

BRIEFING: CHILE

Animal Protection in EU Trade Negotiations

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1

INTRODUCTION



1.1

POLITICAL STATE OF PLAY

In 2002, the European Union and Chile concluded an Association Agreement,¹ which includes a comprehensive Free Trade Agreement (FTA). This text entered into force in February 2003 and since then, it governs the trade relations between both Parties. This trade agreement was the first one ever to include language on animal welfare cooperation. Even if this cooperation was based on the animal welfare standards published by the World Organisation for Animal Health (OIE), which are lower than EU standards, the inclusion of this language has been relatively successful insofar as it contributed to fast forward the adoption by the Chilean government in 2009 of a national law on the protection of animals, which was in discussions since 1995.² Yet, since then, the livestock industry in Chile has also grown and intensified significantly.

Since 2003, the EU has been among the largest trading partners for Chile. In 2020, the EU was Chile's third-largest trading partner, representing 12% of Chile's total trade that year.³ After 15 years, both partners decided it was time to modernise this agreement to include state-of-the-art trade areas. Negotiations were launched in November 2017.⁴ In the meantime, the political context has been rapidly changing. The EU has launched its European Green Deal, including the Farm to Fork strategy, and a new Trade Strategy – which will have to “unequivocally support the Green Deal in all its dimensions”.⁵ In addition, the world is facing an increasing number of challenges that can only be resolved through international cooperation – climate change, biodiversity loss, antimicrobial resistance, spread of zoonoses – and at the heart of these challenges often lies the food system, and animal welfare.

¹ [Agreement](#) establishing an association between the European Community and its Member States, of the one part, and the Republic of Chile, of the other part – Final act (OJ L 352, 30.12.2002, pp. 3 -1450).

² <https://www.bcn.cl/leychile/navegar?idNorma=1006858>

³ Website of DG Trade: <https://ec.europa.eu/trade/policy/countries-and-regions/countries/chile/>

⁴ Council of the European Union, [Directives for the negotiation of a Modernised Association Agreement with Chile](#), 22 January 2018.

⁵ European Commission, [Trade Policy Review – An Open Sustainable Assertive Trade Policy](#), February 2021.

“*[EU Member States] recognise the importance of promoting the welfare of animals globally as well as the competition that EU farmers are facing in global trade and, consequently, stresses the importance of including animal welfare in free trade agreements as far as possible and sees these agreements as one of the ways in which to promote animal welfare globally.*”

EU Council Conclusions on Animal Welfare, 2019.⁶

The proposal the EU made to Chile in June 2018 on provisions related to animal welfare cooperation recognised animals as sentient beings. This is timely as it contributes to the national debate in Chile around a draft legislation on the legal status of animals.⁷ This draft legislation, if adopted, would recognise animals as sentient beings. The EU proposals also aim at reaching a common understanding on animal welfare standards, and suggest cooperation on the development and implementation of standards related to on-farm practices, transport and slaughter.⁸ While the increase of the scope of cooperation to include welfare on farms is welcome, this proposal did not suggest using EU standards as a basis for discussion.

The new proposal put forward by the EU in 2021, following the recommendations of the Farm to Fork Strategy,⁹ is a chapter on Sustainable Food Systems bringing together provisions on cooperation around animal welfare and antimicrobial resistance.¹⁰ The text still recognises animals as sentient beings. Yet it aims at reaching a common understanding of OIE animal welfare standards, which is narrower than the earlier formulation and explicitly excludes a discussion on the basis of EU standards. The requirement for the Parties to elaborate an annual action plan, including objectives and milestones in the fields covered by the chapter is welcome. However, it is more worrying to note that there is no obligation for the Parties to set up a technical working group on animal welfare, while this obligation exists for antimicrobial resistance.

1.2

IS EU-CHILE COOPERATION ON ANIMAL WELFARE ADVANTAGEOUS?

The COVID-19 crisis has painfully highlighted the detrimental impact of economic and trade policies that prioritise profits above all.¹¹ At this moment, EU trade policy is blind to the production model it fosters and to the nature of the economic sectors it stimulates. Global markets and further trade liberalisation tend to favour bigger companies that can withstand competition, and has led, in the dairy and meat sector, to increased integration and intensification.¹²

In addition to being intrinsically detrimental to animal welfare, the intensification of animal agriculture fostered by unconditional trade liberalisation has also fuelled the three key challenges the planet is facing: zoonoses, antimicrobial resistance and the climate crisis. Promoting animal welfare in trade policy – including in negotiations with Chile – would thus contribute to lessening the risks of future pandemics, and help fight the rise of antimicrobial resistance and the climate crisis:

→ Zoonoses are favoured not only by the increasing trade in wild animals, be it legal or not, but also by the spread of intensive animal farming. The change in land use – notably linked to the spread of animal agriculture and to the production of animal feed – and the subsequent loss of habitat have made encounters between animals (wild and farmed), humans and ecosystems closer and much more frequent. This pressure on biodiversity has been a major cause of the spread of zoonoses. In addition, farmed animals kept by the billions (trillions, if we consider fish in aquaculture) are reservoirs and pathways for diseases that can be dangerous, if not devastating, for humans. A recent study found that “since 1940, agricultural drivers were associated with >25% of all – and >50% of zoonotic – infectious diseases that emerged in humans, proportions that will likely increase as agriculture expands and intensifies.”¹³

⁶ Council of the European Union, “[Council conclusions on animal welfare – an integral part of sustainable animal production](#)”, 16 December 2019.

⁷ Draft legislation No. 12.581-07: <https://bit.ly/3uXk0HK>

⁸ https://trade.ec.europa.eu/doclib/docs/2018/june/tradoc_156960.pdf

⁹ European Commission, [Trade Policy Review – An Open Sustainable Assertive Trade Policy](#), February 2021.

¹⁰ https://trade.ec.europa.eu/doclib/docs/2021/june/tradoc_159633.pdf

¹¹ IPBES – <https://ipbes.net/covid19stimulus> – “As with the climate and biodiversity crises, recent pandemics are a direct consequence of human activity – particularly our global financial and economic systems, based on a limited paradigm that prizes economic growth at any cost.”

¹² Clay, N., Garnett, T. & Lorimer, J., “Dairy intensification: Drivers, impacts and alternatives”, *Ambio* 49, 35–48 (2020) and <https://bit.ly/3iQ5UTs/>

¹³ <https://go.nature.com/3ls9l4H>

- ➔ The overuse of antimicrobials in livestock production is the primary cause of the surge in antimicrobial resistance (AMR).¹⁴ This phenomenon is not due to small-scale productions, but to the spread of intensive farming systems, in which antimicrobial products are routinely and increasingly used. The EU's "One Health" Action Plan against AMR already recognises the link between this issue and poor farm welfare practices, underlining the importance of addressing this concern in trade policy (see box on antimicrobial resistance).
- ➔ The livestock supply chain also accounts for 14.5% of global greenhouse gas (GHG) emissions. There is an issue of quantity, but the way we raise animals also matters. According to the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES), *"approximately 25% of the globe's GHG emissions come from land clearing, crop production and fertilisation, with animal-based food contributing 75% of that. Intensive agriculture has increased food production at the cost of regulating and non-material contributions from nature"*. In addition to potentially allowing for higher animal welfare standards, grass-based and mixed-farm systems, less dependent on additional feed, also have better capacities for carbon sequestration.¹⁵

In addition, animal welfare is strongly linked to achieving the UN SDGs, now a key objective in all Commission portfolios, including Trade. While protecting animal welfare is essential to sustainable development in its own right (and is recognised as a dimension of a sustainable agriculture),¹⁶ it is also complementary to a number of other aspects of sustainable development. Among the UN SDGs, several are either directly connected to animals or cannot be achieved without addressing animal welfare related issues.¹⁷

The first academic study on this topic, published in October 2019,¹⁸ scored the interactions between SDGs and Animal Welfare, in both directions. The conclusion of the exercise – since then reiterated with roughly the same results – was that, even if animal welfare is not explicitly mentioned in the SDGs, it is positively linked with all of them, to various degrees. Higher welfare does not impede any SDG. On the contrary, the mutually beneficial effect is strong in some cases (SDG 12 "Sustainable Consumption and Production" and 14 "Life Below Water"), while in others, it would have a direct positive impact on efforts to achieve the SDGs (SDG 1 "End Poverty", SDG 2 "Zero Hunger", SDG 3 "Good Health and Wellbeing"). Eurogroup for Animals' 2019 report on "Animal Welfare, Trade and Sustainable Development Goals"¹⁹ explains these interactions in depth.²⁰

Consequently, it is important to consider the impact EU-Chile trade negotiations can have on animal welfare. This report will examine what is at stake for animals in the EU-Chile trade negotiations, calling for the talks to include a strong animal welfare dimension. It will first look into the state of play of livestock production in Chile, of trade flows in animal products between both partners, as well as describing existing Chilean animal welfare legislation. It will then focus on key sectors where the EU has good reasons to strive to establish animal welfare cooperation and apply conditional liberalisation with Chile – either because the EU imports some of these products or because Chile is a key global producer. The report will then turn to recommendations for the content of future provisions on trade and sustainable development to be included in the FTA.

¹⁴ <https://bit.ly/3FB8jv9>

¹⁵ Canu & Forabosco (UNEP DTU 2018), "[Greenhouse gas emissions of livestock raised in a harsh environment](#)", *International Journal of Global Warming*, Vol. 15 No. 4, pp. 431–446.

