



Institute ^{for}
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Policy

REPORT

Phasing out cages in the laying hen sector

The role of the post-2027 CAP

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Corresponding Authors

Axel Godfroy (agodfroy@ieep.eu)

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IEEP AISBL office

IEEP – Norrsken House Brussels
72 Rue du
Commerce
1040 Bruxelles
brussels@ieep.eu

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1. Introduction

This report examines the potential of the Common Agricultural Policy (CAP) proposals for the 2028-34 period to support the transition to cage-free systems, with a particular focus on the laying hen sector. The focus is on laying hens, given that this will be one of the first sectors to be required to phase-out cages under the forthcoming revision of on-farm animal welfare legislation, expected at the end of 2026, as set out in the EU Strategy on Livestock¹. This means that there is likely to be increased interest in finding the most efficient ways of securing the phase-out of cages for laying hens, including possible funding opportunities.

Caged systems for farmed animals remain commonplace in many parts of the EU. However, evidence shows that these practices have adverse effects on the behaviour and welfare of animals, including the restriction of movement, increase feather pecking, inability to perform exploratory or foraging behaviour, bone lesions and resting problems, which, for instance, are particularly the case for laying hens (EFSA 2023b). In 2025, just over a third of laying hens were still reared in cages², albeit with significant differences between Member States. This compares with 85% of EU rabbit meat production produced in barren cages in 2017 (European Commission, 2017), and between 86 and 95% of sows that are confined in farrowing crates during the lactation period (Malak-Rawlikowska et al, 2024).

The welfare of farmed animals has been increasingly discussed at EU and national levels, largely driven by the growing awareness and interest of EU citizens in this issue. For example, the European Citizens' Initiative "End the cage-age"³ was signed by more than 1.4 million citizens and called for ending the use of cages for farmed animals. The European Commission responded to this initiative by announcing the development of a legislative proposal for the progressive phase-out of cages, originally by the end of 2023, while also highlighting other tools that could contribute to developing cage-free practices, such as EU-wide animal-welfare labelling (European Commission, 2021). However, progress has been slower than anticipated, and the legislative proposal for the revision of the current on-farm animal welfare legislation is now expected in late 2026.

¹ COM (2026) 576 final, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, EU Strategy on Livestock <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:52026DC0576>

² Methods of production communicated by Member States according to Commission Implementing Regulation (EU) 2017/1185, https://agriculture.ec.europa.eu/document/download/9bdf9842-1eb6-41a2-8845-49738b812b2b_en

³ https://citizens-initiative.europa.eu/initiatives/details/2018/000004_en

The phasing out of cages is expected to be brought in over time and by sector, with the laying hen sector likely to be one of the first.

While the market can and should provide a stimulus for the investment required to transition to cage-free systems, in some situations, financial support may be required. There is a range of different possibilities available, amongst which is the CAP. Member States already use the CAP to incentivise higher animal welfare standards on farms across the EU, with a total of 136 support schemes contributing, directly or indirectly, to animal welfare under the current CAP (Godfroy and Muro, 2025).

Proposals for the 2028-34 CAP were unveiled by the Commission in July 2025 and are currently under discussion within the European Parliament and the European Council. This proposes a new funding structure, with CAP support integrated into an overarching National and Regional Partnership Fund, also covering broader cohesion and other objectives. Member States will be required to develop their plans for how to use this funding over the coming 18 months, which provides an opportunity to consider whether funding is required to support the phase-out of caged systems and if so, how it might best be designed.

Against this policy backdrop, this report first summarises the state of play with the phasing out of cages for laying hens in different Member States, providing examples of existing initiatives in place and some of the barriers and challenges encountered. It then considers how the evolving CAP framework could be mobilised to support and finance a transition towards cage-free systems alongside other funding pathways, with a specific focus on cage-free egg production.

It draws on the findings of a previous report (Godfroy et al., 2026), supplemented by focused desk-based research, gathering EU level evidence, alongside specific information and analysis available in six Member States: France, Spain, Romania, Poland, Italy and Germany. A literature review was accompanied by ten interviews, with relevant stakeholders (policymakers, researchers, as well as industry and civil society representatives) at EU level, as well as in a number of these in Member States.

2. Phasing out cages for laying hens: state of play

This section examines the current situation for the laying hen sector, examining some of the barriers to a transition to cage-free systems, drawing on the literature and interviews in a number of Member States.

The EU is an important producer of eggs, producing on average around 6.7 million tonnes of eggs each year⁴, representing approximately 6.3% of the world's global production in 2024⁵. The EU is also a net exporter of eggs, exporting 361,000 tonnes of equivalent eggs in 2025, while importing 189,000 tonnes during the same period, resulting in a positive trade balance of EUR 328 million⁶. Over the next 10 years, it is expected that both the production and the consumption of eggs in the EU will slightly increase, by 0.8% and 0.5% respectively (European Commission, 2025).

Public momentum to phase out cages in EU farming has intensified, following the Commission's ongoing revision of animal-welfare legislation, now expected by late 2026, with laying hens anticipated to be among the first sectors covered⁷.

2.1 Housing methods for laying hens in the EU

A wide range of housing systems is used for laying hens in the EU, with different systems dominating in different Member States. Progress towards the phasing out of cages and confinement systems therefore varies widely across Member States, with just over a third of laying hens housed in cages in 2025.

⁴ https://agriculture.ec.europa.eu/farming/animal-products/eggs_en

⁵ Production of hen egg in 2024, FAO statistics, <https://www.fao.org/faostat/en/#data/QCL/visualize>

⁶ These numbers do not include hatching eggs, and come from: Market situation for eggs, European Commission, April 2026, <https://circabc.europa.eu/sd/d/18f7766e-e9a9-46a4-bbec-94d4c181183f/0%20Circa%20%20egg%20no%20links.pdf>

⁷ https://food.ec.europa.eu/animals/animal-welfare/evaluations-and-impact-assessment/revision-eu-animal-welfare-legislation_en

Since the prohibition of conventional battery cages entered into force in 2012⁸, there are four main categories of husbandry systems in the laying hen sector, according to the EU Regulation on the marketing of eggs⁹:

- ❖ **Enriched cages:** Cages of a minimum of 2,000 cm², with at least 750 cm² per hen, and of a height of 20 cm minimum. In these cages, laying hens must have access to a nest, litter and perches¹⁰.
- ❖ **Aviary and barn systems:** Indoor group housing systems, considered as “alternative systems”. The stocking density shall not exceed 9 laying hens per m². Hens shall also be provided with nest, litter and perches.
- ❖ **Free-range:** Systems in which hens are also reared in barns, with the same indoor conditions, but the animals are granted access to outdoor pasture during daylight hours. The minimum outdoor area shall be at least 4m² per hen.
- ❖ **Organic systems:** Specific form of free-range systems, submitted to additional requirements specific to organic farming, notably lower stocking density, provision of organic feed and prohibition of specific practices (e.g. beak trimming).

