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DRAFT OPINION

Commission for Natural Resources

Towards a sustainable EU food policy that creates jobs and growth in Europe's Regions and Cities

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As a new portal for submitting amendments is available as from 12 December 2016, we kindly ask you to submit them in a timely manner and well before the deadline.

This document will be discussed at the meeting of the **Commission for Natural Resources** to be held **from 11 a.m. to 6.30 p.m. on 2 February 2017.** To allow time for translation, any amendments must be submitted through the online tool for tabling amendments (available on the Members' Portal: <u>https://memportal.cor.europa.eu/</u>) **no later than 3 p.m. (Brussels time) on 20 January 2017.** A user guide is available on <u>https://memportal.cor.europa.eu/</u>.

Draft opinion of the Commission for Natural Resources – Towards a sustainable EU food policy that creates jobs and growth in Europe's Regions and Cities

I. POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS

A common and long term vision in all relevant policy areas

- 1. calls for a comprehensive, sustainable EU food policy which is democratically shaped, designed with a common and long-term vision, based on the latest scientific insights and in line with a multilevel governance approach that addresses food production and nutrition in a more comprehensive manner, promoting more sustainable production and consumption patterns, establishing a link across different policies areas, including, among others, food production, agriculture, environment, health, consumer policy, employment and rural development, and creating jobs and growth in Europe's Regions and Cities;
- 2. stresses the importance of the vertical integration of food policies based on sustainability criteria to ensure consistency at local, national, regional and international level. It is well-known that food systems and related issues (environmental, social, and economic) have a specific and local dimension. So there is a key role that cities and regions can play in addressing the challenges of food systems, and this should be taken into account when designing a sustainable EU food policy;
- 3. underlines the importance of establishing an overarching European vision and strategy for a secure, safe and sustainable food supply in terms of quality and quantity and based on sustainability criteria. Such an EU food policy should be based on a comprehensive approach, recognising the global nature of food supply chains, including farming, food processing, environment and health. The Commission should ensure that all relevant EU legislation and financial incentives are consistent with this vision and strategy;
- 4. reiterates the call for an EU food policy that promotes sustainable modes of production for European agriculture, working towards the development of cross-sectoral synergies for food and the environment, including agricultural and fisheries policy, climate and energy policy, regional policy and research policy¹;
- 5. draws attention to the fact that ecosystem values are not properly accounted for in decisions concerning natural resources. Environmental costs are currently externalised in food production, leading to a situation where food produced in a more sustainable manner seems to be more expensive, mainly due to higher manufacturing costs; instead, the concept of ecosystem services offers an important opportunity for developing a policy framework to underpin the sensible use of biodiversity and other natural resources. Currently, costs associated with diet-related illness, and damage to water, soil, wildlife and climate, are regarded as *externalities*. As such, these costs are not accounted for in the final price of foods, regardless of the fact that they are paid for

¹ Legislative proposals on the Reform of the Common agricultural policy and rural development policy post-2013 CDR 65/2012.

indirectly (and often unconsciously) by the whole of society. Within this context, the European Commission should promote the implementation of measures that allow the real price of food to be reflected, in order to stimulate a sustainable economy;

- 6. reiterates the need to reinforce the links between different sectors related to food, such as energy, forestry, marine resources, water, waste, agriculture, climate change, science and research and land use aspects, as all of them play a crucial part in the development of sustainable growth²;
- 7. underlines the importance of specific territories within the EU for the preservation and further development of sustainable food systems, such as mountain regions with their long tradition of food production in a challenging natural environment;
- 8. stresses the importance of further revising the EU Common Agricultural Policy (CAP) in order to incentivise not only farmers, but also food manufacturers to produce sustainably, i.e. by guaranteeing consistent implementation of the EU's cross compliance mechanism that sets income support for producers that follow environmental and animal welfare standards.
- 9. believes that, as part of the development of a more comprehensive food policy based on sustainability criteria, it is important to include the current renewable energy policy. In this respect, it is important to develop measures that encourage the production of those bio-fuels that do not compete with food crops, and, at the same time, discourage the production of first generation bio-fuels that are made from food-grade feed-stocks, such as vegetable oils.
- 10. in order to sustain the EU's growth, recommends developing free-trade agreements with third countries and other regions in the world that are consistent with domestic agro-ecological production in the EU and, thus, highly focused on environmental and sustainability aspects. This measure would ensure that the application of strict requirements to the EU food chain would not lead to a mere relocation of food production.