¹⁶ Speech by Dacian Cioloş (then European Commissioner for Agriculture and Rural Development), , G20/Rio De Janeiro, 21 June 2012.

¹⁷ Eurogroup for Animals, "[Animal Welfare, Trade and Sustainable Development Goals](#)", October 2019 & Linda Keeling et al., "[Animal Welfare and the United Nations Sustainable Development Goals](#)", *Frontiers in Veterinary Science*, 6:336, October 2019.

¹⁸ Linda Keeling et al., "[Animal Welfare and the United Nations Sustainable Development Goals](#)", *Frontiers in Veterinary Science*, 6:336, October 2019.

¹⁹ <https://bit.ly/3pz9ENk>

²⁰ Eurogroup for Animals, "[Animal Welfare, Trade and SDGs](#)", October 2019.

2

ANIMAL WELFARE IN CHILE

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2.1

ANIMAL PRODUCTION AND CONSUMPTION

According to the Chilean Office of Agricultural studies and policies,²¹ in 2018, production of meat amounted to 1,500,000 tonnes (carcass weight), where poultry meat represents the main share of this output. Indeed, the national consumption of meat reached a total of 1,480,000 tonnes and poultry meat (chicken and turkey) corresponds to nearly half of this consumption. The remaining consumption of meat corresponds to beef (30%), pork (21%) and ovine meat (1%).

The production of poultry meat has experienced the fastest growth over the past ten years, with an average annual growth rate of 2.3%. In 2018, it reached 760,000 tonnes, followed by pork with 534,000 tonnes.

This growth, and the subsequent intensification of the sector, has partly been fuelled by the multiplication of FTAs concluded by Chile. Chile now has 28 FTAs in force with 64 countries, and the great majority of agricultural exports are carried out under these agreements.

²¹ <https://bit.ly/3iQmenf>

2.2 GROWING AWARENESS IN CHILE

Concerns about animal welfare have been steadily increasing in Chile over the past years. Indeed, the EU report on its international animal welfare activities, published in 2017, had indicated that there was little evidence of specific consumer demand for animal welfare products.²² However, a study published in 2020 found that 90% of Chilean consumers living in Santiago considered animal welfare as a very important issue.²³ Another survey led by World Animal Protection indicated that 42% of Chilean consumers were willing to pay a premium for products that were certified to be animal welfare-friendly.²⁴ In Santiago, Chile, 89% of consumers seemed ready to pay a higher price for welfare-friendly eggs,²⁵ and 68% for higher animal welfare in dairy products.²⁶

In August 2021, *Vegetarianos Hoy*²⁷ released a poll conducted by IPSOS in which 82% of respondents agree that public authorities should prohibit cruelty against animals and that high animal welfare standards should be introduced in national legislation.²⁸

In 2009, alongside Uruguay and Mexico, Chile also set up an OIE Collaborating Centre for animal welfare research. Only two other centres exist – one in Europe (Italy) and one in Australia/New Zealand.²⁹ This underlines the role Chile wants to play as a leader in the field of animal welfare in South America. The aim of the centre is to promote training in animal welfare at all levels (technicians and scientists), dissemination of good practices (at regional and local level) and to foster research through projects and academic theses.

2.2 ANIMAL WELFARE LEGISLATION IN CHILE

Following the entry into force of its Association Agreement with the EU, Chile integrated an important part of the OIE standards on farm animal welfare into its own [national legislation](#). The government introduced in 2009 a national law on animal welfare.³⁰ The text includes provisions on the slaughter and transport of farm animals, such as an obligation to carry out transport of animals in conditions that avoid mistreatment or serious deterioration of their health and to avoid unnecessary pain at the time of slaughter.

The national law on animal welfare features three decrees (Nos. 28, 29 and 30) that further integrate OIE animal welfare standards. Decree No. 28³¹ concerns the protection of animals at the moment of slaughter, Decree No. 29³² is about the industrial production and merchandising of animal products, and Decree No. 30³³ provides for the protection of animals during transport. The three decrees have been in force since 2015.

The decrees are in the process of being modernised. It is important that during this revision key recommendations suggested by civil society in Chile are taken into account. For instance, the decrees should introduce specific animal welfare requirements for the different species of farmed animals. Currently, there is no specific legislation for broilers or fish, despite the fact they represent an important part of Chilean agriculture. Moreover, the Animal Welfare label that would be introduced by the modernisation of the decrees should guarantee transparency and independent expertise concerning the criteria according to which the label would be granted.

²² DG SANTE, [Study on the impact of EU animal welfare international activities](#), 2017.

²³ Morales N., C. Ugaz and H. Cañon-Jones, "Perception of animal welfare in laying hens and willingness-to-pay of eggs in consumer in Santiago, Chile", MDPI, December 2020; consulted on 4 June 2020 on <https://sciforum.net/paper/view/8836>.

²⁴ DG SANTE, [Study on the impact of EU animal welfare international activities](#), 2017.

²⁵ Morales N., C. Ugaz and H. Cañon-Jones, "Perception of animal welfare in laying hens and willingness-to-pay of eggs in consumer in Santiago, Chile", MDPI, December 2020; consulted on 4 June 2020 on <https://sciforum.net/paper/view/8836>

²⁶ <https://bit.ly/3FKzJP5>

²⁷ <https://vegetarianoshoy.org/en/inicio-english/>

²⁸ <https://adobe.ly/3mGjjyD>

²⁹ <http://oldrpaue.oie.int/index.php?id=279>

³⁰ [National law 20.380](#)

³¹ <https://www.bcn.cl/leychile/navegar?idNorma=1051388>

³² <https://www.bcn.cl/leychile/navegar?idNorma=1051298>

³³ <https://www.bcn.cl/leychile/navegar?idNorma=1051151>

The Association Agreement also contributed to the improvement of the official controls programme (PABCO - Programa de Planteles Animales bajo Certificación Oficial).³⁴ The PABCO programme, initially created in 1998, was reformed during the past decade and has now two main objectives:

- the certification of animal products intended for human consumption in compliance with national law;
- the certification of animal products destined to be exported, in compliance with requirements of third countries.

Slaughterhouses

The EU and Chile have been cooperating on welfare at the time of slaughter since the conclusion of their initial Association Agreement. Yet, Chile has not yet managed to be granted equivalence with EU rules in this field.

Decree No. 28 presents key similarities with EU regulation 1099/2009 on the protection of animals at the time of slaughter, notably on the following elements : conditions of protection and physical comfort in slaughterhouse; avoidance of unnecessary pain and suffering; avoidance of prolonged hunger and thirst, stunning of animals before death; stunning controls; procedures for proper slaughtering; elaboration and dissemination of guides to good practice; requirement of a properly trained animal welfare officer; contingency and emergency procedures; slaughtering for prophylactic and emergency purposes, and finally methods of stunning and slaughtering. According to a study published by the EU in 2017, “the only main difference that has remained in place for the time being is that the Chilean legislation does not contemplate the certification of the skills of personnel, which is responsible for the different processes in which the welfare of the animals may be affected”.³⁵ The Chilean legislation also includes an exception to the obligation to stun animals for ritual slaughter.

Table 1: Alignment with EU Regulation 1099/2009 in Chile³⁵

Before	After
The stunning of the chickens was measured by removing a chicken after the electric bath and counting the recovery time.	Physiological parameters are used for the assessment of stunning.
Animals had to get out alive from stunning.	Death during stunning is allowed.
Hanging time in turkeys: over 2 minutes.	Hanging time in turkeys: less than 2 minutes.
Time from neck cutting to bleeding was more than 20 seconds.	Time from neck cutting to bleeding is less than 20 seconds.
Cattle: slaughtering practices not described by the OIE (that were detrimental to animal welfare) were allowed.	Only OIE recommendations for slaughtering are applied.
Animals were not fed at the slaughterhouse if they remained more than 24 hours.	The animals are fed at the slaughterhouse if they remain for more than 24 hours.
Rest areas devoid of protection against inclement weather.	Rest areas with protection, water dispensers, drinking fountains suitable for animals.
There was only one method of slaughtering animals and if it failed for technical reasons the animals had to wait.	There are methods of emergency slaughter in case of failure in desensitization and slaughter. Emergency slaughtering is systematically implemented in the case of prostrated or suffering animals.
The operation of the slaughterhouse was not evaluated in such a way that animal welfare was a relevant area.	The slaughterhouse evaluation includes alerts on animal welfare.
Other points that have been modified after the agreement: Techniques have been applied such as blue or violent lights to relax the birds, combined with slight inclination of the support tape (among others). There has been a greater investment in improving the infrastructure, adapting it to the requirements of each species. Stunning and immobilization techniques and animal handling procedures (loading, unloading, transporting, moving animals, etc.) have been improved.	

³⁴ Programa de Planteles Animales bajo Certificación Oficial – PABCO.

³⁵ DG SANTE, [Study on the impact of EU animal welfare international activities](#), 2017

³⁶ DG SANTE, [Study on the impact of EU animal welfare international activities](#), 2017

On-farm practices

Decree No. 29 states that animals must be moved in a calm way, respecting their natural rhythm. Any handling that could injure them or cause unnecessary suffering should be avoided. Practices entailing mutilation – like castration, dehorning, stripping, tail cutting, some identification and peak cutting techniques – must be carried out in such a way as to minimise the pain or suffering of the animal. Alternatives that can improve animal welfare are listed in the decree, such as substituting non-surgical management, carrying out the procedures at the earliest age, using analgesia and genetically selecting animals in order to eliminate the characteristics that require these surgical procedures. The legislation does not provide any species-specific standards.