These systems have different effects on the welfare of laying hens. Enriched cages limit certain natural and essential behaviours, such as wing-flapping and dustbathing (EFSA, 2023b), while organic systems are considered more beneficial for the welfare of animals. It must also be noted that the quality of the implementation and the design of these systems affect the welfare of hens widely. The costs and management practices also diverge between these husbandry systems.

However, despite being associated with lower welfare compared to “alternative systems”, enriched cages are still widely used in the EU, accounting for 141.3 million laying hens in 2025, representing 35.5% of the hens kept for farming purposes¹¹. It must be noted that there are significant variations between Member States. Some

⁸ COUNCIL DIRECTIVE 1999/74/EC of 19 July 1999 laying down minimum standards for the protection of laying hens, Article 5. <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:31999L0074>

⁹ COMMISSION REGULATION (EC) No 589/2008 of 23 June 2008 laying down detailed rules for implementing Council Regulation (EC) No 1234/2007 as regards marketing standards for eggs. Article 12. <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32008R0589>

¹⁰ COUNCIL DIRECTIVE 1999/74/EC of 19 July 1999 laying down minimum standards for the protection of laying hens, Article 6. <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:31999L0074>

¹¹ Methods of production communicated by Member States according to Commission Implementing Regulation (EU) 2017/1185 https://agriculture.ec.europa.eu/document/download/9bdf9842-1eb6-41a2-8845-49738b812b2b_en

frontrunners have already adopted legislation related to a ban on the use of enriched cages (e.g. Austria, Belgium (excluding the Brussels region), Germany, Slovenia). Beyond these Member States, laying hens are no longer reared in cages in Luxembourg, despite the absence of specific legislation (see Table 1). In contrast, some important egg producers in the EU still rely on enriched cages to a large extent, such as Poland (Otwarte Klatki, 2025) and Spain¹², as can be seen in the table below.

Table 1: Number of laying hens by farming method (maximum capacity) in 2025 in EU Member States

2025			% by farming method in respective country			
Member State (MS)	Total laying hens in MS	% MS / EU	% enriched	% barn	% free range	% organic
FR***	59,333,500	14.9%	31.1%	21.9%	34.2%	12.8%
DE	57,824,667	14.5%	0.7%	55.6%	30.0%	13.7%
PL	53,646,618	13.5%	62.2%	28.8%	7.6%	1.4%
ES	47,223,460	11.9%	59.8%	27.4%	11.2%	1.6%
IT	44,174,644	11.1%	33.2%	56.7%	5.0%	5.1%
NL	29,926,930	7.5%	14.8%	63.1%	16.1%	6.0%
RO	12,989,962	3.3%	41.8%	49.5%	6.5%	2.2%
BE	11,340,527	2.9%	33.6%	46.5%	13.1%	6.8%
SE	9,389,197	2.4%	0.7%	81.2%	8.8%	9.3%
PT***	8,938,930	2.2%	57.1%	25.7%	6.0%	1.2%
HU***	8,012,157	2.0%	67.6%	30.8%	1.2%	0.3%
AT	7,468,497	1.9%	0.0%	55.0%	32.0%	13.0%
CZ	7,193,248	1.8%	42.8%	54.7%	1.9%	0.6%
BG	6,359,900	1.6%	64.5%	5.3%	30.2%	0.0%
FI	6,020,435	1.5%	19.0%	72.1%	4.6%	4.4%
DK	4,856,282	1.2%	9.8%	55.4%	8.6%	26.3%
EL*	4,649,598	1.2%	76.5%	12.4%	5.5%	5.6%
IE	4,246,029	1.1%	25.0%	25.9%	45.7%	3.4%
LT***	3,427,926	0.9%	76.6%	21.9%	1.3%	0.2%
SK	2,882,998	0.7%	49.9%	41.7%	8.1%	0.3%
HR	2,416,733	0.6%	42.0%	50.9%	6.2%	0.8%
LV	1,826,683	0.5%	45.6%	45.6%	8.6%	0.3%
SI	1,313,673	0.3%	14.8%	77.4%	5.1%	2.8%
EE	899,232	0.2%	77.1%	9.8%	8.4%	4.6%
CY	569,155	0.1%	59.7%	21.0%	17.2%	2.1%
MT	486,122	0.1%	99.0%	1.0%	0.0%	0.0%
LU	155,340	0.0%	0.0%	56.4%	16.1%	27.6%
TOTAL	397,572,443	100%	35.5%	41.2%	16.6%	6.6%

* 2020 data, *** 2024 data

Source: Methods of production communicated by Member States according to Commission Implementing Regulation (EU) 2017/1185

Similarly, the choice of housing methods among the alternative systems varies from one Member State to another, although barn systems represent the main alternative to enriched cages in most Member States, accounting for 41.2% of laying hens. The share of laying hens reared under organic farming remains rather low at EU level (6.6%), with limited movement since 2021 (Majewski, 2024).

In relation to the six Member States chosen as a focus for this report, enriched cages have been completely phased out in Germany, whereas they remain the main husbandry system in Poland and Spain. Italy and Romania rely mainly on barn systems for egg

¹² <https://cpage.mpr.gob.es/producto/el-sector-de-la-avicultura-de-puesta-en-cifras-principales-indicadores-economicos-5/>

production (respectively 56.7% and 49.5%), while in France, free-range systems (34.2%) and enriched systems (31.1%) are the most common production systems.

2.2 Initiatives for the phasing out of cages in the EU

There are a variety of factors driving the transition towards cage-free systems for laying hens, including the adoption of national legislation in certain Member States, market demand, and the availability of advice and training, and financing instruments. Other factors, such as farmer age and climatic conditions, can also have an effect.

Demand for cage-free eggs continues to rise in the EU, both due to animal welfare considerations and the fact that prices for cage-free eggs tend to be fairly affordable. This is helped by well-established labelling schemes for eggs from cage-free systems and commitments from retailers to phase out the sale of eggs produced in caged systems (interviews with research institutes).

As mentioned above, certain Member States have already adopted legislation to prohibit the use of enriched cages as set out in Box 1.

