Case #13. EU Dairy Interests vs. Environmentalists over a new Common Agricultural Policy (CAP)

In April 2022, “Brussels” (i.e., the **European Commission**) sought to expand the European Green Deal by proposing an upgrade of EU rules that limit pollution from 52,000 installations, including power plants, waste treatment facilities, cement factories and livestock farms.

A draft of the proposal, would add cattle farming to the regulation, which obliges countries to only grant permits to facilities that meet standards including on waste disposal, and emission limits for gases including sulphur dioxide and nitrogen oxides.

The European Green Deal

The **European Green Deal** is a set of policy initiatives by the **European Commission** with the aim of making Europe climate neutral in 2050. It includes an impact assessed plan to increase the EU's greenhouse gas emission reductions target for 2030 to at least 50% and towards 55% compared with 1990 levels.

In the context of the Paris Agreement, and therefore using 2019 emissions as baseline, since 1990 EU emissions already dropped by 25% by 2019, a 55% reduction target from 1990 translates to a 40% reduction using 2019 as a baseline.

According to the Emissions Gap Report 2020 by the UNEP (United Nations Environment Programme), meeting the Paris Agreement's 1.5° temperature increase target requires a 57% emissions reduction globally from 2019 levels by the year 2030, therefore well above the 40% target of the European Green Deal.

This 57% emission reduction target at 2030 represents average global reductions, while advanced economies are expected to contribute more.

The plan is to review each existing law on its climate merits, and also introduce new legislation on the circular economy, building renovation, biodiversity, farming and innovation.

The Challenge of Sustainable “Grass to Glass”

Creating a sustainable supply chain from “grass to glass” is a huge challenge for European dairy farmers.

Millions of farmers worldwide tend approximately 270 million dairy cows to produce milk. Milk production impacts the environment in various ways, and the scale of these impacts depends on the practices of the dairy farmers and feed growers.

Dairy cows and their manure produce greenhouse gas emissions which contribute to climate change. Polluting emissions have long been a concern in the dairy industry, with methane released from cow belches and flatulence fueling global warming and causing floods and droughts. Poor handling of manure and fertilizers can degrade local water resources. And unsustainable dairy farming and feed production can lead to the loss of ecologically important areas, such as prairies, wetlands, and forests.

To get a sense of the magnitude of the problem, the 13 biggest dairy companies in the world have the same combined greenhouse gas emissions as the UK, the sixth biggest economy in the world, according to a 2020 report from the **Institute for Agriculture and Trade Policy (IATP),** a non-profit research and advocacy organization that promotes sustainable food, farm, and trade systems.

The analysis shows the impact of the 13 firms on the climate crisis is growing, with an 11% increase in emissions in the two years after the 2015 Paris climate change agreement.

"Unlike growing public scrutiny on fossil fuel companies, little public pressure exists to hold global meat and dairy corporations accountable for their emissions," said Shefali Sharma, European director at **IATP** and report author. "Few of these companies are even reporting their emissions."

"As governments ratchet up their climate goals, the rise of large-scale dairy and public incentives that further increase corporate dairy power, production and emissions must be stopped," she said. "Rural livelihoods and our planet's future depend on it."

More than 90% of the corporate dairy industries' emissions are produced by the cows themselves, mostly in the form of methane.

The IATP report found emissions from the big companies rose from 306m tons of CO2-equivalent in 2015 to 338m tons in 2017. The UK's annual emissions are 350m tons a year.

Cows, pigs and other farm livestock in Europe are producing more greenhouse gases every year than all of the bloc's cars and vans put together, when the impact of their feed is taken into account, according to a new analysis by Greenpeace.

The increase in meat and dairy production in Europe over the past decade has made farming a much greater source of emissions, but while governments have targeted renewable energy and transport in their climate policies, initiatives to reduce the impact of food and farming on the climate have lagged behind.

