



**Nutrition Ecology
International Center (NEIC)**
www.nutritionecology.org

DOSSIER “STOP EU SUBSIDIES TO LIVESTOCK INDUSTRY”

INTRODUCTION

In the last fifty years, in Europe and elsewhere in the developed countries, there has been an **exponential** growth in the **consumption of animal products** (meat, fish, eggs, milk and dairy products). These foods are consumed at each meal in every household; quite unlike 50 years ago, when these were rare food items. Today these items **cost extremely little**, with respect to production costs, often even less than vegetable products, which inevitably require far less raw materials, energy and labor.

This is because **farmers and fishermen** receive **direct and indirect funding** both from the state and the European Union; in effect, what we do not pay for at the cash register we **pay for in taxes**. It is also paid for by those who choose not to buy animal products.

This is all the more **serious as the consequences of the high consumption of meat, food and other animal products** are greater on the **environment**, on human **health** and on the development of **poorer countries**. It would be justifiable and positive if individual states and the European Community supported and promoted only the consumption of **foods that are healthy and have little environmental impact**. Instead they do so with foods whose production has a devastating impact... and this is neither acceptable nor justifiable. It is up to us citizens to **put an end to this situation** and press for a more farsighted, sensible and sustainable policy in this matter, which will **protect the environment and human health** rather than harm them as it does now.

ENVIRONMENTAL COSTS

It is well-known that the modern industrialised world is posing a threat to the natural environment in many ways. Of these threats and how to find a solution there has been since many years a wide debate in different circles. The one thing that is constantly overlooked is the fundamental one: cattle and other animal raising for human consumption.

The first thing to say, in order to understand how our food choices impact on the environment in general and on water consumption in particular, is the fact that cattle and reared animals in general are “reversed protein factories”.

In fact, apart from very few instances, where cattle are free to graze in non-arable land or those feeding on leftovers in traditional farms, animals consume more proteins, derived from vegetables, than they can ever provide in shape of meat, milk and eggs. Like “machines”, converting vegetal proteins into animal proteins, they are utterly inefficient. The conversion rate from animal feed to human food varies from 1:30 to 1:4 according to the different animal species.

Such a waste of natural resources (such as land, crops, energy, water, chemicals) is accounted for by a statement of World Watch Institute that the human hunger for meat is the real unleashed force behind all main types of environmental damage now threatening the future of mankind: deforestation, erosion, water shortage, air and water pollution, climate change, biodiversity loss, social injustice, communities upset and the wide spreading of illnesses.

Organisations such as the WHO, the FAO and the World Bank are all becoming increasingly concerned about the impact that raising animals industrially instead of crops has on the land and on our ability to feed the world efficiently. They state: “The increase in the consumption of animal products in countries such as Brazil and China (although still well below the levels eaten in North American countries and most other industrialised countries) also has considerable environmental repercussions. The number of people fed in a year per hectare ranges from 22 for potatoes and 19 for rice down to 1 and 2 people respectively for beef and lamb. Likewise, water requirements are likely to become a major issue during this century. Animal products again use far more of this resource than vegetables need to grow.” [WHO/FAO2002]

In spite of that, during the second half of the last century, consumption of meat per capita had more than doubled, while human population keeps on growing. As a consequence, the total consumption of meat increased five times, thus posing a heavier toll on natural resources, availability of water, land, crops and feeds, fertilizers, oil, waste disposal process and on the other main resources of the planet, already limited.

As it comes to fish consumption, the situation is not any better.

At present, the fishing industry fleets are strong and numerous thanks to the government subsidies they obtain in various countries; the effect on marine environment and fish had been devastating. An international group composed of 125 marine scientists has asked the World Trade Organisation on the 24th of May to cease governmental subsidies that are currently paid by many countries to the fishing industry because if we do not put an end to the massive exploitation (or overfishing) of the seas, quite soon the ecosystems of every ocean will be damaged beyond repair. Scientific studies quoted by those scientists from 27 different countries show that the number of fish in the oceans is rapidly and constantly diminishing and that the situation could collapse if nothing is done about it.

As Dr. Sharpless, one of the subscribers to the request, points out: "WTO has to make use of the opportunity introduced by current negotiation on subsidies to the fishing industry to face the problem of overfishing, as it is not possible to wait any longer. It would be too late."