Box 1: Existing national legislation prohibiting enriched cages for laying hens

- ❖ **Germany:** The prohibition of enriched cages was adopted in 2015, with a transition period running until the end of 2025¹³. Enriched cages are therefore no longer used in Germany.
- ❖ **Austria:** The use of conventional cages for laying hens in Austria has been prohibited since 2009, while enriched cages have been completely banned since 2020¹⁴.
- ❖ **Belgium:** Existing cage systems for laying hens will be prohibited after 2028 in Wallonia, which will be the end of a 10 year transition period, after the law was adopted in 2018¹⁵; Flanders adopted a regulation on the use of all cages system 2024, which sets a final prohibition date of these systems in 2036¹⁶.
- ❖ **Czechia:** In 2020, the prohibition of enriched-cages in laying hens was adopted, with a transition period running until 2027¹⁷.

Beyond these examples, the adoption of legal provisions related to the phasing out of cage farming is also under discussion in other Member States (e.g. Slovenia¹⁸, Estonia¹⁹), while other legal initiatives prohibit the construction of new cages for laying hens (e.g. France²⁰).

Other initiatives have been adopted by Member States to support the transition to non-caged systems, notably the adoption of funding instruments, aiming to support farmers willing to adopt alternative rearing practices for laying hens. Such instruments comply

¹³ https://www.gesetze-im-internet.de/tierschnutztv/_45.html

¹⁴ [https://www.bmluk.gv.at/en/topics/agriculture/agriculture-in-austria/animal-production-in-austria/egg-production-in-austria.html#:~:text=The%20keeping%20of%20laying%20hens,the%20European%20Union%20\(%20EU%20\).](https://www.bmluk.gv.at/en/topics/agriculture/agriculture-in-austria/animal-production-in-austria/egg-production-in-austria.html#:~:text=The%20keeping%20of%20laying%20hens,the%20European%20Union%20(%20EU%20).)

¹⁵ <https://wallex.wallonie.be/eli/loi-decret/2018/10/04/2018015578/2019/07/01>

¹⁶ <https://www.gaia.be/fr/actualites/adoption-code-flamand-bienetre-animal>

¹⁷ <https://advokatnidenik.cz/2020/09/17/od-roku-2027-by-mely-byt-v-cesku-zakazany-klecove-chovy-slepici/>

¹⁸ <https://www.gov.si/novice/2025-02-10-v-javni-obravnavi-predlog-novele-zakona-o-zasciti-zivali/>

¹⁹ <https://www.baltictimes.com/estonian-chamber-of-agriculture-and-commerce-calls-for-fact-based-discussion-on-poultry-farming/>

²⁰ Article 68, Loi n° 2018-938 du 30 octobre 2018 pour l'équilibre des relations commerciales dans le secteur agricole et alimentaire et une alimentation saine, durable et accessible à tous. <https://www.legifrance.gouv.fr/jorf/id/JORFARTI000037548027>

with the Agricultural Block Exemption Regulation (ABEC)²¹, which allows state aid granted to farmers to implement animal welfare commitments going beyond legal standards. Such instruments can take different forms, including upfront payments, compensation for income loss, tax-based instruments and ensuring access to loans.

A positive example is the “supply-chain contracts²²” adopted by Italy, which supports projects aiming to develop cage-free practices, for all the stakeholders of the supply chain. Funding for the projects relies on blended finance mechanisms, including non-repayable grants from the government, subsidised bank loans with low interest rates, and conventional loans. To be eligible, projects must also include private co-financing. The integration of a wide set of the supply chain allows a holistic approach, which contributes to de-risking investment from farmers, increasing visibility and resilience within the supply chain²³.

Additionally, financial tools adopted by Member States, which may not be specifically tailored for laying hens, might support the conversion towards cage-free farming, for instance, through the provision of investment aid to adapt or build alternative housing systems. For instance, the “Agricultural Investment Support Programme” (AFP), the central programme of Germany for investment in agricultural holdings, provides high levels of funding that can be granted if the investor meets the ‘structural requirements for particularly animal-friendly housing’ when constructing livestock buildings²⁴.

Financial support might also be granted to farmers adopting higher welfare practices through the Common Agricultural Policy (see Section 3).

Furthermore, where Member States have adopted long-term objectives related to the phasing out of cage farming, they may support this through the adoption of research projects and the provision of training for farmers. Indeed, the provision of training for farmers adopting alternative rearing practices is considered a key enabler for the implementation of a cage-free transition (interviews with research institutes), to assist farmers in dealing with new management practices and new animal behaviours.

Finally, public initiatives can also be related to the demand and consumption-side, with the adoption of labelling schemes and marketing standards. Certain marketing schemes can be adopted by the industry directly, such as the KAT certification in Germany, which

²¹ COMMISSION REGULATION (EU) 2022/2472 declaring certain categories of aid in the agricultural and forestry sectors and in rural areas compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union

²² In Italian; *Contratti di Filiera e di Distretto*

²³ https://www.eurogroupforanimals.org/files/eurogroupforanimals/2026-05/05%2005%202026_Using%20Italian%20supply%20chain%20contracts%20to%20support%20cage-free%20egg%20production_case%20study_efa_eng.pdf

²⁴ <https://dserver.bundestag.de/btd/16/050/1605044.pdf?utm>

indicates compliance with non-cage standards²⁵ and also enables traceability through the stamp on every egg, providing information on the rearing method used. KAT certification has now been extended throughout the EU. However, it must be noted that these egg labelling schemes generally only relate to shell eggs, not processed food containing eggs, which make up a substantial share of eggs produced in the EU (interview with research institutes).

Commitments from retailers or industry to phase out or stop the sale of eggs from caged systems are also important ways of stimulating a shift to cage-free systems. For instance, across Europe, 440 large food companies have already adopted commitments related to the commercialisation of cage-free eggs²⁶ (Interview with NGO). Such commitments have been made, for instance, by Danone, Colruyt, CONAD, Flunch, Biedronka or Carrefour²⁷. The egg industry in certain Member States also committed to certain objectives related to cage-free production, for instance, in France, where the sector adopted the objective of reaching 90% of cage-free production by 2030 – both shell eggs and eggs used in food processing²⁸. Although there is currently no legal initiative in Poland related to phasing out cages for laying hens, a broad set of retailers has adopted commitments to stop the commercialisation of cage eggs, which has contributed to the development of cage-free practices (Otwarte Klatki, 2025).

2.3 Challenges for the phasing out of cage farming

Despite citizens' growing expectations around higher animal welfare standards and the adoption of relevant initiatives in certain Member States, the phasing out of cages for laying hens still faces several barriers and challenges. Some of these challenges are common across EU Member States (e.g. additional costs linked to alternative systems), but others are linked to specific aspects of egg production in a Member State (e.g. environmental context, supply chain characteristics).

2.3.1 The financial costs associated with alternative systems

Upfront investment needs and additional costs can represent a barrier for farmers to adopt cage-free systems, largely due to the scale and timing of investment needs, as substantial upfront capital expenditure can be required while many of the benefits materialise only gradually over time (Van Horne & Bondt, 2023; Majewski et al., 2024).