A healthy ecosystem supporting agricultural productivity and resilience

- 11. underlines the importance of healthy, living soil, which is key to ensuring food security and the preservation of biodiversity. In particular, steps to promote the diversification of cultivated species, extensive, integrated and organic agriculture and higher animal welfare standards should be considered as the flagships of a sustainable EU food policy. Through the achievement of such key targets, it will also be possible to help restore public confidence in the European project;
- 12. underlines the need to stimulate and sustain, also financially, the development of small-scale farming systems, especially those located in vulnerable areas and on the periphery of cities. Small-scale farming system constitutes a simple and accessible tool for local authorities to use when dealing with many practical issues, including social inequality, environmental challenges and health problems. Moreover, such systems can provide peripheral areas of towns and cities

² Resolution on Sustainable food CDR 3306/2015.

with sustainable production of local, fresh and seasonally produced healthy foodstuffs, accessible also to low-income families. Small-scale farming systems have been recognized as a socially aware model that respects the environment, reduces packaging and food waste, limits CO_2 emissions and supports sustainable production practices³. In this respect, small farming systems, especially short food supply chains for agricultural products, have a positive effect on local economies and employment;

- 13. reiterates the call for more sparing use of water, fossil fuels, fertilisers and phytosanitary products in agricultural production systems⁴;
- 14. reiterates the call to implement a "protein plan" at European level to support the production in Europe of protein and legume crops in order to reduce dependency on imported soy feedstock, in order to ensure protein autonomy for European livestock farmers, reduce the use of nitrogen fertilizers and improve soil fertility⁵;
- 15. underlines the importance of pollinators and calls for measures to ensure the preservation of pollinating insects, such as reduced use of harmful pesticides and maintenance of crop diversity;
- 16. calls on the European Commission to strength its support for animal welfare and environmentally-friendly farming and production methods, through the development of measures aimed at discouraging unnecessary manure production and transport emissions; at the same time, it is also important to encourage animal welfare-friendly systems through favourable public procurement and the reduction of tax obligations. Overall, there is a need to support better livestock management practices with reduced use of farm antibiotics, while taking animal welfare into account;
- 17. considers organic farming as a tool to lock up more soil carbon, reduce water needs for irrigation and limit pollution by chemicals such as pesticides in the soil, air and water;
- 18. promotes the development of alternative food networks, including farmers' markets, local foods, organic products and Fair Trade goods. In particular, farmers' markets are community-run markets that constitute an important social meeting point, where local producers offer healthy, high-quality food directly to consumers at fair prices and guarantee environmentally sustainable methods. In addition, they preserve the food culture of the local community and help protect biodiversity;

Access to heathy diets, especially for low-income families

19. stresses the need to establish long term health programmes targeting obesity and food related diseases, by promoting the availability of, and accessibility to local, fresh and seasonal food. Such programmes can be especially effective if addressed to public institutions (such as schools

³ Resolution on Sustainable food CDR 3306/2015.

⁴ Own-initiative opinion on The future of the CAP after 2013, CDR 127/2010.