Transport

Decree No. 30 addresses the welfare of animals during transport. Yet, it only refers to OIE standards in the field, which are considered to be lower than EU ones. For instance, according to Chilean rules, animals must receive water and food, as well as rest for at least 8 hours, after a 24-hour journey. EU rules, however, impose a maximum journey time of 8 hours, with additional conditions required to enable longer journeys. In general, all animals must be given a one-hour break after a 14-hour journey, to receive at least water and, if necessary, food. Rules are even stricter for specific categories of animals (e.g. unweaned ones, pigs and equines).

The general principles expressed by this decree are that farmed animals must not be transported in conditions that can cause them unnecessary pain or suffering; journey time must be kept to the minimum and animal welfare conditions must be respected at all times. The Chilean rules also require one person to be made responsible for the transport, loading and unloading of animals, and that this person must have followed a specific training in animal welfare. Before each journey, a veterinarian – or a responsible person – must inspect the animals to assess their ability to travel. Finally, several practices are explicitly banned, such as tying up animals for transport in such a way that their welfare is compromised or causing them unnecessary pain or suffering by hitting them.

Enforcement

Enforcement of existing rules has been described as variable.³⁷ While some producers follow higher voluntary standards, there are still many others who do not respect the mandatory standards listed in Chilean legislation. This could be linked to difficulties arising from distance and the geographical dispersion of these producers across the country. When it comes to the transport of animals, the uptake of animal welfare rules has been slower, notably “due to the greater number and the lower educational level of operators.”³⁸

It is also interesting to note that audits carried out recently by the EU on the Chilean control systems concluded that “the effectiveness of [the Chilean control] system is seriously weakened by the long delays in taking enforcement actions. Moreover, the credibility of this system is undermined by the fact that some of the findings of [the EU 2020] audit were the subject of recommendations in previous audits, for which the Chilean competent authority had provided written guarantees that the issues noted had been addressed”.³⁹

In 2018, the NGO *Vegetarianos Hoy* published an investigation which confirmed that the enforcement of existing rules is variable.⁴⁰ For instance, from 2016 until mid-2018, the Agricultural and Livestock Service (SAG) carried out 323 audits, and 40 of them were found to be in breach of animal welfare legislation (i.e. inadequate infrastructure, lack of food for more than two days, inefficient pain relief at the moment of slaughter). From these 40 breaches of the legislation, 27 occurred on farms, 2 in slaughterhouses and 1 during transport. It is worth mentioning that for the 10 remaining cases the SAG did not provide sufficient information, so it is unknown how the audits breached the law.

Despite the fact that in 11 of these audits the SAG revealed cruelty against animals, these cases have not been referred to the Public Ministry and no legal action has been taken.

³⁷ DG SANTE, [Study on the impact of EU animal welfare international activities](#), 2017

³⁸ DG SANTE, [Study on the impact of EU animal welfare international activities](#), 2017

³⁹ European Commission, [Final report of an audit carried out in Chile](#) from 9 March 2020 to 19 March 2020 in order to evaluate the control system governing the production of poultry meat products intended for exports to the EU, July 2020

⁴⁰ <https://observatorioanimal.org/fiscalizaciones-servicio-agricola-y-ganadero-sag/>

3

FARMED ANIMAL WELFARE IN EU-CHILE NEGOTIATIONS

Eurogroup for Animals considers that an ambitious EU-Chile trade agreement can help promote higher animal welfare standards, and thus fuel the transition towards more sustainable food systems. In order to do so, the EU should first ensure that the trade agreement only grants further trade preferences to animal products respecting EU-equivalent animal welfare standards. Then, the provisions on animal welfare cooperation included in the deal should also be ambitious.



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Chile is a key global producer of pig meat, the largest global producer of trout and the second largest of salmon. In 2019, Chile was the EU's first source of pig meat, third of chicken meat, first of frozen salmon, third of frozen salmon fillets, and fourth of frozen trout.

While Chile does not take full advantage of the trade preferences granted to its animal products by the 2002 Association Agreement, the main reason put forward by Chilean producers is the low level of these preferences, rather than the EU's sanitary requirements. These sectors have been considered by the Chilean authorities as priorities in the negotiations towards a modernisation of the Association Agreement.

As trade agreements are negotiated to last, and as their implementation can lead to an increase in exchanges of animal-based products, it is important to incorporate an animal welfare dimension in these discussions, especially as most EU animal welfare standards do not currently apply to imported goods.

Eurogroup for Animals would thus recommend granting better trade preferences only to animal-based products that respect animal welfare standards equivalent to those applied in the EU (i.e. during transport and on farm), and to include ambitious provisions on animal welfare cooperation in the agreement. The sectors described in this section could serve as priorities for this cooperation.

3.1

OPPORTUNITIES TO IMPROVE THE WELFARE OF BROILER CHICKENS

As Chile is an important producer of chicken products, and as Chilean producers consider that an expansion of the trade preferences in the coming negotiations would lead to increased exports to the continent, it will be crucial to include animal welfare-based conditions in the new tariff-rate quotas.

State of Play

The EU-Chile Association Agreement introduced a duty-free tariff-rate quota (TRQ) covering most poultry products. The volume of this TRQ, initially 7,250 tonnes, was set to grow by 10% on an annual basis to reach 20,300 tonnes in 2021.⁴¹

In 2019, Chile was the EU's third source of imported poultry meat (HS 0207),⁴² behind Ukraine and Brazil. From 1,052 tonnes in 2002, Chilean exports of poultry meat to the EU grew to reach 11,623 tonnes in 2005. Since then, they remained between 10,000 and 15,000 tonnes yearly until 2017, when they increased again to reach 20,208 tonnes in 2018 and 22,182 tonnes in 2019. Main importers are the UK, Germany, the Netherlands and Italy. In 2020, the total of Chilean chicken meat imported into the EU decreased, but interestingly, the amount going to the UK dropped from 9,000 to 900 tonnes, with Germany and the Netherlands remaining stable.

Between 2000 and 2013, Chile's production of poultry meat grew by around 110%, and by 32% between 2010 and 2018. Since then, production has continued to rise but at a slower pace, with 7.1% growth in 2019 and 5.7% in 2020.⁴³ In 2001, most of the exports in this sector were going to Mexico (42%), with the EU as the second destination (25%). In 2016, 42% went to the US, 22% to Mexico, 18% to China and 16% to the EU. In 2018, around 300 million chickens were slaughtered.

Chile has not fully used, each year, the TRQ granted for poultry products under the Association Agreement, but,

according to the *ex ante* study published by the European Commission ahead of the negotiations, this is mainly due to the fact that Chile enjoyed better opportunities and had to face fewer uncertainties with other markets, especially in more recent years. Chilean producers and exporters consider the low level of EU TRQs as "the main constraint limiting Chile's exports to the EU, not the EU's sanitary requirements".⁴⁴ They believe that "the removal or, if not, the expansion of these import quotas in the context of the modernisation of the EU-Chile Association can generate greater certainty for investments".⁴⁵

Animal welfare concerns in the sector

Chile does not have any species-specific legislation related to broiler chicken welfare and there is a lack of data regarding the sector. The sector is highly integrated and concentrated, with only four companies operating in the field.⁴⁶ Main producers claim they follow guidelines on densities, which are similar to the references used in the EU, but there are no checks in place. Regardless of the situation on the ground, it is important to underline the need to lock in progress with legislation as, if practices are not based on animal welfare concerns, they can change for the worse. This is what is happening in the Brazilian broiler sector, for instance, where many farms are moving towards a "dark house model", with no access to natural light.

In addition, the report of an EU audit carried out in Chile in March 2020 identifies weaknesses in the Chilean control systems, notably affecting Chilean exports to the EU. According to the document, "there are some weaknesses in the competent authority's capability to detect deficiencies and to enforce the animal welfare legislation". Similar remarks had been made during a previous audit carried out in 2013, showing that there has been no improvement since then.⁴⁷

It is thus important for the EU to include animal welfare-based conditions in the future TRQ for poultry meat. In addition, broiler chicken welfare could be one of the priorities of the EU-Chile animal welfare cooperation mechanism. A recent study,⁴⁸ written by six independent scientists and coordinated by Eurogroup for Animals, highlighted the many welfare issues experienced by

⁴¹ <https://eur-lex.europa.eu/eli/reg/2003/312/2013-07-01>

⁴² The main products imported are frozen cuts and edible offal of chickens and turkeys (HS 020714 and 020727).

⁴³ <https://avicultura.info/chile-produccion-pollo-crece-57-2020/>

⁴⁴ European Commission, *Ex Ante Study of a Possible Modernisation of the EU-Chile Association Agreement*, 2017.

⁴⁵ <https://bit.ly/3mH6pR3>

⁴⁶ Bracke et al., "Animal welfare regulations and practices in 7 (potential) trade-agreement partners of the EU with a focus on laying hens, broilers and pigs", Wageningen University and Research, 2019.

⁴⁷ 2020-6938 - FVO report.

