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REPORT

on the current situation and future prospects for the sheep and goat sectors in the EU
(2017/2117(INI))

Committee on Agriculture and Rural Development

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on the current situation and future prospects for the sheep and goat sectors in the EU (2017/2117/(INI))

The European Parliament,

- having regard to the recommendations of the EU Sheepmeat Forum, held in 2015 and 2016, under the aegis of the Commission,
 - having regard to the study it commissioned on the future of the sheep and goat meat sectors in Europe,
 - having regard to its resolution of 19 June 2008 on the future of the sheep/lamb and goat sectors in Europe¹,
 - having regard to the Commission's 'Evaluation of CAP measures in the sheep and goat sectors' conducted in 2011,
 - having regard to the Council conclusions of 19 June 2017 on the EU Action Plan for nature, people and the economy,
 - having regard to its resolution of 15 November 2017 on an Action Plan for nature, people and the economy²,
 - having regard to the Commission communication of 29 June 2017 entitled 'A European One Health Action Plan against Antimicrobial Resistance (AMR)' (COM(2017)0339),
 - having regard to Regulation (EC) No 1069/2009 of the European Parliament and of the Council laying down health rules as regards animal by-products and derived products not intended for human consumption,
 - having regard to the conclusions of the Dutch Ombudsman in her 2012 report on the government's approach to Q fever³ and in her 2017 study on the lessons learned by the government from the Q fever epidemic⁴,
 - having regard to Rule 52 of its Rules of Procedure,
 - having regard to the report of the Committee on Agriculture and Rural Development (A8-0064/2018),
- A. whereas sheep and goat farming are low-profit sectors in most of the EU, with incomes among the lowest in the EU, chiefly as a result of high operating and regulatory costs, sometimes exceeding sales prices, and a heavy administrative burden, causing many farmers to leave the sectors with increasing frequency;

¹ Texts adopted, P6_TA(2008)0310.

² Texts adopted, P8_TA(2017)0441.

³ <https://www.nationaleombudsman.nl/onderzoeken/2012/100>

⁴ <https://www.nationaleombudsman.nl/onderzoeken/2017030-onderzoek-naar-de-lessen-die-de-overheid-uit-de-qkoorts-epidemie-heeft>

- B. whereas imbalances in the food chain aggravate the vulnerability of these sectors, and whereas the Commission has so far failed to take the necessary regulatory action, called for by Parliament, in this regard;
- C. whereas it is impossible to establish and maintain sheep and goat production without guaranteed stable incomes for farmers;
- D. whereas sheep and goat breeding in Europe have seasonality, unlike some other regions of the world, which can maintain full-cycle breeding and production all year long; whereas the high seasonality can leave farmers and producers in economic uncertainty;
- E. whereas both sectors have potential for creating and preserving employment in disadvantaged areas, such as remote and mountain regions;
- F. whereas sheep and goat production offer significant potential for development and employment in many fragile rural and peri-urban areas, mainly through the sale of sheep- and goat-meat, and high-quality dairy products, that can be brought to market through short and local supply chains;
- G. whereas sheep breeders experience difficulties in finding qualified and sometimes even unskilled labour;
- H. whereas sheep and goat farming is part of the cultural heritage of many Member States and delivers high quality traditional products;
- I. whereas the sheep and goat sectors have to ensure the highest standards in the world with regard to food safety, animal health and welfare, and respect for the environment;
- J. whereas sheep and goat farming play an important role in ensuring environmental sustainability, particularly where they are based on grazing, as they are present in 70 % of the EU's geographically disadvantaged areas, including isolated and relatively inaccessible regions, and contribute to maintaining the landscape, preserving biodiversity (including local native breeds) and combating soil erosion, the build-up of unwanted biomass, levee damages, dike damages, avalanches and forest and brush fires;
- K. whereas sheep and goat farming make an important socio-economic contribution to Europe's rural areas by sustaining farming and employment in less favoured areas and delivering high-quality traditional products;
- L. whereas the generational renewal of farmers needs to be improved in order to guarantee the survival of this type of livestock farming and help curb rapid depopulation in many rural regions where basic services and family support services are scarce, with implications in particular for women, who carry out significant, often invisible work in the sector;
- M. whereas these sectors offer a favourable environment, and opportunities, for young people willing to take up farming in human-scale structures – including a low level of capitalisation, a well developed collective organisation, mutual assistance and cooperatives with equipment for common use – or establishing companies;

- N. whereas the average age of sheep and goat farmers is rising, and there is a lack of transfer of knowledge between generations, which hinders the smooth functioning of the two sectors and leaves them vulnerable to a lack of skills and knowledge in the future; whereas breeders and producers of processed quality products such as artisanal cheeses often lack the necessary marketing and sales skills necessary for placing their products on the market in an attractive manner;
- O. whereas a majority of sheep and goats in the EU are reared in extensive farming conditions, such as on pastureland; whereas in some Member States the sectors rely on the intensive goat and sheep farming model;
- P. whereas these sectors contribute to the conservation of areas of high ecological value or high nature value (HNV), such as pastureland and land for rough grazing, wooded pasture and other types of silvopasture or *dehesa*, as well as less fertile land, and they also perform a crucial function in clearing undergrowth;
- Q. whereas the definition of permanent grassland before the entry into force of the Omnibus Regulation did not suitably cover Mediterranean grasslands with their perennial woody species, such as *dehesa* pastureland and other ecosystems associated with agroforestry, thus reducing the area eligible for direct aid and penalising farmers in these areas;
- R. whereas pastoralism is a traditional activity of extensive animal breeding, practiced in particular in mountain regions, making development possible in territories difficult to access or mechanise and of low agronomic value, thereby allowing them to maintain an economic activity;
- S. whereas transhumance is part of the farming practices in some Member States;
- T. whereas the current Common Agricultural Policy (CAP) foresees support for different autochthonous breeds of sheep and goat;
- U. whereas these breeds are well adjusted to the local environment and play a substantial role in preserving biodiversity and natural balance in their habitats;
- V. whereas native breeds are much better adapted to local conditions and features;
- W. whereas there are now 25 million fewer sheep than in the 1980s, and production has fallen by over 20 % in the past 17 years;
- X. whereas sheep and goat meat consumption has fallen considerably in recent years, with a decline in sheep meat consumption from 3.5 kg per person in 2001 to 2 kg today, and that this downward trend has continued apace in 2017, particularly among young people;
- Y. whereas the goat meat market in Europe is unique in that production is concentrated largely in Greece, Spain and France, while consumption is particularly significant in Portugal, Italy and Greece;
- Z. whereas the production of goat meat, from kids or adult cull animals, is seasonal and a

byproduct of milk production, controlled by a few operators, the sale price of which is not enough to remunerate farmers;