Subsidies to the Fish Industry worldwide are in the region of a third of their annual sales income. Basically, the Fish Industry cannot sustain itself and its income derives from governmental subsidies. [ENN2007]

Besides overfishing, fish farming is also growing rapidly and it also creates other problems. Only a small percentage of fisheries are "extensive" (fish are free in ponds or coastal lagoons). The remaining ones are "intensive" (concrete tanks or cages in sea waters). Intensive breeding means:

- overcrowded spaces packed with animals, therefore, as per animal factories onland, it implies massive use of antibiotics and drugs to try to prevent various diseases (to which animals are prone, due to the unnatural life and environment in which they are forced) to avoid devastating epidemics.
- Use of herbicides to curb water vegetation
- Use of disinfectants
- Production of massive quantities of animal waste.

All these substances are thrown into coastal waters, together with waste feed, thus severely polluting them.

Besides, fisheries worsen overfishing, as they deplete natural marine resources to feed breeding carnivore fish: it takes one hundred kilos sardines taken in the sea to feed ten kilos bred sea-bass

HEALT COSTS

Diets high in calories and fat encourage obesity, which raises the risk of heart disease, stroke, diabetes, and various cancers. These four categories of disease account for more than half of all deaths in the affluent countries. Dr. Graham Colditz of the Harvard School of Public Health has estimated that among obese American adults, slimming to a healthy weight could prevent 96% of diabetes cases, 74% of hypertension, 72% of coronary heart disease, 32% of colon cancers and 23% of breast cancers. Moreover, as obesity spreads to an ever-younger population, the cases of diabetes in children and young people are greatly increasing (from 4% in the early 1990s to 20% in the late 1990s) and it is likely that other "adult" diseases - from heart disease to stroke and cancer - will also strike young people more frequently. [Gardner2000]

Fortunately, illnesses from overeating can be prevented or reversed through changes in diet and lifestyle. 30-40% of cancers, 17-22% of coronary heart diseases and 24-66% of diabetes can be prevented by strongly decreasing consumption of saturated fats (found in animal products such as meat, especially red meat, eggs and dairy products) and increasing physical activity. [Gardner2000]

The fault of a diet high in calories must also be given to the too many drinks and foods rich in refined sugar habitually consumed, while as fat is concerned, one study has identified meat, dairy foods, eggs and table fats and oil as contributing 63% of the total fat, 77% of the saturated fat and 100% of the cholesterol (found in animal foods only) by Americans [Nestle 1999].

As regards fish, an article was recently published in "Ambio", the magazine of the Swedish Royal Academy of Science, regarding the contamination of mercury in fish.

The Health authorities are concerned because mercury is a powerful neurotoxin which can interfere with brain development, reducing intelligence in children, especially if exposed during foetal development. Hence the warning to maintain very low consumption of fish for pregnant women and children under 11 years old; thus, it cannot be considered an "healthy" food for adults, too, even if less dangerous. [GM2007]

Farmed fish, compared to fish caught in oceans and rivers is not “healthier” because, even if it contains less mercury, it also contains a blend of antibiotics, drugs in general, food chemicals, so that, just like all other intensively farmed animals, they became a concentrate of dangerous chemicals.

Comparing the prevalence of hypertension, heart disease, cancer, diabetes, gallstones, obesity and food-born illness among vegetarians and meat eaters in the USA, The Physicians Committee for Responsible Medicine estimated total annual medical costs in 1995 related to meat consumption of between \$29 billion and \$61 billion. The cost would likely have been higher if stroke and other arterial disease had been studied as well. [Barnard1995]

At a time when publicly-funded health services are under increasing pressure, the escalating financial costs associated with cardiovascular disease, obesity and type 2 diabetes pose a major threat to already overstretched health resources

FINANCIAL COSTS AND EUROPEAN UNION SUPPORT TO ANIMAL FARMING

The real costs of the production and consumption of animal foods (meat, fish, milk, eggs) are therefore enormous, although never calculated in monetary costs.

A calculation should be made in sheer monetary costs of the impact they produce on the environment and health and the cost should be “internalized” i.e., who chooses to produce and eat animal foods should pay the full real cost.

Indeed, in consideration of the serious side effects of the current consumption of animal foods, the most sensible thing to do for the EU and the individual member states would be to discourage it altogether. On the contrary, not only these costs are not taken into consideration but the EU supports the livestock industry with billions of euros each year, through various forms of support. A large amount of the subsidies goes to the production of animal feed but another large amount directly supports animal products.

There are two types of subsidies assigned. “Direct Subsidies” to farmers raising a certain type of animal or producing a certain animal product.

Then there are subsidies called “Interventions”, which consists in a EU action to ensure that there is sufficient demand for a certain animal product. Types of intervention may be:

- financial aid for the export of a given product outside the European Union market;
- the buying and storing the surplus of a given product at a guaranteed price so that the producer is guaranteed a certain profit.
- the supporting of various animal products marketing in order to increase the sales of that product (e.g. through advertising campaigns)

In addition to this, on the occurrence of epidemics and other serious health problems (such as BSE, avian influenza, swine fever etc.), farmers are largely compensated, even if these problems arise because of their methods of farming.