⁵ Legislative proposals on the Reform of the Common agricultural policy and rural development policy post-2013 CDR 65/2012.

and hospitals) and in those urban areas where obesity, the lack of rural markets and limited access to fresh food is a major concern. It is worth noting that such programmes offer a dual opportunity to encourage not only consumers to shift their behaviour towards nutritious and healthy diets, but also to steer consumers' choices towards local, fresh and seasonal foods;

- 20. recommends reducing the increase in obesity by promoting sustained information campaigns on a multi-level approach aimed at steering consumer behaviour towards more plant-based diets with a high intake of fruit and vegetables, reducing global meat, fat and sugar consumption, as well as towards the purchase of local/regional, fresh and seasonal foods produced using sustainable production methods. This action is of striking importance, especially in cities of Europe that are facing food insecurity. Food insecurity and obesity coexist in cities (double burden of malnutrition), as shown for example by the increasing number of people accessing food banks and social restaurants;
- 21. welcomes those initiatives and environments that reduce unnecessary bureaucracy which hinders the recovery and redistribution of healthy foods to people in need;

Standardised definitions, methodologies and practical measures

- 22. urges a definition of comprehensive terminology on sustainable food systems that includes agriculture food production, food processing and diets. This is the key to defining the 'way forward' for a common and holistic EU food policy; suitable instruments should be made available to ensure the effective implementation of policy measures;
- 23. highlights the need for standardised methodology for collecting and reporting data on the environmental impact of food products, including food waste, to ensure data comparability across Member States and encourage environmental and social costs associated with food products or diets to be measured in economic terms.
- 24. stresses the importance of promoting the exchange of good practice, of sharing data on the environmental impact of food, and providing information in a more transparent and accessible way for the whole food chain, including for consumers. The use of good practice and guidelines is key to promoting the adoption of appropriate sustainable measures by providing local administrations with sufficient information for implementing such programmes;
- 25. stresses the need to improve the transparency of food labels, including comparable information about the impact of food on the environment. It should be recognised that current information on nutrient and calorie content on labels is not enough to address the complex relationship between food and health and that current labels are totally lacking in information about the impact of food products on the environment. Although most consumers know that their choices have a certain impact on the environment, no information is available on the product label to guide the customers' preferences on sustainable choices;

"Green" public procurement guidelines

- 26. stresses that public procurement, accounting for around 14% of GDP in the EU, offers a potentially strong lever for ensuring a more sustainable food supply (local and organic) through public sector catering contracts in school canteens and in the hospitality sector. These examples can strengthen the rural-urban nexus expressed in the Habitat III New Urban Agenda (UPA);
- 27. calls on the European Commission to clarify exiting constraints within its public procurement rules in order to apply sustainability criteria. EU competition legislation prohibits territorial preferences (such as local foods) being specified in public purchasing contracts;

Multilevel governance approach linked to the sustainable EU food policy concept

- 28. supports the creation of local food councils at local level for planning processes, comprising activities such as measures to connect producers and consumers, identify food deserts and zones for the location of new markets at regional level and above all ensure the public has a voice in policy making;
- 29. draws the attention to the fact that strategic planning at regional and local level is crucial for reducing the overall environmental impact of the food system. From a production perspective, it is often the case that services (technical, credit, inputs, resources) are not available in the same way for producers in urban and peri-urban areas compared to those rural areas;
- 30. stresses the need to confer on local and regional authorities the power to initiate and manage targeted environmental measures and allow them to introduce territorial contracts, signed jointly with farmers or their representatives⁶;
- 31. believes that a bottom-up policy on food sustainability should first and foremost be addressed through strong local development partnerships and local (regions' and cities') authorities⁷, also in keeping with the New Urban Agenda⁸;
- 32. recommends supporting more cities' initiatives like the *Milan Urban Food Policy Pact*, adopted at the 2015 Expo in Milan on "*Feeding the planet. Energy for Life*", for promoting fair, sustainable and resilient food systems.

Brussels,

⁶ Legislative proposals on the Reform of the common agricultural policy and rural development policy post-2013 CDR 65/2012.

⁷ Outlook opinion on Local food systems, CDR 341/2010 REV.

⁸ NUA: Habitat III outcome document.