- AA. whereas the limited presence of goat meat in points of sale entails a loss of visibility and hence a decrease in consumption by consumers;
- AB. whereas the sheep and goat sectors account for 3 % of European milk and 9 % of European cheese production, and whereas together they employ 1.5 million people in the European Union;
- AC. whereas consumption of goat's milk and goat's cheese has increased significantly in a number of Member States in recent years;
- AD. whereas sheep meat production in the EU meets only around 87 % of what the market demands, and imports from third countries, chiefly New Zealand, undercut the competitiveness of EU products in the most sensitive times of the year (Easter and Christmas), but also during the rest of the year, given that New Zealand and Australia are major exporters of sheep meat;
- AE. whereas, in recent years, New Zealand has increased exports of fresh or chilled meat, reducing its traditional exports of frozen meat, thus having a greater impact on the EU fresh-meat market, and resulting in a lowering of prices paid to European producers; believes that this must be taken into consideration in the upcoming free trade agreement (FTA) negotiations with New Zealand;
- AF. whereas, in many instances, EU producers do not compete on a level playing field with imports from third countries, which often have less rigorous quality standards, regulatory requirements and environmental standards to adhere to;
- AG. whereas the sheep and goat sectors, being sensitive, should either be protected in the ongoing FTA negotiations between the European Union and, respectively, New Zealand and Australia, or be excluded altogether from these trade agreements;
- AH. whereas some regions in the EU's neighbourhood have been showing interest in sheep and goat products from the EU, which is an opportunity for EU producers that, unfortunately, has not been fully exploited;
- AI. whereas Brexit could cause significant changes to intra-EU trade in sheep meat, given that the UK is the largest producer and the main gateway for imports from third countries;
- AJ. whereas the UK imports about half of its market quota for sheep meat from New Zealand, and nearly two-thirds from Australia, and whereas the EU cannot be released from its international commitments overnight, a fact that aggravates the uncertainty caused by Brexit;
- AK. whereas sheep and goat wool is a sustainable, renewable and biodegradable resource for the textile sector;
- AL. whereas wool is not recognised as an agricultural product under Annex I of the TFEU,

but is only classified as an animal by-product under the regulation 142/2011;

- AM. whereas this lack of recognition places sheep farmers at a disadvantage relative to other farmers, as wool is subject to more stringent requirements than recognised agricultural products when transported, and because market interventions through a shared market organisation are not possible for wool;
- AN. whereas sheep and goat farming are largely extensive by nature, resulting in direct contact with wild animals, the state of health of which cannot be guaranteed;
- AO. whereas, in accordance with Regulation (EC) No 999/2001, the scrapie plan has led to a 100 % reduction in breeding stock exchanges, and whereas for small, indigenous breeds, scrapie genotyping has resulted in a fall of up to 50 % in the number of male breeding animals;
- AP. whereas recent outbreaks of animal diseases have shown that an outbreak in one Member State can constitute a threat to the entire European agricultural market, keeping in mind the several epidemics that have struck the European Union, some of which – such as the most extensive Q fever epidemic ever, which occurred in goat farms between 2007 and 2011 – have consequences for human health;
- AQ. whereas vaccination of sheep and goats protects Member States' flocks against cross-border diseases, limiting the risk of further infection between Member States and helping to mitigate the effects of antimicrobial resistance;
- AR. whereas according to the European One Health Action Plan against Antimicrobial Resistance (AMR), immunisation through vaccination is a cost-effective public health intervention in the effort to combat antimicrobial resistance, despite the fact that the use of antibiotics is cheaper in the short term, and the plan also foresees incentives to increase the uptake of diagnostics, antimicrobial alternatives and vaccines;
- AS. whereas the electronic identification system for sheep and goats is an efficient way of ensuring the traceability of animals, but losing ear tags, or inadvertently failing to scan them, can give rise to penalties that are sometimes disproportionate;
- AT. whereas farmers also experience difficulties in implementing the current rules for identification in the case of kids;
- AU. whereas the protection afforded certain animal species, especially large carnivores, under the Habitats Directive, the deterioration of their natural habitats and a reduction in the abundance and quality of their natural prey, combined with rural depopulation and the lack of investment in preventive measures by Member States, have all contributed to a significant increase in predator attacks on sheep and goat herds across all regions, worsening the already precarious situation in which some farms find themselves and putting traditional agriculture and pasture farming at risk in many areas;
- AV. whereas predators and large carnivores have attained good conservation status in some regions of the European Union;
- AW. whereas the introduction of the possibility to amend the protection status of species in

particular regions should be taken into account as soon as the desired conservation status is reached;

