

Transatlantic Trade and Investment Partnership Toward a New Model of Bovine Meat Production in Europe?

The Transatlantic Trade and Investment Partnership (TTIP), which is under negotiation, should – according to the rules specific to so-called “sensitive” products that are still to be defined – include a liberalisation of bovine meat trade between the European Union and the United States.

Such a liberalisation, whether it is gradual or leads to a quota system, **will have major consequences for the European bovine meat sector**, both economically and socially and on the societal level.

In fact, when the livestock breeding systems and, more broadly, the practices carried out by the bovine meat producers, comply with standards that are radically different on the two sides of the Atlantic¹, a question may be legitimately raised: **what livestock breeding model does Europe want to favour tomorrow?**

How shall we go forward – through the Common Agricultural Policy and the set of European regulations that govern bovine meat production – a model of family farming largely based on grass, which creates jobs and protects the vitality of the rural countryside, is respectful of the environment and the wellbeing of the animals, when at the same time the trade policy of the European Union imposes on the principal players in this model unfair and untenable competition?

The massive opening of the European bovine meat market to American meat and the preservation in Europe of systems of “virtuous” cattle rearing that are the source numerous services to the population, the land and the environment, such as those encouraged by the CAP², are economically irreconcilable: therefore a major policy choice will have to be made in the context of these negotiations.

¹ Stéphane LE FOLL, the French Minister of Agriculture, declared on 20 April 2015 during a radio interview regarding the TTIP negotiations, “*On questions of food and agriculture, we (France and the United States) are an ocean apart.*”

² With overall financing of 408.31 billion euros (Source: Presentation on CAP Reform 2014-2020, Directorate-General for Agriculture and Rural Development of the European Commission Direction, brief on “The Prospects for Agricultural Policy”, No. 5, December 2013).

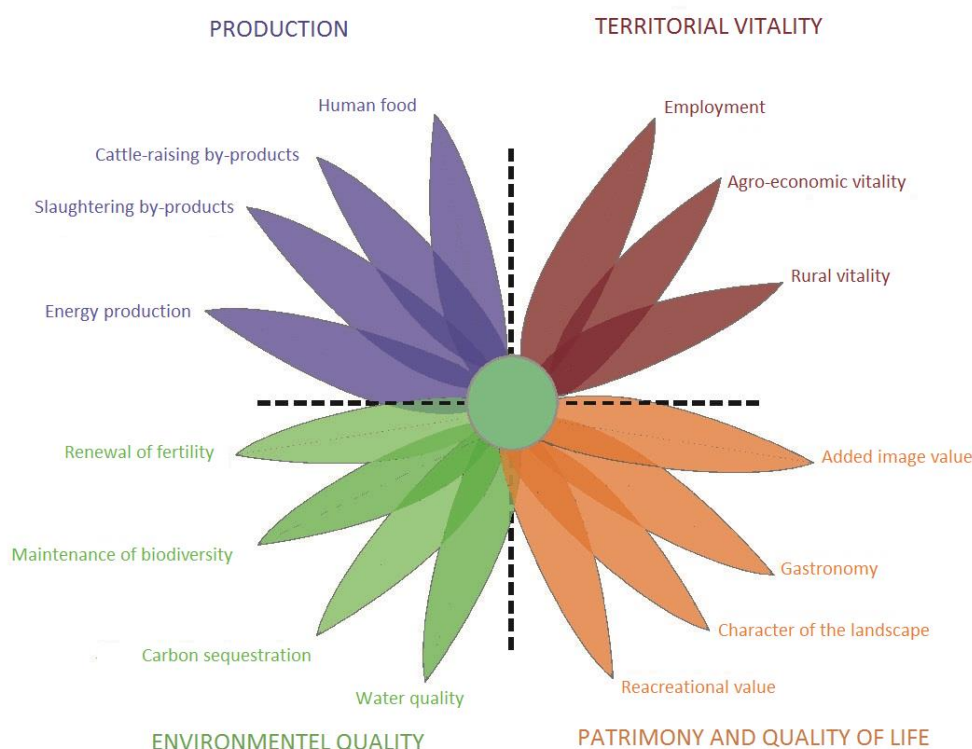
I – *Pre-TTIP*: cattle breeding and meat production in Europe today

I – A: The numerous benefits and “services rendered” to the population, the land and the environment

Bovine meat production is a major economic and social activity that contributes to feeding the population, but also plays a direct role in the management and vitalisation of the land, the protection of the environment and the cultural vibrancy of the European Union.

