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DIRECTORATE-GENERAL FOR AGRICULTURE AND RURAL DEVELOPMENT

Directorate E – Markets  
The Director (acting)

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## MINUTES

*Joint meeting of the CDG Animal Production and the Expert Group for Agricultural Markets, in particular concerning aspects falling under the CMO Regulation - Animal Products*

*1<sup>st</sup> meeting of the livestock workstream*

**27 May 2025**

Chair: Brigitte MISONNE, acting Director AGRI E Markets

### **1. Approval of the agenda and of the minutes of previous meeting**

The agenda was adopted and no AOB points were brought forward.

### **2. Nature of the meeting:** hybrid, non-public

### **3. List of points discussed**

Extract of the meeting's conclusions:

The diversity of livestock production systems continues to require public support to provide income to livestock farmers, guarantee economic life in rural areas in danger of land abandonment and enhance livestock's positive contribution to biodiversity, climate change mitigation, circularity, renewable energy production, waste management, landscape preservation, animal health and welfare, etc. The market does not in itself remunerate all services provided by livestock farmers. Some niche markets may attract better farmers' remuneration, but the latter is quickly jeopardised when the niche market expands to become the new normal (e.g. recent experience with organic products). Market differentiation and labelling have limits in terms of attracting higher consumer prices. Unfair competition from third country products respecting lower standards also needs to be properly addressed.

Available tools under the current CAP offer the necessary portfolio of possibilities to accompany the sector on a positive pathway. A stronger focus is needed for generational renewal, farm resilience and risk management, digital transformation, knowledge transfer and innovation uptake. In other words, an evolution is necessary to make the best emerge from the livestock sector, no revolution. Territorial realities require tailored approaches. The variety of inspiring examples evidences the need for flexibility and adaptability to local contexts. Sustainability requirements that may appear irreconcilable at first sight can be addressed by the complementary assets of different livestock farming systems.

## Introduction

The chair introduced the meeting by referring to the Vision and the Commissioner's launch of the livestock workstream at the Conference on 8 May. Emphasis was put on expected deliverables with relevance for the CAP as well as other EU policies impacting livestock, hence the presence of colleagues from other services in the meeting. The workstream is based on a bottom-up inclusive approach, aiming at consensus within the group. Three meetings are planned in 2025 with possible continuation in 2026 and beyond, depending on progress in the process.

The debate was articulated in two main sessions and around questions outlined in an e-survey opened to all prior to the meeting:

<https://ec.europa.eu/eusurvey/runner/4cbe931a-c0cf-885f-e237-686662dc6490>.

Answers to the questions from participants and other respondents are summarised in Annex to these minutes.

**Session 1: Enabling a Fair and Market-Driven Livestock Supply Chain - Promote livestock systems that respond to market demands and offer fair, stable, and remunerative income for farmers.**

### **Academia's input** (Wageningen Economic Research, WUR, NL)

- Market failures and power imbalances hinder fair resource allocation in livestock systems; public intervention and informed consumers are key to ensuring fair remuneration and sustainability.
- Monogastric systems are efficient and profitable, while extensive systems offer environmental and social benefits but rely more on public support.
- Farmers must focus on cost reduction, revenue diversification and long-term development to meet evolving standards and ensure resilient, sustainable growth.

### **Young farmers' views** (CEJA)

- The complexity of livestock farming systems offers positive externalities: biodiversity, role in climate change, renewable energy, waste management, landscape preservation, etc.
- The diversity of sectors and systems has to be taken into account. For instance, pig farming models with enhanced animal welfare (which replies better to societal expectations, but requires more land, resources and produces higher emissions) coexist with conventional fattening which is very cost-effective, and generates lower emissions.
- Real prospects should be given to the young generation. Generational renewal is a key challenge in the livestock sector that requires acting on access to land, financing and insurance, on income stabilisation tools, on a viable work/life balance, as well as on developing a positive image of livestock farming.

### **Processors' views** (FoodDrinkEurope/Clitravi)

- The EU food industry is concerned by a shrinking EU meat supply. Current trends may lead to shortage in certain sectors (beef) and to dependency on third countries.
- Consumer behaviour is key. The industry adapts to evolving consumer demand in a context where retailers have a strong influence on consumer choices and are not always ready to pay the related higher prices.
- The industry underlined the need to ensure that quality protection schemes do not hamper technical innovation and increase protectionism. There is a need to avoid that promoting local circuits and short supply chains lead to inefficiency.
- It is crucial to preserve the single market. Regulation should offer solutions and not obstacles.