⁴⁸ <https://bit.ly/3C5jn11>



industrially reared broiler chickens in the EU and stressed that these animals face animal welfare challenges during all stages of their lives, from breeding to slaughter. Broiler breeders (the parent birds) and new-born chicks in hatcheries are not legally protected by minimum animal welfare rules; broiler chickens are mostly reared in barren conditions and suffer from health problems (heart disease, lameness) derived from genetic selection for fast growth; the catching and transport of chickens are phases in which the birds can be injured and suffer from cold or heat stress as well as hunger and dehydration; last, but not least, slaughter practices and parameters vary widely and are likely causing unnecessary suffering to millions of birds every year due to incorrect handling and stunning. In the near future, it is expected that the EU will revise animal welfare standards for broiler chickens (e.g. lower maximum stocking density, use of slower growing breeds, access to outdoor, access to natural light, and provision of enrichment material) and introduce rules for broiler breeders and hatcheries. The EU and Chile could thus exchange views on these topics and cooperate towards higher broiler welfare systems.

3.2 OPPORTUNITIES TO IMPROVE THE WELFARE OF PIGS

Even if in small quantities, Chile has been the leading source of EU pig meat imports in recent years. This industry is important in the country, and as with chicken, producers see clear opportunities in the modernisation of the FTA. As there is no legislation in Chile addressing pig welfare, it will be important to condition the increase of volume of the TRQ on the respect of EU-equivalent animal welfare standards.

State of Play

Chile is the 6th biggest pig meat exporter worldwide.⁴⁹ According to the Chilean Ministry for Agriculture, the production of pig meat is currently the second most important meat in quantity in Chile.⁵⁰ In 2018, Chile slaughtered 5 million pigs and produced 520,858 tonnes

⁴⁹ Bracke et al., “[Animal welfare regulations and practices](#) in 7 (potential) trade-agreement partners of the EU with a focus on laying hens, broilers and pigs”, Wageningen University and Research, 2019.

⁵⁰ Website of the Chilean Ministry for Agriculture: <https://www.odepa.gob.cl/rubros/carnes>

of pig meat. 90% of Chilean pig meat production is characterised by a vertical integration system. The production of pig meat in Chile has jumped from around 184,000 tonnes in 1996 to around 534,000 tonnes in 2018.⁵¹ This increase can be explained by the fact that whereas production focused initially on satisfying local demand, it is now increasingly export-oriented (38% of production exported in 2008 versus 63% in 2018). The Asian market, and in particular China, has become the main destination of these exports. In 2001, most of the exports in the sector went to Japan (65%) and less than 1% to the EU. In 2016, 80% went to Asia and around 8% to the EU. In 2018, the EU was the fourth destination of Chilean pig meat, representing 15% of total exports.

Between 2003 and 2009, the quantity of pig meat exported by Chile to the EU increased five-fold (from 4,400 to 23,000 tonnes), but then it decreased to around 2,000 tonnes in 2017. Chile remains the leading source of pig meat imports to the EU. Main importers are Germany, Italy and Sweden.

The Association Agreement created two duty-free TRQs for pig meat. The first of 3,500 tonnes, was set to grow by 10% on an annual basis to reach 9,800 tonnes in 2021.⁵² The second has a set volume of 1,000 tonnes.⁵³ These TRQs have not been fully used since 2013.⁵⁴ As with chicken, Chilean producers and exporters believe the key constraint limiting their exports in the field is the low level of duty-free access to the EU market, not EU sanitary requirements, and that greater market access would deliver more certainty for investments in the sector.⁵⁵

Animal welfare concerns in the sector

There is no species-specific legislation on pig welfare, but the industry is described as very intensive compared to other Latin American countries.⁵⁶ According to a report published by Wageningen University in 2019, most pregnant sows are kept in gestation crates, the size of which is similar to those used in the US (2m X 60cm). In comparison, the EU requires 2.25m² in group housing. There is no requirement for enrichment and almost all pigs were tail-docked.

The three decrees mentioned previously tasked the Agriculture and Livestock Service with developing manuals of good practices listing recommendations to help producers to comply with the decrees. The manual of best practices on animal welfare in industrial production systems for pigs,⁵⁷ published in May 2019, was developed by several stakeholders, including two animal welfare organisations (World Animal Protection and Humane Society International). The document addresses different areas such as transport, the provision of feed and water, sanitary issues, behaviour and housing systems.

While this manual cannot replace a more detailed legislation, it is interesting to note that it recommends the use of immunocastration as an alternative to surgical castration, given that it provides better welfare by avoiding pain and suffering to pigs. If castration is practiced, it is recommended the procedure is carried out at the earliest age (no later than seventh day) and to use analgesia and anaesthesia. On mutilations such as tail docking, it also recommends practicing it no later than seventh day.

The manual also recommends group housing of sows, as an alternative to gestation crates, arguing the systems are beneficial for both the welfare of animals and the producers. Finally, it reminds that the members of the main Chilean Association of pig meat producers (*"Asociación Gremial de Productores de Cerdos de Chile"*), which represents 93% of total national production, have taken the commitment to ensure that, as of 2018, all new pig breeding projects will use a system that ensures at least two third of the total gestation time in group housing. This is roughly similar to what happens in the EU under current legislation.

Subsequently, the EU should strive to include animal welfare-based conditions in the future TRQ for pig meat products. In addition, pig welfare could become one of the priorities of the EU-Chile animal welfare cooperation mechanism, notably to allow the EU to convey its experience on moving towards cage-free pig farming.

⁵¹ FAOSTAT

⁵² <https://eur-lex.europa.eu/eli/reg/2003/312/2013-07-01>

⁵³ <https://eur-lex.europa.eu/eli/reg/2003/312/2013-07-01>

⁵⁴ European Commission, [Ex Ante Study of a Possible Modernisation of the EU-Chile Association Agreement](#), 2017

⁵⁵ European Commission, [Ex Ante Study of a Possible Modernisation of the EU-Chile Association Agreement](#), 2017

⁵⁶ Bracke et al., ["Animal welfare regulations and practices in 7 \(potential\) trade-agreement partners of the EU with a focus on laying hens, broilers and pigs"](#), Wageningen University and Research, 2019.

⁵⁷ SAG (2019), *Manual de Buenas Prácticas sobre Bienestar Animal en Sistemas de Producción Industrial de Cerdos*, 1st edition, Ministerio de Agricultura, Servicio Agrícola y Ganadero, Santiago de Chile, 90 pp.

3.3

WORKING TOWARDS HIGHER FISH WELFARE IN AQUACULTURE AND FISHERIES

Chile is an important player in the aquaculture sector, a key source of farmed fish imported into the EU and likely a more important source in the future as global warming is impacting Chilean aquaculture less severely than EU aquaculture. The EU and Chile could cooperate on fish welfare, a key component of sustainable aquaculture, notably towards reducing the use of antibiotics in the sector, while the future EU-Chile modernised agreement could incentivise higher welfare standards.

The Chilean aquaculture sector has intensified enormously since the 1980s and is now export-oriented. Five species accounts together for more than 90% of production by volume and value of total Chilean aquaculture exports: Atlantic salmon (*Salmo salar*), Pacific salmon (*Oncorhynchus kisutch*), rainbow trout (*Oncorhynchus mykiss*), Chilean blue mussel (*Mytilus chilensis*) and Gracilaria seaweed (*Gracilaria spp.*).⁵⁸

Chile is a major source of EU salmon and trout imports. The Chilean salmon sector is proving to be less vulnerable to climate change than other major producers and could be of increased importance in the future. According to the ex ante report published by the EU on the negotiations, the aquaculture sector, specifically salmon, will be a major interest for the Chilean government. The Association Agreement opened tariff-rate quotas for salmon products (dried, salted and smoked), fresh hake and various tuna products, which have been duty free since 2013. Tariffs on other fish products were brought to zero after a 10-year transition period. In 2019, it was the EU's leading provider of frozen Atlantic salmon (HS 030313) and fourth of frozen trout (HS 030314). Chilean salmon exports to the EU started when tariffs were reduced to zero in 2012, with initially 729 tonnes. Since 2013, the yearly volume has varied between 4,000 and 8,000 tonnes. The TRQ opened for smoked, salted and dried fillets (40 tonnes) is pretty well used and Chile is the third source for EU imports of smoked salmon (HS 030541), but well behind Norway and Serbia, both benefiting from unlimited tariff-free access to the EU market for this product.

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Animal welfare concerns in the sector

Chile has regulated species-specific stocking densities for salmon and trout,⁵⁹ while fish-welfare issues exist across the life-stages of the important species and in a range of production systems. High mortality rates in hatcheries⁶⁰ reflect poor breeding, environments or handling and high stress for the fish. Stress in juveniles and at the egg stage have a life-long impact reducing the fish's ability to cope with stress and resist disease. Further, breeding programmes have led to all farmed Atlantic salmon being deaf.⁶¹ All of the aquaculture systems are barren environments that fail to meet the behavioural needs of the fish. Routine handling practices including vaccination, grading, and treating the fish require regular training and special equipment to reduce and avoid stress and injuries.⁶² The percussive stunning equipment that is used in the sector is of limited efficacy and used in only some slaughter facilities.

