all animal welfare legislation and measures to improve the effectiveness of this system.
- Animal welfare measurements must become a compulsory part of Rural Development Plans with a growing budget.

Background

The Common Agricultural Policy (CAP) is the EU level funding mechanism for agriculture and accounts for over 40% of the EU budget. It was created in late 50s to increase production, guarantee a decent income to farmers, and provide food a reasonable price for consumers. It's inclusion in the Union's founding treaties also provided for European legislation on farm animal welfare¹. Subsidies from the CAP helped farmers to buy new equipment, renovate their farm buildings and obtain better feeds and fertilizers. With higher earnings they could borrow from the banks to develop their business. As a direct effect of the CAP measures food production increased, and by the 1970s the EU was already producing more food than needed.

The CAP has been successful sustaining European agriculture, but has, along with global trends and competition within the agricultural market, encouraged the intensification of animal production. The negative impact on the welfare of animals has been enormous: the CAP previously prioritised quantity over quality of productions and, as a consequence this led to the use of increasingly productive breeds in systems where animals were confined with reduced or no access to pasture.

Since its creation the CAP has been reformed several times, in order to adapt the funding system to the current challenges. The last major reform was in 2003, when the EU started to liberalize agricultural markets to promote international free trade. Also in 2003 animal welfare was included among the objectives of the CAP. Thanks to this reform the link between subsidies and production was cut, with farmers getting two types of subsidy - a payment based on the size of their farm providing they respect strict food safety, environmental and animal welfare standards², and a payment for farming and producing public goods such as systems benefiting animal welfare or the environment³. With that reform an animal welfare payment was established⁴. If Member States were willing to include them in their rural development programs (RDP) there were now five measures that could be used to improve the welfare of animals.

¹ The European Union is obliged by law to have an agricultural policy [TFEU Art. 38 (4)] and the EC have to submit proposals for working out the CAP for implementing the agriculture and fisheries measures [Art. 43 (1)]. These articles along with Art 13 of TFEU provide for EU legislation on farm animal welfare.

² Pillar I payment, which is around 80% of the CAP

³ Pillar II payments

⁴ Regulation (EU) 1305/2013, Art 33.

Although the animal welfare payments were threatened in 2011⁵, two key amendments were secured in the newly reformed CAP:

- 1) The 'promotion of animal welfare' was added to the priorities of the RDP.
- 2) Farm animal welfare payments, in danger of being weakened to only being available for a renewable period of one year, were secured for up to seven years.

Despite these improvements the CAP still is not significantly improving the welfare of animals. This is due to the fact that Pillar II payments only represent around 20% of the income farmers get from the CAP and animal welfare only represents a small proportion of the options for Governments to offer to farmers and for farmers to choose and it is not compulsory for Member States to use the animal welfare options in its RDP

Context

Currently, under Pillar II⁶ payments are provided for farmers undertaking animal welfare commitments that "go beyond mandatory requirements". Farmers are eligible for compensation for commitments to areas such as water, feed and animal care in accordance with the natural needs of animal husbandry, housing conditions, outdoor access, and practices which avoid mutilations. Payments can be given annually for a period of 1 to 7 years and improvements of the condition of livestock need to be clearly measurable. Unfortunately, Member States do not normally use part of their RDP for animal welfare, and during the CAP period 2007-2013, only 0.1% of the CAP budget was spent on animal welfare. The information made available by Member States about the current CAP 2014-2020 shows that only 27 RDP (out of 118) have included Animal Welfare measure.

In 2019 the next CAP revision will take place and in November 2016 the Commission presented its 2017 work programme. Although the CAP reform appears only in a small paragraph⁷, DG AGRI and Commissioner Hogan are going to be taking action as early as January 2017: the launch of a 12-week consultation on the future design of farm policy post-2020 in January/February provides yet another opportunity to discuss existing farming policy and much needed reform. The expected Communication Paper/White Paper in the second half of 2017 will certainly generate considerable attention after the failed attempt for a Communication paper on Sustainable Food in 2013.

Additionally the EC will carry out a strategic review (i.e. 'fitness check') of the CAP as a matter of priority to inform any future reform on an appropriate timescale. A Fitness Check of the CAP would ensure a rigorous review of the available evidence on how the new CAP is delivering towards the objectives of viable food production, and sustainable management of natural resources.

⁵ One such measure (Article 68 of Pillar 1) was disposed of altogether. The other measure (the Animal Welfare Payments in Pillar II) was diluted to the point where it was of little value in practice. Moreover, under this proposal Animal Welfare Payments could only be made for 'a renewable period of one year'. There had been the risk to have farmers reluctant to incur the expense of moving to a new, higher welfare system if they would have received receive support for just one year.

