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The GAP in the CAP

Animal welfare in EU agricultural policy

A proposal for planning security

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Abstract

Is it becoming more difficult to move agricultural policy towards greater animal welfare in times of multiple crises? In this paper, we show reform steps for the European Union's Common Agricultural Policy (CAP) that not only effectively promote animal welfare, but also give farmers more planning security and lead to a more effective use of public funds.

Our proposal is divided into two groups of recommendations. The first group aims to better utilise the potential that current CAP instruments offer for animal welfare. The second group proposes a benchmarking and monitoring system in order to utilise this potential effectively in the long term. An animal welfare policy benchmark reflects the targets for minimum animal welfare standards over the next 20 years. Additionally, a societal benchmark considers other requirements for animal farming, e.g. on the extent of animal farming in the EU for climate or health reasons. Aligning funding policy with these benchmarks is intended to ensure that CAP subsidies do not – directly or indirectly – cement conditions that are contrary to animal welfare or otherwise undesirable for society. Farming businesses can use clear targets set by the EU for the European livestock farming sector to form their own judgement as to whether their business strategy is future-proof and which investments are worthwhile.

As a result, our proposals aim to significantly raise animal welfare standards in European livestock farming and to limit the extent of livestock farming. To organise this transformation process in a way that takes into account interests of farms, the CAP must be composed of a mix of instruments.

Approach

“The future will be what we make it. And Europe will be what we want it to be. So let's stop talking it down. And let's get to work for it.”

Ursula von der Leyen, 16 September 2020

The increase in EU animal welfare standards announced in the Farm-to-Fork strategy, which was subsequently withdrawn in many respects, left many people perplexed. Will it become more difficult to implement more animal welfare in times of multiple crises? What does it take to achieve the necessary improvements? And what role can the Common Agricultural Policy (CAP) play in this?

This analysis should

- recap on CAP support programmes that are relevant for animal welfare and analyse the status quo of the programmes' implementation;
- identify synergies between strengthening the economic interests of farms and strengthening animal welfare, and;
- based on this, develop recommendations for more efficient implementation of existing animal welfare programmes and possible institutional innovations.

Animal welfare-related objectives of agricultural policy include both better forms of animal husbandry and approaches to controlling the number of animals kept and promoting alternatives to animal husbandry. We perceive our recommendations as practicable reform approaches, insofar as we assume that a 'revolution' of the entire CAP support system does not appear politically and administratively realistic for the time being. Nevertheless, we propose individual institutional changes which we consider essential for effective regulation. Even if this analysis focuses particularly on animal welfare, the reform proposal presented in this paper also serves as a basis for other concerns, such as climate protection, **for the CAP to pay full regard to the principle of “public money for public services”.**

ReCAP: The CAP as a transformation tool with animal welfare potential

Today, the CAP is far more than just a tool to support the income of farmers. Rather, it is an instrument that can support the transformation of agriculture; therefore harbouring great potential for animal welfare. Over the past seven decades since the introduction of the CAP, new priorities and objectives have constantly been set for state interventions to regulate the agricultural and food system. The focus has always been on the socially orientated supply of food to the population and the promotion of agricultural productivity and effectiveness.¹ However, suitable means and methods of agricultural promotion are constantly being redefined and adapted in the context of current developments: starting with a focus purely on **increasing yields and mechanisation** (1960s), through the **fight against overproduction** (1970s), the **reduction of harmful trade effects** on third countries, particularly in more vulnerable countries (2000s), to **ecologisation and a general focus on social benefits, including animal welfare** (2010s).

Accordingly, various funding instruments were introduced to pursue these objectives, in particular instruments to strengthen productivity, competitiveness and later sustainability. This led to increased complexity but also to a **risk of policy inconsistency**.

The early stages of the von der Leyen Commission were characterised by the political will to transform the agricultural and food system. Under the heading of the **Green Deal**, socially compatible climate and resource protection was to be promoted. Animal welfare and a resource- and health-friendly consumption of animal products, resulting in a significant reduction in animal numbers, would form the backbone of this transformation. However, major crises and changing social demands require more planning security for investments for agricultural businesses. As the market alone cannot sufficiently honour society's demands for transformation, the state must at least create suitable framework conditions and provide incentives. Finally, it is the responsibility of agricultural policy to partially compensate for the costs of social benefits that cannot (yet) be covered by the market through higher prices. The CAP, with an annual subsidy volume of around **50 billion euros**, therefore harbours great social potential.

The last major CAP reform was adopted on 2 December 2021. Its potential was generally recognised and reaffirmed in the communication on the reform. With the reform, European legislators had to respond to criticism that the funding does not yet address the serious challenges and problems of agricultural production consistently enough. These relate to biodiversity, public health, climate, structural change on farms and animal health.² The reform aimed to link the receipt of subsidies more closely to social benefits, with biodiversity and the reduction of pesticides being at the centre of this.

¹ According to Article 39 TFEU, the objectives of the CAP are "to increase agricultural productivity by promoting technical progress and by ensuring the rational development of agricultural production" and "to ensure a fair standard of living for the agricultural community, in particular by increasing the individual earnings of persons engaged in agriculture"; the design of the CAP should take into account not only economic but also social objectives.