The Chilean salmon industry has many negative impacts on the environment and resistance against the expansion of salmon farms in Chile is growing, not only from environmental NGOs, but also from citizens and indigenous communities.⁶³ This sector can generate eutrophication as well due to the pollution of water by food waste from farms. Chilean aquaculture is also characterised by a high use of antibiotics, especially for salmon. In 2016, the

⁵⁸ Poblete, E.G., B.M. Drakeford, F.H. Ferreira et al., "The impact of trade and markets on Chilean Atlantic salmon farming", *Aquacult Int* 27, 1465–1483 (2019) – <https://doi.org/10.1007/s10499-019-00400-7>

⁵⁹ <https://bit.ly/3oUPVaH>

⁶⁰ <https://bit.ly/3E33SrC>

⁶¹ <https://bit.ly/3Avs6s8>

⁶² <https://bit.ly/3iRn2s3>

⁶³ <https://bit.ly/3v8yUeo>

sector used more than 383 tonnes of antimicrobials in the production of 728,000 tonnes of salmon. In comparison, Norway utilises half a tonne of antimicrobials to produce 1.3 million tonnes of salmon.⁶⁴ The main method of providing antibiotics is through medicated feed, but it can also be administered in immersion baths. The antibiotics used are then often released into the marine environment through unconsumed food, urine and faeces.⁶⁵

383 / **728,000**
TONNES OF ANTIMICROBIALS / TONNES OF SALMON

The aquaculture sector also contributes to marine pollution, giving rise to many nutrients and chemicals in the water, which can have a terrible impact on biodiversity. Studies have demonstrated the role of such contaminations in the proliferation of red tides that provoked the deaths of 337 whales in the waters of Chilean Patagonia in 2015.⁶⁶ Finally, more than 900,000 salmon escape each year from the farms,⁶⁷ and extreme weather phenomena contribute to this. In July 2018, 690,000 fish fled cages during a storm in Calbuco (southern Chile).⁶⁸ Escapes can create competition for food, and especially a threat to native genetics through escaped fish breeding with local fish. This phenomenon also raises concerns for the welfare of the escaped fish as they have not learned to feed in the wild or escape from predators.

The modernisation of the EU-Chile agreement offers the EU the opportunity to condition further access for farmed fish to the respect of higher fish-welfare standards. It also provides both partners with a platform to discuss the promotion of more sustainable production methods on fish farms, as was recognised by the ex ante report. In the EU, fish welfare is an important aspect of sustainable aquaculture, notably to reduce the use of antibiotics in the sector. In May 2021, in the context of the latest EU Farm to Fork strategy, the EU adopted strategic guidelines for more sustainable aquaculture in the EU by 2030.⁶⁹

These guidelines contain specific objectives related to fish welfare:

- to support authorities, experts and stakeholders to develop together a code of good practice on fish welfare including farming, transport and slaughter;
- to set validated, species-specific, and auditable fish-welfare indicators including farming, transport and slaughter;
- to enhance research and innovation especially into species-specific welfare parameters and nutritional needs;
- to provide training to aquaculture producers and other operators.

The EU and Chile could thus build upon these recommendations to cooperate towards higher fish welfare and contribute to a transition towards sustainable aquaculture systems.

Working towards higher welfare in wild capture fisheries

Chile has a history of taking progressive measures for the sustainability of wild capture fisheries, notably adopting a ban on the finning of sharks in 2011⁷⁰ and defending a decade long dispute raised at the WTO by the EU related to Chilean measures to protect swordfish populations.⁷¹ Today, Chile's fishery is dominated by anchovy,⁷² around three quarters of total fishery catches, and this primarily enters the global market as fishmeal and fish oil.⁷³ This pelagic fishery is analogous to the pelagic fisheries in the North Sea. The EU and Chile should cooperate on the transfer of pumping technology to Chile, which is a common method for landing pelagic fish in the North Sea and which offers significant gains in fish welfare as the fish are kept in water until onboard the boat.⁷⁴ Furthermore, cooperation should foster connections between research projects in Denmark⁷⁵ and the Netherlands which are working on the adaptation of electrical stunning equipment from aquaculture for pelagic species on wild capture vessels.

⁶⁴ <https://bit.ly/3FDCeCO>

⁶⁵ Quiñones, R.A., M. Fuentes, R.M. Montes, D. Soto and J. León-Muñoz (2019), "Environmental issues in Chilean salmon farming: a review" *Rev Aquacult*, 11: 375-402 – <https://bit.ly/3GdhhBR>

⁶⁶ <https://bit.ly/3FDCeCO>

⁶⁷ Quiñones, R.A., M. Fuentes, R.M. Montes, D. Soto and J. León-Muñoz (2019), "Environmental issues in Chilean salmon farming: a review", *Rev Aquacult*, 11: 375-402 – <https://bit.ly/3GdhhBR>

⁶⁸ <https://bit.ly/3aYShwU>

⁶⁹ <https://bit.ly/3DZkqjY>

⁷⁰ <https://www.solutions-site.org/node/514>

⁷¹ <https://bit.ly/2Yyd1sC>

⁷² <https://bit.ly/3n7zAwZ>

⁷³ <http://www.fao.org/3/x2173e/x2173E04.htm>

⁷⁴ Eurogroup for Animals, "Catching Up - Fish Welfare in Wild Capture Fisheries", January 2021.

⁷⁵ <https://bit.ly/3lt0ek1>



3.4 WORKING TOWARDS HIGHER CATTLE WELFARE

According to the Chilean Ministry for Agriculture, the production of bovine meat is currently the third most important Chilean meat production. The sector mainly sells on the internal market.⁷⁶ In 2018, Chile produced 199,314 tonnes of bovine meat, and was the EU's 13th source of fresh, chilled and frozen beef. Traditionally, beef production in Chile is a by-product of dairy farming⁷⁷ and relies in general on extensive systems.

The Association Agreement opened a 1,000-tonne duty-free TRQ for bovine meat,⁷⁸ but Chile has not made full use of this volume in the last decade, with yearly volumes falling from 1,307 tonnes in 2011 to only 253 tonnes in 2019. This sudden drop can be explained partly by the decision by the Chilean authorities to voluntarily suspend export certification of beef destined to the EU between March and October 2013 after an EU audit report identified shortcomings in the control system and traceability procedures. Chilean beef exports still face difficulties in respecting the EU's requirements, which impose traceability from birth to slaughter, notably to ensure

the respect of rules of origin. Finally, the use of growth promoters is still authorised in Chile, and the EU bans the imports of meat coming from animals which have been treated with such substances. The Chilean Agriculture and Livestock Service has chosen to enforce a split system between cattle that are treated with and without those prohibited substances to guarantee separate production lines for exports to the EU.

According to the Commission's ex ante study, Chilean authorities will prioritise the extension of tariff-rate quotas for beef. Interestingly, a 2019 study analysed the trends and drivers of change in the pastoral beef production systems in Chile,⁷⁹ and it noted that the further opening of the market and modernisation processes led to non-competitive farms abandoning cattle farming, or to increasing their scale to "increase production efficiency". It would thus be preferable for the EU to include an obligation to rely on pasture-based production in any updated TRQ for beef.

⁷⁶ Website of the Chilean Ministry for Agriculture: <https://www.odepa.gob.cl/rubros/carnes>.

⁷⁷ Instituto de Desarrollo Agropecuario - Instituto de Investigaciones Agropecuarias, *Manual bovino de carne*, 2017.

⁷⁸ Council regulation (EC) No 312/2003 of 18 February 2003 implementing for the Community the tariff provisions laid down in the Agreement establishing an association between the European Community and its Member States, of the one part, and the Republic of Chile, of the other part.

⁷⁹ Toro-Mujica P., R. Vera R., E. Vargas-Bello-Pérez, P. Pinedo, F. Bas, "Trends and Drivers of Change of Pastoral Beef Production Systems in a Mediterranean-Temperate Climate Zone of Chile", *Animals* (Basel), 2019;9(12):1135, 12 December 2019 – <https://bit.ly/3C7cq1>

3.5 WORKING TOWARDS HIGHER SHEEP WELFARE

In 2020, Chile was the EU's fifth source of sheep meat. Chilean production of goat and sheep meat has decreased over the past five years. The production is concentrated in three regions (Magallanes, Maule and Los Lagos) but more than 90% are slaughtered in slaughterhouses located in the region of Magallanes, despite the fact that only 57% of sheep are concentrated in this region. This is due to the fact that in the rest of the country there is a large amount of informal slaughtering of sheep. Contrary to the poultry sector but similar to the bovine one, the sheep industry does not follow a model of vertical integration.⁸⁰

In May 2017, several producers located in the region of Magallanes formed a corporation⁸¹ that published a Manual of Good Practices for the ovine production in the region, mainly focusing on ovine welfare.⁸² The document provides recommendations on tail docking and castration, as well as a table on load density for transport. According to the EU's ex ante study, Chilean producers exporting lamb and mutton to the EU must follow the PABCO certification programme set up by the Agriculture and Livestock Service.

The Association Agreement opened a TRQ for sheep meat, of initially 2,000 tonnes but that has grown by 10% each year, to reach 8,228 tonnes in 2021. This TRQ is not fully used, as most Chilean exports of sheep and goat meat go to Asia (around 50%). Yet, according to the European Livestock and Meat Trading Union (UECBV), "Chile has the potential to increase its supplies of lamb and mutton for the EU but is subject to weathering".⁸³ Considering this, it would be important to include animal welfare-based conditions in any new TRQ opened for sheep meat, notably in relation to transport conditions.