⁶ Art 5 (3) of the Regulation 1305/2013

⁷ http://ec.europa.eu/atwork/pdf/cwp_2017_en.pdf

Eurogroup for Animals' position

Eurogroup for Animals (EfA) has worked on CAP in the past years, taking also part in regular meetings (CAP-NGOs) held with other Brussels-based NGOs/ stakeholders who have an interest in reforming the CAP to make it more sustainable. On the occasion of the past CAP reform (2012) EfA was instrumental in obtaining (i) the confirmation of animal welfare in the priorities of RDP and in the objectives of investment support, (ii) the extension of the period for granting animal welfare payments up to 7 years.

The next reform of the CAP - and possible REFIT process - is an opportunity for EfA and its members to significantly improve the welfare of animals under the provisions of the CAP, that together with other measures should help in making the EU more sustainable. In this view other measures should be implemented:

- The EU must stop subsidizing the promotion of eating animal based products like supporting drinking milk on schools or supporting marketing of meat and eggs;
- The EU must take measures to make agricultural markets more transparent to consumers (i.e. by clearly indicating matters of production on the product labels concerning the level of animal welfare);
- The EU must take measures to make agricultural markets more honest to guarantee farmers fair prices for their products to earn a fair income and be able to give their animals a better welfare;
- The EU should make mandatory for the import of animal based products the respect of the EU animal welfare standards, or pay a duty to assure they are not cheaper than products produced under EU animal welfare standards
- CAP with subsidies and cross compliance cannot substitute regulatory law and performing enforcement. Rather, it is based on it. EU is lacking a complete species specific farm animal welfare legislation. Where legislation is missing, it should be established.

For the future CAP the following provisions are crucial:

Pillar I

- The introduction of maximum ceiling for payments, to stop the incentivization of intensive farming;
- A phase out of Pillar I payments to Pillar II payments (modulation) to ensure that a higher percentage of the CAP budget will be devoted to improving public goods such as improving animal housing systems and management practices (at least 5%); this would mean (i) dedicated funding to animal welfare under European Agricultural Fund for Rural Development (EAFRD) Regulation, and (ii) a redirection of direct payments only to Research and Innovation initiatives;
- Accessibility to the subsidies also for small and semi-subsistence farms. A system of digressive payments per hectare would ensure to small farms the possibility to take advantage of CAP Payment and on the other hand would serve as a tool to contain the expansion of the farms.
- Cross-compliance should regard all species specific farm animal welfare legislation, so not only the directives on calves, pigs and the general farm animal directive but also the directives on laying hens and broilers;
- No exemptions from cross-compliance requirements for small farmers or other schemes;

- Measures to improve effectiveness of cross-compliance. DG SANTE reports continue to show high level of non-compliance among member states. A two pronged approach is needed: firstly better enforcement with more inspections and enacting punitive measures such as reducing or stopping CAP payments for non-compliant farmers, and secondly giving clarity to Governments on what constitutes compliance with Directive 98/58 (farming directive), particularly around terms such as “freedom of movement must not be restricted to cause it unnecessary suffering” or “no animal shall be kept for farming purposes without detrimental effect on its health and welfare”;
- Non-respect of animal welfare cannot be considered as a minor non-compliance;
- Subsidies should guarantee also to the production of plant based products in order to overcome the EU deficit in terms of proteinaceous crops in Europe and massive imports of GM Soy and Palm oil from other parts of the world, responsible for deforestation and animal suffering

Pillar II

- Payments should be given only to programmes that bring effective benefits to the welfare of animals and when possible also contribute to nature and environmental protection: Facilitation should be given only for arrangement that bring benefits to the welfare of animals;
- Animal welfare must become a compulsory part of the national strategic plans on RDP and in the Rural Development Plans itself;
- Set required minimum spending on animal welfare under the rural development fund of at least 5%, growing each year with at least 1% until the percentage is the same as the percentage livestock farming forms of the total of farming;
- An EU wide program must help the Member States to set up under their RDP’s and exchange info and experiences on the using of Instruments like training, meeting standards, assurance schemes, advisory services, and food chain integration to improve animal welfare;
- Specific reporting system: The CAP should require MS to specify in detail the upgraded standards of production methods eligible for funding and improved animal welfare outcomes expected from upgraded standards (i.e. free farrowing systems, lower stocking densities, increased support for pasture based dairying and intact tails on pigs). Support should only be given to farmers that go for animal welfare that goes beyond legislation (i.e. lower yielding, slower growing animals, double purpose breeds, lower mortality, lower stocking densities, access outdoor, no mutilations like beak trimming of hens and tail docking of pigs, etc.). MS shall audit and review their plans at the end of the period and report back to the Commission on impacts;
- The bureaucracy should be simplified to incentivize also small farmers to apply for the funding.

We urge a new CAP that significantly improves the welfare of animals under its provisions and that together with other measures, builds up sustainability within EU.

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