#### **Retailers' views (Eurocommerce)**

- Consumers generally search for convenience and have little loyalty regarding stores, products or brands. Consumers are generally interested in price and health, less so in environmental sustainability.
- Consumer attitude towards meat: links to health, animal welfare, short supply. A majority of consumers plan to continue consuming meat, and it remains an important part of European diet, even if other alternatives are also explored.
- Policy approach: need for a single market (less protectionism and national rules), workable legislation (avoiding proliferation of very different rules), encourage producer cooperation (small farmers need support to consolidate into bigger structures) and importance of national cooperation schemes involving retailers and farmers (e.g. sustainability, emissions, animal welfare) to have better remuneration for farmers and bring consumers and farmers closer to one another.

#### **Member States' views (Poland)**

- Main structural features of the livestock sector in PL: structural diversity, ongoing concentration, regional specialisation, increasing productivity, increasing reliance on exports, growing importance of independence in certain inputs (protein feed for poultry, piglets for pig production).
- The list of challenges faced by the livestock sector in PL and in other MS is quite long: increasing/volatile input prices, animal diseases, increasing number of regional/local conflicts (farms vs non-farm rural inhabitants), environmental/GHG reduction requirements, animal welfare requirements, changing consumer preferences, new competitors, concentration of up and downstream sectors, increasing minimum efficient scale.
- Dynamics of concentration in the dairy sector: there is a decline of small dairy farms but growth in the number of big specialised farms.

#### **Exchange of views**

Different stakeholders and Member States shared their views (FESASS, COPA, COGECA, AVEC, Animal Health Europe, Food drink Europe/ EDA, Eurogroup for Animals, Spain, Lithuania):

- The supply of quantity and quality, with market segmentation, is a key priority (while ruminant sectors are facing increasing difficulties to ensure supply). A possible sustainability solution is to shift from quantity to quality.
- Market demand is strong globally and in the EU, but there's a risk of undersupply, leading to high prices and increasing reliance on imports. Animal products have a place in a balanced diet and are part of the EU's culture and heritage.
- Fairness is subjective and difficult to define or measure in economic terms. Market orientation should be kept.
- Different lines of action should be considered depending on the characteristics of the sectors (more competitive/export oriented, more focused on European or local markets, valorising positive externalities, facilitating transition into working models for less competitive systems).
- Animal production in the EU has a lower footprint than in other world competitors. Improving sustainability of conventional (more efficient) production is key.

## **Session 2: Smart CAP support - Calibrating CAP Support for Sustainable Livestock Systems**

### **Introduction from the Commission (DG AGRI)**

The Commission outlined the different instruments available, within the current CAP framework, to support the livestock sector: market instruments, CAP support under Strategic Plans and promotion measures.

### **Member States' views**

#### France

- CAP tools:
  - Need for fair remuneration to make the sector attractive: targeted instruments such as coupled payments, together with direct payments.
  - Territories are threatened by farm loss, notably mountain areas: ANC to compensate cost gaps. To ensure that livestock is spread all over the territory: incentives for grassland and carbon sequestration.
  - Animal health crisis tools: reflection needed on prevention and vaccination.
- Strategy to support sustainable systems:
  - Pillar II support for reducing methane emissions, water pollution and energy consumption, fulfilling sanitary rules, refurbishment of installations, training and advisory services, access to finance for newcomers (installation and modernisation of holdings).
  - Sectoral devices: operational programmes.
  - Exposition to competition, protection from agreements with third countries. Need to introduce mirror clauses.

- Reinforcement of labelling of country of origin for raw materials.
- Integrate plant protein, complementary to animal products.

### Sweden

- Sweden's bovine sector is grass-based and small-scale, with beef closely tied to dairy and natural pastures making up half of limited agricultural land; summer grazing is mandatory by law.
- The sector faces declining herd numbers due to low profitability, limited expansion potential, mental health challenges, and lack of generational renewal, making public support essential to sustain grassland and production.
- Future CAP should combine market orientation with targeted support, allowing more flexible agri-environmental schemes and stronger incentives for animal welfare and result-based interventions.

### **Farmer's views (Copa-Cogeca)**

Copa-Cogeca recalled their position presented during the EBAF meeting that they cannot engage in detailed discussions on the future of the CAP without knowing the future MFF and CAP budget.

