Position Paper

European Landowners' Organization

8 July 2026

ELO Reaction to the European Commission Communication on the EU Livestock Strategy

The European Landowners' Organization (ELO) welcomes the publication of the Commission's EU Strategy on Livestock and the long-overdue recognition it gives to a sector that anchors rural economies, sustains landscapes, and remains one of Europe's genuine strategic assets. Livestock farming across our membership is practised by professional operators of every scale and system. ELO believes the Strategy is at its strongest where it treats the sector as a single, diverse ecosystem of production models, and we would caution against any drift, in the Strategy's implementation, toward dividing farmers by size rather than by what they actually deliver.

We set out below our assessment of the Strategy's five pillars, with a particular focus on competitiveness, on restoring balance among the three pillars of sustainability, and on the principle that EU and national support should go first to those who demonstrate the capacity and ambition to deliver on the Union's objectives — not be spread according to need alone.

1. Competitiveness must be the organising principle, not an afterthought

ELO is glad to see competitiveness named as one of five pillars, and welcomes the Strategy's frank acknowledgment that the "current trend of decapitalisation needs to be halted, and profitability increased". But throughout the document competitiveness too often appears as a consequence of sustainability and welfare ambitions rather than as a precondition for them. This ordering needs to be reversed. A sector that cannot generate margin cannot invest in animal welfare, emissions reduction, or climate resilience, all of which the Strategy rightly identifies as costly. The Commission's own reference to a financing gap of over €18 billion, alongside external estimates of some €6.7 billion in cage-free transition investments for the pig sector and €2.6 billion for laying hens, makes the point starkly: ambition without economic viability is not a transition, it is a slow contraction of the sector.

We therefore support:

- The exploration of a **dedicated financial instrument** for the sector and of a **dedicated risk-management financial scheme** with the EIB. We note with concern, however, that the language on both has weakened between conception and publication. The Commission now commits only to "exploring a potential" instrument and to "preparing the groundwork". Given the scale of the financing gap the Strategy itself documents, ELO urges the Commission and co-legislators to convert these explorations into concrete proposals within the post-2027 MFF, and to design them to reward investment and performance rather than simply compensate cost.
- The announced **preferential EIB loan access for farmers transitioning to cage-free systems** as precisely the kind of investment-led instrument the transition requires.
- The commitment to **agri-food diplomacy**, high-level missions and export diversification, especially given the sector's exposure to a narrow set of trading partners, and the proposed **Unity Safety Net** to protect farmers in times of market volatility.

We ask the Commission to make good on the promise of **reciprocity of standards for imports**. The Strategy itself now recognises that imports produced to lower standards "displace rather than reduce global emissions", a statement ELO strongly agrees with. A European model built on high standards is only sustainable if it is not undercut by imports produced to lower ones. This is not a protectionist demand but the minimum condition for a fair internal market, a coherent trade policy, and genuine global emissions reduction.

Furthermore, ELO welcomes the Strategy's stated intention to foster "a distinct European approach to livestock farming that is recognised and valued by consumers" and its insistence that excellence "should progressively characterise all livestock value chains and all production models". We would like to see this principle extended more consistently across the Strategy's financial and CAP-related proposals.

Public and CAP support for the sector's transition — whether through the NRP plans, the European Competitiveness Fund, or the potential dedicated financial instrument — should be directed first toward those operations, of whatever size or system, that demonstrate the capacity to deliver measurable results: on emissions, on welfare, on resilience, on productivity. A framework built primarily around relative need risks rewarding stagnation over ambition and slows the very transition the Strategy seeks to accelerate.

2. Rebalancing the three pillars of sustainability

ELO fully supports a sustainable, resilient, and welfare-conscious livestock sector. Our members manage the land base on which most of this transition will physically happen. But "sustainability" in EU policy discourse has too often been read as shorthand for environmental performance alone. The Strategy itself acknowledges that raising sustainability ambition "brings questions about how the costs are distributed along the value chain", and that costs not absorbed along the chain end up in higher food prices "without increasing producers' income". This is the central question, and it deserves to be addressed head-on rather than in passing.

We call for:

- **Explicit, equal treatment of the economic pillar of sustainability** in every downstream implementing measure: the sustainability compass, the harmonised farm-level GHG methodology, and the animal welfare revisions alike. A tool that measures environmental and social performance but not economic viability is not a sustainability tool but a third of one.
- **Value chain sustainability agreements**, which the Strategy rightly identifies as promising tools, to be operationalised quickly across the whole supply chain.
- Recognition that **investment in genetics, precision technology, and infrastructure** is itself a sustainability measure, often more effective, and more durable, than compliance-driven regulation. We welcome the Strategy's clear statement that cutting-edge genomic and breeding techniques are "a win-win for both economic and environmental outcomes".