Apart from the hundreds of thousands of jobs that it represents – farmers, slaughterers, processors, butchers and so on – and generates³ (work in the by-products of farming, tourism etc.), this sector is the originator of “**services rendered**” that are directly connected to the European farming and food model.

CATTLE RAISING "RENDERED SERVICES" FLOWER



GIS élevage demain, Groupe Services

Source : *Atlas de l'élevage herbivore en France – Filières innovantes, territoires vivants* [Atlas of Herbivore Cattle Breeding in France – Innovative Industry, Living Land]. Editions Autrement.

³ In France, according to a recent study of the Vienna International Centre, close to 200,000 jobs, direct and indirect, depend on the bovine meat industry. On the average, 1,000 tonnes cwe of bovine meat produced in France require 114 jobs. The indirect jobs resulting from the economic attraction of the cattle rearing regions should be added to those.

I – A-1: Most European cattle raising for meat is a family based and grass based enterprise

European cattle raising is characterised by:

- **Grass based feeding and herds that are highly independent in terms of feeding.**

For example, **80% of the average diet of a meat bovine consists of grass**, in the form of pasture or hay, accompanied by maize, grains and vegetable proteins. A total of 90% of the herd's food is produced on the farmer's own holding.

This use of grass to raise ruminants makes it possible to maintain close to 67 million hectares of grassland within the European Union.

- **Family holdings and a low concentration of the animals.**

80% of European holdings that specialise in beef cattle have a maximum of two animals per hectare of forage land and therefore constitute extensive system. In certain member states such as Ireland, Finland and France, this percentage is even higher, varying between 87% and 95% of the specialised holdings (*AND formulation after RICA, DG Agri, October 2010*).

The European cattle raising model has not been taken over by industrialisation. Small family holdings represent the great majority of those in the European Union:

- The European average⁴ is 61 LU per holding, with Austria, Greece, Sweden, Finland, Portugal, Denmark, Ireland, Italy, Spain and the Netherlands having national averages below the European average.
- In Europe, the large farms, those having more than 100 LU (more than 180 animals on the average⁵) comprise 15.3% of the European holdings.
- In France, out of the 56,000 farms with more than 20 milk cows, only 6,000 have more than 100 cows, 1,400 more than 150 and 400 more than 200.
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Expansion of holdings: a real bone of contention in France

In France, mergers between farmers generally involve two or three cattle farmers. These mergers permits them to pool their skills and divide up their workdays. A few specific projects aimed at creating farms of a few hundred animals raise strong reactions and concerns within the civil society.

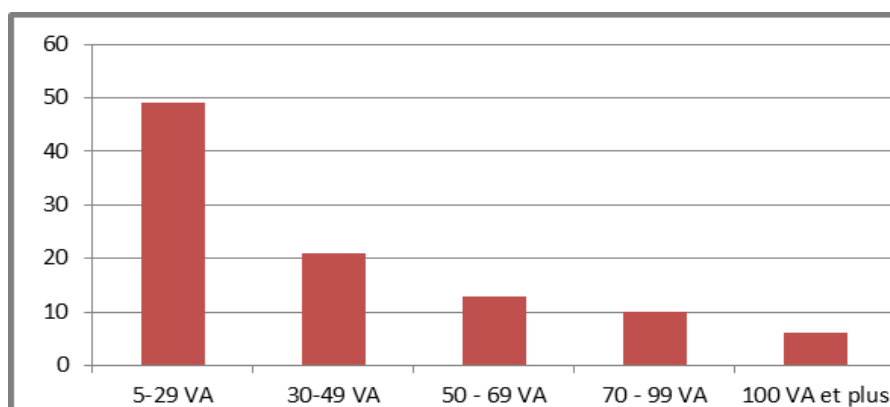
In Creuse, for example, several demonstrations have been organised during the last few months to protest plans for a "1000 calf farm", though it would satisfy the need for fattening domestically and would meet very high environmental requirements... and would have nothing in common with the industrial fattening operations practiced within the United States.