Indeed, we can describe these health problems as illnesses by “ill-treatment” as they are caused by the methods used in industrial farming, with profit as the only goal and ignoring animal welfare.

Paradoxically, the perpetrators of this state of things are rewarded instead of punished.

Here we show tables reporting the subsidies to the livestock industry (as per the EU 2007 budget) taken from The livestock industry and climate - EU makes bad worse brochure [Holm 2007].

TABLE 1: INTERVENTION

Item	Heading = type of subsidy	Appropriation 2007 (in euros)
05 02 12	Milk and milk products	
05 02 12 01	Refunds for milk and milk products	362 000 000
05 02 12 03	Aid for disposal of skim milk	32 000 000
05 02 12 04	Intervention storage of butter and cream	19 000 000
05 02 12 05	Other measures relating to butter fat	84 000 000
05 02 12 06	Intervention storage of cheese	24 000 000
05 02 12 08	School milk	65 000 000
05 02 12 99	Other measures (milk and milk products)	1 000 000
	Subtotal of items above (Article 05 02 12)	587 000 000
05 02 13	Beef and veal	
05 02 13 01	Refunds for beef	46 000 000
05 02 13 03	Exceptional support measures	59 000 000
05 02 13 04	Refunds for live cattle	12 000 000
	Subtotal of items above (Article 05 02 13)	117 000 000
05 02 15	Pig meat, eggs and poultry, bee-keeping and other animal products	
05 02 15 01	Refunds for pig meat	22 000 000
05 02 15 04	Refunds for eggs	7 000 000
05 02 15 05	Refunds for poultry meat	84 671 000
	Subtotal of items above (Article 05 02 15)	113 671 000
	Total of all items above	817 671 000

TABLE 2: DIRECT SUBSIDIES

Item	Heading = type of subsidy	Appropriation 2007 (in euros)
05 03 02 06	Suckler-cow premium	1 178 000 000
05 03 02 07	Additional Suckler-cow premium	56 000 000
05 03 02 08	Beef special premium	98 000 000
05 03 02 09	Beef slaughter premium - Calves	128 000 000
05 03 02 10	Beef slaughter premium - Adults	232 000 000
05 03 02 11	Beef extensification program	6 000 000
05 03 02 12	Additional payments to beef producers	1 000 000
05 03 02 13	Sheep and goat premium	263 000 000
05 03 02 14	Sheep and goat supplementary premium	80 000 000
05 03 02 15	Additional payments in the sheep and goat sector	33 000
05 03 02 16	Dairy premium	442 000 000
05 03 02 17	Additional payments for milk producers	199 000 000
	Total of all items above	2 683 033 000

TABLE 3: PROMOTION

Item	Heading = type of subsidy	Appropriation 2007 (in euros)
50210	Promotion measures	
05021001	Promotion measures - Payments by Member States	38 000 000
05021002	Promotion measures - Direct payments by the European Community	7 295 000
	Subtotal of items above (Article 05 02 10)	45 295 000

The total of the EU interventions and direct subsidies to the livestock industry during 2007 is about three billion and a half euros.

To this there is an un-estimated amount of funding for the promotion of products; it is unknown how much of it is intended for the promotion of animal foods but, judging by the advertising campaigns funded by the institutions, that we see around us each year promoting meat and dairy products, a large amount of it is aimed to sell more animal products.

Furthermore, the farmers are charged less for animal feed thanks to EU subsidies to promote cereal and pulses cultivated for that purpose.

THE DAMAGE TO THIRD-WORLD DEVELOPING COUNTRIES: THE “DUMPING”

EU aids to the export of animal products to Third-World Countries have a very negative impact on local agriculture. The cost of exported products is very low in relation to their real value, thanks to the subsidies offered by the EU - this is the “dumping” mechanism - thus they represent an unbeatable competition to the local ones; the demand for local products decreases and their price drops even more. In this way, small local producers will deplete further and, since in Third-World Countries agriculture is the main activity, poverty increases overall and the possibility of access to the existing resources lowers.

Basically, the practice of dumping is a form of unfair competition as the European manufacturers sell their products below cost in Third-World Developing Countries, and may do so because they are reimbursed through EU subsidies. In these Countries this process generates economic insecurity and higher levels of poverty.

OUR PROPOSAL

What we propose is to reverse this self-destructive trend, resulting in the following steps.

