

EU farm policy reform: what's on the table?

Blog post by Senior Associate Mollie Brennan, 27 October 2020

Last week's extensive negotiations in the European Parliament have set the tone for how far the EU is willing to integrate its stated sustainability objectives with agricultural policy. The two areas of policy have often been at loggerheads, but the Green Deal and the Farm to Fork strategy released earlier this year had created some expectation that things may be shifting. Three big debates to find agreement on last week - the Common Agricultural Policy (CAP), labelling for alternative proteins, and support for biodiversity - illustrated that considerable divisions remain.

The first relates to environmental terms within the CAP and in particular funding for 'eco-schemes'. The mechanism was first introduced in 2013 as a means of rewarding farmers for taking up greener agricultural practices. The final EP proposal ring-fences 30% of direct payments for said 'eco-schemes'. This raises the funds ringfenced from 20% agreed by the European Council earlier in the week. Supporters argue that green funding in the proposal marks a steep increase in ambition from the 2018 CAP proposal and the EPP has celebrated the deal as "the biggest paradigm shift since 1992".

However, Agriculture Commissioner Janusz Wojciechowski stood alongside NGOs in raising concerns that the deal is at odds with the EU's green ambitions. Both the council and the parliament are resisting calls to tie the CAP to targets within the Green Deal. Overall, financial support for farmers trumped higher environmental ambition. 60% of CAP funding will remain as direct payments - meaning no sustainability criteria will need to be met. Eco-schemes will be also required to meet defined 'economic objectives' - which some critics have said risks undermining the ambition of the initiatives that qualify. A two-year transition phase will be introduced to allow unused funds from the last CAP to be used for non-environmental farm projects, which green groups have slated as a license to spend this surplus money badly.

The second big debate focused on labelling restrictions for plant-based products. Proposals tabled by the agriculture committee aimed to introduce labelling restrictions that would ring-fence terms associated with meat products, such as 'burger' and 'sausage' for meat goods while excluding their plant-based alternatives. In the end, an amendment was approved that could ban the comparison of plant-based foods to dairy using words such as "style" and "like", while proposals for banning the use of burger and sausage did not pass.

The interests behind this push are obvious enough, but it risks being a distraction. Despite having banned the use of the term 'milk' for plant-based drinks in 2017, 'soy milk' remains a staple of consumer language in the EU. There is a clear battleground developing between the plant-based sector and meat and dairy producers, with labelling likely just the beginning of legislative gymnastics addressing the growing alternative protein sector.

The third is the EU's plans for biodiversity. The parliament voted to not extend a licence on the pesticide mancozeb on environmental grounds and an amendment for member states to increase

organically managed land was approved (both wins for the pro-biodiversity camp) - but negotiations also saw the parliament reject cuts to subsidies for factory farming.

Separate negotiations in the council last week saw environmental ministers endorse objectives of the 2030 Biodiversity Strategy and the commission's plan to introduce legally binding nature restoration targets - while pledging to bring biodiversity to the front of policy making. Green groups have been quick to point out that outcomes from the CAP negotiations do not go far enough to meet the ambition set out in these targets.

Each of these examples provides an indication of further debate to come as the CAP reform package moves into trialogue and implementation of the Farm to Fork Strategy works its way through the EU institutions. The next areas to watch will be the Forest strategy (expected in 2021) and next steps with the EU's Biodiversity strategy ahead of UN Biodiversity Conference in 2021. The commission is likely to continue to lose some of its green ground with both the parliament and the council resisting the linking of Green Deal targets with agriculture.