⁴ EU 15. Source : RICA EU 2002, European Commission DG AGRI-A3 / Adaptation INRA-SAE2 Nantes.

⁵ Considering that the LU's include milk cows (counted as 1 LU) and animals between 6 months and 2 years old (counted as 0.6 LU), and not including calves less than 6 months old, for 100 LU there are 120 animals more than 120 months old and 60 less than 6 months old.

In eastern Germany, the average size of the 900 holdings is 161 LU, or a total of 300 animals on the average per holding when the offspring (calves less than 6 months old) are counted, but there is a reduction in the LU count for animals less than two years old.⁶

Breakdown of French holdings keeping milk cows as a function of barn size:



Source : Atlas de l'élevage herbivore en France – Filières innovantes, territoires vivants [Atlas of Herbivore Cattle Breeding in France – Innovative Industry, Living Land]. Editions Autrement.

I – A-2: Beef cattle raising in Europe: respectful of the animal's wellbeing and protective of the environment

Respect for the animal's wellbeing is a duty and a sign of quality for European farmers, who are prepared to protect the animals and keep them from any suffering or avoidable stress. Their practices (such as health monitoring, housing conditions, diet and transport) are strictly defined in European regulations (*see section I-C-2*), which are reinforced by national laws and the Charters of Good Livestock Breeding Practices, which are implemented – particularly in certain countries such as France – within the framework of professional and inter-sector organisations.

Environmentally, the European beef cattle breeding model as promoted by CAP has many advantages: with regard to the fight against global warming. Considering, for example, the space occupied in Europe by grasslands for raising and feeding the animals, **carbon fixation by the pasturelands** approximately compensates for all of the enteric methane emissions. On the other hand, any intensification would result in degrading this balance. In addition, the presence of these pastures **contributes significantly to the protection of biodiversity and water quality**.

⁶ *Idem.*

Advantages and services rendered from environmental cattle raising

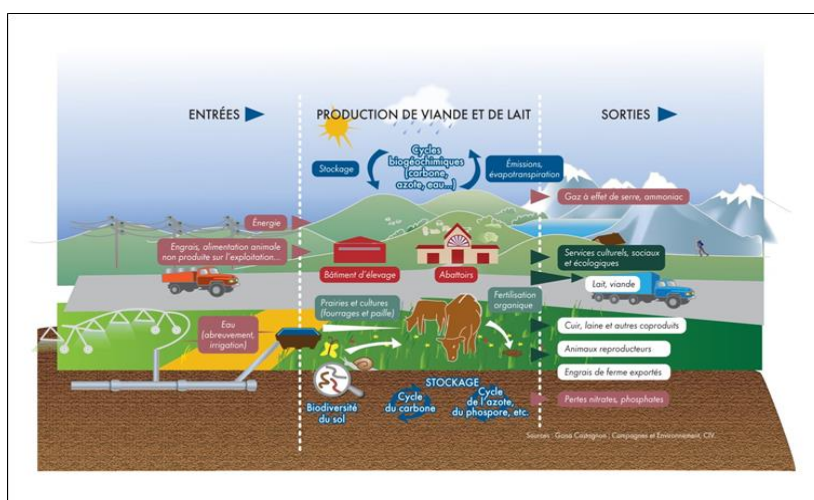
- **A production cycle respectful of the environment**

- *Feed that is less costly in energy.*

As currently practiced, the raising of beef cattle mobilises significant quantities of grass, a little tame hay and a marginal amount of grain. Very lightly mechanised, this feed system relies basically on the exploitation of solar energy, which (thanks to photosynthesis) makes plant material grow, particularly meadows. In this way it differs from very intensive mechanised systems that mobilise significant quantities of fossil energy, both for diesel fuel and for chemical fertilizers.