Dairy industry representatives said the report did not reflect the reality of the dairy sector. In a joint statement, Judith Bryans, president of the **International Dairy Federation (IDF)**, and Donald Moore, executive director of the **Global Dairy Platform (GDF),** said: "The dairy sector is committed to producing nutritious foods in environmentally sound and responsible ways." (**IDF** is the leading source of scientific and technical expertise for all stakeholders of the dairy chain**. Global Dairy Platform**'s membership of dairy companies, associations, scientific bodies and other partners collaborate pre-competitively to lead and build evidence on dairy's role in the diet, and show the sector's commitment to responsible food production.)

"It's very easy to put out a report that criticizes and tries to paint a simple picture of a sector which doesn't contain all of the nuances or realities of how the global dairy sector nourishes the world with nutrient-rich, safe foods and does so in a manner that strives for continued environmental improvements while providing livelihoods to a large percentage of the world's population," said Bryans and Moore.

A 2019 joint report by the **UN Food and Agriculture Organization (FAO)** and **Global Dairy Platform** said: "In order to limit temperature rise, the dairy sector must reduce its greenhouse gas emissions and work towards a low-carbon future … There is a clear case for immediate and more ambitious action."

The report said: "The [dairy] sector's emissions have increased by 18% between 2005 and 2015 because overall milk production has grown substantially by 30%. The good news is that there are many opportunities within the sector to limit climate change by reducing emissions. While there is some uncertainty about the size and timing of changes, it is certain that it is happening." The report did not consider reducing production.

In 2018, the latest year for which accurate data is available from the **UN Food and Agriculture Organization**, livestock on EU farms (including the UK) were responsible for the equivalent of about 502m tons of carbon dioxide a year, mostly through the methane they release. That compares with 656m of carbon dioxide from Europe's cars and vans in the same year.

But when the indirect greenhouse gas emissions are calculated, using established methods to estimate the deforestation and land use changes associated with growing animal feed, then the total annual emissions are equivalent to 704m tons of carbon dioxide. The calculations are set out in a new **Greenpeace** report entitled "Farming for Failure."

The EU's meat and dairy production rose by 9.5% between 2007 and 2018, which according to **Greenpeace** translated into an increase in annual emissions of 6%, or about 39m tonnes. That would be the equivalent of putting 8.4m new cars on the road.

If such rises continue, the EU has little chance of meeting its obligations to reduce greenhouse gases under the Paris agreement. Last week, the EU strengthened its targets on cutting emissions, announcing a target of 55% cuts by 2030, compared with 1990 levels, as part of the European green deal, and ahead of key UN climate talks next year.

Marco Contiero, agriculture policy director for **Greenpeace,** said policymakers must get a grip on livestock emissions, or face missing carbon reduction targets. "European leaders have danced around the climate impact of animal farming for too long," he said. "Science is clear, the numbers as well: we can't avoid the worst of climate breakdown if politicians keep defending the industrial production of meat and dairy. Farm animals won't stop farting and burping – the only way to cut emissions at the levels needed is to cut their numbers."

Halving intensive animal farming would cut about 250m tonnes of carbon dioxide emissions a year, about the same as the total emissions from the 11 lowest-emitting countries in Europe.

A spokesperson for the UK's National Farmers' Union said farmers were taking action, with a target of being carbon neutral by 2040. Farming in the UK is directly responsible for 10% of UK greenhouse gas emissions, according to the NFU, without taking into account indirect emissions related to feed.

"If we are to achieve [the carbon neutrality goal], we must reduce all our greenhouse gas emissions," said the spokesperson. "A focus on improving productivity is key here, alongside maintaining and improving our storage of carbon in grassland and producing more renewable energy."

Greenpeace is calling for an end to public subsidies for industrial-scale animal farming under the EU's common agricultural policy, as part of the bloc's plans for a green deal. Such a policy is unlikely to win much favour from the powerful farming lobbies in most large European countries, but policymakers will be under pressure to show how they can meet the EU's climate targets without large-scale reforms to farming.