² <https://www.sciencedirect.com/science/article/pii/S2590332220303559>;
<https://www.sciencedirect.com/science/article/pii/S2590332220303675>.

Animal welfare in the Common Agricultural Policy – status quo

Requirements and opportunities for animal welfare

The Treaty of Lisbon, which came into force in 2009, attaches great importance to animal welfare. Article 13 of the Treaty on the Functioning of the European Union (TFEU) unequivocally demands that:

“In formulating and implementing the Union’s [...] policies, the Union and the Member States shall, since animals are sentient beings, pay full regard to the welfare requirements of animals.”³

This also applies to the implementation of subsidy programmes: a complete evaluation of all subsidy measures for their impact on animal welfare is required. This is the only way to prevent CAP subsidies from creating long-term disincentives in animal welfare – thus also causing damage to farms and taxpayers. Coherence is also needed between regulatory law and subsidy law in that subsidy programmes must not undermine the development of minimum animal welfare requirements.

In the 2023-2027 funding period, Member States have been given more room for manoeuvre in shaping national agricultural policy. They must pursue three general and nine specific objectives, and ensure that these objectives are achieved at national level by implementing a plan known as a “national strategic plan”.

Animal welfare has been included in the ‘specific objective 9’⁴ of the CAP. Existing CAP elements can also be used to promote animal welfare, including:

- ➔ conditionality (as the successor to cross-compliance, see below);
- ➔ animal-related agri-environmental and climate commitments (incl. measures for organic farming and management commitments to improve animal welfare);
- ➔ promotion of investments relevant to animal welfare as part of the 2nd pillar and as a new instrument;
- ➔ eco-schemes.

No mandatory animal welfare measures

Unfortunately, CAP elements that promote animal welfare have hardly been utilised in funding practice to date. The cross-compliance regulation recognised in the 2014 to 2020 funding period stipulated that only the statutory management requirements (SMR) had to be met in order to receive direct payments – these are no more than the minimum legal EU requirements for animal husbandry. Similarly, in the current funding period (2023-2028), “conditionality” means that funding is linked to compliance with minimum legal requirements and other basic standards. For animal welfare, neither under cross-compliance nor under the current conditionality was any performance required beyond the level already required by law.

³ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A12016E013>.

⁴ “Improve the response of EU agriculture to societal demands on food and health, including high-quality, safe and nutritious food produced in a sustainable way, to reduce food waste, as well as to improve animal welfare and combat antimicrobial resistance.”

By way of comparison, the situation is different for the environmental objectives in the new CAP funding period. Here, in addition to the minimum legal requirements, standards for maintaining land in good agricultural and environmental condition (GAEC) must also be met. It remains unclear why animal welfare is not demanded in the same way as environmental protection within the framework of conditionality, especially as the social relevance of animal welfare is currently being reaffirmed by EU citizens.

Results of the Eurobarometer on animal welfare 10/2023

A survey conducted across the European Union shows that 84% of Europeans believe that the welfare of farm animals in their country should be better protected than is currently the case. This demand would be easy to cater to if state subsidies were tied to animal welfare services. Unlike the introduction of minimum legal requirements, which are often portrayed as “bans” or constraints on farms, linking subsidies to animal welfare objectives would have a recognised legitimacy, as almost all stakeholders now subscribe to the formula “public funds for public services”⁵.

Only a marginal offer of voluntary measures

Under the previous funding period, farmers could voluntarily apply for funding from the second pillar programme (EAFRD) “Animal welfare measures”. The share of the EAFRD budget of the Member States made available for this purpose was only a low single-digit percentage, and not all Member States offered schemes to promote animal welfare. Only 16 Member States (including the UK) made use of the measures. The highest share of animal welfare in the national budget of the European Agricultural Fund for Rural Development (EAFRD) is found in Finland – at just 5.5%. Whereas in Germany, for example, it is only 0.85%. This is shown in Figure 1 (on next page).

⁵ In the survey, a similar number (83%) are in favour of limiting the time animals are transported. Almost three quarters of respondents (74%) are in favour of better protection of pet animal welfare in their country and 90% of Europeans believe that farming and breeding practices should meet basic ethical requirements (European Union 2023, <https://europa.eu/eurobarometer/surveys/detail/2996>).