We particularly welcome the Commission's commitment to a **harmonised farm-level methodology for livestock GHG emissions**, building on Member State work toward Tier 3 accounting. Accurate, differentiated measurement is the precondition for rewarding real performance, and the current Tier 1/Tier 2 approaches penalise precisely the on-farm improvements the Strategy wants to encourage. The planned assessment of livestock emission reductions under the **Carbon Removals and Carbon Farming Regulation** is the logical complement, and should proceed swiftly.

We support the proposed **"European excellence" optional reserved term** under the Common Market Organisation and the review of carcass classification to include qualitative attributes. These are the right tools: they let the market reward genuine performance across all three pillars simultaneously, rather than asking policy to mandate outcomes the market does not pay for. The "once-only principle" — allowing the excellence term to serve as evidence of compliance for access to national and European funds — is exactly the kind of administrative simplification farmers need, and we encourage its broad application.

3. Regulatory clarity, animal welfare, and risk management

ELO strongly supports the Strategy's direction on:

- **Risk management instruments** (insurance, reinsurance, mutual funds), the practical manual for Member States, and the commitment to reduce administrative barriers to mutual funds.
- **Disease prevention and biosecurity investment**, including the evaluation of the Animal Health Law, the review of the disease categorisation system, expanded science-based use of preventive and DIVA vaccination, and guidance on regionalisation and compartmentalisation — all of which protect the asset base landowners and farmers depend on.
- The simplification of **hygiene rules** (including flexibility for low-capacity slaughterhouses), the **feed additives framework**, and **animal by-product legislation**, which we see as removing dead weight rather than lowering standards. The Q3 2026 preliminary assessment on extending **RENURE** to certain manure-based digestates is a welcome, concrete step toward treating manure as the resource it is.

On animal welfare, ELO takes note of the confirmed timelines: a proposal on **laying hens and broilers by the end of 2026** and on **pig welfare by Q2 2027**. We welcome the Commission's confirmation that a full **impact assessment** is being prepared, and that the transition must be "evidence-based and accompanied by sufficient transition periods and financial support". We will hold the Commission to both commitments: transition periods must be matched to realistic investment and depreciation cycles, and the impact assessment must give the economic pillar the same rigour as the welfare case. The commitment to **equivalent animal welfare requirements for imported products**, in line with WTO rules, is indispensable to the entire package and must move in lockstep with the internal revisions (not behind them).

On the **export of live animals for slaughter to third countries**, we note the Commission's intention to consult stakeholders and destination countries before considering further steps. We welcome the explicit commitment to "maintaining the market positions of European livestock producers" and expect any eventual measure to be built on that foundation, on evidence, and on workable alternatives, not on prohibition without substitution.

4. Territoriality as an opportunity

ELO shares the Strategy's concern about land abandonment — the JRC's estimate that around 11% of EU agricultural land could be abandoned by 2030, with a quarter of it in mountain areas, is a serious warning, and grazing livestock's role in maintaining landscapes, biodiversity, and wildfire prevention is exactly the kind of positive externality our members deliver daily. We support the planned work with Member States on regions at risk of abandonment, including the specific attention to the Eastern Border Region, and the roadmap on low-capacity and mobile slaughterhouses. These are practical measures that improve the economics of production in the regions rather than simply subsidising its persistence.

We would caution against framing territorial policy as primarily a matter of farm size or "family farming" as opposed to "intensive" systems. The land, not the scale of the operation working it, is what is at risk of abandonment. Policy should be designed around which projects can credibly restore productive, sustainable use of that land, whatever their scale.

ELO endorses the overall direction of the EU Livestock Strategy and its ambition to make resilience, competitiveness, sustainability, territoriality and excellence mutually reinforcing. We ask the Commission, as it moves from strategy to implementation — through the post-2027 CAP, the European Competitiveness Fund, and the announced legislative proposals on animal welfare — to:

1. Treat competitiveness as the foundation the other pillars are built on, not an outcome to be balanced against them and convert the Strategy's "explorations" of dedicated financial instruments into firm proposals;

2. Give the economic pillar of sustainability equal analytical and regulatory weight to the environmental and social ones, starting with the animal welfare impact assessment;

3. Direct financial and policy support toward the operations best placed to deliver results, rather than allocating it by need alone, building on the results-based logic of the sustainability compass and the "European excellence" reserved term; and

4. Resist any temptation, in secondary legislation or national implementation, to recast this as a debate between large and small farms rather than one about performance, investment, and delivery.

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ELO stands ready to contribute its members' land-management expertise to the Livestock Workstream and to the design of the sustainability compass, the "European excellence" reserved term, the harmonised emissions methodology, and the future financial instruments.

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About the European Landowners' Organization (ELO)

The European Landowners' Organization (ELO) is a leading voice representing the interests of landowners, rural entrepreneurs, and rural land managers in Europe. ELO promotes sustainable land management practices, fosters innovation, and advocates for the recognition of landowners' crucial role in shaping Europe's landscapes and rural area.