- AX. whereas sheep and goat farmers have to cope with a great deal of bureaucracy and administrative burdens arising not only from the CAP but also from other EU rules, such as those pertaining to the treatment of animal by-products not intended for human consumption;
- AY. whereas the sheep and goat meat market is highly fragmented and there is little transparency in the reporting of market prices;
- AZ. whereas there are very few slaughterhouses in some Member States, which hinders the development of these sectors in them;
- BA. whereas the restructuring of the slaughter industry, compliance with health regulations and the reduction of animals slaughtered as a result of a reduction in farming have in many regions led to the disappearance of the economic instruments needed to add value and sustain local supply chains;
- BB. whereas the restructuring of the slaughtering industry, the measures applied as a consequence of the 'mad cow' crisis, and the hygiene and health package, among other factors, have in many Member States led to the disappearance of various instruments necessary for the survival of direct local sales, and to an increase in slaughtering costs;
- BC. whereas mobile milking facilities and slaughterhouses, or measures to make such facilities available on the spot, are important and necessary for facilitating the productivity of sheep and goat husbandry;
- BD. whereas sheep and goat meat products often lack the end-product variety that can be found in other types of meat, making them less attractive and, hence, less sought after by the consumers;
- BE. whereas there is a need to increase the value added in meat production and to introduce innovative new formulas more in step with the consumer habits of young people;
- BF. whereas in addition to providing a wide range of meat, dairy and wool products to consumers across the EU, sheep and goat husbandry has a vital cultural role to play in many communities, as celebrated in the Bulgarian *kukeri* and Romanian *capra* traditions, among others;
- BG. whereas there is a growing market in many Member States for local as well as organically grown agricultural products that meet consumer demand for transparency and quality;
- BH. whereas, in accordance with Regulation 1151/2012 and Delegated Regulation 665/2014, Member States may use the optional quality term 'mountain product' to give better visibility to products of sheep and goat husbandry originating in mountain regions;
- BI. whereas EU quality schemes – in particular the PGI (protected geographical indication) and PDO (protected designation of origin) labels – provide tools for giving greater

visibility to, and thereby better chances for market realisation of, products of sheep and goat husbandry;

BJ. whereas some Member States lack structural policies for the development of either or both sectors, which is an obstacle for their development;

BK. whereas such policies could include recommendations for various stages, such as breeding (breed selection, ram production etc.), as well for as market realisation;

Better support

1. Endorses the recommendations published by the 2016 EU Sheepmeat Forum, held under the aegis of the Commission, in particular the need to establish an environmental payment in recognition of the role played by the sheep and goat sectors in delivering public goods, especially where it is based on extensive grazing, as regards: land improvement and the preservation of biodiversity, ecosystems, environmentally valuable areas and water quality; the prevention of climate change, flooding, avalanches, forest fires and associated erosion; and the maintenance of the countryside and employment; stresses that these recommendations should be equally valid for the sectors of goat meat and sheep's and goat's milk products;
2. Calls on the Commission and on the Member States to consider offering incentives to farmers who practice transhumance;
3. Supports maintaining or, where appropriate, increasing voluntary coupled aid for sheep and goat farming and other respective measures targeted at both sectors, with differentiated subsidies for grazing herds, in the forthcoming reform of the CAP, with a view to arresting the drain of farmers from these sectors in the EU, in view of the high rate of dependence of much of the sheep- and goat-farmer sectors on direct payments;
4. Underlines the fact that, under the agreement reached in the negotiations on the Omnibus Regulation, the voluntary coupled support regime is simplified and clarified with the elimination of references to quantitative limits and to maintaining production, and with the provision that certain eligibility criteria, and the overall budget, may be reviewed annually by the Member States;
5. Calls on all Member States to extend agri-environmental payments to pastures used for sheep and goat grazing and to support farmers who provide enhanced animal welfare;
6. Welcomes the agreement reached in the negotiation of the Omnibus Regulation, which recognises the specific nature of Mediterranean grasslands, such as *dehesa* pasturelands, with a view to finding fairer arrangements governing the land eligible for direct payments and to redressing the intrinsic discrimination against rough grazing and silvo-pastoral systems;
7. Stresses the importance of this type of grazing land for fire prevention, but notes, however, that these improvements are still optional for Member States;
8. Believes that other ecosystems associated with grazed agroforestry should not be discriminated against in this regard, and calls for the 50 % grass threshold in wooded

areas, which is necessary to trigger a direct payment per hectare, to be abandoned for goat and sheep farmers;

9. Advocates authorising appropriate grazing in Ecological Focus Areas, including in dry and poor quality grasslands found in some less favoured areas;
10. Stresses that grazing should not be permitted when there is a risk of damaging sensitive natural areas; underlines, in this context, the great importance of ruminants in the exploitation of raw fibre;
11. Believes it necessary to offer greater support to young farmers and new entrants via both direct aid and rural development policy, in coherence with national policies, with a view to introducing incentives for the setting up or taking over of sheep and goat holdings, as the high average age of farmers in the livestock sectors, which clearly exceeds even that of other agricultural professions owing to their scant profitability, is among the key challenges in keeping rural areas alive and maintaining food security in the Union;
12. Calls on the Commission and the Member States to take into consideration the specific problems outlined by organisations representing women employed in these sectors, through measures to, *inter alia*, improve their visibility, promote ownership and co-ownership and introduce the necessary family support services;
13. Calls on the Commission and the Member States to develop specific programmes enabling women to find their place in these particular sectors, as this could contribute deeply to the necessary generational renewal in the sectors and help maintain sheep and goat farming as a family enterprise;
14. Calls on the Commission and the Member States to pay greater attention to the diversity of genetic resources in the sheep and goat sectors, given their importance for productivity (fertility, prolificacy, etc.), product quality and the adaptation of animals to their environment;
15. Appreciates the lines of support currently available to promote native breeds and differentiated quality, such as organic certification;
16. Stresses that, in this connection, the preservation of local and hardy breeds should be taken into account in animal breeding plans;
17. Stresses the importance of native sheep and goat breeds for grazing in the Alpine region, as using other breeds is impracticable;
18. Calls on the Commission to take measures to step up support for the keeping of such sheep and goat breeds;
19. Calls for an increased support for producer organisations in the sheep and goat sectors;
20. Takes into account the development of subsidies in the sectors, which is of the utmost importance to efforts to increase efficiency and competitiveness in production, improve product quality and hoist self-sufficiency of EU sheep meat supply – all of which aims

are consistent with the EU's efficiency development and quality improvement objectives;