²⁵ <https://www.was-steht-auf-dem-ei.de/en/kat-association/>

²⁶ <https://www.eggtrack.com/en/>

²⁷ https://www.carrefour.com/sites/default/files/2024-06/005_2024_Garantir%20le%20bien-e%CC%82tre%20animal_fren-GB.pdf

²⁸ <https://lesoeufs.fr/90-de-poules-pondeuses-en-systemes-alternatifs-en-2030-la-filiere-poursuit-ses-avancees-2/>

The adoption of alternative rearing systems for laying hens requires several modifications, including both holding reconfiguration and new management practices, which often affect the costs and the productivity of the farm. One of the main constraints associated with the transition is the need to upgrade housing infrastructure, as farmers often need to construct new housing or retrofit existing buildings to accommodate cage-free systems. This includes installing alternative equipment, such as perches, enriched flooring, and ventilation systems (Urios et al, 2022). The new infrastructure often requires high upfront investments, which can be challenging for some enterprises, where there is a lack of financing capacity. Investments might also be needed if the alternative system chosen requires a greater area of land or land reconfiguration, which will be the case where cage systems move to free-range and organic systems.

The operational costs of production can also be impacted by the adoption of alternative systems. The costs of egg production vary from one Member State to another, due, for instance, to labour costs and energy price differences. In 2021, the production cost of shell eggs ranged from 100.6 eurocents per kg of eggs in Germany to 96.4 eurocents per kg of eggs in Poland (Van Horne and Bondt, 2023). In terms of the differences in costs between husbandry systems, the same study estimated that in North-West Europe in 2021, the costs per kg of eggs were: 100 eurocents for enriched cages, 115 eurocents for barn systems, 135 eurocents for free-range and 214 eurocents for organic eggs. These differences mainly result from feed and labour costs associated with the respective husbandry systems. The operational costs are likely to decrease over time. Costs are often higher during a transition period when farmers are putting in place new management practices and are confronted with new animal behaviour, before adapting to the new situation (Interviews with research institutes) and due to short-term disruption associated with structural changes (Marincheva and Manev, 2023).

However, larger enterprises, particularly large corporations, are more likely to be able to afford such investments, which can be amortised over time. The adoption of predictable and sufficiently long transition timelines also helps reduce investment risk and allows farmers to spread conversion costs. This has been illustrated by modelling results showing markedly smaller production declines under gradual phase-out scenarios compared to immediate bans (Majewski et al., 2024).

These additional costs are also likely to be compensated by new market opportunities, allowing part of the costs to be passed along the supply chain if retailers and consumers are willing to pay higher prices for cage-free eggs (Urios et al., 2022). Indeed, evidence shows that there is an increasing preference among consumers for free-range and organic eggs, despite higher prices (Majewski, 2023). This may be because the cost of eggs is relatively low compared to other animal products, which makes the price difference more affordable, coupled with the well-established labelling systems with

which consumers are already familiar (Interview with research institutes). The price of shell eggs, depending on the husbandry system, is on average across national markets (per kg): EUR 2.85 for enriched cages, EUR 3.16 for barn, EUR 3.52 for free-range and EUR 4.75 for organic eggs²⁹.

2.3.2 Other challenges associated with the transition

Beyond the question of costs, there are a number of other challenges that may be encountered by farmers when adopting alternative housing methods, many of which are interconnected.

When adopting cage-free systems, farmers can be confronted with new animal behaviours, such as feather pecking issues, especially in high-density flocks. In multi-tier aviary barn systems, they also have to ensure that birds can move safely between levels. These are challenges where veterinary advice and training are often required during a transition period (Interview with EU institutions). However, in several Member States, there is currently a lack of training opportunities for farmers, despite them being a critical enabler to upscaling cage-free production (Interview with Spanish and Italian research institutes).

Generational renewal is another issue in some countries. A significant share of farmers will be reaching retirement age in the next 10 years in the EU (Sajn, 2025), and where there are no farm successors, there may be a reluctance to make significant upfront investments and changes in housing methods, where the benefits are not likely to be visible until after they retire (Interview with research institutes).

Access to land is a further issue, particularly for those moving to free-range and organic systems, which may require the purchase or renting of additional land (Interview with NGO). Both the availability, the location and the cost of additional land may be barriers for some farmers.

Other challenges arising are linked to nationally specific situations, such as environmental and climatic conditions, which might cause difficulties in providing outdoor access for hens, for instance, during heatwave periods (Interview with Spanish Research Institute). Similarly, environmental legislation, whether EU or national legislation, may be viewed as a constraint to developing alternative systems, notably for free-range and organic production, which can be confronted with stringent compliance

²⁹ The prices indicated here concerns the upstream wholesale price reported for "Class A" eggs at packing stations. DG Agri, "Market situation for eggs, CMO GREX on Animal Products – 21 May 2026", <https://circabc.europa.eu/sd/d/18f7766e-e9a9-46a4-bbec-94d4c181183f/0%20Circa%20%20egg%20no%20links.pdf>

requirements, for instance, related to manure management, land use or ammonia emissions (Interview with research institute).

On the demand side, the lack of long-term contracts with retailers for cage-free egg producers, the lack of labelling schemes related to eggs sold for processing, and competition with imported products facing lower requirements may reduce the incentive for egg producers to adopt cage-free systems (Interview with research institutes).

3. Funding Pathways and the role of the CAP in the transition towards cage-free farming

As highlighted above, the market is an important driver of change in the laying hen sector, particularly given the strong consumer demand for shell eggs from non-caged systems, and this will continue to be the case in the future. However, an IEEP (2026) report highlighted that despite this, public support remains an important means of enabling the transition to cage-free systems, for example, to support upfront capital investments in housing conversions and reconfigurations, as well as putting in place appropriate training.

If the revised legislation on on-farm animal welfare proposes to bring in a ban on cages for laying hens, as expected, then time-limited support under the CAP is likely to be of increasing interest to support farmers through a phase-in process for the legislation. However, given that the CAP's budget is limited, support via this route should be provided where there is a genuine need identified and where these costs are not covered by the market. Such support should be considered alongside the range of other possible funding opportunities available to Member States, including state aid and various financial instruments (see below).

In addition, although addressing farm-level costs is an important part of the transition to cage-free systems in the EU, commitments are also required from the broader processing and retail sector to phase out the use of eggs from caged systems (for both shell eggs and those used in processing) to deliver broader systems change and avoid the import of caged eggs from third countries.

