

Exchange of views on national and European aids for the pig production: transparency on the amounts and their impact on the market – EEB Presentation

Introduction

1. Aid for animal housing (and other aid for competitiveness)
2. Quality schemes
3. Environmental criteria
4. Two different approaches

Conclusions

Introduction

In the context of the civil dialogue, the objective of this presentation is to show that the aid measures and their impacts are an important issue and need further reflection and action.

- This presentation is not a study from a specialized agency,
- You (professionnals) know the subject better than we do (NGOs),
- But it brings some significative and worrying observations
- with a different perspective and objectives
- But also shared objectives : employment in decent conditions, economic viability and sustainable agriculture

What kind of production should remain or disappear ?

1. Aids for animal housing

(and other aids for modernisation and competitiveness)

1.1. The criteria for eligibility and selection of projects are complex, and there are diverse approaches. Examples :

- let everybody get the maximal aid (large choice of options)
- give a real incentive to redirect the system (example: Baden-Württemberg)
- produce « more and better » (example: Brittany)
- Limits to the dimensions of farms receiving aids (example: Baden-Württemberg)
- produce big volumes in a competitive and aggressive way for financial profit (example: Spain)

Conclusion : EAFRD aids are a relevant lever

- either to maintain high supply and enhance crisis,
- or to address the problem by reorientation.

1.2. Concerning animal welfare :

The minimal legal standards for the protection of pigs are not respected by projects receiving public aid.

There is no incentive to anticipate and innovate for the sake of animal welfare (e.g. free farrowing)

The EAFRD aids don't bring much change since they support the best but also the worst.

State aids targeted at bringing the housing of sows « up to standard » have not required the respect of other minimal standards, and there was no incentive to favour animal-friendly techniques.

Conclusion : no message sent by the aid measures (most of the time).

The opportunity for beneficial leverage is thus missed.

1.3. Concerning transparency :

There have been significant efforts – thanks to the Commission – to build up transparent procedures to approve the EAFRD aids. The result is complex.

There remain:

- the possibility to continue to support the worst
- difficulties to have access to the final decisions.

Conclusion : in spite of progress, some blocking seems to be present in favour of the dominant system.

2. Quality schemes

A series of aids (EAFRD, promotion...) can favour quality schemes. But very diverse schemes are eligible for so-called « quality » :

- Coherent official quality labels : organic, free range...
- Incoherent official labels of origin and quality : ham from Bayonne or from Parma, stemming from ordinary mass production.
- Labels of regional marketing for ordinary mass production, or certification (with confidential guidelines...) guaranteeing minimal (mainly sanitary) standards.
- Other marketing arguments, e.g. nutritional (oméga3) or « without antibiotics » for ordinary mass production.

Conclusion: this maintains confusion and makes it even more difficult to get informed on fair prices for coherent quality at farm level.

3. Environmental criteria

- Agro-ecology : more proteine autonomy, lower farm inputs, manufacture of feed on the farm
- Treatment of manure and emissions
- Economy of energy
- Production of energy, particularly biogas

This is good... but the mitigation of environmental impacts in industrial systems is costly and does not resolve the economic problem of oversupply with low prices, or the loss of jobs, the waste of resources, the ethical problem (animals : discomfort, suffering, cages, minimal surfaces, mutilations, hyperprolificity...).

Conclusion: With the pretext of environmental protection and without questioning its very meaning, the pig industry assists itself with public money through national and regional measures.

4. Two possible approaches:

→ Either « market segmentation »:

- Maintaining the worst to keep volumes high,
 - Support to niche markets for good conscience
 - organic
 - Short marketing circuit, transformation and direct sale on the farm
- The complexity of aids and controls along with payment delays can be dissuasive for small producers.

This first option contributes to the crisis of oversupply with low prices.

→ Or « reorientation » of the whole system (our choice):

- Question and improve the production system
- Apply the reorientation also to long distribution channels
- While promoting excellence and direct sales

This option – under the condition of coherence and credibility – creates added value and allows for a reduction of the volumes (which is inevitable).

Conclusions

The fact is that aids continue to support :

- oversupply
 - bad treatment of animals
 - confusion instead of information for both citizens and decision-makers
 - waste of resources
- Some interesting signals have appeared but remain uncertain and insufficient.
 - The stated objective of « competitiveness » enables and enhances adverse effects. «Competitiveness» should be connected to social, environmental and ethical progress.
 - It would be helpful to carry out a study analyzing the real as well as potential impacts of public aids, with no blinds as regards the meaning, sustainability and ethics, while integrating scenarios where the cereal production is not primarily linked to intensive livestock production.