Figure 1:

MS that offered animal welfare measures (M14) 2014-2020	Amount made available for the period 2014-2020	Share of animal welfare in the EAFRD budget (2nd pillar)
Finland (excluding Aaland)	458.000.000 €	5,50%
Romania ⁶	516.500.000 €	5,45%
Slovak Republic	108.000.000 €	5,19%
Estonia	40.600.000 €	4,09%
Sweden	126.600.000 €	2,94%
Cyprus	7.000.000 €	2,88%
Hungary	117.800.000 €	2,82%
Austria	210.000.000 €	2,69%
Czech Republic	66.666.667 €	2,17%
Bulgaria	56.900.000 €	1,95%
Italy (in individual regions)	302.500.000 €	1,62%
Slovenia	16.400.000 €	1,48%
Germany (in individual regions)	143.200.000 €	0,85%
Spain (in individual regions)	30.700.000 €	0,24%
Greece	13.000.000 €	0,22%
Great Britain (in individual regions)	6.300.000 €	0,08%

Source: ENRD – 2014-2020 Rural Development Programme: Key facts & figures. Summary version 1 of the different member states

Animal welfare measures are again being offered in the second pillar in the current funding period. Their share of the total CAP budget is likely to be equally small.⁷

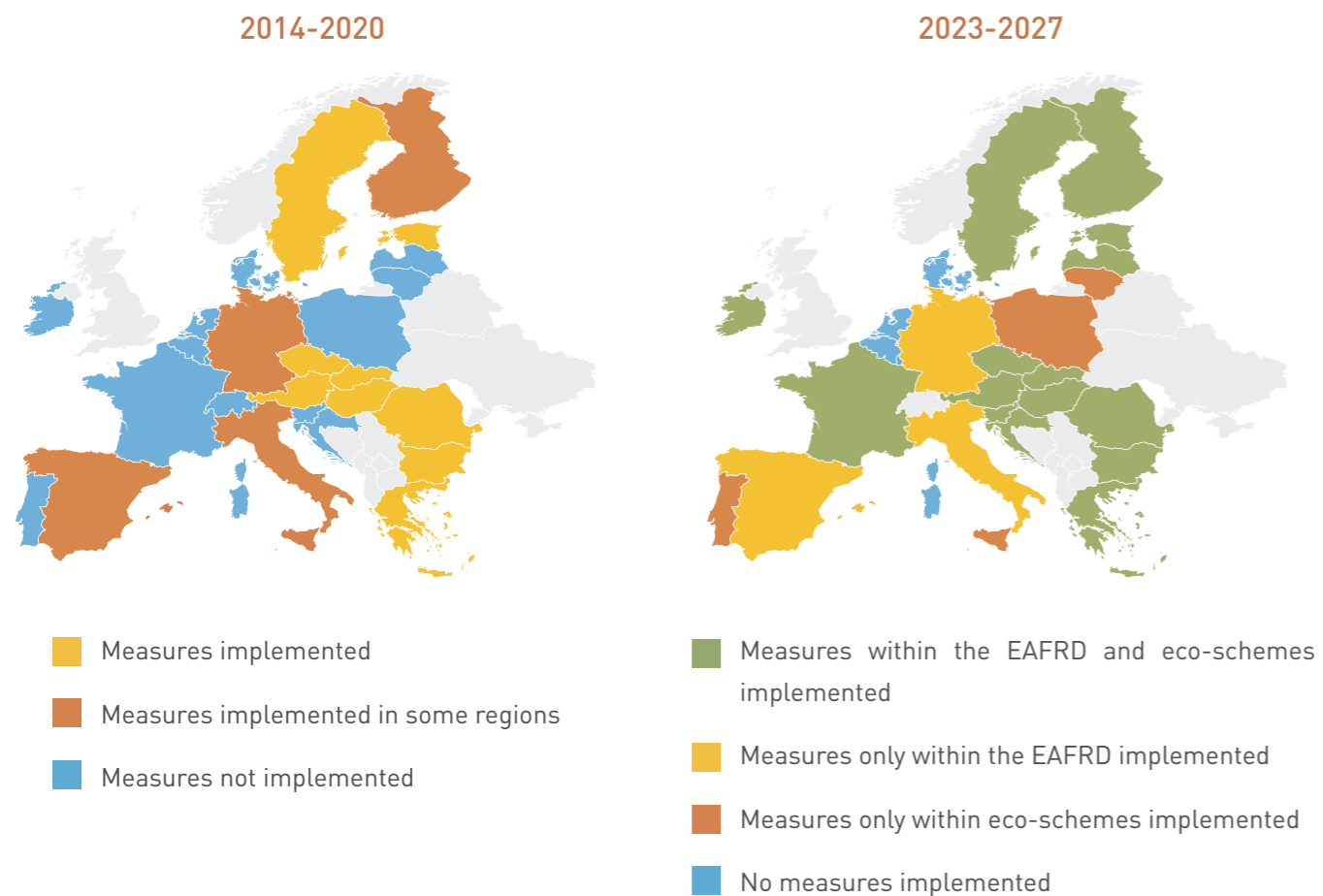
While the eco-schemes are to be added in the 2023-27 funding period as a voluntary and potentially animal welfare-relevant measure, this potential is severely limited. Funding is currently provided primarily for annual or multi-year commitments in agricultural management in order to minimise the negative impact of agriculture on the environment and climate.

The European Commission has explicitly formulated the possibility of linking eco-schemes to animal welfare purposes and cited examples⁸, including access to pasture and longer grazing periods for cattle. Better housing conditions with more space per animal, daily straw bedding or free farrowing was also mentioned. However, the extent to which Member States implement this is up to them. So far, only 18 countries have decided to offer animal welfare measures within the eco-schemes. The following chart provides an overview of the implementation of animal welfare measures, both as “animal welfare measures” in the 2014 – 2020 support regime and under the newly added eco-schemes. It can be seen that only around half of the countries are currently making use of both options – animal welfare measures and eco-schemes – for greater animal welfare.