3.1 The current CAP (2023-27)

The current CAP serves as a significant source of funding to encourage higher animal welfare standards on farms across the EU, which includes the improvement of the housing conditions of animals. Under the current CAP, the increased prominence of animal welfare has been underlined by its integration within one of the ten main CAP objectives (Specific Objective 9)³⁰.

The current CAP requires farmers to comply with various pieces of EU legislation via Statutory Management Requirements (SMRs) to be eligible for area-based payments, which includes basic animal welfare legislation³¹. However, its main contribution to animal welfare lies in the payments provided through the CAP Strategic Plans. Member States have flexibility to design and adopt the support schemes they consider relevant to their national and regional priorities to meet all ten of the CAP's specific objectives, as well as to decide on the allocation of the budget between these support schemes, using the range of interventions available to them in the EU CSP regulation.

There is a range of interventions that could be used to improve the housing conditions of animals, including supporting cage-free practices. Typically, eco-schemes and measures for the environment, climate and animal welfare compensate farmers for adopting certain farming practices, including the adoption of improved housing practices for animals, such as increasing space per animal or providing outdoor access to animals. Investment schemes, on the other hand, can support the purchase of new equipment, as well as the construction or improvements to housing facilities. As a result, investment schemes may support the structural investments that may be necessary to adopt alternative housing practices, such as barn systems for laying hens and collective pens for calves. Finally, knowledge exchange schemes can be used to facilitate the uptake of alternative rearing practices through the advice or training provision.

Using the information provided in the Commission's Catalogue of CAP interventions³², 136 support schemes adopted by Member States could be linked to animal welfare or animal health, based on the schemes associated with the animal welfare result

³⁰ SO9: "to improve the response of Union agriculture to societal demands on food and health, including high quality, safe and nutritious food produced in a sustainable way, to reduce food waste, as well as to improve animal welfare and to combat antimicrobial resistance", Article 6(i), Regulation (EU) 2021/2115 establishing rules on support for strategic plans to be drawn up by Member States under the common agricultural policy (CAP Strategic Plans)

³¹ This includes Articles 3 and 4 of Council Directive 2008/119/EC of 18 December 2008 laying down minimum standards for the protection of calves (SMR 9); Articles 3 and 4 of Council Directive 2008/120/EC of 18 December 2008 laying down minimum standards for the protection of pigs (SMR 10); and Article 4 of Council Directive 98/58/EC of 20 July 1998 concerning the protection of animals kept for farming purposes

³² https://agridata.ec.europa.eu/extensions/DashboardCapPlan/catalogue_interventions.html

indicators³³. These measures cover multiple livestock sectors and include 18 eco-schemes, financed through the EAGF, as well as 83 environment and climate measures (ENVCLIM), 32 investment aid schemes (INVEST), and three cooperation measures (COOP), all funded under the EAFRD and co-financed by the respective MS..

Overall, the poultry sector does not rely as extensively on CAP support compared to other sectors (Augère-Granier, 2019). This is for historic reasons and largely due to the fact that the majority of CAP payments relate to the area of land farmed. This also appears to be the case for animal welfare schemes, as the number of support schemes adopted by Member States related to poultry (17) – of which only four exclusively target poultry – is lower than the schemes related to cattle (47), pigs (37) and sheep and goats (22) (Godfroy and Muro, 2025).

More specifically, certain support schemes adopted by Member States could contribute to the phasing out of caged systems and the upscaling of alternative systems, with eight schemes identified that explicitly refer to cage-free systems for laying hens³⁴ (see Box 2).

Box 2: Support schemes linked to cage-free systems for laying hens

- **Cyprus, INVEST, (A.A 4.1.2):** “Investments to the conversion towards cage-free system in poultry farming”, are listed as eligible for support, amongst other types of investments.
- **Estonia, ENVCLIM, (9.1):** Payments may only be granted to hen farmers rearing animals outside cages. The scheme also requires farmers to adopt stocking densities lower than legal requirements (maximum 8 hen per m²)
- **Greece, INVEST, (Π3-73-2.8):** Under this scheme, investments supporting the conversion towards cage-free systems for laying hens are eligible for support. The scheme also supports other types of investment.

³³ Result indicators are used to measure how CSPs contribute towards specific CAP objectives. The 44 result indicators established under the current PMEF are typically designed as target indicators. For instance, the result indicator related to animal welfare, R.44, allows MS to define the percentage of livestock units which should ultimately be covered by animal welfare support schemes. To this end, MS linked the relevant support schemes to this indicator in their CSP.

³⁴ These support schemes were identified through the consultation of the National CAP Strategic Plans and the catalogue of CAP interventions database: https://agridata.ec.europa.eu/extensions/DashboardCapPlan/catalogue_interventions.html?page=ByUnitAmount

- **Latvia, INVEST, (LA4.1.3):** Investments supporting the transition towards cage-free systems, including for laying hens, are eligible for support.
- **Spain, ENVCLIM, (6504):** This scheme applies to several species, including laying hens. One of the eligibility criteria that the Spanish government suggested to have, is the rearing of animals outside of cages. However, the use of this scheme for laying hens depends on the choices made by the Spanish regional authorities, so it is not necessarily applied to this sector in all regions
- **Hungary, ENVCLIM, (RD32_G15_AWC_70):** This measure establishes a multi-annual voluntary commitment available for poultry farmers, aiming to improve the welfare of laying hens. Among other eligibility criteria, farmers must adopt cage-free systems by the fourth year of the commitment.
- **Poland, eco-scheme, (I 4.6):** This is a wide eco-scheme adopted by Poland, which concerns a wide range of species and has a significant budget (EUR 1.3 billion for the current CAP period). Laying hen farmers can benefit from this eco-scheme, and for this, they must rear the animals outside of cages. Currently, 114 laying hen farms in Poland benefit from this scheme³⁵.
- **Slovenia, ENVCLIM, (IRP, 28):** This scheme targets different animal species, including laying hens. Support will be granted for farmers rearing laying hens outside of cages, alongside other commitments, such as the provision of enrichment materials.

One of the main distinctions between these schemes concerns their “transformative” aspects. Some grant support to already existing practices, while others support the conversion of conventional practices towards alternative systems. For instance, the investment measures adopted by Cyprus and Greece have the potential to support upfront investment related to the conversion of the holding. Similarly, the ENVCLIM scheme adopted by Hungary, by requiring the adoption of cage-free practices by the 4th year, may also lead to changes in farming practices. For many schemes, it remains uncertain whether the payments support existing practices or lead to changes in housing methods.