- *Animal waste (manure and slurry) recycled on the farm*

As an alternative to chemical fertilizers, the use of animal waste allows France to avoid the industrial production and consumption of 660,000 tonnes of mineral nitrogen, 500,000 tonnes of phosphate and 1.6 million tonnes of potassium. These amounts represent a saving of 1.2 tonnes equivalent of CO₂, or 40% of the current emissions associated with the manufacture of chemical fertilizers.



Source : Atlas de l'élevage herbivore en France – Filières innovantes, territoires vivants [Atlas of Herbivore Cattle Breeding in France – Innovative Industry, Living Land]. Editions Autrement.

- **A major advantage: storage of carbon in the soil of the grasslands**

By maintaining 67 million hectares of grasslands in Europe (20% of the area of the EU), 85% of which are in permanent meadows, the European ruminant herd contributes to carbon storage and thus combats global warming.

According to a study by the Joint Research Centre (*Evaluation of the livestock sector's contribution to the EU greenhouse gas emissions, GGELS 2013*), the permanent and temporary grasslands on the European level would compensate for a large part of the methane emissions produced by livestock rearing:

- 93 % of the total emissions of methane coming from agricultural activities.
- 95 % of the total emissions of methane associated with herbivores (enteric methane + other sources of methane, such as those associated with animal waste).

- **Livestock rearing: a direct contributor to biodiversity**

Grasslands, hedgerows and all of the agro-ecological infrastructure maintained by livestock rearing constitute ecosystems where a number of living organisms live. On one hectare of grassland, there is a biodiversity of the soil equivalent in weight to six cows!

I - A-3: European raising of beef cattle: a guarantor of the dynamism and attractiveness of rural areas

The production of bovine meat remains the principal economic activity that guarantees the vitality and avoids the desertification of certain rural regions of Europe, such as those in the centre of France, Ireland and Wales.

Agrotourism, or tourism on farms, has developed in Europe essentially on farms where ruminants are raised. In Western Europe this has taken place historically in the less favoured regions where the landscape was maintained solely by this one economic activity: Austria, England, central France, Ireland etc. In Eastern Europe, this activity, which is supplementary for the farmers, is not negligible for the local economy. Thanks to the maintenance of the landscape by the farmers and the fact that there is a growing wish by consumers to “get close to nature”, agrotourism has developed since the 1980’s in the less-favoured regions, permitting them to conserve or develop the local economy.

Moreover, the European Commission has made the maintenance of livestock rearing in these areas one of the priorities of the CAP:

“The agricultural activities that in the past have given these landscapes their special character have today become less competitive. The Common Agricultural Policy (CAP) considers it essential to preserve cultivated landscapes insofar as:

- *Traditional agricultural landscapes are an integral part of the cultural and natural patrimony.*
- *The ecological integrity and beauty of the landscapes in the rural areas attract businesses, particularly in the tourism and leisure sector, as well as the large number of persons who come to live there.”⁷*

I - A-4: The European cattle sector: a “reference” standard for traceability

Following the BSE crisis, European bovine meat is today subject to the most highly developed traceability system in the world. This system relies on an identification of the animals that guarantees the uninterrupted transfer of information of a regulatory or voluntary nature that is destined for the consumer, from the birth of the animal to the point of distribution.

The traceability of European bovine meat is the object of permanent controls implemented by the European Commission and national authorities. It is continually developing in order to respond more and more precisely to consumer expectations.