Promotion and innovation

21. Calls on the Commission to step up support for research into innovative production methods and technologies with the aim of strengthening the competitiveness of the sheep and goat sectors, and promoting meat, dairy and wool products in the internal market, emphasising not only traditional products such as cheese, but also newer meat cuts in order to offer products that correspond to consumer expectations and market demand; calls as well on the Commission to encourage more regular consumption through information campaigns on cooking and preparation methods suited to new consumers, including in new emerging neighbouring countries and in eastern markets, highlighting the nutritional and health benefits of sheep and goat meat;
22. Considers it necessary to counteract the idea that lamb is difficult to cook and to counter the current trend of avoiding red meat;
23. Stresses that efforts to increase the consumption of sheep and goat meat are essential if production is to be increased in the EU;
24. Commends the Commission on its intention to set up a dedicated budget line for sheep and goat meat and milk products in the next promotion campaigns co-financed by the Union;
25. Highlights the need to ensure adequate funding to promotional campaigns aiming to increase the consumption of sheep and goat products throughout the EU;
26. Calls for pelts and wool to be included among beneficiary products;
27. Calls on the Commission to coordinate promotional campaigns for PGI and PDO labelling of sheep and goat products in order to increase their attractiveness; calls for an in-depth study of market outlets for wool to provide a greater economic return to producers;
28. Encourages more Member States to implement the optional quality term 'mountain product', as foreseen in current EU legislation, which is an instrument to ensure better product visibility and more informed choice for the consumers;
29. Stresses the need to introduce guarantee labels for lamb and kid meat, both for individual producers and for producer associations, as possible beneficiaries of support for differentiated quality; stresses that such labels must be approved by the competent local authority in accordance with relevant regulations and provisions governing the use of such labels;
30. Calls for support for EU-wide promotional events dedicated to the sheep and goat sectors, such as festivals and similar annual events, as a means of increasing public awareness about the benefits these sectors bring to the EU, the environment and its citizens;

31. Calls on the Commission and the Member States to support the exploitation of the high potential of traditional sheep and goat farming practices through agri-tourism;

Good practices

32. Invites the Commission to create the conditions for the development of a sheep's and goat's milk sector, allowing for the greatest possible added value in farms, by means of high quality policies favouring the production of milk products in farms, marketed primarily through short or local supply chains; stresses, in this connection, the importance of the Commission ensuring better implementation of hygiene rules in all Member States, not least by using the 'Guide for Good Hygiene Practices in Artisanal Cheese Production' drawn up by farmers from the Farmhouse and Artisan Cheese & Dairy Producers European (FACE) network in collaboration with the Commission;
33. Calls on the Commission to set up an online platform focused on the sheep and goat sectors with the main purpose of exchanging relevant good practices and data from the Member States;
34. Urges the Commission to draft guidelines for good practices for marketing products from the sheep and goat sectors that can then be shared among the Member States and with professional organisations;
35. Calls on the Commission and the Member States to devote more attention to the wool production and processing sector by supporting the implementation of programmes for the exchange of information and good practices among participants in the wool processing chain;
36. Urges the Commission to look into the possibility of making exceptions for wool when applying Regulation 1069/2009 and Regulation 142/2011 on the treatment of animal by-products, given that this is a product that is not intended for human consumption;

Improving markets

37. Calls on the Commission to bring forward proposals on price transparency in the sectors in order to provide consumers and producers with information to on product prices;
38. Calls on the Commission and the Member States to consider the possibility of harmonising arrangements on carcasses so that they reflect real costs, without prejudicing the biodiversity ensured by local breeds, and the establishment of a European observatory monitoring the prices and production costs of sheep and goat meat; highlights the importance of monitoring margins throughout the food supply chain, including wholesale prices;
39. Warns that static or falling demand, and higher production, can lead to lower prices for producers;
40. Recalls that under Article 149 of Regulation No 1308/2013, producers of sheep's milk or goat's milk, grouped in a producer organisation, may conduct joint contractual negotiations on up to 33 % of national production and 3.5 % of European production; stresses that these thresholds were established primarily for the production of raw cow's

milk and are therefore restrictive and poorly adapted to the production of small ruminants, particularly when farmers wish to organise themselves into associations of local producer organisations or multi-buyer producer organisations, or when faced with a large industrial group;

41. Calls for the establishment of precise indicators to be able to monitor more closely the production and consumption of, and trade in, goat meat, with a distinction being made between adult animals and kids;
42. Believes it necessary to improve the bargaining power and market power of producers in the food chain, extending rules on contractual relations for sheep and goat farming, and for meat products as well as milk products, by establishing producer and interbranch organisations similar to those existing in other crop and livestock sectors, in line with the agreement reached as part of the Omnibus Regulation, in order to improve the competitiveness and current low productivity of the sectors;
43. Calls for including the PDO and PGI quality labelling of sheep meat with that of ham, as it is spelled out in Article 172 of Regulation 1308/2013, as a supply management measure to increase the possibilities for matching supply with demand;
44. Notes that producer organisations, or associations of producer organisations, of sheep's milk or goat's milk may disregard the binding ceilings under Article 149 of Regulation 1308/2013 if they exercise an economic activity (promotion, quality control, packaging, labelling or processing) jointly, in accordance with Article 152, as amended by the Omnibus Regulation;
45. Encourages all Member States that do not yet provide Milk Package financial support to sheep and goat milk sectors to do so;
46. Believes that products from sheep and goats must be prevented from being sold below producer prices;
47. Calls on the Commission to investigate, in cooperation with Member States, the sheep meat and goat meat supply chain (e.g. distinguishing between meat from mature animals and kids) to ensure that farmers receive a fair return from the marketplace;
48. Stresses, in this context, the importance of direct marketing of sheep and goat products;
49. Calls on the Commission to foster a climate of direct sales by producers and producer organisations in order to limit artificial price increases;
50. Supports the development of local supply chains in the sheep-farming sector as a way of increasing sheep farm income and improving the match between supply and demand, and calls on the Member States and the Commission to pay particular attention to their public policies on local slaughterhouses, which are essential to the development of these local supply chains;
51. Recalls that producers can put in place measures to regulate the supply of cheese, including from sheep's milk or goat's milk, with a PDO or PGI label in accordance with Article 150 of Regulation 1308/2013;

