

Animal Welfare in EU-Mercosur trade negotiations

For the past 20 years, the EU has been negotiating with Mercosur countries. This Latin American bloc is composed of Brazil, Argentina, Uruguay and Paraguay, and it is the EU's first source of meat, representing 46% of the EU's total meat imports in 2016. Mercosur countries mostly export to the EU bovine, poultry and horse meat, amounting to respectively 64%, 54% and 70% of the EU total imports of such products. In addition, Mercosur countries are home to huge biodiversity deeply linked with the presence of rainforests.

While the EU and Mercosur are said to be approaching the end of negotiations, the EU has not even finished conducting its sustainability impact assessment. Neglecting the impact trade can have on animals, and on sustainable development in general, can only lead to an intensification of existing problems.

This note presents Eurogroup for Animals' contribution to the Sustainability Impact Assessment currently carried out by the LSE team, underlining key issues related to animals in the context of EU-Mercosur trade negotiations. This should allow the team to include these dimensions in their assessment.

Market Access

Meat and Farm Animals

Trade liberalisation impacts animals insofar as it can, by decreasing the price of exporting to the EU, stimulate production in the partner countries, where animal welfare standards are lower than in the EU. In addition, the increase of cheaper imports meeting lower standards on the European market disrupts the level playing field, which can put pressure on authorities not to further improve – or even maintain – animal welfare standards as it could increase the regulatory burden on EU producers and thus lower even more their competitiveness.

The Latin American trade bloc has clearly expressed that it was looking for more access in meat products, and the EU in response to that has offered several Tariff-rate quotas notably for beef, pork, poultry and sheep meat. Horse meat would even become entirely duty free (although the existing tariff is very low).

This additional access to the EU market is **not conditioned to the respect of any additional EU animal welfare standards**.¹ These TRQs will make exports to the EU cheaper and will stimulate productions in all those sectors. The view in the European Commission is that the volume of exports will not change much, rather the profits made by the exporters. This is questionable. Certain Mercosur countries have conducted policies **encouraging the development of national "Champions" in the meat industry** and many observers only see the production

¹ To this day, only few animal welfare criteria are imposed to imported products. The main one is the regulation on welfare at the time of slaughter, which is considered by the EU as a very efficient tool in terms of promoting welfare abroad. One can note that the latest EU market access offer mention a conditionality on eggs (the respect of "laying eggs regulations") but weirdly does not offer extra access on eggs.

of those countries increasing². One cannot imagine that economic incentives will not add up to this trend towards **more production in intensified systems**.

In Mercosur countries, the situation is diverse in terms of farm welfare. The four countries have anti-cruelty legislation but in many cases, **more specific binding regulations are lacking** to ensure the implementation of sufficient standards at farm level. When they exist, those standards are most often contained in guidelines, handbooks or voluntary codes. European consumers usually have a positive image of Latin American farm animals, seen as living a great life in extensive pasture. However, there is more to farm animal welfare than available space and low density. As defined by the OIE, an animal is in “a good state of welfare if (as indicated by scientific evidence) it is healthy, comfortable, well nourished, safe, able to express innate behaviour, and if it is not suffering from unpleasant states such as pain, fear, and distress”. This includes issues like disease prevention, veterinary treatments, appropriate shelter or humane handling.

In **Brazil**, while many NGOs describe the animal welfare standards as usually better than expected, there is a clear lack of legislation, which implies that wrongdoers cannot be sanctioned. The country has basic regulations linked to slaughter and transport, but they are seen as insufficient. According to a study recently published by the Commission on the impact of EU’s international animal welfare activities, the cooperation with Brazil under the Memorandum of Understanding has been key in raising awareness about welfare issues; yet due to political difficulties, it has not led yet to the needed legislative results. In **Argentina**, while there are legislations both on transport and slaughter, they are quite old and observers have noted issues with their enforcement, notably due to the difficulty to monitor the entire territory. There and in **Uruguay**, reports published by the Commission’s Food and Veterinary Office showed that the situation in slaughterhouses handling horses was not satisfying both in terms of welfare and of traceability. **Paraguay** is a question mark. While there is a legislation on animal protection and welfare, the text is not very detailed. According to our contacts in the region, the situation is not reassuring.

The case of horse meat and horse blood products

Horse meat is a by-product of other horse-related industries, such as blood farms located in Argentina and Uruguay, which are raising huge concerns in terms of welfare.

PMSG is an hormone which is extracted from the blood of pregnant mares between day 40 and 120 of their pregnancy. This hormone is used to produce a veterinary drug that serves in the pig and ovine industries to induce and synchronise oestrus, which improves productivity. The product is worth a lot and while it is difficult to know exactly how much is imported into the EU, figures from two specific companies (out of the five exporting the hormone) show an increase in the past 5 years.