Beyond the schemes mentioned above, several other schemes might contribute to the phasing out of cage farming. This is particularly true for investment schemes, which may not refer explicitly to cage-free farming but might still support relevant investments on

³⁵ Data provided by the CAP Managing Authority

the farm, potentially relevant for the adoption of new housing methods. However, detailed evidence related to the uptake of individual investment grants is scarce, making it difficult to establish the link between investment and the adoption of alternative housing systems.

Finally, under the current CAP, many Member States allocate CAP support to organic farming. The schemes supporting organic farming practices, if adopted by farms with laying hens, will influence housing conditions since the Regulation for Organic Production and Labelling of Organic Products ('Organic Regulation')³⁶ requires laying hens to be reared outside of cages. According to a report by the European Court of Auditors (2024), the share of organic production of the poultry sector is around 3.6% in the EU, of which around 40% relates to laying hens (European Commission, 2019).

3.2 What possibilities do the future CAP proposals offer?

In July 2025, the European Commission put forward its proposals for the future EU budget for 2028–34, including its main funding streams. Although the CAP continues to have its own regulation and contains many of the same measures as were previously available, there are some key changes both in structure and content, which have implications for funding a transition to cage-free farming.

In summary, the proposals set the CAP within a broader National Regional Partnership Fund, which also includes Cohesion Policy and Home Affairs, to be implemented through National and Regional Partnership Plans (NRPPs). Parts of the CAP, notably the agriculturally focused measures, have a ring-fenced budget, but Member States also have the potential to use funding from the wider NRPF for these measures.

A recently published report on 'Best practices for agri-environmental and climate actions within the CAP post 2027' (European Commission, 2026) highlights the fact that the "CAP plays a central role in ensuring that higher-than-baseline welfare standards are both economically viable and widely adopted across Member States" and is "essential to address the structural, economic and behavioural barriers that prevent farmers from adopting higher-welfare systems, particularly when these higher-welfare systems require significant capital investment and higher management costs and can lead to reduced income"

Relevant to the transition towards cage-free systems, the report highlights that funding under that CAP can be helpful in promoting improved housing and lower stocking densities; environmental enrichment; better management practices; and a transition

³⁶ Regulation (EU) 2018/848 on organic production and labelling of organic products and repealing Council Regulation

away from cages. In relation to the latter point, the report highlights that ‘without funding, such transitions would be slow, uneven and more economically risky’.

However, with Member State CAP budgets likely to be reduced, the priority given to using these funds for transitioning to cage-free systems would need to be weighed up against the other priorities for which funding will be required, and the availability of other funding pathways and market incentives.

The CAP proposals contain a similar set of interventions/measures to those currently available, which can be used to encourage the phasing out of cages, including investments, agri-environment-climate commitments (AECA) and support for advice and training.

Investments, both productive and non-productive, are to have a focus on contributing to the resilience of agriculture, food systems, forestry and rural areas (Article 13). Should new EU legislation come into force, the proposals state that this measure could be used to fund all or part of the additional costs required to comply with new requirements placed on farmers for up to 36 months from the date they come into force. Investments can also be combined with financial instruments in a single funding agreement, as has been done already in some Member States in the current period³⁷.

Agri-environment-climate-actions (AECA) would combine the current eco-schemes and agri-environment-climate commitments and include a new type of support for actions to transition towards more environmentally and climate-resilient farming systems (see below). AECA provide incentives to farmers to adopt management practices for climate, environment, animal health and welfare and sustainable forestry purposes, tailored to the priorities identified in Member States. These could be used for similar purposes to those already used in some Member States (see Box 2), to improve conditions for laying hens, but only where these go beyond those required under EU legislation. Support for the conversion to and maintenance of organic farming also sits under the AECA measure. Although the number of laying hens that are reared organically continues to increase, at least in some countries (European Commission, 2023), Member States should consider promoting organic conversion for this sector to a greater extent to expand organic egg production and look at ways to overcome market barriers and consumer awareness to increase demand for organic eggs.

³⁷ See the [example](#) in France where financial instruments (in the form of a guarantee loan) were used to support a farmer with the construction of a barn to improve the welfare of his goats and to facilitate their access to outdoor grazing. This example could be translated to the laying hens sector.

Support for **advice and training** could be used to support training on the types of management practices required for cage-free systems and to enable farmers to adapt to new animal behaviours.

The main new measure that may have some potential to be relevant for the phasing out of cages for laying hens (and all farmed animals) is the **transition measure**, which sits under the AECA measure in the proposals for the future CAP. This is a new type of support, available to farmers for actions to transition to 'more environmentally friendly and climate resilient' agricultural production systems. Transition support may be granted per hectare or take the form of a flat rate per farm of up to EUR 200 000 (proposed figure) per holding for the whole period. The flat rate payment can cover the costs of changing production methods as well as any investments and/or training or advice required. Support can only be granted on the basis of a transition plan, drawn up by the farmer and approved by the Member State.

In theory, therefore, if Member States are able to demonstrate that cage-free systems are genuinely beneficial for environment and climate (alongside animal welfare), then transition support could be used to support farmers to transition to alternatives to caged systems during a phase-in period.

The benefit of using the transition measure is the flat rate payment available that can pay for the various requirements of the transition in a joined-up manner. However, if this route is not chosen by a Member State, it is still possible for them to offer farmers access to investment support, training and support for changing production methods via the AECA separately, as is currently the case.

In theory, the inclusion of the CAP within the broader NRPF framework should encourage a more coherent approach to designing support schemes and grants, using funding from Cohesion Policy as well as the CAP to deliver against the priorities identified. Clarification from the European Commission is required to understand the extent to which this might be a possibility to support a transition to cage-free systems.

However, even if the measures exist within the future CAP framework, whether or not they are used, and designed in such a way as to encourage farmers to move to cage-free systems is a decision for the Member States.

There are a number of factors that could influence this, not least the budget available to a Member State and the priority attached to supporting farmers to transition to cage-free systems in contrast to other priorities and other funding pathways, especially if this becomes a legal requirement. The absence of any ring-fencing of the CAP budget for animal welfare purposes in the future may also be an issue in this regard.

Nonetheless, within the CAP proposals, animal health and welfare features as a mandatory priority area that must be addressed by all Member States in their National and Regional Partnership Plans (Article 4 of the proposed CAP regulation). This means that Member States will have to include at least one type of incentive within their CAP part of the NRPP that addresses animal welfare.

In addition, as before, the European Commission will provide Member States with a series of recommendations about the priority areas for action it considers important to be addressed through their NRRPs. These recommendations must cover animal welfare, although the level of detail of these recommendations remains unclear. The last time that such recommendations were provided (in the run-up to the 2023-27 CAP period), the phasing out of cages for laying hens was identified as a priority for all but three Member States³⁸ (European Commission, 2023), although, as can be seen from the previous section, this recommendation was not actioned in all cases. For the upcoming period, it would be helpful if the Commission continued to highlight the transition to cage-free farming as a priority in its recommendations and then ensured that this is followed through by relevant actions in Member State NRPPs, where public funding is shown to be necessary, during the approval process.