52. Welcomes the fact that these instruments have been extended beyond 2020 as part of the agreement reached on the negotiation of the Omnibus Regulation;
53. Considers it necessary to promote the concentration of supply among farmers in ventures, such as cooperatives, that will boost their bargaining power in the food chain, add value to member farmers' production and carry out activities that will lead to cost savings or that are difficult to accomplish individually, such as innovation and livestock consultancy;
54. Encourages authorities in those Member States in which professional organisations in the sheep and goat sectors have shown a proven interest to draw up mid- and long-term strategies for the development of these sectors, with suggestions on how to improve breed selection and the market realisation of products;
55. Calls on the Commission and the Member States to initiate programmes to encourage producers to set up producer and marketing groups, to engage in direct marketing and to produce and label special qualities of sheep and goat meat and milk products (such as organic products or regional specialities);
56. Calls on the Commission to ease the administrative requirements for opening small cheese-making ventures on sheep and goat farms, thereby enabling farmers to boost the added value of their farms;
57. Urges the Commission to consider additional tools and instruments that can help the sectors face crises, meet global challenges and ensure their sustainable development;.
58. Considers it necessary to have crisis prevention and management instruments at the ready for the sheep and goat sectors in order to be able to limit price volatility, ensure a fair return for producers and an environment conducive to investment, and the taking over of farms by young people;
59. Notes that the quality of sheep and goat meat depends to a great extent on their food resources, and that the conditions of competition in the sheep and goat sectors therefore vary considerably from one region to another within the EU;
60. Calls on national authorities to ensure that producers have access to markets and that specialised outlets are established;

Brexit and trade agreements

61. Asks the Commission to ascertain what the post-Brexit sheep meat market will look like, and to put necessary measures in place to prevent severe market disturbances, including the establishment of a more efficient safety net for prices and markets in order to protect the sector from the impact of Brexit;
62. Urges the Commission to exercise caution in negotiating the new FTAs with New Zealand and Australia pending its analysis of the impact of Brexit on sheep and goat farming, especially as regards the future of the 287 000 tonnes carcass weight equivalent quota for sheep meat granted by the EU to New Zealand, around 75 % of which is used up on average, with around 48 % going to the UK, and the 19 200 tonnes

carcass weight equivalent quota for sheep meat granted by the EU to Australia, almost 100 % of which is used up on average, with around 75 % going to the UK;

63. Takes the view that the new FTAs should stipulate that New Zealand's and Australia's quotas for lamb meat exports into the EU be split into separate categories for fresh or chilled and frozen meat; recalls that while lambs are very often marketed at the age of 6 or 9 months in the EU, in New Zealand they are often marketed at the age of 12 months; highlights that preferential market access should not be increased above existing tariff-rate quotas;
64. Recalls that Parliament has identified sheep meat as a particularly sensitive item in FTA negotiations with New Zealand, and has supported the potential exclusion of the most sensitive sectors in its resolution of 26 October 2017 containing its recommendation to the Council on the proposed negotiating mandate for trade negotiations with New Zealand¹;
65. Reiterates that any FTA must fully respect the EU's high animal welfare, environmental and food safety standards; notes that current tariff-rate quotas for New Zealand have an impact on EU sheep meat production;
66. Is worried about the letter that the United States and six other large agriculture exporters (Argentina, Brazil, Canada, New Zealand, Thailand and Uruguay) have sent to the representatives of the UK and the EU at the World Trade Organisation (WTO) on 26 September 2017 concerning internal discussions on the possible redistribution of import tariff quotas between the United Kingdom and the remaining EU Member States;
67. Stresses how important it is that the UK maintains its current share of tariff quotas after its exit from the EU, and that a deal is reached in which none of the UK and EU markets are oversupplied by imported sheep meat, in order to prevent producers in the UK and EU from suffering negative consequences;
68. Understands how dependent the UK sheep meat sector is on the EU market, but considers that this situation presents both challenges and opportunities;
69. Considers that the UK leaving the EU should be an opportunity to develop the European sheep and goat sectors further with a view to making the EU less dependent on imports of sheep and goat meat from New Zealand;
70. Regrets that the more than 1 400 European agricultural products protected by a geographical indication do not automatically benefit from equivalent protection in third-country markets covered by international trade agreements negotiated by the EU;
71. Calls for consideration to be given to the precarious situation of sheep and goat farmers when entering into further trade agreements with third countries, specifically by listing them as sensitive sectors or by excluding them from the negotiations altogether, so as to avoid any provisions that could in any way compromise the European model of production or damage local or regional economies;

¹ Texts adopted, P8_TA(2017)0420.