The conditions of the mares used in the process would not be acceptable in the EU. Producers extract from them up to 10 litres of blood once or twice a week, for about 11 weeks. This volume represents on average a quarter of the mares’ total blood volume. The high blood loss can lead to hypovolemic shock, anaemia and deficiency diseases. Between extraction, the mares are left to graze without veterinary supervision and regularly die as a result of the process, or due to the forced abortion that is manually operated in order to get them pregnant – and thus producing the hormone – again as soon as possible.

Argentina has not, to this day, introduced legislation for the protection of the blood mares. The animal welfare standards created by the pharmaceutical companies are not mandatory and only consist in a manual

² <https://www.iatp.org/the-rise-of-big-meat>

containing guidelines. There is no official control of their implementation, and no sanction in case they are not enforced. In the case of **Uruguay**, the ministry published an animal welfare manual for PMSG production in June 2017. However, it contains mainly non-binding recommendations, and has considerable loopholes. For example, there is no legal limit on the volume of blood that can be extracted, no rule on abortion methods, or on the frequency of blood collections or of the inspections of the mares that should take place.

After a few years, the mares are usually exhausted and ends up feeding the horsemeat business. According to an audit led by the EU's Food and Veterinary Office in 2016 in **Uruguay**, "the system in place does not provide adequate guarantees concerning some of the statements contained in the "EQU" certificate. In particular, weaknesses have been noted concerning the controls aimed at ensuring that the requirements for residency at the holdings, on administration of veterinary treatments of the animals and on animal welfare at the time of killing, are met."

In **Argentina**, the situation is also difficult. The latest audit in 2014 revealed weaknesses both in terms of traceability and of the welfare standards that should apply through the EU regulation on slaughter. Transport conditions are also horrendous but they are not covered by EU rules. TSB|AWF most recent investigations have confirmed no progress has been achieved yet.

In 2016, horsemeat represented 2.83% of the Mercosur meat imports to the EU, up from 2.31% in 2013. It amounted to 4% of the value exported by Uruguay (13.65 million EUR), 7% of the value exported by Argentina (31.9 million EUR) and 0.56% of the value exported by Brazil (5.63 million EUR) – all up from 2013.

What does Eurogroup for Animals want?

Eurogroup for Animals believes that no additional access to the EU market should be granted for animal-based products unless convergence in terms of animal welfare standards is ensured. The optimal road for this would be to grant **only conditional TRQs** – linked with animal welfare requirements.

Eurogroup for Animals commends the approach adopted by the EU in its 2016 market access offer – and apparently still maintained - regarding eggs. In the documents, the EU clearly put conditions to any additional market access for that product being conditioned to the respect of animal welfare standards equivalent to the EU laying hens regulation. However while the condition is listed, no preferential access is included for eggs in the document, which raises questions regarding its impact. Conditional liberalisation is an approach that should be extended to other animal-based products in the future.

Eurogroup for Animals also calls for **more resources to be allocated to auditing mechanisms** and to their follow up processes. Audits in the third country are the only method to assess the respect of required animal welfare criteria. More should be carried and they should target specifically welfare conditions to ensure a sufficiently detailed reporting. In addition, procedures need to applied: if countries that do not respect established rules are not "sanctioned" by being taking out of the list of countries from which imports are accepted, there is less incentive for them to respond to the EU's concerns. It will be important to ensure that the EU does not weaken the monitoring mechanisms it has at its disposal. New mechanisms contained in the chapter on sanitary and phytosanitary (SPS) measures should not, especially in a first time, decrease the rate of the audits on animal welfare conditions, to the contrary.

Regarding **horsemeat**, the welfare conditions in the sector – and in other horse-related activities such as blood farms – are such that any improved access granted to Mercosur would send the **wrong signal**. Improvements have to be made on the grounds first, and the auditing system must be improved in order to ensure good practices are rewarded.

Animal welfare cooperation

What is at stake in the negotiations?

Any progress made using the EU market as leverage only leads to improving the life of the animals that ends up being used to produce goods that will be exported to the EU. Trade negotiations also represent a **great opportunity** to foster deep improvements in the partners' legislation, which would provide benefits for all animals indifferently, using cooperation mechanisms and tools like technical assistance and capacity-building measures. Mercosur countries count around 1.8 billion farm animals that could be impacted by a positive legislative change.