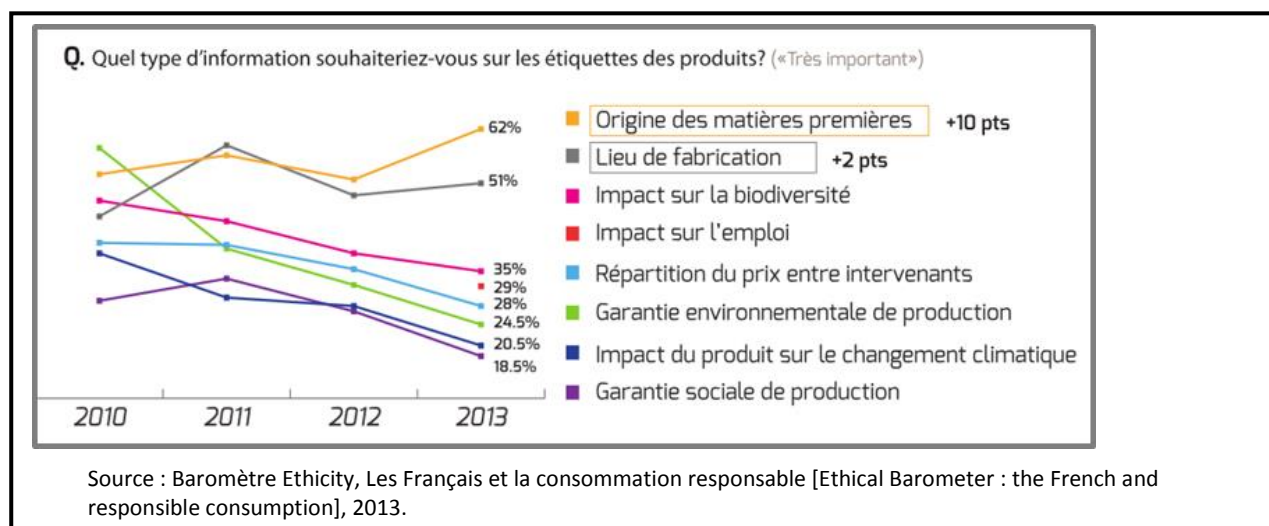
Applied to biological products, this system of traceability today performs much better than the system applied to most inert industrial goods produced by the engineering and electronic sectors.

⁷ Source : “Agriculture and landscapes”, “Areas for action”, in “Agriculture and environment”, *Domaines d’action [Areas for Action]*, leaflet of the Directorate-General of Agriculture and Rural Development, European Commission. http://ec.europa.eu/agriculture/envir/landscape/index_fr.htm

I - B: Advantages and services meeting the expectations of European consumers

European consumers are careful about what they eat. With regard to meat, the origin (place of birth, rearing and slaughter of the animal), the conditions of rearing and respect for the environment are their main concerns.

I - B-1: Origin of the meat: the first criterion endorsed by consumers

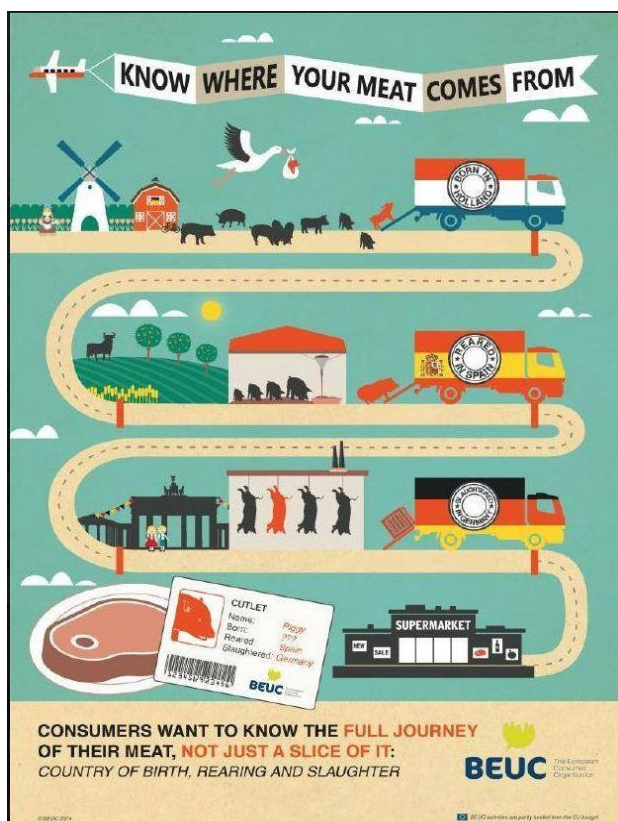


Legend:

Key: What type of information would you like to have on product labels? ("Very important")

