Brussels, 10 April 2026
PH/MM

EACB Position Paper on the European Commission's Upcoming Livestock Strategy

April 2026

The **European Association of Co-operative Banks** (EACB) is the voice of the cooperative banks in Europe. It represents, promotes and defends the common interests of its 27 member institutions and of cooperative banks in general. Cooperative banks form decentralised networks which are subject to banking as well as cooperative legislation. Democracy, transparency and proximity are the three key characteristics of the cooperative banks' business model. With 2,500 locally operating banks and 40,000 outlets cooperative banks are widely represented throughout the enlarged European Union, playing a major role in the financial and economic system. They have a long tradition in serving 228 million customers, mainly consumers, retailers and communities. The cooperative banks in Europe represent 91 million members and 737,000 employees and have a total average market share of about 20%.

For further details, please visit www.eacb.coop

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Introduction

The EACB welcomes the European Commission's initiative to develop a comprehensive Livestock Strategy. As locally rooted, relationship-based institutions, cooperative banks finance a significant share of livestock farmers, cooperatives, processors and rural SMEs across the European Union. We take the view that the Commission's timely publication of a Livestock Strategy can serve as a useful risk-sharing blueprint, facilitating the coordination of relevant stakeholders' efforts toward an economically and environmentally sustainable livestock sector.

EACB position on the upcoming EU Livestock Strategy

The European Union's strategy must above all highlight the strategic role that livestock farming plays within the European ecosystem. Far more than a simple agricultural activity, it guarantees our food sovereignty, acts as an economic driver, serves as a pillar of agricultural systems, and is a key factor in the organization and vitality of territories, while also providing ecological solutions.

Indeed, livestock farming is a cornerstone of European food sovereignty through the production of animal protein essential to our diet. This helps reduce our dependence on imports.

Livestock farming also plays a major role in land use and land enhancement, particularly in challenging areas such as mountainous regions, and combats rural desertification. It supports the maintenance of local economic activities, making it a fundamental component of territorial dynamics through value creation and employment. It is also a sector that generates added value in international markets through the export of our products.

Furthermore, livestock farming contributes indispensably to the sustainability and balance of agricultural systems through its complementarity with crop production. It is important to recall, especially in the current context, that livestock farming is a source of organic fertilizer, helping both to strengthen sovereignty in fertilization and to reduce our dependence on synthetic fertilizers.

Finally, livestock farming also addresses societal challenges, notably by contributing to climate change mitigation through carbon sequestration in grasslands.

From a financial perspective, the transition of the livestock sector involves policy-driven risks that banks should not be expected to absorb alone. The Strategy should explicitly link livestock transition investments to European Investment Bank instruments, national promotional banks and CAP financial instruments, thereby **normalising the use of public guarantees and blended finance**. Even modest guarantees can significantly catalyse private lending, particularly for SMEs and cooperatives. Cooperative banks will continue to apply prudent creditworthiness assessments, but risk-sharing mechanisms provide comfort against regulatory and market volatility and help ensure that EU funds reach farmers efficiently through established local banking networks.

Strengthening **value-chain resilience** and reducing **income volatility** must be central objectives of the Strategy. Feed price shocks, disease outbreaks and imbalances in bargaining power increase repayment risks and weaken financial stability. Encouraging long-term contracts,

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producer organisations and stronger livestock cooperatives would improve price stability and market access. Risk-management tools, including insurance schemes, mutual funds for disease and climate events and price stabilisation mechanisms, are essential. All actors in the livestock ecosystem, including processors, cooperatives and logistics operators, should be recognised as integral counterparts in building a more resilient value chain.

Profitability remains a prerequisite for sustainability. **Targeted support for vulnerable sectors, improved marketing measures and the promotion of quality labels** can enhance value creation and competitiveness. Trade policy must remain consistent with the high standards required of European producers. A strong and coordinated **cooperative sector** is equally essential. Supporting livestock cooperatives in consolidating supply can improve farmers' bargaining power, stabilise prices and open access to new domestic and international markets.

Generational renewal is equally crucial. Greater financial support for young livestock farmers, reduced administrative burdens and simplified access to grants are needed to **lower entry barriers**, particularly for small farms. Dedicated training and advisory services, with a focus on young people, will strengthen long-term sector viability. Investment in **research, innovation** and digital technologies should also be encouraged, as these improve efficiency, productivity, animal welfare and environmental performance while enhancing competitiveness.

Also, the **role of European cooperative banks** in financing agricultural policy and supporting rural communities should be clearly recognised. Their proximity to farmers and deep understanding of local conditions position them as essential partners in delivering a sustainable livestock transition.

Finally, the Strategy should **provide clear and predictable signals on the future direction** of EU standards on animal welfare, environmental and climate standards. Regulatory coherence is essential. The alignment of CAP conditionality, animal welfare reforms and climate policy is necessary to avoid overlapping or contradictory requirements that increase uncertainty and transition risk. Clear guidance on what constitutes "future-proofing" investments would allow farmers and financial institutions to make long-term decisions without fear of stranded assets or shifting regulatory expectations.

At the same time, environmental measures must reflect the **diversity of European livestock systems.** Requirements should be eased and made proportionate in ecosystems of high environmental value.[1]

Conclusion

The EU Livestock Strategy should reconcile environmental ambition with economic realism and regional diversity. A sustainable transition will only be possible if financially viable. EU cooperative banks are ready to continue and further strengthen their role as key financiers of the agricultural sector across Europe. In a context of policy coherence, appropriate public risk-sharing mechanisms and full recognition of the sector's structural and regional diversity, cooperative

[1] This is particularly important for Mediterranean and extensive systems, including extensive sheep and goat farming, extensive cattle farming and extensive pig farming, as well as the Dehesa model. These weather-dependent systems deliver significant environmental benefits through carbon sequestration, biodiversity preservation and natural land management. The expansion of sheep and goat herds, for example, contributes to the natural clearing of hills and undergrowth, thereby reducing fire risk and maintaining rural landscapes. Such farms are genuine guardians of the countryside and should be explicitly recognised and prioritised within the Strategy's sustainability framework.

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banks can confidently mobilise the necessary financing to support a resilient and sustainable livestock sector.

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The EACB trusts that its comments will be taken into account.

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