⁶ Romania is not offering any animal welfare measures for the 2014-2020 period, but is still making outstanding payments to farmers from measures started in 2007-2013.

⁷ A comparison with the animal welfare measures in the previous funding period is made more difficult by the fact that the national budgets for specific objective no. 9, which is linked to animal welfare, include various measures.

⁸ https://agriculture.ec.europa.eu/news/commission-publishes-list-potential-eco-schemes-2021-01-14_en.

Figure 2: Animal welfare within the CAP**Example: Animal welfare measures in Germany 2023-2027**

Using Germany as an example, an overview of all animal welfare-related funding is provided below. In the current funding period, Germany offers measures for organic farming (funded with a total of €2,118 million) and measures to improve animal welfare (funded with a total of €298 million) to achieve Specific Objective 9⁹ of the CAP. However, the latter primarily relate to pasture farming, which is partly linked to tethering, which is contrary to animal welfare¹⁰. In the area of investments (subsidised with €822 million), Germany also offers individual investments for livestock farms. No animal welfare subsidies are offered via the eco-schemes. The exact extent to which the measures noticeably improve animal welfare is unclear; there are no publicly available analyses on this from the federal government. Nonetheless, one thing is certain: all of these measures together only reach around 12% of farmed animals¹¹ and are expected to increase to just 14% by 2027. For the vast majority of animals, the CAP does not serve to improve their welfare.

The current funding period allows for more flexibility for Member States. National strategic plans are intended to define the objectives of support measures over and above direct payments and ensure the desired effects of the measures. However, as the example of Germany shows, the room for manoeuvre granted to the Member States in animal welfare also harbours a major risk for animals. It leads to different levels of animal welfare in different Member States. **There is a lack of clear framework conditions and overarching common objectives for animal husbandry and animal welfare at European level.**

The new regulation thus gives Member States a great deal of room for manoeuvre. Different national strategic plans could be drawn up with completely different objectives for animal welfare.

Challenges of the CAP

The lack of attention drawn on animal welfare in the designation of CAP support programmes, as shown in the last section, is not only problematic under Treaty law (Art. 13 TFEU). It is also clear that interventions funded by taxpayers' money that are detrimental to animal welfare are also considered unacceptable by large sections of society and must be stopped immediately. Finally, a lack of attention to animal welfare also creates economic risks for businesses because they invest in branches of business that are not sustainable nor future proof. Farms must be able to rely on the fact that they are on the right path towards a legally and socially acceptable level of animal welfare thanks to the subsidies. This is the only way to give young farmers the planning security they need to invest effectively. This is a demand made repeatedly during the farmers' protests in Germany and France in spring 2024. **Sustainable agriculture (green transition¹²) cannot be achieved without the long-term and coherent consideration of animal welfare.**

⁹ Key policy objectives of the CAP 2023-27 - European Commission (europa.eu).

¹⁰ English Summary of the White Paper on Tethering (expertiseforanimals.com).

¹¹ The conversion is carried out using so-called 'livestock units'.

¹² https://www.diw.de/de/diw_01.c.698287.de/publikationen/vierteljahrshefte/2019_02_6/the_green_transition_public_policy_finance_and_the_role_of_the_state.html.

The following theses summarise the relationship between the CAP, animal welfare and the challenges for policy.

1. **The market does not offer enough incentives for animal welfare.** Although the agricultural sector wants to and can implement more animal welfare, and citizens do not want animal suffering, the market often does not sufficiently reward the achievements of those pioneering farms that go beyond the minimum legal animal welfare requirements or break completely new ground.
2. **The CAP offers great potential for greater animal welfare and the transformation of livestock farming.** Existing funding instruments do harbour the potential to support farms in their efforts to improve animal welfare; this applies to improved husbandry as well as compensation for reducing animal numbers or investment aid when exiting livestock farming and setting up alternative branches of business. However, this potential is currently hardly being utilised. This is at odds with society's demands on agricultural policy.
3. **The CAP still often subsidises without regard to animal welfare.** Most CAP subsidies in the animal husbandry and feed sector are made independently of the impact they have on animal welfare. Nor are the effects made visible to the public. Whenever animal welfare is disregarded in a CAP regulation, the meaning of Art. 13 TFEU is neglected, as it stipulates that animal welfare concerns ("animal welfare mainstreaming") must be taken into account in all EU regulations.
4. **Farmers lack the planning horizon to make decisions relevant to animal welfare.** There is no political instrument that enables agricultural businesses to assess the future viability of their investments: this also applies to the level of animal welfare required and subsidised by the state in the long term. Farms and taxpayers potentially suffer damage if subsidies and regulatory law are not harmonised and adapted to each other.
5. **EU funding programmes cannot manage the transformation alone.** Financing the transformation of agriculture requires large sums of money and a mix of measures, of which the CAP can only be one part of; for reasons of competition, it is currently only possible to a limited extent for Member States to use national support programmes to supplement EU measures, including for animal welfare.
6. **EU agricultural and trade policy can respond to global competition.** Trade law does not yet take animal welfare concerns sufficiently into account. The trade restrictions that are possible under EU law for products that violate animal welfare can be justified with the protection of animal health or the protection of public morals¹³. If this trade protection is not granted, imports from non-EU countries with lower animal welfare standards counteract the progress made if EU animal welfare standards are higher. The CAP can partially offset these competitive disadvantages for EU farms.