### **NGOs views (EEB)**

- Agroecological farming should become the norm, supported by public funds rewarding healthier diets, resilient and diversified farming, and inclusive rural development focused on local and plant-based systems with domestic protein sources.
- CAP support should target public goods delivery, new entrants, rural vitality (with low administrative burden), and avoid indirect export subsidies, while reducing livestock density in sensitive areas and promoting extensive, high-nature-value systems.
- A Just Transition Fund is needed to help farmers shift towards sustainable models through business diversification, voluntary exits, reskilling, and performance-based policy approaches like those proposed by the EEB.

### **Exchange of views**

Different stakeholders and Member States shared their views (Food drink Europe/ EDA, Via Campesina, COGECAs, EEB, AVEC, COPA, Spain, Ireland, Portugal):

- Lack of specificity limits the use of CAP funds. Farms without land are not unsustainable per se. Area-based support can limit the environmental positive impact of certain measures.
- Some extensive models complement intensive systems. The two systems need each other (i.e. an extensive suckler cow system needs beef fattening to close the production cycle).
- Need to move from quantity to quality meat and dairy consumption. The transition should be accompanied by import reciprocity and demand reduction through sensibilisation to healthy diet. Help to cease out livestock farms should be generalised.

- Need to stimulate market conditions so that farmers can make a profit: prevention tools needed to ensure better remuneration; mechanism of supply management help to have fairer prices for farmers.
- Health crises to be managed at EU and global level, without leaving it to national implementation that can lead to different rules on the single market.
- Improving sustainability translates into loss of competitiveness. Origin labelling: to get protection against imports. Important in processed products and catering.

### **Overall conclusion of the meeting**

The chair summed up the very productive meeting as follows:

The diversity of livestock production systems continues to require public support to provide income to livestock farmers, guarantee economic life in rural areas in danger of land abandonment and enhance livestock's positive contribution to biodiversity, climate change mitigation, circularity, renewable energy production, waste management, landscape preservation, animal health and welfare, etc. The market does not in itself remunerate all services provided by livestock farmers. Some niche markets may attract better farmers' remuneration, but the latter is quickly jeopardised when the niche market expands to become the new normal (e.g. recent experience with organic products). Market differentiation and labelling have limits in terms of attracting higher consumer prices. Unfair competition from third country products respecting lower standards also needs to be properly addressed.

Available tools under the current CAP offer the necessary portfolio of possibilities to accompany the sector on a positive pathway. A stronger focus is needed for generational renewal, farm resilience and risk management, digital transformation, knowledge transfer and innovation uptake. In other words, an evolution is necessary to make the best emerge from the livestock sector, no revolution. Territorial realities require tailored approaches. The variety of inspiring examples evidences the need for flexibility and adaptability to local contexts. Sustainability requirements that may appear irreconcilable at first sight can be addressed by the complementary assets of different livestock farming systems.

### **4. Answers to EU Survey questions**

The following questions were posted on EU survey prior to the meeting to gather opinions:

- *Q1: How can livestock systems respond to evolving market demands and provide a fair and stable income to farmers, in a context of global competition and increased sustainability requirements?*
- *Q2: Please share successful examples/best practices reconciling remuneration from the market with sustainable/high-quality production. How can these success stories match the diversity of EU livestock production systems to ensure stable and remunerative income for farmers?*
- *Q3: What strategies or policies are effective in enhancing the position of livestock farmers in the supply chain?*
- *Q4: How can CAP support be calibrated to target those most in need? What criteria should be prioritized?*
- *Q5: What strategies or policies are effective to support sustainable livestock systems?*

## Answers were received from:

- **11 EU Member States authorities:** Germany, Czechia, Finland, Italy, Lithuania, Malta, Portugal, Romania, Slovakia, Slovenia, Spain.
- **13 Civil Dialogue Group (CDG) Members:** AnimalhealthEurope, AVEC, BirdLife Europe, CELCAA, COGECA, COPA, EEB, Eurogroup for Animals, FACENetwork, FEFAC, FEFANA, FoodDrinkEurope, IFOAM.
- **7 Others (non-CDG members, organisations integrated in CDG members):** Association Nationale interprofessionnelle de la VOLaille de chair (ANVOL), The central Union of Finnish farmers and forest owners (MTK), Lithuanian Association of Agricultural Companies, Compassion In World Farming (member of EEB), FOUR PAWS (member of Eurogroup for Animals), Confederazione Nazionale Coldiretti, True Animal Protein Price (TAPP) Coalition.