3.3 Funding pathways beyond the CAP

As highlighted above, the CAP may not always be the most appropriate route to finance the transition towards cage-free farming. Other funding options can work alongside or even as an alternative to CAP support. The European Commission's EU Livestock Strategy³⁹ highlighted that financing needs for moving towards more sustainable livestock systems cannot be met from a single source but require a combination of instruments and measures from both the EU and Member States. One of the actions identified in the Strategy is to consider the merits of introducing 'a potential dedicated financial instrument for the livestock sector to bridge the financing gap for investments in the transition to higher levels of sustainability and animal welfare' (Action 9). Whether or not this is introduced, the different sources of public support should work alongside better market remuneration, valorisation of by-products and new circular business models. Some of the options for public support beyond the CAP include the use of State Aid, the financial support provided by the European Investment Bank (EIB), alongside funding to support knowledge development. These are each described briefly below.

³⁸ The European Commission recommended the promotion of alternative systems to egg production in cages for 24 Member States, except Sweden, for which there was no recommendation related to animal welfare (due to high welfare standards), Belgium and Luxembourg.

³⁹ COM(2026)576 final, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, EU Strategy on Livestock

State Aid: Under EU law, animal welfare is explicitly recognised as a legitimate objective for State Aid in agriculture. The Agricultural Block Exemption Regulation (ABER)⁴⁰ includes Article 31 on “Aid for animal welfare commitments”, which allows Member States to grant aid to farmers who voluntarily undertake to implement animal welfare improvements beyond legal minimum standards. Moreover, the Guidelines for State aid in the agricultural sector⁴¹ emphasise that the aid must “have an incentive effect, be proportionate, and contribute to public policy objectives without unduly distorting competition”. As a result, financial support could be provided to laying hen farmers investing in alternative husbandry systems. Under this framework, financing instruments, such as the ones adopted by Italy and Germany (see section 2.2), would comply with the EU regulation on State aid.

In addition, the “Agricultural de minimis Regulation”⁴² allows Member States to grant small amounts of aid (below EUR 50 000 over 3 years) without triggering full State Aid procedures, which could be relevant to support small-scale farms transitioning towards alternative systems.

If the forthcoming on-farm animal welfare legislation does prohibit the use of cages, such state aid could not be granted to comply with new legal requirements. However, State aid could potentially still be used to facilitate the transition to new regulatory standards during a defined adjustment period. Whether such transitional support would be permissible under State Aid rules, and how it could be designed without breaching the principle of non-compensation for mandatory compliance, is a question that warrants further clarification.

Investment via the European Investment Bank: As highlighted in section 2.3.1, the need for upfront investment can represent a significant barrier for some egg producers to transition towards alternative systems. In this regard, the EIB, as the EU’s financial institution, plays a complementary role to the CAP, thanks to its potential to “mobilise long-term investment and de-risking private capital for projects aligned with EU objectives” (European Parliament, 2025). Operating on a non-profit basis, the EIB provides loans, guarantees, and advisory services to support economically viable projects that advance climate action, environmental sustainability, and innovation.

⁴⁰ COMMISSION REGULATION (EU) 2022/2472 declaring certain categories of aid in the agricultural and forestry sectors and in rural areas compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union.

⁴¹ COMMUNICATION FROM THE COMMISSION: Guidelines for State aid in the agricultural and forestry sectors and in rural areas, (2022/C 485/01)

⁴² Commission Regulation (EU) 2024/3118 amending Regulation (EU) No 1408/2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid in the agriculture sector

Historically, however, agriculture has accounted for only a small share of EIB financing, around 6% of its portfolio in 2024 (EIB, 2025a).

The new facility for agriculture, forestry and aquaculture (2025-2028) could represent an opportunity to finance the cage-free transition (EIB, 2024). The core of the programme is an earmarked €3 billion for loans targeted at agricultural and related bioeconomy activities within the EU. The EIB anticipates that participating financial institutions will match these loans to generate a total of €8.4 billion in long-term sectoral investment. The facility targets SMEs (approximately 70% of financing), mid-caps, and, to some extent, farm-level operations as well as companies in the agri-food and bioeconomy value chains. The maximum project size is €200 million (EIB, 2024). The facility could provide opportunities to upscale the cage-free production across Europe through several mechanisms, such as blended finance solutions, combining EIB loans with other sources of financing, long-term financing, and direct lending to cooperative and farmers' organisations, facilitating collective investments in cage-free systems (Godfroy et al., 2026). However, the contribution of this instrument to cage-free systems, although possible, remains uncertain, as there is no evidence that the facility has been or will be used for this purpose.

Information, education and knowledge instruments: A very relevant factor for a successful transition towards cage-free farming is the quality of the management practices and design choices. For this purpose, as mentioned in the sections above, advisory services, training and applied research help to reduce transition periods. In this regard, Horizon Europe, the Commission's main research and innovation funding programme, remains a key EU-level mechanism to test and generate evidence on housing designs, enrichment, biosecurity protocols and labour-saving practices. This programme finances multi-country research and innovation actions that develop technical solutions, management practices, and socio-economic models for higher animal welfare systems.

Although current Horizon projects on the removal of cages, such as WelFarmers⁴³, do not concern the laying hen sector, other EU research and innovation programmes may contribute to the successful implementation of the transition. For instance, the DG Santé pilot project "Best practice Hens" aimed to gather and share knowledge around the best practices related to keeping hens in cage-free housing systems. The dissemination of these practices was carried out in four "target Member States" – Poland, Spain, Portugal and Belgium⁴⁴. Similarly, other EU-funded projects support farmers to overcome certain challenges potentially associated with cage-free practices for laying

⁴³ <https://www.welfarmers.com/fr/>

⁴⁴ <https://bestpracticehens.eu/about-the-project/>

hens, such as the management of ammonia and greenhouse gas emissions, and the use of organic feed, which are both the main objective of an EIP-Agri project⁴⁵⁴⁶.

In addition, the Commission launched in 2024 the European Partnership on Animal Health and Welfare, which encourages the coordination of research priorities, the reinforcement of veterinary and advisory capacities, and the development of evidence-based tools. It is also expected to support the cross-border exchange of applied knowledge, for example, on housing design, monitoring technologies, and management practices that influence mortality, behaviour and environmental outcomes⁴⁷. Likewise, the Official Controls Regulation (OCR)⁴⁸ has established several “EU Reference Centres for Animal Welfare” (EURCAW), including one on poultry⁴⁹, which aim to support enforcement, capacity building, and knowledge dissemination, with a strong emphasis on cage-free farming.