72. Stresses that production costs and standards of the main sheep and goat meat-exporting countries are significantly lower than those in Europe;
73. Stresses that these sectors should be given appropriate treatment, for example through the introduction of tariff-rate quotas or adequate transition periods, with due account taken of the cumulative impact of trade agreements on agriculture, or even by excluding them from the scope of the negotiations;
74. Stresses particularly, in this context, the severe problems posed by concerns for animal welfare during, and over the environmental impact of, long transport routes from or to distant countries;
75. Calls on the Commission to introduce a mandatory EU labelling regulation system for sheep meat products, possibly with an EU-wide logo, to allow consumers to distinguish between EU products and those from third countries; suggest that such a label could be certified using a number of criteria, including a farm assurance scheme and a country of origin indication, to ensure that consumers are fully aware of the place of origin of the product;
76. Considers that such system must be designed in a way as to avoid undermining existing promotional labelling schemes at Member State and regional level;
77. Calls on the Commission to provide assistance in opening export markets for EU sheep meat and offal in countries where unnecessary restrictions currently apply;
78. Calls on the Commission to consider an increase in exports to North Africa, which is a growing market that appreciates the quality and food safety guaranteed by the EU;
79. Calls on the Commission to prepare reports about the possible target markets for EU goat and sheep meat and dairy products;
80. Calls on the Commission to promote the quality of products exported by the EU, notably through strict sanitary standards and traceability, which guarantee sheep and goat meat of a higher quality than that exported by New Zealand and Australia; points out that the EU's particular emphasis on quality is something that should be stressed in order to encourage consumption of European sheep and goat meat;

Electronic identification system

81. Urges the Commission and the Member States to consider harmonising tolerance levels when punishing livestock farmers for inadvertent errors in the application of sheep tagging and the electronic identification system, on the strict condition that this does not lead to acceptance of a higher margin of error than for preventive animal health care and that it is justified in the light of the 'One Health' approach;
82. Recognises the importance of a unified approach to, and an improvement of, preventive animal health care in the Union;
83. Stresses that Member States should implement legislation without exception;
84. Points out that the ear tag loss rate is higher for extensively grazed sheep in areas of

natural constraint than for other livestock in lowland systems, and asks that the Commission acknowledges this;

85. Ask the Commission and the Member States to study the possibility of designing a simplified identification system for small-scale herds in extensive production intended for local circuits that is without detriment to the effective traceability of products, and to introduce more flexible and growth-orientated provisions regarding the use of electronic ear tags;
86. Notes that identification systems should be designed in such a way as to minimise bureaucracy; stresses that low-income producers will need financial assistance if they are to install costly and compulsory electronic identification systems;

Health aspects

87. Notes that outbreaks of animal diseases have disastrous consequences for the welfare of animals, farmers and local residents;
88. Stresses that human and animal health must have priority at all times;
89. Considers that more action is needed to prevent cross-border outbreaks of animal diseases and reduce the impact of antibiotic resistance, and to promote vaccination to combat the spread of infections in sheep and goat,
90. Calls on the Commission to provide incentives and support for sheep and goat farmers who can demonstrate that they have attained high vaccination coverage among their animals, in keeping with the European One Health Action Plan against Antimicrobial Resistance (AMR), as there would otherwise be little market incentive for farmers to do so;
91. Calls on the Commission to improve its ability to respond to outbreaks of animal diseases, such as bluetongue, by means of a new EU animal health strategy, research funding, compensation for losses, advances on payments, etc.;
92. Calls for the drawing up of a plan to prevent disease and mortality among male kids based on the intrinsic value of the animal and by prioritising both the welfare of male kids and that of goats;
93. Calls on the Commission to facilitate the use of immunoprecise vaccines as a first measure to combat possible disease outbreaks in the sectors;
94. Stresses the need to improve the availability of medicinal and veterinary products for the sheep and goat sectors at a EU level through support for pharmaceutical research and the simplification of marketing authorisations;
95. Calls on the Commission and the Member States to re-assess the level of monitoring of the health of wild animals, particularly in areas where herds are extensively managed;

Predators

96. Recalls that the proliferation of predators is a result of, inter alia, current EU legislation

aiming at preserving indigenous wild animal species;

97. Supports a review of the relevant annexes of the Habitats Directive with the aim of controlling and managing the spread of predators in certain grazing areas;
98. Calls on the Commission to take into account the flexibility provided for by that directive to tackle these problems so as not to jeopardise the sustainable development of rural areas;
99. Underlines the need for an objective, science-based approach that considers animal behaviour, predator-prey relations, accurate regionally-specific quantification of predation risk by species listed in the Habitats Directive, hybridisation, range dynamics and other ecological issues in any suggestions considered;
100. Stresses that attacks on herds by wolves and non-protected wolf-dog hybrids are on the rise despite the mobilisation of ever-greater resources, which are increasingly costly for farmers and communities;
101. Notes that the limits of the measures recommended and implemented to protect herds are now becoming apparent, as the number of animals lost has risen substantially;
102. Points out that this ineffectiveness is now calling into question the future of environmentally-friendly modes of farming, such as pastoralism, as some farmers are starting to confine their animals, which in due course will lead not only to the abandonment of very extensive areas, generating huge fire and avalanche risks, but will also shift farms towards more intensive forms of agriculture;
103. Invites the Commission and the Member States, as well as local and regional authorities, in consultation with farmers and other stakeholders, to consider rural development measures to protect herds, to provide due compensation for losses caused by attacks from large predators, including predators not protected under the Habitats Directive, and to adjust the aid in order to replenish the herds;
104. Considers it necessary to take steps to review the protection status of predators in the context of the Berne Convention;
105. Urges the Member States to implement the recommendations of that convention with a view to preventing the spread of wolf-dog hybrids, as they threaten the conservation of the species *Canis lupus* and are very largely responsible for attacks on sheep and goat herds;
106. Notes the partial success of schemes to re-introduce strains of sheepdogs as a means to warn off wolves or at least hybrids;
107. Proposes that ‘wolf ombudsmen’ be selected to mediate between the various interests concerned, and in disputes over protection status and the need to compensate for losses from wolf kills, following the successful model for ‘bear ombudsmen’ in some Member States;
108. Calls on the Commission to take into account the recommendations made by Parliament

in its resolution of 15 November 2017 on the Action Plan for nature, people and the economy;