3.6 WORKING TOWARDS CAGE-FREE EGG PRODUCTION

The production of eggs in Chile has experienced a continual increase throughout the decade. In 2019, the country produced 4.38 billion eggs, up by 32% since 2011.⁸⁴ In 2019, there were 13 million laying hens in Chile.⁸⁵ In 2018, 98.8% of them were raised in cages – 76% in battery cages with automatic faeces removal systems, and 24% in conventional battery cages, without automatic faeces removal systems.⁸⁶

There is no species-specific legislation for laying hens in Chile. The Agriculture and Livestock Service published in 2018 a "Guide of good practices on animal welfare in the different systems of egg production"⁸⁷ covering the provision of feed and water, sanitary criteria, housing systems, behaviour, productive performance and handling practices. As with the pig-related guidelines, two animal welfare organisations (Humane Society International and World Animal Protection) were involved in the drafting of these recommendations.

Chile does not currently export eggs or egg products to the EU, but it does not enjoy any specific trade preferences on these products. If the negotiations around the modernisation of the agreement could lead to an increase in egg-related exports, the negotiators should strive to attach a condition based on animal welfare standards to egg-related trade preferences. This conditional liberalisation would be all the more coherent as the EU and Chile are in the process of introducing legislation requiring cage-free egg production by 2027 and 2028 respectively.

⁸⁰ Fundación para la Innovación Agraria, "[Estudio prospectivo: Industria de la carne bovina y ovina chilena al 2030: principales desafíos tecnológicos para mejorar su competitividad](#)", 2018.

⁸¹ BPG Magallanes, "Corporación por las Buenas Prácticas Ganaderas en Magallanes".

⁸² [Manual de Buenas Prácticas Ganaderas](#): Aplicadas a la producción ovina extensiva de la Región de Magallanes y Antártica Chilena

⁸³ European Commission, [Ex Ante Study of a Possible Modernisation of the EU-Chile Association Agreement](#), 2017

⁸⁴ <https://bit.ly/3BKJNpj>

⁸⁵ FAOSTAT

⁸⁶ Guide – SAG

⁸⁷ SAG (2018), *Guía de Buenas Prácticas sobre Bienestar Animal en los diferentes Sistemas de Producción de Huevos*, 1st edition, Ministerio de Agricultura, Servicio Agrícola y Ganadero, Santiago de Chile, 48 pp.

Indeed, the Chilean Parliament is currently debating draft law No. 13839-11, known as “Chile free from cages”.⁸⁸ If approved, the law would require:

- Alternative systems of cage-free eggs, thus replacing the current system of battery cages.
- Technological systems that make it possible to determine the sex of the embryos within the egg before they hatch (i.e. in-ovo sexing).
- A mandatory certification system of labelling to ensure compliance with the implementation of cage-free systems and other animal welfare standards.

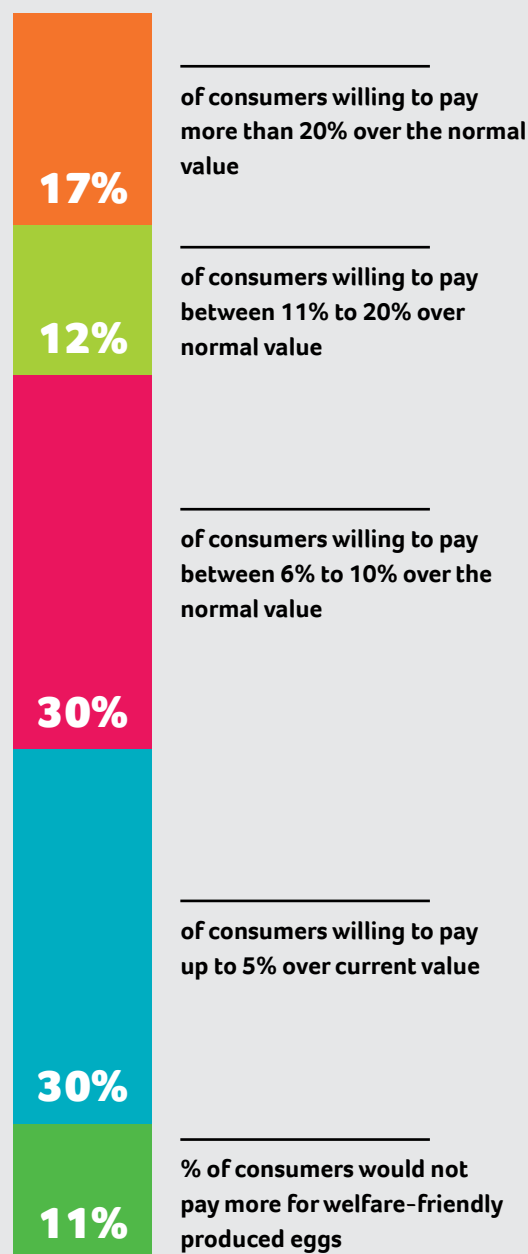
This trend is confirmed by the private sector: Cencosud, the biggest retailer in Chile, announced in August 2021 that by 2025 its own brand eggs will exclusively be cage-free eggs, and that by 2028, it will only commercialise cage-free eggs.⁸⁹ Interestingly, Chilean consumers located in Santiago display preferences similar to those of European consumers when it comes to willingness to pay for higher-welfare eggs, with 89% willing to pay up to 5% above current prices.⁹⁰

Eurogroup for Animals calls on both Parties to consider setting up a cooperation mechanism on higher-welfare cage-free systems under the future trade agreement, following the recommendations laid down in our report “Optimising laying hen welfare in cage-free systems: Working towards a smooth transition in European egg products production”.⁹¹

In conclusion, the EU must ensure it will use conditional liberalisation, wherever possible, to provide the best incentive for producers to improve their animal welfare standards. The 2002 EU-Chile Association Agreement represented a turning point for animal welfare in trade policy, and the modernised agreement should deliver further progress. As the 2002 agreement has been crucial to integrating OIE animal welfare standards into Chilean law, Eurogroup for Animals encourages the European Commission to go further than current proposals and to base the new negotiations on EU animal welfare standards.

The EU should also propose a comprehensive standalone chapter on animal protection, to emphasise the importance of the topic for both partners. This chapter should cover not only farm animals, as in the Sustainable

WILLINGNESS-TO-PAY FOR WELFARE-FRIENDLY EGGS



Food Systems chapter, but also animals used in science and wildlife, with the clear objective to improve the protection and welfare of animals by enacting and implementing stronger legislation.

⁸⁸ <https://bit.ly/3FtlmyG>

⁸⁹ <https://avicultura.info/cadena-chilena-supermercados-comercializara-huevos-libres-jaula-2028/>

⁹⁰ Morales N., C. Ugaz and H. Cañon-Jones, “Perception of animal welfare in laying hens and willingness-to-pay of eggs in consumer in Santiago, Chile”, MDPI, December 2020; consulted on 4 June 2020 on <https://sciforum.net/paper/view/8836>

⁹¹ Eurogroup for Animals, [Optimising laying hen welfare in cage-free systems](#): Working towards a smooth transition in European egg products production, 2020

ANIMALS USED IN SCIENCE

Chile's national law on animal welfare integrates basic protection for animals used in science.⁹² Only qualified persons can conduct experiments on live animals in order to avoid unnecessary pain. Animal-based experiments are banned in primary and secondary education – except for agricultural schools and in higher education when they are considered as “indispensable and cannot be replaced by accumulated experience or alternative methods of learning”. The 2009 law also creates a committee on Animal Bioethics composed of seven members, including a representative of an animal welfare organisation, in charge of developing guidelines under which these experiments may be carried out.

While a positive sign, these legal protections remain weak. The committee on Animal Bioethics was only set up in 2017 and has not yet developed any guidelines. Furthermore, in Chile, it is still allowed to conduct experiments on live animals for virtually any reason, with no obligation to use any anaesthetics.⁹³ Chile has not yet incorporated the 3Rs principles into its legislation; only the principle of replacement is referred to in the context of school experiments. The 3Rs principles (Replacement, Reduction and Refinement) were developed 40 years ago and have, since then, been increasingly adopted by the scientific community to improve the welfare of animals used in research, testing or education. Furthermore, Chile does not collect data on the number of animals used in experiments or on the purpose for which they are used. Both the 3Rs principles and statistics on the use of animals were integrated in EU legislation by Directive 2010/63/EU (22 September 2010) on the protection of animals used for scientific purposes. This transparency helps to protect animals because it allows for a better understanding of where more focus must be directed towards the promotion of alternative approaches, and where more needs to be done to reduce the use of animals and their suffering.

The EU should consider the ground-breaking chapter established with Mexico as a baseline and develop these provisions to fully cover all animals, better define animal welfare, and include the objective of regulatory alignment with EU standards. Eurogroup for Animals has developed – and presented to the Commission – model provisions on animal welfare⁹⁴ that could serve as a basis for the Commission's proposals.

The EU should also make sure that there will be a working group of the Parties dedicated to animal welfare cooperation, involving external stakeholders. It should also define clear priorities for this work with Chile.

A ban on animal testing for cosmetics has been adopted by several countries around the world, and discussions on the topic have been recently on the agenda of the Chilean national Parliament. The draft law, known as “I protect you”⁹⁵ aims to forbid animal testing for cosmetics – and any of their components – that would be placed on the national market. The draft law is backed by civil society organisations such as Human Society International and by 80,000 Chilean citizens that signed a petition on this issue.⁹⁶ According to 2018 research, 86% of Chilean citizens are in favour of such a ban.⁹⁷ If adopted, the law would foster discussions in several South American countries, such as Colombia, Brazil, or Argentina, where discussions about animal testing are also on the agenda.