Animal welfare is listed as one of the EU's offensive interests in Mercosur negotiations. It is rumoured that Mercosur is ready to accept bolder language. More detailed provisions, and increased subsequent cooperation on animal welfare matters, could bring tremendous progress in the medium or long term. Another key outcome of strengthened cooperation could also be to have more alignment between the EU and Mercosur in international fora, and as both are important players, this could help promoting better standards globally.

What does Eurogroup for Animals want?

Eurogroup for Animals commends the draft proposals made by the EU to Mercosur on animal welfare cooperation, as they stood in November 2017. These proposals suggested the inclusion of wording on **animal sentience**, on the need for countries to work towards **aligning their regulatory standards** in the field, on strengthening **cooperation on research** to establish adequate and science-based standards and on reinforced **cooperation in international fora**. If these provisions were to be found in the final agreement, they would go way beyond the usual one-line provision requesting the partners to consider or establish cooperation on animal welfare.

Another section of the proposals made by the EU is planned to address – separately – **antimicrobial resistance**. According to an IATP [report](#), “Brazil increased its use of antibiotics by 68 percent from 2000-2010, coinciding with the large increase in meat production”. Unlike the EU, but very much like the US, the country does not ban the use of antibiotics as growth promoters. It “was the third largest consumer of antibiotics in livestock in 2010 — China and the U.S. being the largest. Alarmingly, Brazil is expected to double its use by 2030.” It would be positive for the trade agreement to recognise the link between better welfare of animals and a lesser use of antibiotics, and for the cooperation on antimicrobial resistance to be linked to the one on farm welfare.

Eurogroup for Animals also calls for these cooperation mechanisms to be **more transparent** in their work and to better **involve civil society** from both continents. The mechanisms should also allow relevant officials from sub-national level to participate in the discussions.

Trade and Sustainable Development

Stimulating intensive farming industries through trade liberalisation will have consequences on the short term for many animals, but it also contradicts the EU longer term objective of promoting sustainable development.

Animal welfare is strongly connected to sustainable development and the connection between the expansion of livestock industries and (illegal) deforestation is well recognised, notably in Brazil but not only. There, cattle ranching was said to be responsible for three quarters of the deforestation, as well . This phenomenon also contributes to Greenhouse Gas (GHG) emissions. In addition to forests being transformed in pastures, the need for more animal feed leads to more lands used for soybean production as well.

According to a [report](#) published by the Institute for Agriculture and Trade Policy (IATP), four of the largest greenhouse gas emitters in the meat industry are to be found in Brazil. They also [showed](#) that the top five meat and dairy companies emit more than Exxon, Shell and BP. Fostering more meat production in the world does not contribute to achieving the commitments taken in the Paris Agreement to fight climate change, and the EU should take this into consideration when pushing for more trade liberalisation.

In addition, while Mercosur meat producers may have been receptive to some criticisms regarding animal welfare, notably on gestation crates (used in the pork industry), they have rather encouraged more confinement in the beef industry, offering “independent cattle raisers the possibility of using their facilities and other supposed benefits in exchange for guarantees for purchasing the cattle. It is a way of introducing the integration model used in chicken and pig raising into the cattle sector.” Intensive farming also leads to huge waste (ie high level of water use, animal remains, excrement, water and soil pollution).

This situation has **evident impacts on wildlife** and on their habitat and could lead to the extinction of species that only exist in that region. Poaching is recognized as a source of concern in the region.

What does Eurogroup for Animals want?

This trend is both detrimental to the environment and to the animals, be them confined in farms or living in the wild. The EU needs to better recognize this, first in the language included in the trade agreements and during implementation phase.

The EU needs to **strengthen its “Trade and Sustainable Development” Chapter**. Further trade liberalisation should not hinder the fight against climate change and the achievement of other Sustainable Development Goals. If it is serious about those objectives, it needs to consider what sort of production and industries the trade liberalisation it offers will favour.

The EU also needs to better **recognize the link between sustainable development and animal welfare**. It already makes that connection in certain documents (for instance, in the study recently published by DG SANTE on the impact of the EU international animal welfare activities) but this link needs to be streamlined into the whole range of DG Trade’s work.

The Trade and Sustainable Development chapter should include stronger options for enforcement, with deeper cooperation mechanisms (including the establishment of roadmaps) and last resort sanctions. Civil Society Organisations should be allowed to trigger the mechanism setting up a panel to address specific TSD-related disagreements. Organisational details of the Domestic Advisory Groups should also be improved: the groups should be ready to operate when the agreement enters into force – even only provisionally. If

necessary, technical assistance should be provided to Mercosur countries to ensure a balanced group is put into place.³

³ Eurogroup for Animals, [Animal Welfare, Trade and Sustainable Development](#), October 2017