Orange: Origin of raw materials; dark green: Place of manufacture; brown: Impact on biodiversity; red: Impact on jobs; teal: Sharing of the price among the stakeholders; green: Environmental production guarantee; blue: Impact of the product on climate change; purple: Social production guarantee

BEUC Campaign : Where does my meat come from ? - Septembre 2014



This concern of Europeans regarding the origin of the meat they consume has been greatly amplified by the "Horsegate" affair in early 2013. Since then, the consumer associations, joining together in the BEUC (European Bureau of Consumer Unions), have not ceased to repeat their demand that the traceability of European bovine meat be strengthened **through the establishment of mandatory labelling of the country of origin, as well as the ingredients in prepared foods.**

I - B-2: Increased attention to the conditions of raising, particularly with regard to the environment and animal wellbeing

The Institute for European Environmental Policy in its report *“The Provision of Public Goods Through Agriculture in the European Union”*, published in 2009, states that “ [...] **the European public places a high value on the environment**. Attitudinal surveys indicate widespread concern for environmental issues - particularly with regard to biodiversity loss, the mitigation of climate change, water and air pollution, and the depletion of natural resources, including soils.”

As regards animal wellbeing, a wide-ranging debate on the wellbeing of livestock, largely driven by the civil society, recently resulted in France in modification of the animal statute in the Civil Code, which provides that animals, “living beings endowed with sentience”, are no longer “property” per se. This statute has been recognized in Europe since 1997 (protocol to the Treaty of Amsterdam) and is now incorporated into the 2007 Treaty of Lisbon (“sentient being”). This has also been the case in Germany and Austria since 2002 and in England since the Animal Welfare Act of 2007.

Thus, the recognition of the rights of livestock is part of the *aquis communautaire* and cannot be separated from the Common Agricultural Policy, which extends greater respect to the environment and to animals.

I - C: Advantages and services strongly encouraged by the Common Agricultural Policy and embodied in European legislation

I - C-1: A model of European cattle raising shaped by the Common Agricultural Policy (CAP)

Over the past 20 years, the CAP has **accorded a more and more important place to the societal challenges of agriculture and consumer expectations** with regard to the environment and animal wellbeing. This trend is particularly marked in the new CAP 2014-2020. As the European Commission emphasises, this new CAP represents “*a new step in the history of the CAP by bringing special attention to the joint provision of public and private goods. Farmers should be compensated for the public environmental benefits that they provide (such as landscapes, biodiversity of agricultural land and climate stability), even though these have no market value.*”⁸

This is how the successive reforms of the CAP have put in place, in addition to decoupling, the **conditionality of the aids**: farmers, in order to benefit from European aids, must henceforward observe a number of regulatory requirements aimed at protecting the environment (e.g., “green payment”, measures directed at protecting the water, soils and biodiversity), health (e.g., non-use of certain substances intended to stimulate the growth of the animals) and animal wellbeing (e.g., requirements relating to the facilities for housing the livestock, the prevention of injuries and methods of watering and feeding).

Beyond these conditional aids, **the second pillar of the CAP** – strengthened since the 2000’s – is now entirely dedicated to rural development, land management and preservation of the environment, in particular through the maintenance of family-oriented, grass-based livestock rearing – and the landscapes it supports – in the “difficult” areas (e.g., payment of compensation for natural handicaps and a grass premium).

In 2015, European bovine production allows the regions to have a degree of **self-sufficiency approaching 95%**. The imports that complement the production of European farms are currently around 330,000 tonnes carcass-weight equivalent (t.cwe) and are like to increase steadily in the next few years in view of the quotas granted to third countries, to Canada in particular. To grant an additional quota to the United States could only result in destabilisation of the European market.

⁸ Presentation of the CAP Reform 2014-2020, Directorate-General of Agriculture and Rural Development of the European Commission, brief “The Prospects of Agricultural Policy”, No.5, December 2013.

I - C-2: Beyond the CAP, a package of European regulations that provide a number of guarantees to the consumer

From protection of the animals on the farm⁹ to the obligations regarding their transport¹⁰ and their slaughter¹¹, the traceability of bovine meat¹² and its health quality¹³, all of the links in the European meat production chain are rigorously controlled.