Filling the gap in the CAP

In the following chapters, we develop our approach for a new conception of the CAP - an approach which is divided into two groups of recommendations. The first group aims to better utilise the potential that current CAP instruments offer for animal welfare. The second group of recommendations aims to create new instruments that ensure a planning horizon - and the avoidance of disincentives - beyond the funding period.

¹³ GATT-AI-2012-Art20 (wto.org): https://www.wto.org/english/res_e/booksp_e/gatt_ai_e/art20_e.pdf.

Fully utilising the potential of existing instruments:

Expanding general funding requirements in the area of animal welfare

A regulation for animal husbandry based on the GAEC standards

As described above, "conditionality" in the CAP from 2023 requires farms to comply with certain legal requirements, including animal welfare legislation. However, recital 26 of Regulation (EU) 2021/2115 on the implementation of the national CAP Strategic Plans formulates the objective of conditionality in a more ambitious way than simply complying with animal welfare legislation. The following requirement is formulated there:

" The Union needs to improve the response to societal demands on food and health, including high-quality, safe, and nutritious food produced in a sustainable way. In order to advance in that direction, specific sustainable farming practices [...] will need to be promoted. Similarly, actions to promote higher levels of animal welfare [...] should also be stimulated."¹⁴

The animal welfare-related statutory management requirements (SMR) to receive basic payments do not fulfil this requirement of strengthening animal welfare. In order to do so, it would be necessary to **create the conditions for all subsidised farms to go beyond the minimum level formulated in Directive 98/58/EC concerning the protection of animals kept for farming purposes**. In crop production, in addition to the legal requirements, there are additional "conditions" for receiving payments, which are summarised in the so-called 'GAEC standards' of good agricultural practice. Similar standards should be applied to animal welfare-orientated husbandry.

Increased incentives to comply with animal husbandry standards

Compliance with applicable law can only be used to strengthen animal welfare to a certain extent. **The enforcement of animal welfare legislation is often criticised as inadequate**, for example in Germany after very different inspection intervals became known in the federal states¹⁵. The impending reduction of a basic payment could therefore encourage farms to implement better animal welfare. However, this would require the implementation of measures that effectively enforce the monitoring of minimum legal standards. While sanctions are particularly effective for livestock farms that have a significant proportion of grassland or arable land, large livestock farms are often specialised and only have a small amount of arable land. This could therefore lead to sanctions hitting smaller family farms with larger shares of land harder than industrialised, specialised large farms where the agricultural part of livestock farming has been transferred to separate

¹⁴ Recital 26, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32021R2115>.

¹⁵ <https://dip.bundestag.de/vorgang/vollzug-von-tier-und-verbraucherschutzrecht/236639>.

farms. One solution could be to extend the sanctions to farm owners or shareholders. If a farmer is responsible for violating the applicable animal welfare legislation – as the (co-)owner of an animal husbandry business – they should also be able to be sanctioned via their possible shares in crop production businesses.

Extended conditionality for animal-related subsidies

The animal welfare potential of the CAP can also be better utilised in the area of the so-called ‘extended conditionality’ – beyond the receipt of the basic payment. Animal-related subsidies are made possible in the current system via six different instruments:

- ➔ Animal-related eco-schemes – 1st pillar
- ➔ Animal related sectoral interventions – 1st pillar
- ➔ Animal-related coupled support – 1st pillar
- ➔ Animal welfare measures – 2nd pillar
- ➔ Animal-related measures for organic farming – 2nd pillar
- ➔ Investment aid for stables and other facilities associated with animal husbandry (investments in animal farming) – 2nd pillar

While these instruments do not specify any animal welfare objectives, they have the effect – whether explicitly intended or as a “by-product” of other funding objectives – of cementing those animal husbandry practices that yield the most under the overall conditions. They also have the explicit or unintentional effect of maintaining or increasing the number of animals in European agriculture. None of the instruments mentioned are aimed at limiting animal numbers, nor is this to be expected as an unintended effect. Added to this is the indirect subsidisation of fodder cultivation via the basic payment, which also maintains or increases the volume of livestock farming in Europe rather than limiting it.

Two key conditions should be defined for all these instruments to effectively promote or not undermine animal welfare through animal-related funding.