EU Common Agricultural Policy (CAP)

In late June 2021, the European Union reached a provisional agreement to overhaul its massive farming policy in an effort to make it simpler and more sustainable, in sync with the bloc's unprecedented strategy to reach climate neutrality.

National governments, the European Parliament and the European Commission agreed on reforms to the bloc's Common Agricultural Policy for 2023-2027. Measures involving support of farm incomes and production account for about a third of the EU's overall budget.

"The new CAP bolsters environmental measures and also includes provisions to ensure greater support for smaller farms and help young farmers enter the profession," the EU Council, which represents member states, said in a statement.

The changes are an attempt to bring EU agriculture policy in line with the EU's ambitious climate goals. Under the "**EU Green Deal**," the EU seeks a 55% reduction in net greenhouse gas emissions by 2030, compared with 1990 levels, and zero net emissions by mid-century.

The CAP overhaul would include requirements for countries to funnel a quarter of farm-income payments toward ecological schemes and for farmers to set aside 3% of their arable land for biodiversity efforts, said Frans Timmermans, executive vice-president of the Commission in charge of the Green Deal. "This is a big step in the right direction," he said at a press conference. "But it's work ongoing, we'll have to continue in that direction."

The agreement was approved by the **EU's national agriculture ministers**, but also must also be formally endorsed by national governments and the European Parliament before it can become law.

EU "Farm to Fork" Strategy

In 2020, the EU unveiled a new "Farm to Fork" strategy, mapping out ways to halve pesticide and antibiotic use, among other goals. According to the European Commission, the new CAP will contribute to the targets of that strategy and "fully integrate EU environmental and climate legislation."

Immediately after approval of the CAP proposal, environmental groups led by the **European Environmental Bureau (EEB)** gathered in Brussels to protest what they called 'greenwashing' of the new EU Common Agricultural Policy (CAP). In contrast, the **European Dairy Association (EDA)** said the new CAP was a good deal for dairy interests.

According to the **EDA,** *"As the voice of the European milk processing industry, we have been during the last years in close contact with all relevant stakeholders to ensure a good outcome on the dairy essential parts, especially in the Common Market Organization (CMO). The CMO is an essential part of the acquis Communautaire for the agri-food sector and of utmost importance for the dairy sector. Its implementation is key to the competitiveness of the dairy sector in the different regions of the EU. Our preliminary analysis shows that today's deal takes into account the need for a market orientated CAP while giving dairy farmers and processors the needed support to adapt to the new challenges. This is a significant step forward and good news for the dairy industry."*

The European farmers and agri-cooperatives organization **Copa-Cogeca** also welcomed the agreement, and the five-year provisional €387bn farming subsidy agreement, noting,

"This provisional compromise reached today represents an unprecedented challenge for the EU farming community, as the negotiators for the Parliament rightly indicated. Work will need to continue to translate this in technical terms and then secondary legislation needs to be developed to guarantee a swift and timely implementation of the CAP."

*"This morning, farmers from all over Europe reiterated the need for urgent work to be done by the Commission, during a symbolic mobilization, notably to make sure that the compromise found will be coherent at a national level but above all with regards to all other proposals of the "**European Green Deal,"** which will weigh itself in a complex and contradictory way for farmers. We must not forget that alongside the CAP, we will have tomorrow the Farm-to-Fork strategy, the biodiversity strategy, the targets on climate neutrality and the taxonomy which will have to be reflected in our future and existing trade agreements."*

Not everyone was welcoming the potential deal, however.

Green Opposition

Members of the **Green Party** in the EU Parliament said they would vote against the agreement, adding that it "falls far short" of the bloc's promises on climate change, including the use of less pesticides and promotion of organic farming.

"The CAP was supposed to be the big building block of the Green Deal," said **Green Party** member Bas Eickhout in a statement. "What remains is a series of empty slogans with big agri-business as usual or, in many cases, a deterioration of the status quo."

The **European People's Party**, the biggest political group in the EU parliament, and the **liberals** supported the CAP.