Three areas could provide ground for fruitful cooperation between the EU and Chile:

- The EU could establish a dialogue with Chile by providing technical assistance and capacity building, as well as sharing experience, on the use of the 3Rs principles.
- Also, as gathering statistical data on the use of animals for scientific purposes is essential to progress in the implementation of the 3Rs principles, the EU could share its experience with Chile in the field, as the country does not currently gather such data.
- The EU could also establish a dialogue providing technical assistance to support Chile in moving towards a ban on animal testing for cosmetics.

⁹² National Law – Title IV on “experiments on live animals” (articles 6 to 10).

⁹³ <https://api.worldanimalprotection.org>

⁹⁴ Eurogroup for Animals, “Model Animal Welfare Provisions for EU Trade Agreements”, October 2017.

⁹⁵ <https://bit.ly/3uZxSRL>

⁹⁶ Carlos Martínez, “Más de 80 mil chilenos piden acabar con el testeo animal”, Infogate, 25 April 2019.

⁹⁷ Te Protejo and Human Society International, “Estudio de opinión pública: Campana De Cruelty Free Chile”, April 2018.

4

ANIMAL WELFARE IN THE CONTEXT OF TRADE AND SUSTAINABLE DEVELOPMENT CHAPTERS

Aspects related to sustainable development are key in EU-Chile negotiations. The EU could seek to use the future EU-Chile FTA to set strong commitments around sustainable agriculture (or food production systems), wildlife welfare and conservation, and sustainable aquaculture. The Trade and Sustainable Development (TSD) chapter in the future EU-Chile FTA could also be linked to a strengthened enforcement mechanism.



4.1

ANIMAL WELFARE AS PART OF SUSTAINABLE DEVELOPMENT

The TSD chapter of the future EU-Chile FTA should explicitly recognise the strong link between animal welfare and sustainable development, and more specifically between improving animal welfare standards and achieving the UN Sustainable Development Goals. According to the preamble of the UN 2030 Sustainable Development Agenda, protecting animal welfare is essential to sustainable development in its own right.

“ *We envisage a world in which(...) humanity lives in harmony with nature and in which wildlife and other living species are protected.*”

UN 2030 Sustainable Development Agenda⁹⁸

Animal welfare is also complementary to a number of other aspects of sustainable development. Among the UN SDGs set by the UN 2030 Agenda for Sustainable Development, several are either directly connected to animals or cannot be achieved without addressing animal welfare related issues (read more on this in our report on “Animal Welfare, Trade and Sustainable Development Goals”).⁹⁹

⁹⁸ <https://sustainabledevelopment.un.org/post2015/transformingourworld>

⁹⁹ Eurogroup for Animals, “[Animal Welfare, Trade and Sustainable Development Goals](#)”, October 2019.



THE WELFARE OF WORKING ANIMALS AND SUSTAINABLE DEVELOPMENT¹⁰⁰

Around 200 million working animals are essential to the livelihoods of some of the poorest communities. These animals and their socioeconomic value are often taken for granted, and most do not recognise the long-term benefits from ensuring better health and welfare for these animals. In rural areas, working animals facilitate farming and transportation; they pull ploughs and carts, deliver goods to market, herd livestock and collect water from wells. Urban uses include construction, the transport of people and goods and refuse collection.

By enabling their owners to participate in work, they boost economic capacity and further benefit communities by enabling education, providing access to basic services and supporting gender equality. Simple interventions, such as improved access to good, affordable harnessing, hoof care and veterinary services, can empower owners to keep their animals healthy, therefore ensuring they remain productive, as well as increasing overall awareness of animal health and welfare.

Healthy and well-treated working animals contribute thus more to achieving numerous SDGs. Research has underlined that rural communities ranked working equids as their most important livestock due to their capacity to provide and support regular income generation. In Chile, thousands of families rely on the power generated by draught animals to provide them with a fundamental source of income.¹⁰¹ (*SDG 1 – End Poverty and SDG 8 – Decent work and Economic Growth*). Extreme weather events such as flooding and cyclones have left communities vulnerable as the loss of working animals restricts their access to resources and therefore the capacity to rebuild their livelihoods (*SDG 2 – Zero hunger and SDG 13 – Climate Action*). Finally, well-treated working animals can also be essential for accessing and carrying fresh water (*SDG 3 – Ensure Healthy Lives and SDG 6 – Clean Water and Sanitation*).

Chile has the smallest population of working equids in South America, but these animals remain essential to the population relying on them.¹⁰² The EU could thus ensure that working animal welfare is within the scope of future EU-Chile animal welfare cooperation, and provide technical assistance to develop projects on the ground.

¹⁰⁰ The Donkey Sanctuary & World Horse welfare, “Sustainable Development Goals – How the welfare of working equids delivers for development” & ICWE, *Achieving Agenda 2030: How the welfare of working animals delivers for development*.

¹⁰¹ Tadich, T. & L. Stuardo, “Strategies for improving the welfare of working equids in the Americas: a Chilean example”, *Rev. sci. tech. Off. int. Epiz.*, 2014, 33 (1), 203–211.

¹⁰² Tadich T., “Overview of the welfare of working equids in Latin America”, Webinar organised by FECTU, viewed on 25 June 2021: <https://bit.ly/2YDUUId>

4.2

SUSTAINABLE AGRICULTURE, AQUACULTURE & FISHERIES

The implementation of a modernised agreement between the EU and Chile could increase agricultural trade, and as trade policy has been blind to the production model it fosters and to the nature of the economic sectors it stimulates, the agreement could play a role in mainstreaming intensive animal farming.

The TSD chapter in the new EU-Chile FTA should thus contain an article on 'Sustainable Agriculture' or 'Sustainable Food Systems', covering animal welfare. Intensive industrial farming has a very negative impact on the environment (air, water and ground pollution), biodiversity (as related land-use changes lead to a loss of habitat), public health (as it favours the spread of zoonoses and antimicrobial resistance) and climate change (as animals emit greenhouse gases, and also because of the related deforestation). Intensive farming also leads to huge volumes of waste (i.e. high levels of water use, animal remains, excrement, water and soil pollution). In addition, this type of farming implies a confinement of the animals that makes it impossible to respect their welfare, cramming them into tiny and barren spaces where they cannot express natural behaviour, and where they are more vulnerable to disease. This is why, since 2012, the EU explicitly considers animal welfare as a dimension of sustainable agriculture.¹⁰³

Stimulating intensive farming industries through trade liberalisation will have consequences in the short term for many animals, but it also contradicts the EU's longer-term objective of promoting sustainable development, as also expressed in the European Green Deal.

While the most effective tool to ensure the future trade deal between the EU and Chile does not stimulate the intensification of animal agriculture is conditional liberalisation – making preferential tariffs conditional on the respect of higher animal welfare and sustainability-related standards – the TSD chapter – or a chapter on Sustainable Food Systems – should also contain language confirming the Parties' commitment to avoid such stimulation and encouraging cooperation on the issue.

As explained in section 3.3, fish welfare is an essential component of sustainable aquaculture. Yet, it is also a dimension that should be taken into account when addressing fisheries. Minimising the welfare impacts

during capture and killing in wild capture fisheries is critical to preserving product quality characteristics, especially nutritional content and shelf life, and to the efficient operation of commercial fishing boats.¹⁰⁴ The EU and Chile should understand the relationship between animal welfare and sustainable fisheries, and should engage in cooperative mechanisms to improve current practices alongside addressing overfishing under the TSD chapter.

EU-CHILE COOPERATION ON ANTIMICROBIAL RESISTANCE

The EU institutions have a strong interest in working to reduce antimicrobial resistance, for public health but also economic reasons. According to DG Santé, "AMR is responsible for an estimated 33,000 deaths per year in the EU. It is also estimated that AMR costs the EU €1.5 billion per year in healthcare costs and productivity costs".¹⁰⁴

Chile was described by a study published in 2019 as an emerging AMR hotspot.¹⁰⁵ Chilean salmon aquaculture employs the greatest concentration of veterinary antibiotics. This use on salmon farms has increased by 56% from 2005 to 2015, while production only grew by 23.48%.¹⁰⁶ Chile adopted its national plan against AMR in 2017,¹⁰⁷ including the objective of optimising the use of antimicrobial medicines in human and animal health. As a result, a drop was recorded in the use of antibiotics on salmon farms in 2019.¹⁰⁸ The government is now also working with the pig meat industry "to promote a joint effort to reduce antibiotics at producer level".¹⁰⁹ It is interesting to note that the Chilean Minister, in this initiative, has referred to the forthcoming EU requirements that will be imposed as of 2022 regarding the use of antibiotics in animal productions.¹¹⁰

¹⁰³ Speech by Dacian Cioloș (then European Commissioner for Agriculture and Rural Development), [Europe's path towards sustainable agriculture](#), G20/Rio De Janeiro, 21 June 2012.

¹⁰⁴ Eurogroup for Animals, "[Catching Up - Fish Welfare in Wild Capture Fisheries](#)", January 2021.

¹⁰⁵ DG SANTE website on antimicrobial resistance – https://ec.europa.eu/health/amr/antimicrobial-resistance_en

¹⁰⁶ Van Boeckel, T. et al., "Global trends in antimicrobial resistance in animals in low- and middle-income countries", *Science*, No. 20, September 2019, Vol. 365, Issue 6459.