Firstly, livestock farms that receive animal-related payments should develop longer-term operational planning that also takes animal welfare into account. This planning should ensure that state support for animal husbandry does not contribute to developments that are detrimental to animal welfare. Without imposing changes on the farms, our proposal is that they should be informed about the possibilities from an animal welfare perspective and draw up longer-term strategic farm developments. If it becomes apparent that the subsidies are perpetuating conditions that are detrimental to animal welfare, the farms can seek advice on how they can initiate appropriate changes in the medium or long term. The animal welfare development plan for the farm thus lays the foundation for alignment with benchmark criteria for good agricultural practice in animal welfare (this is explained below).

Secondly, we propose the mandatory participation of all subsidised livestock farms in a monitoring system that shows farms the strengths and weaknesses of their operations in terms of animal welfare using robust indicators. This allows weak points to be identified and easily remedied. It is also possible to identify farms that do more than is legally required and are pioneers in the future of minimum legal requirements. These pioneers can thus receive compensation for part of the resulting costs until such time as the respective standard becomes legally binding (see below, ‘Promotion of animal welfare pioneering farms’). Flexibility should be

allowed by giving farms the freedom to decide how they want to achieve a key animal welfare parameter (e.g. lower mortality rates). The focus of the funding should therefore not be on the animal husbandry methods (input), but on the animal welfare result (outcome). The monitoring system should also be geared towards such outcome indicators.

Such a monitoring system should enable the animal welfare performance of farms to be compared. The aim is to compensate as many farms as possible for their costs for additional animal welfare services and thus put them on an equal footing with those that operate in accordance with statutory minimum requirements. In order to be able to better assess the animal welfare performance of farms, we are in favour of a new instrument, which we present separately in the following chapter¹⁶.

¹⁶ There is much to be said in favour of using national administrative and advisory structures for this monitoring and advisory system, which already exist for CAP funding. However, this point would have to be examined separately and adapted to the situation in national states.

New instruments for coherence, predictability and transparency

In future, the receipt of subsidies for animal husbandry should be linked to the condition that they support the desired development of animal husbandry beyond the subsidy period. **Not every subsidisation of a positive measure in itself is necessarily in line with long-term objectives.** For example, the funding of certain barn construction measures, such as the construction of a paved run in a conventional barn, can make a more favourable new building financially impossible in the foreseeable future. Certain animal welfare measures can therefore block other, more far-reaching measures under certain circumstances. The same applies to measures intended to promote climate and environmental protection in animal husbandry.

To prevent this, we are proposing **a new instrument of a benchmark system.** An independent panel of experts, political decision-makers and representatives of civil society to be appointed by the European Commission and confirmed by the European Parliament. **The panel would determine two future targets, an animal welfare benchmark and a societal benchmark.**

Animal welfare benchmark

Farmers are often reluctant to invest in better stables today because they do not know whether this standard will still be sufficient in 20 years' time in terms of animal welfare. The animal welfare benchmark provides a longer-term target image or perspective for farms from a legal animal welfare perspective. The benchmark reflects the legal minimum standards for animal husbandry that aim to improve animal welfare, which are currently not yet mandatory for all farms due to legally stipulated transition periods or a lack of practical suitability. Numerous widespread animal husbandry practices are only legally tolerated because there are currently no economically viable alternatives. Article 3 of Directive 98/58/EC concerning the protection of animals kept for farming purposes requires that "animals are not caused any unnecessary pain, suffering or injury". "Unnecessary" sometimes also refers to practices for which there are currently no economically or technically feasible alternatives. The animal welfare policy benchmark sets a realistic timeframe for the creation of practicable alternatives to practices that are detrimental to animal welfare.

Development of alternatives to animal suffering: Example of day-old chick killing in Germany

One example illustrating the concept of the animal welfare policy benchmark is the day-old chick culling case. For a long time, the killing of day-old chicks was seen as having no economic or technological alternative – and was therefore tolerated. Since 2010, technological alternatives have been developed, such as sex determination in the egg. In 2019, the Federal Administrative Court declared the routine killing of chicks to be incompatible with the principles of the Federal Animal Welfare Act – and only permitted it to temporarily continue, until an explicit ban was implemented by the German Bundestag, taking effect in January 2022¹⁷. In response to a French-German initiative, the European Commission is now seeking to end the killing of day-old chicks at European level. This gradual approach to the ban has to do with the practicability of alternatives. In addition to sexing in the hatching egg, this concerns the use of other breeds, so-called 'dual-purpose chickens'. These alternatives each have their own problems and challenges but offer increasingly common ways of avoiding the killing of chicks, which is clearly contrary to animal welfare. Applied to this example, the animal welfare policy benchmark is intended to prevent public funds from continuing to flow into agricultural processes that directly or indirectly require the killing of chicks during the period of legal tolerance or transitional periods due to the (hitherto) lack of practical suitability of the alternatives.

The orientation of agricultural funding towards long-term, defined target scenarios for animal husbandry is not a new practice; it is already taking place at a national political level. In 2019, a commission of experts appointed by the German federal government (the so-called "Borchert Commission") identified future statutory animal welfare standards to which animal welfare legislation and funding should be gradually aligned by 2040. In doing so, the German government wanted to ensure that livestock farms could plan ahead. A planning horizon of 20 years is particularly relevant for major structural investments. Even today, long-term animal welfare goals are taken into account in the development of CAP funding programmes, but this process is not transparent and publicly comprehensible. Methodologically, the expert and stakeholder dialogue for the creation of these target images represents a major challenge.