The **European Environmental Bureau (EEB),** the largest network of environmental citizens' organizations in Europe with more than 170 member organisations in more than 35 countries, saw the CAP as continued funding of harmful intensive farming practices.

"The 2023-2027 CAP finalized by negotiators will again be presented as a win for the environment. But weaker-than-ever rules for farm payments and no meaningful environmental targets mean that around three quarters of the €270bn farm budget will go to intensive farms. CAP funding has been handed to member governments with a weak accountability and with a history of favoring intensive farming methods at the expense of environmental protection."

The **EEB** said intensive agriculture creates 15% of Europe's climate emissions. EEB agriculture policy officer Célia Nyssens said, *"The EU spends more on farmers than on anything else, making farm policy a powerful tool for good or for bad. We could be helping farmers restore degraded soils, adapt to climate change and rescue collapsing bee and other wildlife populations. But this new policy is a monumental failure of leadership to take on those grave threats. We are already seeing national governments planning for business as usual, to keep the money flowing to intensive farms. The European Parliament should take the rare step of throwing out this destructive deal this summer, to force a reset.*

"If passed, the new CAP will be a serious obstacle to nationally-agreed environmental targets, including cutting European climate emissions by 55% and ending biodiversity loss by 2030. It will also clash with flagship European environmental farming targets to halve pesticides use, halve antibiotic use and halve fertilizer pollution, grow organic farmland from 8% to 25% and dedicate 10% of farmland to wildlife habitats," the EEB said.

World Wildlife Fund senior policy officer, agriculture and food, Jabier Ruiz, tweeted, *"Unless the Parliament wakes up and pulls the handbrake, this CAP will just protect the status quo, failing to orient and support EU farmers in the transition to climate- and nature-friendly agriculture."*

Birdlife Europe, the European and Central Asian Division of BirdLife International, said the CAP intensive agriculture model directly leads to biodiversity loss, water and air pollution, over-extraction of water and fuels the climate crisis.

"This disastrous deal claims to be 'green' but is in reality full of greenwashing. This deal means that most of the multi-billion euro budget can continue to flow to destructive business-as-usual practices if EU countries wish," the group said.

Harriet Bradley, senior agriculture policy officer at **BirdLife Europe**, said, *"This CAP deal is a free-for-all dressed up as system change. There is nothing to stop EU countries from continuing to fund the destruction of nature. This is totally incompatible with the*

EU Parliament's promises to transform agriculture and their commitments under the Climate Law and Biodiversity Strategy. MEPs must now vote this CAP down if they are genuine about wanting to save our planet.

*"How can the **EU Green Deal** be a success when one third of the EU's budget could be spent on making the biodiversity and climate crisis worse? The only thing green about this deal is the blatant greenwashing."*

Ariel Brunner, senior head of policy, **BirdLife Europe**, said, *"This CAP is a betrayal of the farmers who are trying to adapt to climate change, a death sentence for nature, an open invitation to oligarchs to continue to pillage the public coffers, and a slap in the face of young people asking for a liveable future. It is simply a disgrace that no amount of spin, propaganda and greenwashing can hide.*

*"From Heads of State to national politicians and even President Von der Leyen herself all claim that the **European Green Deal** is our ticket to beat the nature and climate crises. But then they let **national Agriculture Ministers** and members of the **EU Parliament's Agriculture Committee** to gut it. They do this on behalf of farming unions defending the fat cats against the interests of their own membership. This is a sad day for Europe and a significant step further towards the abyss of runaway climate change and ecosystems collapse."*

The Dairy Product Environmental Footprint (PEF)

The Product Environmental Footprint (**PEF**) and Organisation Environmental Footprint (OEF) are the **EU** recommended Life Cycle Assessment (LCA) based methods to quantify the environmental impacts of products (goods or services) and organisations.

For the dairy the sector, it provides a harmonised approach from within the dairy sector that identifies the most significant environmental impacts linked to the production of certain dairy products, across a broad set of impact categories.

It provides consistent, reliable, reproducible and verifiable results along the whole dairy value chain and the full life cycle of the product, from feeding the animal to washing your yoghurt spoon.