This framework of Community regulations makes ensures to the consumers that meats correspond to their expectations with regard to health safety, transparency and information on the production conditions.

⁹ Council Directive No. 98/58/EC of 20 July 1998 concerning the protection of animals on farms.

¹⁰ Council Regulation No. 1/2005 of 22 December 2004 relating to the protection of animals during transport and related operations.

¹¹ Regulation No. 1099/2009 of 24 September 2009 on the protection of animals at the time they are killed.

¹² Regulation No. 1760/2000 of the European Parliament and Council of 17 July 2000 establishing a system of identification and registration of cattle and relating to the labelling of bovine meat and products based on bovine meat.

¹³ For example, Council Directive No. 96/23/CE of 29 April 1996 relating to monitoring measures to be implemented with regard to certain substances and their residues in living animals and their products.

II – *Post-TTI*: What is the model of bovine meat production for tomorrow?

Even though a quota of 64,500 tonnes at zero customs duty¹⁴ has already been granted to Canadian bovine meat producers in the CETA, much larger quotas would be required through the TTIP for the United States, **which produces 10 times more and exports 25 times more bovine meat to the European Union than Canada.**

By multiplying these bilateral trade agreements (Canada, the US, even Mexico), **the European Union accepts being put in competition with operators who produce under totally antithetical conditions of cattle raising.** This direct confrontation automatically creates **unfair competition** in favour of the American livestock breeders, **of such a nature as to call into question the very viability of European cattle farming.**

II - A: The American cattle raising system: profitability carried to the extreme

In the United State the cattle breeding model is characterised by a constant search for profitability, with a legislative framework that is less constraining and in fundamental conflict with the European model:

Rearing of cattle essentially in feedlots

Two-thirds of the cattle are fattened (the “finishing” phase) **in feedlots.** While the majority of feedlots have less than 1,000 animals (95% of the fattening centres), almost all (80% to 90%) of the animals fattened in the United States are fattened in establishments with 1,000 head or more (establishments representing less than 5% of the fattening centres).¹⁵

In the Unites States 40% of the animals are fattened in establishments having 32,000 or more head.¹⁶

The American fattening model – even when producing animals destined for export to the European Union – is characterised by:

- **An extreme concentration of animals:** these feedlots are artificial, overloaded production spaces that can contain as many as 100,000 animals. They are generally linked to large industrial groups (e.g. slaughterhouses and ethanol factories).
- **Grass-free feed** based on GMO maize and feed additives (e.g. blood meal, monogastric meal and poultry litter). **Several antibiotics are also routine used in the cattle’s diet**, even when their use in Europe is strictly restricted to curative purposes in order to combat the development of resistance to antibiotics.

The purpose of this fattening is to accelerate as much as possible the animal’s weight increase in order to limit costs.

¹⁴ 45 840 tonnes (tec) from new quotas created under the CETA; 4,160 tons (tec) from the Canadian share of the “hormones” quota; and 14,5000 tonnes (TEC) from the Hilton quota.

¹⁵ Source: USDA, “Cattle & Beef”. <http://www.ers.usda.gov/topics/animal-products/cattle-beef/background.aspx>.

¹⁶ *Idem*

- **A very high degree of mechanisation** which is generated by the concentration of the animals, making it possible to limit the manpower costs for raising the cattle.

II – B: To the detriment of animal wellbeing and the environment

To the best of our knowledge, **there is no law existing in the United States that recognises the right of livestock to be well treated** (access to food, water and care) or **establishing livestock density thresholds for these fattening facilities**.

