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#### NOTE

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From:	General Secretariat of the Council
To:	Delegations
Subject:	AOB item for the meeting of the “Agriculture and Fisheries” Council on 9/10 December 2024: The eligibility of expenses related to the purchase of breeding animals within the CAP strategic plans - <i>Information from Romania</i>

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The geopolitical instability, particularly due to the conflict in Ukraine, has created significant challenges for the European agricultural sector. Volatility of the grain prices and reduced access to quality feed at affordable prices have adversely affected livestock, leading to declining livestock numbers and increased dependence on imports.

Thus, also EUROSTAT is confirming that the number of the livestock in the EU is decreasing, a situation that risks compromising the food security of the EU and the economic resilience of European producers. For example, Romania, although it owns over 4.5 million hectares of pasture, only registers about 1.5 million cattle and small and medium-sized producers do not own high-performing breeding animals, which also explains an average production of only 4 tons of milk per year per head of animal, which does not allow them to obtain the necessary income for a decent living and hence the risk of accelerated depopulation of rural areas.

In order to mitigate these challenges and strengthen the livestock sector, we request that breeding animals be included as eligible investments related to the European Fund for Agriculture and Rural Development within the Strategic Plans, also considering the fact that breeding animals are recorded as fixed assets in accounting agricultural, being used in several production cycles.

By ensuring the eligibility of expenditure on breeding animals, several key aspects of the European agricultural sector will be addressed:

- The livestock sector is a particularly complex sector that requires major investments in infrastructure at the farm level, for equipment to ensure biosecurity and compliance with sanitary and veterinary regulations, and the purchase of animals justifies such investments with significant financial impact.
- Increasing livestock production will facilitate greater consumption of locally produced grains, reducing environmental impact and dependence on volatile international markets, thus improving farmers' incomes
- Investments in high-quality breeding animals will improve genetics and productivity, increasing both the quantity and quality of meat and dairy production, which will contribute to increasing competitiveness in the agricultural sector.
- A revitalized livestock sector will stimulate economic activity, create jobs and contribute to the overall economic growth of rural areas, allowing young people to be attracted to agriculture.

We therefore call on the European Commission to examine this proposal carefully to ensure the long-term viability and prosperity of agriculture and the rural environment.

In this sense, Regulation (EU) 2021/2115 of the European Parliament and of the Council establishing the rules on support for strategic plans financed by the European Agricultural Guarantee Fund (EAGF) and the European Agricultural Fund for Rural Development (EAFRD) must be amended, through the inclusion of a new point (v) in Article 73(3)(d) ("Investments"), at least as an exception generated by the general instability in the region leading to the distortion of the EU's internal competition.