II. PROCEDURE

Title	Towards a sustainable EU food policy that creates jobs
	and growth in Europe's Regions and Cities
Reference(s)	
Legal basis	Article 307(4) TFEU
Procedural basis	Own-initiative opinion
Date of Council/EP referral/Date of	
Commission letter	
Date of Bureau/President's decision	14/06/2016
Commission responsible	Commission for Natural Resources
Rapporteur	Arno Kompatscher (IT/ EPP)
Analysis	
Discussed in commission	28/11/2016
Date adopted by commission	02/02/2017
Result of the vote in commission	
(majority, unanimity)	
Date adopted in plenary	Scheduled for 22-23 March 2017
Previous Committee opinions	
Date of subsidiarity monitoring	
consultation	

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EXPLANATORY STATEMENT

Today the EU is the biggest exporter of agricultural products across the world and agriculture its key economic pillar. The agri-food sector employs 47 million people in 15 million businesses in fields such as food processing, retail and services, and contributes to a positive trade balance of EUR 17 802 millions that represents 7.2% of the total value of EU exports. Agricultural production covers approximately half of Europe's land territory and is crucial for guarantying food security. Besides providing food, it has a very important socio-economic role to play, particularly in rural areas, and is of considerable cultural, historical and social value.

However, this intensive model of agriculture comes at a price. The EU's 2015 State of the Environment Report showed that European agriculture is a key factor in biodiversity loss, causing soil degradation, water contamination and decreasing numbers of pollinators. Agriculture has also a significant impact on the climate, being one of the major contributors to greenhouse gas emissions through the release of greenhouse gases into the atmosphere. The food sector (including primary production) accounts for more than 25% of global greenhouse gas emissions. With the expected 76% rise in global meat and animal product consumption by 2050, the situation could worsen. Industrial agricultural is also one of the root causes of biodiversity loss. Biodiversity suffers greatly with wildlife loss, as well as various species being abandoned and genetic diversity within species being lost. Food production is responsible for 60% of global terrestrial biodiversity loss.

Besides coping with this negative impact on the environment, future food production will have to deal with challenges brought on by the growing world population, estimated to reach 9,7 billion by 2050, changed food consumption patterns and increased urbanisation.

Sustainable food production is a response to growing public awareness of the current impact of food production on the environment, and trends for healthier and ethically produced food.

The High Level Panel of Experts on Food Security and Nutrition at the Committee on World Food Security has proposed a definition for sustainable food systems, suggesting that resources be used at a pace that does not exceed the earth's capacity to replenish them.

On 25 September 2015, 193 Member States of the United Nations adopted a set of 17 measurable Sustainable Development Goals (SDGs) to end poverty, protect the planet, and ensure prosperity for all, as part of a mew sustainable development agenda. Each goal has specific targets to be achieved over the next 15 years. Nine of them are directly or indirectly linked to farming.

CAP reforms have not until now been able to correct the above-mentioned unsustainable imbalances. The reformed Common Agricultural Policy (CAP), in force during the 2014-2020 funding period, introduced a new policy instrument under its first pillar: the green direct payment scheme, aiming at enhancing the sustainability of agriculture in the European Union. Under the new direct payment scheme, 30% of direct payments depend on meeting greening requirements.

The objective of the "ecological focus areas" (EFA) is to preserve and improve biodiversity and maintain attractive landscapes: biodiversity would improve if several conditions were met, such as duration (multi-annual), conditions attached to the size of EFAs (sufficiently large and broad),

vegetation type and the non-use of chemical inputs (pesticides and fertilizers). For any real impact on farmland biodiversity, regionally coordinated measures would be needed with multi-annual measures for green infrastructure networks.

In principle, the second pillar offers a wide range of opportunities to stimulate the transition to a more sustainable livestock sector. However, the key question is whether the Member States will use these opportunities, as they are ultimately responsible for setting priorities within rural development programmes. A more ambitious policy could devote a part (5-10 %) of the total CAP budget for investment in more sustainable and animal-friendly housing systems, ideally proportional to the size of the livestock sector in the various Member States.