¹⁰⁷ <https://bit.ly/3Duaz5F>

¹⁰⁸ <https://bit.ly/3Azl7P4>

¹⁰⁹ <https://bit.ly/3v58BFZ>

¹¹⁰ <https://bit.ly/3v0oOMw>

¹¹¹ <https://bit.ly/3v0oOMw>



Based on the example of the modernised EU-Mexico Global Agreement,¹¹² the new EU-Chile agreement could include language on antimicrobial resistance, underlining the link between AMR and poor welfare practices. The Parties could use the text to commit to an ambitious phasing out of the use of antibiotics in animal production.

4.3

WILDLIFE WELFARE AND CONSERVATION

The EU would be well-served in working towards the inclusion of a ground-breaking TSD chapter in the future EU-Chile Free Trade Agreement, with proactive and detailed language on wildlife conservation and combatting the illegal wildlife trade. The stronger language included in the modernised EU-Mexico Global Agreement, notably on promoting the inclusion of new species in the CITES Appendices, could serve as a basis. The EU could also consider species-specific commitments and strong provisions on deforestation and preventing the introduction of invasive alien species – both clear drivers of biodiversity loss.

As the EU remains a main destination for both legal and illegal exotic pets, special attention needs to be paid to this trade. Although CITES¹¹³ is a powerful tool to reduce or even ban the international trade of threatened species, there are several criminal ways to circumvent it – export quotas may be systematically exceeded or inappropriately set and captive breeding can serve as a cover for the illegal trade of wild-caught specimens. In addition, endangered Indian species which are not protected under CITES, could be legally traded in the EU. To avoid such a situation, Eurogroup for Animals recommends that both partners move towards a ‘positive list’ approach, listing all species that can be traded rather than those that cannot. Such an approach would facilitate enforcement by customs authorities and ensure a more precautionary procedure is adopted.

¹¹² Eurogroup for Animals, “[EU-Mexico trade agreement will be the first to include an animal welfare chapter](#)”, Press release, 30 April 2020.

¹¹³ India became a Party to CITES in 1976.

WILDLIFE AT RISK

Chile was a pioneer in Latin America concerning regulation of wildlife. Indeed, the first legislation relating to wildlife in Chile was introduced in 1888; and in 1929, Chile was the first country in the region to adopt a piece of legislation regulating the exploitation of wildlife.¹¹⁴ However, even if the legislative package related to wildlife has broadened considerably in recent decades, wildlife remains at risk due to loopholes or lack of implementation of the various pieces of legislation. For instance, Chile became Party to CITES in 1975,¹¹⁵ but it was only in 2016 that relevant implementing legislation was adopted.¹¹⁶

Wildlife is challenged by the intensive agriculture and mining sector. Despite the existing legislation, wildlife is at risk mainly due to land-use changes and deforestation related to agriculture and mining. It is reported that nearly 33% of mammal species face the threat of extinction. In the marine area, the threats posed are from industrial fishing (e.g. salmon farming and cultured mussels) and aquaculture, particularly the intensive exploitation of marine resources in the Gulf of Corcovado.

The legislation does not combat illegal use and commercialisation of wildlife effectively. Even though endangered Chilean species are fully protected on paper, they continue to generate a substantial clandestine traffic, primarily across the southern frontier to Argentina. Likewise, Chile continues to serve as the transshipment point for wildlife smuggled from other South American countries to the north and east.

Thus, the problem lies not in regulations, which are already extensive and strict, but rather in their lack of implementation.

- **The slender-billed parakeet or choroy parrot**, is an endemic bird in Chile whose commercialisation is prohibited.¹¹⁷ However, the choroy parrot is victim of intense wildlife trafficking. While there has never been an official investigation to discover the real extent of this traffick, more than 1,700 parrots have been rescued and reintroduced to their habitat by local organisations.¹¹⁸ This illegal trafficking is fuelled by the exotic pet trade,¹¹⁹ which is extremely harmful to each parrot. Indeed, choroy parrots are gregarious animals and live in very large flocks, of as many as a hundred animals. Held as exotic pets, choroy parrots live in cages, where they lose the ability to fly, and develop self-mutilation issues due to the stress of being in poor nutritional and environmental conditions.

- **Since 2007, Chilean researchers have presented images of endangered blue whales with blisters and serious skin lesions on their backs.**¹²⁰

According to analysis carried out by Chile's Cetacean Conservation Center (CCC), traces of several persistent organic pollutants (POPs) were found on these whales. The pollutants found included PCB, a chemical compound considered among the 12 most dangerous pollutants on the planet. These toxic compounds usually reach the sea via rivers, and ocean currents can transport them long distances, hence making the issue a global concern that also exists in the northern hemisphere. However, according to the president of the CCC "the intensive salmon farming in southern Chile and the excessive use of antibiotics in the industry could be generating a higher prevalence of skin lesions in the whales".¹²¹ The harmful effects of the POPs on marine animals is unknown at present. But researchers think whales could have problems with their reproduction, nutrition, and development.

¹¹⁴ <https://bit.ly/3FDfQtv>

¹¹⁵ <https://bit.ly/3aAEV9X>

¹¹⁶ <https://bit.ly/3iTF7KX>

¹¹⁷ <https://bit.ly/3DyRfEc>

¹¹⁸ <https://bit.ly/3DyRfEc>

¹¹⁹ <https://bit.ly/2X47Pw9>

¹²⁰ <https://bit.ly/2X46Mwl>

¹²¹ <https://bit.ly/3lzy1IG>

4.4

ENFORCEMENT OF THE TSD CHAPTER

One of the key challenges regarding the interplay between trade and sustainable development is in the implementation of any agreement. As requested by the European Parliament and several Member States, it is key to ensure an *effective* implementation of the provisions. So far, the European Commission has suggested several ideas to improve the EU's approach to the TSD chapter, such as listing priorities with countries or better coordinating with Member States, but they have not put a significant change to the model on the table.

The Trade and Sustainable Development chapter in the future EU-Chile FTA should include more detailed commitments, stronger options for enforcement, with deeper cooperation mechanisms (including the establishment of roadmaps) and last-resort dissuasive sanctions. Civil Society organisations should be allowed to trigger the available dispute settlement mechanism and Domestic Advisory Groups – the civil society groups tasked with monitoring the implementation of the trade agreement – should be ready to operate when the agreement enters into force – even only provisionally. If necessary, technical assistance should also be provided to Chile to ensure a balanced group is put into place.¹²²

¹²² Eurogroup for Animals, “[Animal Welfare, Trade and Sustainable Development](#) – Eurogroup for Animals’ response to the European Commission proposals on Trade & Sustainable Development chapters in Free Trade Agreements”, October 2018.

CONCLUSIONS AND RECOMMENDATIONS

The EU-Chile 2002 Association Agreement was the first to include provisions on animal welfare cooperation. The modernisation of this agreement should be the occasion to set new precedents in the field. In that context, Eurogroup for Animals calls on the EU to:

- ➔ Give further preferential access solely to animal-based products that respect EU-equivalent or higher animal welfare standards (in transport and on farm);¹²³
- ➔ Limit the volume granted in tariff-rate quotas (TRQ) for animal-based products;
- ➔ Use this opportunity to review the TRQs granted to Chilean bovine meat and ensure they are reserved to pasture-based livestock production;
- ➔ Propose a comprehensive standalone chapter on animal protection, to emphasise the importance of the topic for both Parties. This chapter should cover not only farm animals, as in the Sustainable Food Systems chapter, but also animals used in science and wildlife, with the clear objective of improving the protection and welfare of animals by enacting and implementing stronger legislation.
- ➔ Propose a strong chapter on Sustainable Food Systems:
 - This chapter should be clearly articulated alongside the Trade and Sustainable Development (TSD) Chapter;
 - The chapter should include a recognition of animal sentience and a more developed definition of the term based on the Five Domains;
 - The provisions on farm animal welfare cooperation should go beyond a commitment to reach a common understanding on OIE standards or even application of these standards. They should aim, where possible, at upwards regulatory alignment with EU rules;
 - The chapter should indicate an obligation to create a working group on the topic.
- ➔ Propose a comprehensive and enforceable Trade and Sustainable Development (TSD) chapter that contains detailed language on:
 - The link between animal welfare and sustainable development;
 - Wildlife conservation and trafficking (positive lists, rescue centres, including new species in CITES), with mention of species-specific concerns;
 - The importance of ensuring fish welfare to make aquaculture sustainable and the possibility to discuss fish welfare in wild capture;
 - Enforcement, providing access to the dispute settlement mechanism for external stakeholders, creating clear roadmaps, identifying priority issues and monitoring them, and including last-resort sanctions.
- ➔ Improve the organisational details of the Domestic Advisory Groups: the groups should be ready to operate when the agreement enters into force – even only provisionally. If necessary, technical assistance should be provided to Chile to ensure a balanced group is put into place.
- ➔ Integrate an animal welfare dimension to any dialogue they might establish on antimicrobial resistance.
- ➔ Ensure the Technical Barriers to Trade Chapter does not prevent the EU from potentially adopting a mandatory method-of-production labelling scheme, also applicable to imports.
- ➔ Explicitly protect the right of the EU to rely on the precautionary principle in the field of food safety, animal health and animal welfare.

¹²³ Standards on welfare at the time of slaughter are already imposed on all meat imports.