4. Conclusions and Recommendations

Although some Member States have made significant progress to phase out caged systems for laying hens, some important egg-producing countries still rely on enriched cages for over 60% of their production (e.g. Spain and Poland).

If the much-anticipated ban on cages is introduced in the revised on-farm animal welfare legislation by the end of 2026, this will increase the pressure on Member States to phase out cages for laying hens. In turn, this will focus attention on what the most efficient ways to do this might be and over what timespan.

The market will remain an important driver of change, particularly in the laying hen sector, given the strong consumer demand for shell eggs from non-caged systems. However, as shown in the report, public support will still be required in some situations, for example, for smaller farms that are less able to raise the capital for the changes required. Access to advice and training for farmers has also been shown to be a critical element to support the adoption of alternative systems, particularly in relation to the new management and animal behaviours they encounter.

⁴⁵ https://eu-cap-network.ec.europa.eu/projects/techniques-reduce-ammonia-and-greenhouse-gases-emissions-non-caged-laying-hen-houses_en

⁴⁶ https://eu-cap-network.ec.europa.eu/projects/techniques-reduce-ammonia-and-greenhouse-gases-emissions-non-caged-laying-hen-houses_en

⁴⁷ <https://www.eupahw.eu/>

⁴⁸ <https://eur-lex.europa.eu/eli/reg/2017/625/oj/eng>

⁴⁹ <https://eurcaw-poultry-sfa.eu/en/minisite/sfawc/welcome-european-reference-centre-animal-welfare-poultry-and-other-small-farmed>

Proposals for the future Common Agricultural Policy (CAP) for 2028-34 offer some opportunities here, notably regarding upfront investments, such as upgrading housing infrastructure, which could be supported through investment aid. The new measure to support transition actions, introduced under the “Agri-environment-climate-actions” (AECA), also has the potential to be used if Member States can justify their alternative systems to be more environmentally friendly and climate resilient, for example, organic systems. Similarly, the AECA could be used by Member States to provide incentives for higher animal welfare standards in cage-free systems, as has been done in some Member States already. Finally, support for advice and training could be used to fund training on the types of management practices required for cage-free systems.

Although the CAP has the potential to contribute to the cage-free transition, it may not always be the most appropriate financing pathway. Other funding options that could be used together or independently with the CAP include the use of State Aid, financial support provided by the European Investment Bank (EIB), alongside funding to support innovation and knowledge development.

Based on the findings of this report, a number of actions have been identified to help accelerate action in Member States to phase out cages for laying hens as early as possible. These can be grouped under two main headings – setting a long-term vision, clear objectives and timelines; and identifying the most appropriate funding pathways to incentivise change. These require action at both EU and Member State level.

1. Setting a long-term vision, clear objectives and timelines

This is critical to ensure that farmers are clear about the long-term strategic direction of travel in relation to caged systems. The lack of long-term vision may delay action from those farmers considering investing in alternative housing systems or lead to the adoption of sub-optimal investments, which could create a lock-in effect.

At EU Level, **the European Commission should introduce a ban on cages for the laying hen sector** via the revisions to the on-farm animal welfare legislation, due in late 2026.

With or without legislation at EU level, **Member States should develop and communicate species-specific transition plans for phasing out cages**. These should be created with the involvement of all relevant stakeholders and identify financing needs and training requirements. Broader factors should also be taken into account when creating these plans, such as the role of the market, demand-side measures, generational renewal, land access, and climate resilience.

2. Identifying the most appropriate funding pathways to incentivise change

The report highlights that there are a number of routes through which the transition to cage-free farming in the laying hen sector can be funded in cases where the market does not provide sufficient incentive.

Member States should consider the full range of funding opportunities available and target their use where the need is greatest. Importantly, where public money is used, it should fund “transformative” change and, where possible, be combined with other sources of private funding (blended finance).

To facilitate this, **the European Commission should promote the availability of both CAP and non-CAP funds to support high animal welfare and provide guidance on how these could be used in practice.** This would provide greater clarity to Member States about the funding options available to them and how these could be used as part of a coherent package to support a transition to cage-free systems. For example, one area where clear guidance is required relates to the extent to which it is possible to provide support during a transition period under state aid rules while remaining compliant with EU competition rules. One option to simplify access to funding, would be to create a dedicated financial instrument to support the transition towards higher welfare systems, as proposed in the EU Livestock Strategy⁵⁰.

The **future CAP (2028-34)** provides a number of opportunities to support the adoption of higher welfare systems.

At EU level, **when providing recommendations to Member States on the priorities to address via the CAP, the European Commission should emphasise phasing out cages for livestock** and that the use of investments for higher animal welfare should focus on transformative action. During the approval process, the European Commission should check to ensure that any support proposed is clearly justified, and suitably targeted. In addition, **minimum animal welfare standards should be strengthened** as a condition for receipt of CAP support under the new farm stewardship requirements, including bans on harmful practices.

Member States have a lot of flexibility about how they design their CAP support within the new NRPPs. When developing their NRPPs, they **should make sure that animal welfare priorities and needs are clearly articulated and funding is targeted to those most in need of support to transition to higher welfare systems, going above legislative requirements.** This would provide a clear rationale for using public funding for a transition to cage-free systems, identifying situations where the market does not provide sufficient incentives, as well as identifying other sources of funding where

⁵⁰ COM(2026)576 final, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, EU Strategy on Livestock

appropriate. This requires improved data on the real costs and benefits of transitioning to different cage-free systems.

Where the need for CAP support is identified, particular attention should be given to the opportunities to **use financial instruments in combination with investment support** to leverage greater resources, blending grants with loans and guarantees. If a ban is introduced on caged systems, Member States could encourage early action during the phase-in period by allowing them to benefit from the ability to cover investment costs associated with new legislation for the first 36 months after the legislation has come into force.

Beyond investment support, Member States should consider the potential offered by **the AECA measure** to fund higher welfare standards in non-caged systems as well as whether or not the transition actions measure could be used to support a shift to alternative systems, where these can be demonstrated to be 'environmentally and climate resilient'. This may apply predominantly to **promoting greater organic conversion** for laying hens and could help expand organic egg production. This would have to be done in conjunction with an examination of ways to overcome market barriers for organic eggs and consumer awareness to increase demand for organic eggs. Finally, the provision of **advisory services and training** for farmers adopting alternative systems has been identified as a key need for the sector to enable the changes required and this should be part of a coherent package of measures supported by the CAP, alongside knowledge-exchange platforms under national Agricultural Knowledge and Innovation Systems (AKIS).

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