The project has been driven by the European Dairy Association (EDA) and it attests the European dairy sector's continuous effort to improve its long-term environmental sustainability.

Dairy PEF Scope

The scope of the Dairy PEF contains five subcategories of dairy products, namely: liquid milk, dried whey, cheeses, fermented milk and butterfat.

The Dairy PEF and other product PEFs are now entering the end of transition phase, which runs until end of 2021.

The objective of this phase is to monitor the implementation of the methodology and assess its future policy applications, for instance the integration in existing EU policies such as the ***Green Public Procurement (GPP)*** *and* ***the Unfair Commercial Practices Directive***, or in new policy instruments that will define new environmental and green claims.

The Dairy PEF as it stands now is a good methodology for improvement calculation over time and internal assessment. Dairy companies involved in ecodesign and "green" products can benefit from the assessment of the Dairy PEF methodology, increasing their visibility and environmental credibility.

Therefore, European Dairy Association (EDA) supports actions by the European Commission to integrate the Dairy PEF methodology in existing or new policy instruments, in order to reward sustainable practices in the dairy sector. The success of the Dairy PEF has been recognised by external evaluators and by the vote of the European Commission and the Member States in April 2018, that defined the Dairy PEF as the reference methodology in the dairy sector.

Can Dairy Go Green?

Kees de Koning is innovation manager at the Dairy Campus in the municipality of Leeuwarden, northern Netherlands. To cut down on pollution, he says farmers have only two solutions: either they reduce the number of cows or cut down on the emissions they create.

The Dairy Campus in Leeuwarden is an open ecosystem and living lab, where researchers work together with the business community, education and dairy farmers on innovations that contribute to a more sustainable dairy chain.

Researchers at the Dairy Campus work in cooperation with two other thematic campuses in Leeuwarden, the WaterCampus and the Energy Campus, to combine the interlinking issues of water technology, energy and dairy.

One solution they are working on to cut down emissions is through animal feed, looking at how farms can incorporate seaweed in feed to reduce methane emissions. One project in Australia four years ago found that emissions could be cut by over 90% by feeding the cows with seaweed.

"We know already that, if we look specific differences among cows and combine that with breeding and feeding strategies, you can reduce methane emission by around 30%. If you add some additives to the feed, you can reduce the methane emission by over 50%," de Koning said.

Another project that can reduce dairy emissions and save water is by using membranes to filter water from milk before it is sent to factories for processing. Milk is around 90% water and removing some of this before processing saves 400,000 litres of water per year for the average farm.

This in turn reduces the need to transport milk around, and decreases traffic on local roads, as well as pressure on finite water resources.

Farming for Generations, a global collaboration to support dairy farmers to adopt regenerative agricultural practices that preserve and renew our planet's resources, respect animal welfare and ensure the long-term economic viability of farms for the next generation.

Currently over two-thirds of the world's agricultural land is used for maintaining livestock, including beef and dairy cows. One-third of the world's land suffers desertification due, in large part, to deforestation, overgrazing and poor agricultural practices. In some circumstances, dairy cows can contribute to healthy habitats through well-managed grazing.

Livestock farming is one of the main contributors to soil erosion around the world. Turning forests into pasture or feed crop production areas, overgrazing and soil impaction from cattle's hooves can lead to extreme loss of topsoil and organic matter that could take decades or centuries to replace. On the other hand, well-managed manure application and grazing can improve the soil health of pastures and crop lands.

