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## MOTION FOR A RESOLUTION

further to Question for Oral Answer B7-0559/2010

pursuant to Rule 115(5) of the Rules of Procedure

on the crisis in the EU livestock sector

**George Lyon, Liam Aylward**  
on behalf of the ALDE Group

**European Parliament resolution on the crisis in the EU livestock sector**

*The European Parliament,*

- having regard to its resolution of 8 July 2010 on ‘the future of the Common Agricultural Policy after 2013’<sup>1</sup>,
  - having regard to its resolution of 7 September 2010 on ‘fair revenues for farmers: a better functioning food supply chain in Europe’<sup>2</sup>,
  - having regard to its resolution of 5 May 2010 on ‘evaluation and assessment of the animal welfare action plan 2006-2010’<sup>3</sup>,
  - having regard to Rules 115(5) and 110(2) of its Rules of Procedure,
- A. whereas European producers must comply with the most stringent regulations in the world regarding food safety and quality, the environment and animal health and welfare,
- B. whereas the current crisis in the livestock sector may lead to a significant reduction in meat production across the European Union which will have serious consequences, not only on prices but also on food security in the EU and will mean a greater dependence on imports,
- C. whereas EU agricultural income is 50 % lower than average EU income and the incomes of livestock producers are the lowest in the farm sector; whereas this situation has been further aggravated by the current economic turmoil,
- D. whereas imports from third countries have been gaining market shares in the European Union and putting further pressure on market prices for livestock products,
- E. whereas European producers are competitively disadvantaged vis-à-vis third-country producers as their production costs are higher, resulting to a great extent, from the need to achieve very high standards in animal health and welfare, food safety and environmental protection,
- F. whereas the European Union is highly dependent on soy beans and maize imported from third countries and any interruption of the supply of these products due to a minute presence of non-authorised GMOs has a very costly impact for the European feed industry and for livestock farmers (for example, EUR 1 billion if the disruption lasts six months),
- G. whereas farm income in the beef, sheep meat and dairy sectors heavily depend on direct payments,

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<sup>1</sup> Texts adopted of that date, P7\_TA-PROV(2010)0286.

<sup>2</sup> Texts adopted of that date, P7\_TA-PROV(2010)0302.

<sup>3</sup> Texts adopted of that date, P7\_TA-PROV(2010)0130.

- H. whereas, in some new Member States, very few farmers in the livestock sector have benefited from direct payments and therefore have had greater difficulties in complying with the stringent European standards that require costly investments,
  - I. whereas the pig and the poultry sectors do not receive any direct support from the CAP, have no safety net to alleviate the impact of market volatility and must comply with the most stringent EU regulations regarding the environment and animal welfare,
  - J. whereas it is urgent that the EU adopts measures to curb extreme price volatility and fight against excessive market speculation, which has been one of the main causes of the recent increase in cereal prices,
  - K. whereas world demand for meat and other livestock products will rise in the coming decades as the world population is expected to grow rapidly and purchasing power will increase considerably, leading to a westernised diet in developing countries,
  - L. whereas the EU lacks the tools to anticipate the evolution of world market prices and is too dependent on forecasts delivered by third countries, such as the USA,
  - M. whereas the gap between prices paid by consumers and prices received by producers has grown noticeably,
  - N. whereas the majority of livestock farmers are now facing substantial rises in their input prices, especially in feed and fertilizers,
  - O. whereas the EU livestock sector is inextricably linked to the economy of Europe's rural areas, many of which are less-favoured and have no other viable production alternatives,
  - P. whereas a competitive crop production is closely linked to a vibrant livestock sector,
  - Q. whereas the situation on the beef market is closely linked to developments in the dairy sector, given that 70 % of EU red meat production comes from dairy cows,
  - R. whereas the EU dairy sector has been facing extreme market volatility since 2007 with detrimental effects on dairy farmers' incomes and on the ability to sustainably produce quality food for European consumers,
  - S. whereas European Commission data on the functioning of the food supply chain shows that there is a need for more transparency and more information related to production and market developments,
  - T. whereas there is an important amount of consolidation and merger activity in the fertilizer supply industry, the majority of which is in the hands of relatively few players,
1. Calls on the Commission and the Council to ensure that the CAP beyond 2013 is adequately financed to guarantee the viability of all EU farmers, including livestock farmers; stresses in this context that fair competition between farmers in the different Member States must be guaranteed;
  2. Calls on the European Commission to put in place, when necessary, efficient and flexible