Today there are only two laws which are intended to protect the animals in very special cases, but not even one proposed measure that would assure their wellbeing throughout their lifetime:

- The American *Animal Welfare Act* (1966), in contrast to the British law of the same name, concerns only livestock and in any case does not recognise animals as sentient beings.
- The *Humane Methods of Livestock Slaughter* (2001), which for its part requires that the animals in the slaughterhouse must have access to water in all the pens and, “if kept longer than 24 hours, access to feed”.¹⁷ The space must be sufficient for an animal kept overnight to lie down. By comparison, animals slaughtered in the European Union have drinking water, are fed if they are not slaughtered within 12 hours and then given food at appropriate intervals, and have space to lie down both night and day.¹⁸

Conditions of slaughter and transport are also the subject of federal laws (in 1873 and 1958), but these are much less constraining than in Europe. **For example, the maximum period of transport without pause is 28 hours in the United States versus 14 hours in Europe.**

Environmentally, it is again the extreme concentration of the animals that poses problems. **This concentration directly affects the quality of the soil and water** because excess nitrogen goes into the soil and the groundwater.

II – C: Health care: an entirely curative logic

While European health regulations are built entirely around the principle of prevention, a curative logic takes precedence in the American livestock industry.

The use of hormones and antibiotics as growth activators is actually a practice prohibited in Europe. In the United States, on the other hand, these products are authorised and used in cattle feed.

The absence of care during the breeding and embryonic period and the absence of traceability implemented in the sectors that export to the European Union are compensated for by practices of a posteriori “health security”, such as systematic showering of the carcasses with lactic acid.

Within the framework of a Common Agricultural Policy and European laws that rightly require and promote agriculture and a model of livestock rearing that guarantee the preservation of public goods (the environment and rural development) and private goods (creation and maintenance of jobs in the sector), European livestock breeders cannot bridge the significant competitive gap with American producers that currently exists.

Several thousand family farms in Europe would thus be caused to disappear under the weight of this competition with the only “profitable” model of bovine meat production: that of the American feedlot or more and more intensive cattle raising.

¹⁷ In English in the text: “[...] if held longer than 24 hours, access to feed”.

¹⁸ **Source:** Council Directive 93/119/EC of 22 December 1993 on the protection of animals at the time of their slaughter or killing.

In conclusion ...

The “collateral damage” of using bovine meat as a bargaining chip in the TTIP negotiations:

Consumers ignored and a CAP repudiated?

Bovine meat represents an extremely aggressive interest for the United States and, despite being classified among the sensitive products in the agreement, will necessarily be the object of “concessions” of the part of the European Commission: this is the rule of trade negotiations.

So here is the question: **to what point can these trade concessions be pushed without compromising the objectives of the Common Agricultural Policy – which was reformed in 2013 to encourage the producer to be more responsive to consumer expectations – and disavowing the very foundation of the European Union’s identity?**

The European Union Treaty (article 3, paragraphs 4 et 5) provides that **“in its relations with the rest of the world, the Union shall affirm and promote its values and its interests and contribute to the protection of its citizens.”** As to its internal market, the Union **“shall work for the sustainable development of Europe based on balanced economic growth and price stability, a high competitive social market economy that strives for full employment and social progress, and a high level of protection and improvement of environmental quality.”**

But in massively opening the European bovine meat market to American meat – including within the framework of quotas – an entire economic sector, a source of jobs and guarantor of the harmonious development of the activities and territories promoted by the European Union, could be threatened with disappearance... And thus 58 years of work for the sustainable growth of European agricultural production could be swept away.

This risk is real: in no case can the current model of European bovine meat production resist the competition of American meat produced within systems that are directed entirely to productivity and the quest for profit.

Hence, Europe, within the context of the TTIP negotiations, faces two possibilities: to take on this confrontation between two societal models, preserve its farms and assure the legitimacy of its agricultural policy by strongly protecting its bovine meat market... or to renounce its own identity and ignore the expectations of its consumers by transforming its livestock rearing into an industry that can fight the American feedlot on equal terms.

The European Parliament, in its recommendation to the European Commission adopted on 8 July 2015, has clearly taken up the challenge by stating that the future agreement should be mutually advantageous in order to permit Europe to play a leading role in the world market, “without calling into question the current quality standards of European products or their future improvement, while preserving the European agricultural model and guaranteeing its economic and social viability.”

The European Commission, the member states and the European Parliament must play their role as guardian of these values, of this model of agriculture and livestock breeding and of the civil society that depends on it.