PRINCIPLAL ACTORS IN THE CASE

Dairy Interests

European Dairy Association (EDA), **International Dairy Federation (IDF)**, and **Global Dairy Platform (GDF)**

Copa-Cogeca

Governmental Sector

National Agriculture Ministers report to **National governments (**which try to influence EU Parliament and European Commission through their MEPs or directly)

European Parliament

within the **European Parliament (See Appendix A):**

Green Party in the EU Parliament (52 MEPs)

European People's Party in the EU Parliament (216 MEPs)

Liberal Party in the EU Parliament (69 MEPs)

EU Parliament's Agriculture Committee

European Commission (Executive arm of the EU**,** reporting to European Parliament)

External Actors

(EnvNGOs) European Environmental Bureau (EEB), World Wildlife Fund, Birdlife Europe, and Greenpece

Institute for Agriculture and Trade Policy (IATP)

UN Food and Agriculture Organization (FAO)

CASE QUESTIONS

1. **(1) If you were the Dairy Interests, what would be (a) the most important issue, and (b) most important actor (other than the European Commission) you would monitor as you seek to influence European Commission policy and decision-making regarding the dairy industry's greenhouse gas emissions**

   Format: I'd monitor_____ because_____.
   (maximum words: 40)

2. **(3) Summarize the power situation that the Dairy Interests faces in the case. (Summary means summary! Do not simply repeat what is in your diagram. Summarize key elements, leading to a concluding sentence about position, positive or negative about the situation for the Dairy Interests. (maximum 100 words)**

3. **(3) Diagram your most likely scenario on how policy and decision-making regarding greenhouse gas emissions and the dairy industry will unfold in the EC and EU Parliament (without active intervention on your part).**
4. **(2) What public policy model do you think will best describe how policy and decision-making regarding greenhouse gas emissions and the dairy industry in:**
    - **A. the European Commission**
    - **B. the EU Parliament Agriculture Committee.**

    Explain your choice (maximum words: 30 words for each)

5. **(6) Given your power summary, scenario and public policy models, what strategy going forward do you recommend for the Dairy Interests to maximize the possibility that the European Commission and EU Parliament will make policy and decisions regarding the dairy industry and greenhouse gas emissions acceptable to your membership? (maximum words: 150)**

Party Representation in the European Parliament

Group	Parties	Leader(s)	Est.	MEPs
European People's Party (EPP)	• European People's Party (EPP) • +1 unaffiliated national party • +4 independent politicians	Manfred Weber	2009	216
Progressive Alliance of Socialists and Democrats (S&D)	• Party of European Socialists (PES) • +3 unaffiliated national parties	Gianni Pittella	2009	185
European Conservatives and Reformists (ECR)	• Alliance of Conservatives and Reformists in Europe (ACRE) • European Christian Political Movement (ECPM) • + 1 unaffiliated national party • + 2 independent politicians	Syed Kamall	2009	77
Alliance of Liberals and Democrats for Europe (ALDE)	• Alliance of Liberals and Democrats for Europe (ALDE) • European Democratic Party (EDP) • + 5 unaffiliated national parties	Guy Verhofstadt	2004	69
European United Left–Nordic Green Left (GUE-NGL)	• Party of the European Left (PEL) • European Anti-Capitalist Left (EACL) • Nordic Green Left Alliance (NGLA) • Maintenant le Peuple (MLP) • + 10 unaffiliated national parties	Gabi Zimmer	1995	52

Greens–European Free Alliance (Greens–EFA)	• European Green Party (EGP) • European Free Alliance (EFA) • + 3 unaffiliated national parties • + 2 independent politicians	• Rebecca Harms • Philippe Lamberts	1999	52
Europe of Freedom and Direct Democracy (EFDD)	• Alliance for Direct Democracy in Europe (ADDE) • + 1 unaffiliated national party • + 1 independent politician	Nigel Farage	2014	42
Europe of Nations and Freedom (ENF)	• European Alliance for Freedom (EAF) • Movement for a Europe of Nations and Freedom (MENF) • + 2 unaffiliated national parties • + 2 independent politicians	• Marine Le Pen • Marcel de Graaff	2015	36
Non-Inscrits (NI)	• Alliance for Peace and Freedom (APF) • Alliance of European National Movements (AENM) • Initiative of Communist and Workers' Parties (INITIATIVE) • +3 unaffiliated national parties • +4 independent politicians	N/A		20
Source for MEPs: Seats by Member State			**Total**	**749**