measures to limit the impacts of extreme price volatility;

3. Asks the Commission to take the necessary steps to fight against the excesses of speculation on commodity markets; stresses that those steps should be taken as part of the efforts to regulate the financial markets at global and EU level;
4. Calls on the European Commission to carefully release intervention grain stocks onto the market to assist livestock producers who have been strongly affected by the rapid rise in grain and feed prices;
5. Notes that cereal prices have risen from an all-time low which means that the European Commission will have little need for market intervention this year, leading to budgetary savings;
6. Considers that export refunds should be phased out in the EU according to plan by 2013;
7. Supports, as a matter of urgency, the introduction of a protein plan for the European Union that would promote the cultivation of protein and leguminous crops, which could also play an important role in the reduction of GHG emissions;
8. Calls on the Commission to provide legal certainty for imports of soy and maize from third countries by introducing a pragmatic threshold for the adventitious presence of GMOs which are not yet authorised in the European Union but are under scientific consideration;
9. Asks the European Commission to review the current ban on meat and bone meal for non-ruminants and to evaluate the possibility of lifting the restrictions under conditions which would ensure a high level of food safety;
10. Expresses serious concerns about recent consolidation in the fertilizers market which has led to a situation in many national markets, whereby there is effectively only one supplier and no competition left; calls therefore on the Commission to ask the competition authorities to investigate and take the necessary actions to prevent price fixing and abuse of dominant position;
11. Asks the Commission to ensure, in the context of increased consolidation, that a freely operating market functions in the input sector, including fertilizers, given that energy and fertilizers are essential commodities to grow products that contribute greatly to food supply;
12. Considers that primary producers are being 'squeezed' between high input prices and low consumer prices due to the strong positions of processors, retailers and input companies in the food supply chain, and therefore cannot fully benefit from increased output prices;
13. Calls on the Commission to propose a reinforcement of producer organisations in all livestock sectors in order to allow them to bargain better prices for their products while taking into account the production costs;
14. Asks the European Commission to take into account, within the next CAP reform, the

special vulnerability of certain livestock sectors, notably grassland beef production;

15. Asks the European Commission to consider specific measures, within the next CAP reform, to avoid serious losses of EU support for sustainable intensive livestock farmers;
16. Calls on the European Commission to reinforce measures to support the livestock sector in less favoured areas;
17. Asks the European Commission and the Member States to take into account the high costs of complying with animal welfare legislation, especially as these costs do not find themselves reflected in selling prices; calls, therefore, on the Commission to ensure the compliance of third-country imports with EU standards in animal welfare in order to avoid unfair competition; stresses that the pig meat and the poultry sectors will have to comply in the coming years with still more stringent requirements without any financial support from the European Union;
18. Calls on the Commission to evaluate the economic impact of the introduction of new welfare rules and to delay any new project until the current legislation is fully implemented;
19. Asks the Commission to ensure that the action it takes on trade and agriculture are not in conflict with each other and to recognise that there is a need for a balanced set of objectives which ensures progress on trade while providing European livestock sector with a sustainable future;
20. Calls on the Commission to fully safeguard the interests of European producers in bilateral trade negotiations with Mercosur and other third countries by avoiding concessions that could put EU livestock production at risk;
20. Instructs its President to forward this resolution to the Council and the Commission.