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NOTE

From: General Secretariat of the Council
To: Delegations

Subject: AOB item for the meeting of the "Agriculture and Fisheries" Council on 24 March 2025
Amending Regulation (EU) 2021/2115 to include the purchase of breeding animals as eligible EAFRD expenditure.
- Information from Romania

Regulation (EU) 2021/2115, that establishes the support rules through the CAP Strategic Plans, does not include the purchase of breeding animals among the eligible expenditure. Article 73(3)(d) explicitly excludes from financing the "purchase of animals", except in special situations (e.g. restoration of livestock after disasters, protection against predators, conservation of local breeds).

Given the importance of breeding livestock for the viability of the livestock sector, Romania requests a review of the regulatory framework. Introducing the purchase of breeding animals as an eligible investment (by supplementing Article 73(3)(d) with a new point (v)) would allow farmers access to EAFRD funds for improving livestock, with significant benefits on multiple levels: economic, food security and environmental.

First of all, investments in breeding animals of high genetic value and improving the genetics of livestock contribute directly to increase productivity and achieve higher profitability, better yields, in fact, the most important production factor at farm level.

Selecting breeds with higher productivity, adapted to local conditions and resistant to diseases, leads to increased economic efficiency, the viability of farms depending more on the performance of each animal than on the size of the herd. Thus, the profitability of livestock farms is improved. In addition, breeding animals have the status of fixed capital investments in farms (used during several production cycles), which is why supporting their purchase through European funds would be justified, being similar to other investments.

Revitalizing the livestock sector by investing in breeding animals with superior characteristics will contribute to maintaining a stable and constant production of animal products. In recent years, the decline in livestock populations in some Member States also as a result of animal diseases (for example, the decline in pig and cattle herds in Romania) has led to an increase in meat and dairy imports. The acquisition of breeding animals with superior characteristics allows for the restoration and expansion of livestock populations, compensating for the decline and reducing production fluctuations through better control over the genetic quality of the herd.

Recent crises have highlighted the risks of excessive dependence on external sources. The conflict in Ukraine and regional instabilities have caused distortions on the grain market and highlighted the need to integrate domestic grain production into the agri-food chain by developing the livestock sector. The close link between the livestock sector and the crop sector, by populating farms with high-performance breeding animals, brings significant benefits to the integrated production in agriculture. A strong livestock sector supports agriculture by optimizing the use of feed resources and increasing the added value of plant products.

The EU's efforts to adapt to climate change include developing varieties and breeds that are more resilient to new climatic conditions. In the long term, a well-adapted livestock population will reduce losses and ensure the continuity of production in a changing environment, contributing to food security and environmental objectives.

In addition, breeding animals with higher genetic quality and new feeding technologies lead to increased productivity per animal and thus lower methane emissions per production unit, as more efficient livestock population produces the same level of output with fewer animals.

The proposal also contributes to maintaining agricultural activity in areas with natural constraints, such as mountain areas, where extensive grazing provides the necessary soil fertilizers and helps in absorbing carbon dioxide. The proposal clearly contributes to a resilient and balanced agricultural sector, ensuring both an increase in the competitiveness of European farmers and green transition.

Romania considers that the proposal to include the purchase of breeding animals as an eligible investment is fully aligned with the fundamental objectives of the Common Agricultural Policy. First of all, the CAP aims at a smart, competitive, resilient and diversified agricultural sector, ensuring long-term food security. The CAP also has as a cross-cutting objective the strengthening of environmental protection and climate action in agriculture, an objective achieved by promoting efficient and climate-adapted breeds.

The initiative is in line with the strategic directions assumed by the European Union through the European Green Deal and the Farm to Fork strategy, which build on sustainable, resilient and innovative agri-food systems. The European Commission underlines in its Vision for agriculture and food that a competitive and fair agri-food system must be adapted to the demands of the future.

In light of the arguments set out above, amending Regulation (EU) 2021/2115 to include the purchase of breeding animals with superior characteristics among the eligible expenditure is a necessary and timely measure, which will offer European farmers the opportunity to restore their competitiveness and reduce economic risks by obtaining better incomes and contributing to ensuring the EU food security. Amending Regulation 22021/2115 in this regard will contribute to the revitalization of the livestock sector and to strengthening the resilience of the Union's agri-food sector, while consolidating the European objectives of sustainability and competitiveness in the long term.