## Those answers can be summed up as follows

*Q1: How can livestock systems respond to evolving market demands and provide a fair and stable income to farmers, in a context of global competition and increased sustainability requirements?*

- **Member States** emphasize the adaptability and innovation of livestock systems to remain responsive to market demands. Access to market information and labelling of animal rearing practices are suggested to help meet consumer expectations and create market differentiation. Countries also highlight the importance of integrating social acceptability and environmental sustainability into livestock systems. They stress collaboration among farmers and other stakeholders to enhance efficiency and market linkage. Additionally, recognizing the diversity and variability of EU livestock systems is important, allowing for territorial solutions that enhance both competitiveness and sustainability.
- **CDG members** emphasize the importance of aligning livestock systems with market demands through innovation, enhancing market access, and focusing on sustainability. Strategies include promoting diversified and mixed farming systems, integrating livestock and crop production, and ensuring high animal welfare standards. It is suggested to realign incentives towards public goods and ensure fair pricing mechanisms. The role of long-term contracts and fair commercial relations is highlighted to provide stability and predictability for farmers.
- **Others** highlight the need for livestock systems to establish fair pricing models that account for all external environmental and climate costs. The suggestion includes implementing obligations at the EU level that require retail companies to pay fair prices, thus ensuring a stable income for farmers. The focus is also on maintaining competitiveness by protecting against unfair competition from imports that do not meet equivalent production standards.

*Q2: Please share successful examples/best practices reconciling remuneration from the market with sustainable/high-quality production. How can these success stories match the diversity of EU livestock production systems to ensure stable and remunerative income for farmers?*

- **Member States** mention examples of successful practices that include the Tierwohl initiative in Germany, which demonstrates collaboration along the supply chain and integration of sector-specific standards. The labelling of production systems, such as egg production based on rearing method, showcases quality differentiation linked to

animal welfare. Other examples feature niche market development, such as the Maltese Public Abattoir's work on value addition and waste reduction, which preserves traditions while ensuring economic viability. These examples highlight the potential for EU-wide frameworks that allow flexibility and adaptability to local contexts while promoting high-quality and sustainable production.

- **CDG members** mention examples of successful practices include initiatives that integrate renewable practices with market demands, such as high-value-added Geographical Indication (GI) products emphasizing quality. Supporting innovation and transition by showcasing regional adaptations and practices is emphasized. Some dairy farms in certain Member States are noted for their socio-economic sustainability and quality production, often led by young, entrepreneurial farmers as examples to replicate across the EU.
- **Others** mention successful examples as including the transition to cage-free eggs, demonstrating the combination of mandatory labelling, consumer education, and industry commitments. Such initiatives allowed for better affordable product differentiation while promoting sustainable practices. There's also a mention of voluntary schemes for milk and meat buyers that pay premiums for sustainability measures, showcasing incentivized sustainable practices.

*Q3: What strategies or policies are effective in enhancing the position of livestock farmers in the supply chain?*

- According to **Member States**, strategies involve supporting the formation and recognition of producer organisations to empower livestock farmers. Establishing comprehensive legal frameworks that regulate supplier-buyer relationships helps ensure fair value distribution along the supply chain. Encouraging collective actions such as joint negotiations and investments in technology and storage can improve market access and terms for farmers. Legislative examples, such as some Member State laws to improve the food supply chain functioning, illustrate how regulatory measures can stabilize markets and elevate farmer positions.
- According to **CDG members**, effective strategies include strengthening the role and capacity of producer organisations and cooperatives. Implementing fair pricing mechanisms, such as long-term contracts, can offer more stability. There's also a call for greater policy coherence to protect local producers' interests and amplify their negotiating power. Communication campaigns can also raise consumer awareness of the value of locally produced livestock products, thereby improving market conditions.
- **Others** believe that effective strategies include reconnecting farmers and consumers through short supply chains and online business models. This reconnection could improve farmers' market positions by creating direct links between farmers and consumers, fostering transparency, and enabling better remuneration. Additionally, the importance of clear EU legislation and sector-specific rules to ensure fair competition and consistent standards is emphasized.