109. Calls on the Commission and the Member States – with a view to improving the employment situation in the sectors – to develop programmes to improve the training of guard and shepherd dogs and to provide training in their proper application in livestock farms, and, to this end, to urgently improve cross-border cooperation and the exchange of ideas and successful approaches between administrations, stock farmers and conservationists as regards large predators;
110. Calls for the establishment of protected grazing areas where large predators can be regulated, so that the return of large predators does not lead to setbacks in farm practices favourable to animal welfare (migratory sheep herding, open stabling, etc.) or in traditional agriculture and pasture farming (high-altitude summer grazing);

Slaughterhouses

111. Notes that concentration in the slaughterhouse sector is on the rise, and is reflected by the fact that meat processing groups control the whole meat industry chain from live animal to packaged fresh meat, leading not only to longer transport routes for live animals but also to higher costs and lower profitability for producers;
112. Calls on the Commission to identify support measures for the establishment of slaughter points and the simplification of authorisation procedures;
113. Calls on the Commission and the Member States to develop local networks that can act as levers for increasing incomes by facilitating the establishment of local and mobile slaughterhouses, which are essential for the structuring of these sectors;

Training

114. Calls on the Member States to put in place training schemes for representatives of the sectors on how to valorise the products so that they can compete with other meat and dairy products;
115. Considers it vital that shepherding schools focusing on transhumance are set up in those Member States where this type of farming is more common, with the aim of providing an alternative source of employment in livestock farming that will favour generational renewal while, at the same time, helping to enhance the dignity and social recognition of the traditional profession of grazing livestock;
116. Considers it necessary to facilitate not only innovation (farming practices, new products, etc.), but also advice and initial and ongoing training in the sheep and goat sectors;

Other items

117. Calls on the Commission to implement and enforce the relevant EU law, in particular Council Directive (EC) N°1/2005 of 22 December 2004 on the protection of animals during transport;

118. Considers it necessary to comply with the judgment of the European Court of Justice, which has ruled that protection of animal welfare does not cease at the EU's external borders and that transporters of animals being exported from the European Union must therefore comply with EU animal welfare rules, including outside the EU;
119. Draws attention to the lack of water in many sheep- and goat-farming regions, particularly those in the Mediterranean area, a situation which will only worsen with global warming;
120. Stresses, therefore, the need to ensure better management of water resources through adapted facilities, taking into account the distribution of rainfall over the year and sustainability;
121. Instructs its President to forward this resolution to the Council and the Commission.

EXPLANATORY STATEMENT

Sheep and goat farming are indubitably the most fragile livestock-farming sectors in the European Union. The rapid aging of workers, coupled with the serious health crises among these animals in recent years have led to the loss of 25 million heads of livestock since the 1980s.

The high degree of dependence on CAP aid is a symptom of the vulnerability of these sectors, which have had to adapt to constantly falling meat consumption. Although accounting for only 3.6% of the total value of meat production in the EU, with 98 million head of livestock, sheep and goat farming is spread over vast swathes of the countryside, often in areas presenting significant natural handicaps. A well-known example is the United Kingdom, where herds occupy 31% of agricultural area, or countries such as Spain, Romania and Italy, where they cover 20% of the land. There are 850 000 sheep- and 450 000 goat farms. In respect of the former, the UK leads the way with 39.5% of total farms, followed by Spain (27.4 %), Greece (15.9%), Romania (15.6%), France (12.2%), Italy (12.2%) and Ireland (11%). As for goat farming, Greece takes first place with 35%, followed by Spain (21%) and Romania (10.6%). France (10.3%) and Italy (7.9%).

In overall terms, sheepmeat production accounts for the most value, but is in serious decline, while certain dairy products that have proven more responsive to changing consumer habits, are becoming more popular. Trends observed within the goat-farming sector are rises in the supply of dairy products and in kid meat exports to third countries.

The UK's exit from the European Union will be one of the sector's principal areas of concern in the coming years, given the overwhelming weight of that country on the European market and its position as the main gateway for imports from third countries. Aside from its impact on trade, Brexit will have repercussions on the EU budget, with weaker sectors – such as sheep and goat farming – potentially bearing the brunt in the event of cross-sectional cuts to Common Agricultural Policy funding. The UK's departure could have a more marked impact on Ireland's sheep-farming sector, given that the latter country exports 80% of its production, of which 63% is sold on the French and UK markets. The UK is also the main port of call for sheepmeat imports from third countries, with New Zealand first amongst them. Its exit from the EU therefore creates uncertainty for its trade flows with the other 27 Member States.

In addition to cyclical factors, the great structural weakness hanging over these sectors is the 40% slump in sheep- and goatmeat consumption in the EU over the past 15 years, from 3.6 kg to 2 kg per capita. The Commission, following the recommendations of the EU Sheepmeat Forum, which it set up in 2015, appears to have made up its mind to redouble its efforts to promote the sector. The Commission is to introduce a dedicated budget line for the sheep- and goat-farming sectors in the next promotion campaigns, part-financed from the EU budget, which will have the benefit of eliminating pressure from competing aid applications from other meat sectors. Your rapporteur welcomes the Commission's laudable proposals to help increase sheep- and goatmeat consumption, and suggests that particular attention be paid to campaigns aiming to raise consumption not only of traditional products but also of newer cuts to attract younger consumers. EU funding should also be used to boost support for innovation in sheep- and goat farming.

This form of livestock raising unquestionably brings environmental added value, helping as it

does to maintain the biodiversity and landscape in areas either suffering from geographical disadvantages or low land fertility and contributing to the fight against phenomena such as erosion, avalanches or fires. Livestock grazing plays the inestimable role of guardian of the countryside, which, combined with the vulnerability of these sectors, justifies the fact that 22 out of 28 Member States have decided to grant sheep and goat farming an average of EUR 486 million (an average of EUR 12 per head of livestock) in coupled aids for the current financial perspectives, with a view to arresting the drain of workers from these sectors for many years. The coupling of this aid should be maintained, and, if possible, increased in the forthcoming reform of the Common Agricultural Policy.