¹⁷ BMEL - Tierschutz - Verbot des Kükentötens.

Societal benchmark

In addition to the animal welfare benchmark, **we propose a societal benchmark for animal husbandry.** **Alongside animal welfare,** the debate on the development of animal husbandry is increasingly being conducted with public health, environmental, climate and resource protection considerations. While there are often synergies between animal welfare and environmental protection, there can also be trade-offs that need to be negotiated separately. From an animal welfare perspective, the societal benchmark goes beyond the minimum legal requirements and defines criteria for positively stimulating living conditions for animals. This benchmark includes not only the “how” of animal husbandry, but also the “how much”. Animal welfare, health and climate policy considerations can also play a role here. For example, it may make socio-political sense to replace and drastically reduce the rearing of certain animal species with alternatives wherever possible. Agricultural and environmental sciences contribute to the development of these goals for climate-resilient agriculture¹⁸.

Monitoring the budget share for animal husbandry

Our proposed measures include financial and structural support for the livestock sector. In view of the goals towards a more plant-based diet (e.g. planetary health diet¹⁹), this may be controversial in itself, as state intervention in favour of animal husbandry and its upstream and downstream sectors can influence competitiveness compared to alternative plant-based products. This risk initially exists regardless of whether the subsidies for animal husbandry are intended to promote animal welfare. We therefore propose a subsidy monitoring system that ensures that the total amount of subsidies for animal-based foods – including feed cultivation – is in an appropriate proportion to the subsidisation of alternative protein sources. The ratio that is deemed acceptable must also be aligned with the respective nutritional strategies, which currently mostly favour the expansion of plant-based alternatives. It is important to maintain transparency on the ratio in order to counteract market and competition distortions.

¹⁸ Chemnitz, C., Weigelt, J., Enders, C., Häring, A., Isermeyer, F., Kunisch, M., Müller, A., Neubert, S., Rieken, H., Sommer, R., Taube, F., Tuidar, J., Wiggering, H.; 'Research for Change: Towards a transformative research strategy for climate-resilient agriculture in Germany'; TMG Research, Berlin; 2021.

¹⁹ The Planetary Health Diet - EAT (eatforum.org).

Practical application of the benchmark system

The following is an example of how animal health monitoring, the operational plan and the animal welfare and societal benchmark are interlinked, implementing the support policy with regard to animal husbandry.

Animal welfare-neutral measures

Ideally, subsidies should always be linked to high animal welfare requirements. However, it will probably not be possible to immediately change the established CAP support system in this respect. There will continue to be support measures within the CAP that promote animal husbandry regardless of its contribution to animal welfare, e.g. for reasons of environmental protection or income security. However, this must at least not be detrimental to the desired level of animal welfare. Other subsidies for livestock farming that are granted regardless of the level of animal welfare are, for example, coupled payments for the preservation of traditional practices such as alpine herding or the preservation of old animal breeds. Our recommendations stipulate that at least the following condition must be met in order to receive such animal welfare-independent benefits: the participation of the farm in an **animal welfare monitoring programme**. This is intended to identify and immediately rectify farm-specific weaknesses. The monitoring should ensure that obvious health and animal welfare problems are rectified and unlawful practices are stopped. It is also intended to prevent the animal welfare-neutral measures from creating incentives to maintain practices that violate animal welfare for longer than would have been the case without the measures. Recipient businesses should demonstrate that they are not only able to fulfil the minimum legal requirements now, but also in the future. This includes proof that farm owners have taken part in mandatory training and counselling on the topic of animal welfare in agriculture.

Promotion of animal welfare pioneering farms

Our recommendations envisage financially compensating pioneering farms for their achievements if they implement standards at an early stage that should become minimum legal requirements in the foreseeable future. In addition to their participation in the monitoring system, which is to be mandatory for all farms, the animal welfare benchmark also comes into play. It defines basic requirements that should, if possible, become the legal minimum standard in the foreseeable future for purely animal welfare reasons, e.g. when alternatives have reached market maturity. The animal welfare benchmark is used to promote the abandonment of practices that are not yet banned only because alternatives are insufficiently developed or pose major economic challenges for the farms. The subsidies are granted until the corresponding legal minimum standards are introduced.

Funding for particularly animal-friendly processes

Minimum legal standards aim to ensure that animals are free from suffering, pain and harm. Measures that also enable living conditions with positive stimuli and friendly experiences should be eligible for funding as “particularly animal-friendly procedures”. Measures that provide alternatives to the use or killing of animals can also be considered particularly animal-friendly; this also includes reducing the number of animals by switching to alternative farming activities. These particularly animal-friendly support measures should be aligned with the societal benchmark for animal husbandry, which describes both the future “how” and the “how much” of animal husbandry.