*Q4: How can CAP support be calibrated to target those most in need? What criteria should be prioritised?*

- For **Member States**, CAP support should focus on active and young farmers, those in disadvantaged regions, and mixed farms. Tailoring support to consider geographic and sectoral vulnerabilities, like those in ANC areas or ruminant livestock farms, is crucial. Incentives should prioritise sustainable practices, and direct payments could be linked to measurable improvements in areas like biodiversity and animal welfare. A regionally

- sensitive approach is recommended, emphasizing long-term, flexible aid schemes that align with local circumstances and encourage innovative, sustainable farming practices.
- For **CDG members**, CAP support should prioritise economically vulnerable farmers, those practicing environmentally sustainable methods, and those in disadvantaged regions. Criteria should include considering the diverse European agricultural landscape, innovative practices, and resilience in adverse situations. A dedicated budget line adjusted for inflation and two-pillar structure support ensures that CAP support is maintained and effectively targeted.
  - For **others**, CAP support should prioritise geographically disadvantaged areas and the promotion of fair, sustainability-oriented policies. There's a call for moving from area-based payments to targeted payments for practices like organic and agro-ecological methods that have higher animal welfare and diversify production. This approach should align with the EU's long-term policy vision to provide predictability and fairness.

*Q5: What strategies or policies are effective to support sustainable livestock systems?*

- **Member States** suggest financial and regulatory incentives that support sustainable and high-quality production systems. These include promoting environmental measures, animal welfare improvements, and biosecurity standards. Encouraging cross-sector collaboration, providing training and advisory services, and fostering innovation through research and technology transfer can build resilient livestock systems. Support should also facilitate the adoption of new technologies, promote robust standards harmonisation, and ensure fair trade practices within and outside the EU. The overarching theme is ensuring that CAP and other policies are fair, targeted, and responsive to varied local needs.
- **CDG members** suggest that strategies include promoting advanced feeding techniques, low-emission feed solutions, and the development of homegrown protein. Investment in research and innovation, particularly in circular feed resources and animal health, is crucial. Ensuring fair trade practices and policy coherence within EU trade agreements are also highlighted to maintain competitiveness. Encouraging voluntary support programmes can lead to improved sustainability adoption beyond mandatory requirements.
- **Others** believe that effective strategies include investment in infrastructure and breeding practices that enhance sustainability, setting environmental benchmarks, and moving from intensive to extensive livestock production systems. The emphasis is on policies that ensure long-term predictability, reduce emissions, and promote the well-being of animals, humans, and the environment. Voluntary climate and biodiversity measures by dairy companies also offer a pathway to encourage sustainability.

**5. Next meeting:** 23 October 2025

## **6. List of participants**

All Member States were present except Denmark and Greece.

All associations were present (see below) except Bee Life - European Beekeeping Organisation, EFNCP - European Forum on Nature Conservation and Pastoralism, EFPPA - European Fat Processors & Renderers Association, EPHA - European Public Health Alliance, ERPA - European Rural Poultry Association / Association européenne de volailles rurales, FEEDM - Fédération Européenne des Emballeurs et Distributeurs de

Miel, EMB European Milk Board, EURAF European Agroforestry Federation; IPIFF  
International Platform of Insects for Food and Feed

## List of participants

### *Joint meeting of the CDG Animal products and the Expert Group for Agricultural Markets, in particular concerning aspects falling under the CMO Regulation - Animal Products*

27 May 2025

<b>Associations:</b>
AVEC - Association of Poultry Processors and Poultry Trade in the EU Countries
AnimalhealthEurope
BEUC - Bureau Européen des Unions de Consommateurs
BirdLife Europe
CEJA - Conseil Européen des Jeunes Agriculteurs / European Council of Young Farmers
CELCAA - European Liaison Committee for the Agricultural and AGRI-Food Trade
COGECA - European agri-cooperatives / General Confederation of Agricultural Co-operatives of the European Union
COPA - "European farmers / Committee of Professional Agricultural Organisations of the European Union
EAPA - European Animal Protein Association
ECVC - European Coordination Via Campesina
EEB - European Environmental Bureau
EFA - Eurogroup for Animals
EFFAB - European Forum of Farm Animal Breeders
EFFAT - European Federation of Trade Unions in the Food, Agriculture and Tourism sectors
ELPHA - European Live Poultry and Hatching Egg Association
EuroCommerce
FACEnetwork - Farmhouse and Artisan Cheese and Dairy Producers' European Network
FEFAC - European Feed Manufacturers Federation / Fédération européenne des fabricants d'aliments composés

FEFANA - EU association of Speciality Feed Ingredients and their mixtures
FESASS - Fédération Européenne pour la Santé Animale et la Sécurité Sanitaire
FoodDrinkEurope
IFOAM - International Federation of Organic Agriculture Movements European Regional Group
ORIGINEU - Organisation pour un réseau international d'indications géographiques
<b>Observer :</b>
EUROPEAN ECONOMIC AND SOCIAL COMMITTEE
<b>« Ad hoc » expert :</b>
Mr. Roel JONGENEEL - Wageningen University