The European Environmental Bureau (EEB) reiterated a plea for a "fundamental overhaul" of farm policy rules with a call for an open debate through a 'Fitness Check' of the CAP.

The <u>European Political Strategy Centre</u> (EPSC), the European Commission's in-house think-tank, published a report on "Sustainability Now! European Vision for Sustainability" on 20 July 2016, issuing the following recommendations:

- when planning the next agricultural reform, pay more attention to sustainability and to strengthening rural development support, instead of direct payments linked to acreage;
- carry out a fitness check of the Common Agricultural Policy;
- reverse the trend to overspecialisation in a single farm activity;
- support integrated farming as a means to secure farm income in the face of world price fluctuations;
- favour quality over quantity and seek to use renewable resources on land and at sea sustainably;
- develop more awareness for health-related dietary attitudes by consumers and steer producers in the same direction;
- foster more strategic use of public procurement rules by the Member States, building on the Commission's work for Innovation (Horizon 2020 support for pre-commercial procurement and public procurement innovative solutions).

The International Panel of Experts on Sustainable food (<u>Ipes-food</u>) is pleading for a paradigm shift from industrial agriculture to diversified agro-ecological systems and sets out different recommendations for transition e.g.:

- develop new indicators and methodologies for measuring sustainable food systems;
- shift public support towards diversified agro-ecological production systems;
- support and promote short supply chains and alternative retail infrastructure through initiatives;
- use public procurement to support local agro-ecological production;
- mainstream agroecology and holistic food system approaches in education and research agendas.

Likewise, the *Institut national de la recherche agronomique* (INRA), in its orientation paper, states:⁹ "Approaches to agroecology, firmly combined with technological and organizational innovations, can provide elements of response to feed the planet and at the level of environmental, social and health performance", ranking agroecology among the top two research priorities in its 2010-2020 orientation document.

Further on, in its publication on "*European research & innovation for food & nutrition security*"¹⁰, the European Commission outlines how EU research and innovation policy contributes to the major global challenges of ensuring food and nutrition security.

The Food and Agricultural Organization (FAO) lists five principles which can steer the process of transition towards greater sustainability in "*Building a common vision for sustainable food and agriculture*"¹¹:

- improving efficiency in the use of resources is crucial to sustainable agriculture;
- sustainability requires direct action to conserve, protect and enhance natural resources;
- agriculture that fails to protect and improve rural livelihoods and social well-being is unsustainable;
- enhanced resilience of people, communities and ecosystems is key to sustainable agriculture;
- sustainable food and agriculture requires responsible and effective governance mechanisms.

The Standing Committee on Agricultural Research (SCAR), in its recommendations, addresses inter alia the risks associated with the average Western diet, with a high intake of meat, fat and sugar, for individual health, social systems and environmental life support systems. Furthermore, it underlines the need for consistency between food, energy, environmental and health policies with a new quality of governance based on a substantial contribution by the state and civil society and supported by social science research.

Summing up, the regional and local level is widely recognised as being essential in order to guarantee among other things that:

- more effective and responsive governance is put in place;
- the Common Agricultural Policy is effectively redirected towards production systems that respect the environment and conserve natural resources;
- the link between farming and agribusiness is strengthened, supporting among other things the development of short production-consumption loops for agricultural products;
- consistency between the Common Agricultural Policy and regional and cohesion policy is improved;
- more balanced, sustainable spatial planning in Europe is ensured, targeting aid in keeping with the specific agricultural, environmental and territorial features of each region.

⁹ https://inra-dam-front-resources-cdn.brainsonic.com/ressources/afile/367569-9d913-resource-document-d-orientation-inra-2025.pdf

¹⁰ http://ec.europa.eu/research/conferences/2016/food2030/index.cfm

¹¹ http://www.fao.org/3/a-i3940e.pdf