1. Put an end to every kind of subsidy for breeding, fishing, crop cultivations intended for farmed animals feed;
2. Charge for the purchase of farmed animals feed;
3. Ensure that the animal products the final consumer buys show their real price, not distorted by subsidies and other facilities granted to the producers and that also includes the environmental cost for the enormous negative impact of breeding (internalization of costs).
4. Put an end to campaigns for the promotion of animal products consumption financed by public money;
5. To support, with subsidies and information campaigns, the consumption of healthy plant-based food, to be less expensive for the final consumer, an easily obtainable result after the withdrawal of the enormous costs of subsidies to farming and fishing.

We propose in the meantime a petition in support of Point 1 of this series of proposals.

SUPPORTERS

The proposal to eliminate any public aid to fisheries and animal breeding is not new nor original: Several experts had their say, on this matter, worldwide in recent years, to ask the end of subsidies to the production of animal food and so put a brake on all the damage caused by a reckless way to feed. All this at a global level, not just european.

Also, the request to subsidise and advertise with informative campaigns “healthy food” - by the way, the same that produces a much minor environmental impact -, comes from various sources. Here we mention a few.

From: Anthony J McMichael, John W Powles, Colin D Butler, Ricardo Uauy, *Food, livestock production, energy, climate change, and health*, The Lancet, September 13, 2007

In rich Countries, especially in the UK, the most informed people are already proving their will to try to reduce the consumption of animal food, seemingly mainly to prevent the risk of cardiovascular disease. In order to help people to make this choice, say the authors, it will be useful to eliminate state subsidies to the production of animal feed (wheat and soybeans), so that the consumer price reflects the real costs and thus increases.

This also would help to divert the crops towards the poor countries for the direct human consumption, reducing competition between the cultivation of food for animals and that of food for humans. The proposal would lead to many positive side-effects: a healthier diet, better air quality, greater water availability, a rationalization of the use of energy and the production of food.

From: David Pimentel et al, *Ecological Integrity: Integrating Environment, Conservation and Health* (Island Press, Washington DC, Jan 2001) in particular from an article inside the book of Professor David Pimentel (Professor of Ecology and Agricultural Science at Cornell University, Ithaca, New York) and Dr Robert Goodland (former environmental consultant of the World Bank).

Pimentel and Goodland note that incentives are needed to promote grain-based diets by applying good economics and good environmental management to food and agriculture. In particular, conversion efficiency and "polluter pays" principals should be used in setting full-price policies, which internalizes environmental and social costs. In the researchers' view, the highest taxes would fall on the least efficient converters, namely hogs and cattle. Slightly lower taxes would be assessed on sheep and those cattle grazing natural grassland. No taxes would be paid on grains (rice, maize, wheat, buckwheat), starches (potatoes, cassava), and legumes (soy, pulses, beans, peas, peanuts). Modest subsidies on coarse grains (millet, pearl millet, sorghum) would alleviate hunger and are unlikely to be abused (as the rich usually won't eat such foods).

From: Environmental News Network, *Scientists Urge WTO To Slash Fishing Subsidies*, 24 May 2007

A group of 125 international marine scientists urged the head of the World Trade Organisation (WTO) on Thursday to push for a global accord to slash subsidies paid by many countries to their fishing industries. In a declaration to be delivered to WTO Director General Pascal Lamy, they warned that unless support was reduced soon, overfishing would damage the ecosystem of the world's oceans beyond recovery. "The WTO has a once-in-a-lifetime chance to demonstrate that it can not only balance trade and the environment, but make one of the greatest contributions to protecting the world's oceans," said one of the signatories, Andrew Sharpless.

From: Barry M Popkin, Director of Nutrition Transition Committee of International Union for the Nutritional Science, in an article in the book : "This fat, fat world". Le Scienze, November 2007, Italy.

"A good start would be in the beginning to review the huge subsidies that encourage the production of meat, poultry and dairy products. Instead of giving billions of US dollars to the giants of agribusiness that grow cereals to make livestock feed, the United States and the other Nations with high income should distribute a bit of money in order to encourage the growing of fruit and vegetables. Making meat more expensive and vegetables cheaper would encourage the consumption of healthier food. Such a reform would also help to regulate food prices on world markets, helping the poorest Countries. The new agricultural policies should also promote the consumption of wholegrain cereals, which contain more fibres, vitamins and minerals of those refined".

RESOURCES

[ENN2007] Environmental News Network, *Scientists Urge WTO To Slash Fishing Subsidies*, 24 maggio 2007

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[WHO/FAO2002] WHO/FAO, *Diet, nutrition, and the prevention of chronic disease. Report of the Joint WHO/FAO expert consultation*, 26 April 2002.