Example: Programme to switch to “innovative” protein production

In Germany, the “Farm Opportunities Programme” (in German “Chancenprogramm Höfe”) will support farmers from 2024 who are phasing out animal husbandry and producing alternative proteins for human consumption (production and processing of innovative protein and climate-friendly foods, such as algae, pulses, tofu, mushrooms, oat milk production). A total of 47 million euros is to be made available for the programme from 2024.

Eco-schemes

Eco-schemes should guarantee at least two funding objectives in accordance with the current orientation and ensure that the land management methods include activities relating to climate, environment, animal welfare and antimicrobial resistance. The basis for receiving support from organic schemes in the area of animal husbandry should be participation in the monitoring system, which discloses basic animal health and welfare parameters on a farm-by-farm basis. If an organic scheme is found to be worthy of animal welfare support, it should be based at least on the animal welfare benchmark and ideally also on the societal benchmark. In this way, false incentives of organic regulations are excluded. For example, it is ensured that the subsidisation of grazing systems excludes a combination with six-month tethering.

National cross-financing and international trade policy

The budget for animal welfare in the CAP is limited. In order to support the restructuring of animal husbandry more effectively, further supplementation of CAP funding programmes with national funds should be facilitated. In addition to the existing national funding programmes, new options are also conceivable, such as the introduction of an “animal welfare cent”, which is levied on animal products and can be used to cross-finance animal welfare.

Our proposals entail a significant increase in animal welfare standards in European livestock farming and a limitation to the overall volume of livestock farming. There are two ways of limiting the number of farmed animals. First, farms that have no prospects from an animal welfare perspective can use the benchmarks to make their decision to switch to other sources of income than they currently have. Second, animal numbers can be limited by bringing animal husbandry subsidies closer to the promotion of alternative protein sources (see, ‘Monitoring the budget share for animal husbandry’), which cannot currently be assumed.

At this point, it should be noted that raising EU standards and lowering EU animal numbers can lead to undesirable relocation or displacement effects of animal husbandry in third countries (so-called “leakage” effects). However, such effects only occur if, on the one hand, EU demand does not change in terms of volume and quality, and if, on the other hand, the EU does not utilise its options under trade law to protect the development of the EU agricultural sector that it is striving for and pursuing. How exactly this can be done is not dealt with here, but there are proposals for such protection in line with international trade agreements.²⁰

The principle of the Carbon Border Adjustment Mechanism (CBAM), which has been in force in the EU since 1 October 2023, can serve as a model for effective external protection. The instrument aims to prevent the relocation of greenhouse gases to non-EU countries. The instrument represents a blueprint for preventing the relocation of livestock farming to non-EU countries through trade policy.

²⁰ Anne Peters, *Animals in International Law*, Collected Courses of The Hague Academy of International Law, Recueil des Cours Vol. 410 (Leiden: Brill 2020), 95-544 (Livre de poche 2021).

Conclusion – Subsidy policy in coherence with animal welfare

In its current form, the CAP offers numerous instruments that could be used to actively promote animal welfare in Europe. However, these are still insufficiently utilised.

Moreover, there is a lack of coherence in the funding system. We propose instruments with which the diverging effects of CAP funding programmes – which all have their different objectives – can be adjusted to the EU's animal welfare goals. The premise of our proposal is this: **conditions in animal farming that are contrary to animal welfare are often legally tolerated because alternatives are deemed economically impractical or technically inadequate.** We therefore propose the development of a benchmark system that defines animal welfare aims irrespective of their current economic or technical practicability. This should ensure that CAP funding programmes do not directly or indirectly cement conditions that are contrary to animal welfare or socially undesirable. A societal benchmark also considers the EU goals for the overall extent of animal farming in the EU, e.g. for climate or health reasons. A committee of experts, political decision-makers and representatives of civil society would develop aspired future scenarios for animal husbandry and define criteria and milestones along the way, which would flow into the benchmark. The benchmark system would provide political decision-makers, farms and the scientific community with a planning horizon of around 20 years.

Our proposal is a supplement to the conditionality system of the CAP. This should **enable farms to reduce the risk of long-term bad investments and to examine alternatives to greater animal welfare**, taking into account their specific farm characteristics, strengths and weaknesses. The system should also enable obvious animal welfare deficiencies to be rectified more quickly.

About FOUR PAWS

FOUR PAWS is the global animal welfare organisation for animals under direct human influence, which reveals suffering, rescues animals in need and protects them. Founded in 1988 in Vienna by Heli Dungler and friends, the organisation advocates for a world where humans treat animals with respect, empathy and understanding. The sustainable campaigns and projects of FOUR PAWS focus on companion animals including stray dogs and cats, farm animals and wild animals – such as bears, big cats and orangutans – kept in inappropriate conditions as well as in disaster and conflict zones. With offices in Australia, Austria, Belgium, Bulgaria, France, Germany, Kosovo, the Netherlands, Switzerland, South Africa, Thailand, Ukraine, the UK, the USA and Vietnam as well as sanctuaries for rescued animals in eleven countries, FOUR PAWS provides rapid help and long-term solutions.



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