The EU's current level of self-sufficiency is 87%, but the sheepmeat sector is under particular pressure from imports from certain third countries, such as New Zealand and Australia, and thus has difficulties competing at critical points in the sales year (Easter and Christmas). The structure of New Zealand's exports has changed in recent years, transitioning away from frozen meat towards fresh and chilled meat. The sector therefore calls for these changes to be taken into account in negotiations for a free-trade agreement with that country, by dividing the current tariff quota into segments.

In the sheep and goat sectors – unlike in the beef sector, a 'transit' sector with which they compete – there is no harmonisation of carcasses among Member States, which, together with the highly fragmented production models, leads to a considerable lack of transparency in the prices reported. This makes it impossible to gain an accurate picture of the situation in those sectors with a view to taking support measures in times of crisis. This is compounded by tensions caused by imbalances in the food chain that inhibit many farming sectors of the European Union. Unlike ewe's and goat's milk products, which are afforded protection under the 'milk package', meat sectors do not benefit from EU-level measures governing contractual relations.

Proposals of the EU Sheepmeat Forum

The rapporteur congratulates the European Commissioner for Agriculture, Phil Hogan on launching in 2015 EU Sheepmeat Forum, which has served as a platform for discussion on future measures in to support this sector, and strongly endorses the recommendations it made in 2016. It is the rapporteur's view that these recommendations should be equally valid for the sectors of goatmeat and ewe's and goat's milk products.

The measures suggested by the forum include the introduction of a new environmental aid payment in recognition of the key role these sectors play in conserving vast swathes of the continent suffering from natural geographical disadvantages. Such aid would be provided separately from support already provided under the rural development policy and would be contingent on compliance with certain environmental requirements.

Increased support for young farmers is also needed, particularly through rural development programmes, as is the maintenance of specific payments under the direct payment scheme. The agreement reached as part of negotiations for the Omnibus Regulation to increase direct support for young people is of particularly crucial importance for sectors such as sheep and goat farming in which the age of the workforce is especially high.

The forum's recommendations also include launching new promotion measures primarily

focusing on the internal market, via campaigns with a dedicated budget for these sectors. The Commission has already responded favourably to these proposals.

It also advocates establishing a market observatory to monitor trends in prices in the various links in the supply chain, as well as production costs and trade data.

The forum also believes that improving the bargaining power of producers in the food chain needs to be enhanced and recommends extending the provisions on contractual negotiations in other farming sectors under the Common Market Organisation.

As regards trade issues, the forum stresses that producers would like to be classed as sensitive sectors in trade negotiations with third countries. Trade flows should be therefore be re-examined and following Brexit and the same health and consumer protection standards that EU producers must comply with need to be applied to imports from third countries.

The forum is in favour of measures to simplify the electronic identification system, as well as maintaining the derogation granted for animals destined directly for abattoirs, while recognising the role played by this provision – introduced in the wake of the foot-and-mouth disease crisis in the UK in 2001 – in ensuring full product traceability.

The increasing number of attacks on herds of sheep and goats by predators (wolves, bears and lynxes) is a further concern raised by the forum. These incidents are attributable to the proliferation of such animals as a result of the protection measures enshrined in the directive on the conservation of natural habitats and of wild fauna and flora. The rural development programmes currently provide for the possible granting of aid to counter this threat, but given that these programmes are already oversubscribed and that the budget for the second pillar of the CAP is limited, the possibility of amending the directive should be considered.

The rapporteur takes the view that the Commission and Member States should consider the forum's recommendations seriously with a view to the forthcoming reform of the Common Agricultural Policy.

INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE

Date adopted	21.2.2018
Result of final vote	+: 37 -: 3 0: 0
Members present for the final vote	Clara Eugenia Aguilera García, Eric Andrieu, José Bové, Daniel Buda, Matt Carthy, Michel Dantin, Paolo De Castro, Jean-Paul Denanot, Albert Deß, Diane Dodds, Herbert Dorfmann, Norbert Erdős, Luke Ming Flanagan, Martin Häusling, Anja Hazekamp, Esther Herranz García, Jan Huitema, Peter Jahr, Jarosław Kalinowski, Zbigniew Kuźmiuk, Norbert Lins, Philippe Loiseau, Mairead McGuinness, James Nicholson, Maria Noichl, Laurențiu Rebega, Jens Rohde, Bronis Ropé, Ricardo Serrão Santos, Czesław Adam Siekierski, Tibor Szanyi, Marc Tarabella, Maria Gabriela Zoană, Marco Zullo
Substitutes present for the final vote	Franc Bogovič, Angélique Delahaye, Stefan Eck, Fredrick Federley, Jens Gieseke, Maria Heubuch, Karin Kadenbach, Ivari Padar
Substitutes under Rule 200(2) present for the final vote	Tim Aker, Stanisław Ożóg

FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

37	+
ALDE	Jan Huitema, Jens Rohde
ECR	Zbigniew Kuźmiuk, James Nicholson, Stanisław Ożóg
EFDD	Marco Zullo
ENF	Philippe Loiseau, Laurențiu Rebega
GUE	Matt Carthy, Luke Ming Flanagan
NI	Diane Dodds
PPE	Franc Bogovič, Daniel Buda, Michel Dantin, Angélique Delahaye, Albert Deß, Norbert Erdős, Jens Gieseke, Esther Herranz García, Peter Jahr, Jarosław Kalinowski, Norbert Lins, Mairead McGuinness, Czesław Adam Siekierski
S&D	Clara Eugenia Aguilera García, Eric Andrieu, Paolo De Castro, Jean-Paul Denanot, Maria Noichl, Ivari Padar, Ricardo Serrão Santos, Tibor Szanyi, Marc Tarabella, Maria Gabriela Zoană
VERTS/ALE	José Bové, Martin Häusling, Bronis Ropé

3	-
EFDD	Tim Aker
GUE	Stefan Eck, Anja Hazekamp

0	0

Key to symbols:

+ : in favour

- : against

0 : abstention