



Farm to Fork Strategy: a reality check by European young farmers

Key takeaways

- European young farmers value the idea of an inclusive Farm to Fork strategy tailored to farmers' reality, that enables them to strive for higher environmental performances while creating a dignified livelihood from their activities. A strategy that looks at the future of European food systems cannot leave behind those who will design and execute the future of agriculture. An ambitious generational renewal policy, that addresses young farmers and their specific challenges, must therefore be reflected within the Farm to Fork Strategy.
- The success of the strategy primarily depends on the capacity for farmers to act upon environmental ambitions as a part of an integrated and demand-based approach through unlocking appropriate market and policy instruments. Environmental ambitions must be integrated within the economic and social conditions of farmers and ultimately generate a viable income.
- Young farmers feel concerned about the consequences of the Strategy on the availability and price of land. The proposed targets could jeopardise the production capacity of the farming sector across Europe while increasing both competition for and speculation on agricultural land through incentivising hectare-based instruments. Such approaches would negatively affect young farmers' capacity to access land, requiring their alignment with a strong definition of active farmer.
- The targets put forward in the Strategy do not only lack realism but also fail to take into account the diversity and potential of European agricultural practices. To set achievable yet ambitious targets, an enabling framework combining investment support, knowledge and implementation capacity should be designed. In the next steps, CEJA wants EU policymakers to include a sound impact assessment and further involve stakeholders in order to encourage each individual farmer to contribute in accordance to his/her own realities, potentials and ambitions.

Europe's young farmers perceive a farm to fork strategy as an opportunity to bring further coherence within the food chain and enhance the economic, social and environmental sustainability of their farms. They also perceive the willingness of the European Commission to bring farmers and consumers closer and to act to improve the health conditions of the latter, as positive public policy strategies. In the context of the COVID-19 pandemic, such strategies appear vital for the future of our Union. However, the recently published Farm to Fork Strategy, by understating the role of farmers and new generations in the future of our food systems, and by not identifying and addressing enough potential trade-offs for the agricultural sector, risks to leave farmers behind in the shift towards more sustainability.

1. Welcomed elements

Although we regret that the initial stance on farmers' health and safety has disappeared from the final Strategy, and that further economic and social sustainability elements could have been integrated, we do welcome:

- The objective of ***empowering consumers in making informed food choices***: enhancing consumers' knowledge and reducing food fraud in the supply chain will improve the perception of the quality of EU food products and reduce food waste. Well-designed educational programmes must be promoted to create long-term effects;
- The emphasis on multi-actor and participatory research and innovation to support science-based approaches and strengthening AKIS. As we have indicated before, we believe sharing best practices and ***peer-to-peer learning*** are the most efficient ways to guarantee the uptake of innovations;
- The global chapter of the Strategy, oriented towards ***sustainable trade***: as young farmers, we believe that agricultural goods are a unique type of product which must be protected from unfair competition. When asking for more sustainability efforts to EU farmers, the same standards must be required for products imported from third countries. We also defend the idea of negotiating agricultural goods separately from global trade agreements and with vigorous enforcement on the respect of conditions of production. In light of the COVID-19 crisis, we also believe in the necessity to reduce the EU dependency on strategic imports, such as proteins for animal feed through support to and substitution with affordable, EU-grown alternative feeds;
- The mention to ***new genomic techniques***, which, like the Commission, we perceive as an option to be further explored;
- The ***100% target of broadband coverage*** in rural areas, which we defend both as entrepreneurs and citizens so that we can access optimal infrastructure for our working and personal lives. Such objective will have to be coherent with the upcoming EU long-term vision on rural areas, from which Europe's young farmers are expecting a lot. In particular, concerning the objectives laid down in this Farm to Fork Strategy, it is essential to acknowledge farmers' positive role in the maintenance of rural landscapes;
- The ***references to foresters***, which are crucial actors in reaching higher sustainability, but also provide wider economic benefits for the economy.

2. What is missing from the Strategy?

2.1. Young farmers

There is a strong feeling among CEJA's membership that the place of farmers has not been stated strongly enough in the Strategy. Additionally, since the strategy aims at ensuring the sustainability of the agricultural sector in the next decades, it would have been essential to tackle the obstacles faced by young farmers in order to do so. In this perspective, it was disappointing to read that in the overall Farm to Fork Strategy, **young farmers are quoted once** and only linked to organic farming.

This perspective is quite limited and fails to recognise the diversity of profiles among young farmers, and the full range of practices they can implement on the farm to further sustainability. Due to their beliefs and sense of innovation and entrepreneurship, young farmers are indeed **more likely to adopt sustainable strategies**¹. Their impact will also be sustained and long-term. For all these reasons, the Strategy should better emphasise the role of the next generations.

Relying on the Common Agriculture Policy (CAP) to provide a solid generational renewal strategy is an appropriate methodology. Nevertheless, taking into account the lessons learnt from the current CAP and looking at the state of negotiations for the next one, such a strategy appears limited by both the lack of common understanding on final objectives as well as the lack of appropriate financial resources in the next Multiannual Financial Framework (MFF) and Next Generation EU.

As demonstrated by the European Court of Auditors (ECA), while installation aid proves to be a relevant instrument, Member States tended to spend their entire budgetary envelope in the first years of the 2014-2020 programming period, preventing young farmers from accessing it in the following years. The ECA also refers to the overall young farmers' architecture as having a "poorly-defined intervention logic, with no expected result and impact specified"². In the next CAP reform, these biases are not addressed; the **budgetary-ring fencing dedicated to young farmers remains too low**, while dedicated indicators appear too weak.

The Strategy, in its key enablers, highlights two critical elements for CEJA, namely investment, and knowledge exchange and transfer. However, it does not say anything about the **issue of accessing land**, which is at the core of the difficulties of young people establishing and developing their farming activity. Price speculation, emphasised by the hectare-based subsidies, as well as an increasingly growing urban sprawling pose direct threats to EU farmers' ability to ensure food security and develop the required sustainable practices.

In this perspective, we see potential trade-offs when it comes to land, fed both by the Biodiversity and Farm to Fork Strategies. When combining the objectives of the two strategies, there is a demand for both land sparing and land sharing through an increase in protected areas and an increase in particular farming practices (i.e. reduction of fertiliser application). Both approaches create a real risk that the price of land increases, and that **less land will be available** to young farmers. Additionally, some of the objectives listed in the strategy are strongly linked to hectare-based support, in particular eco-schemes and AECMs, with the risk that they are going to non-

¹ CEJA, De Laval, Building a sustainable sector, Survey report, 2017, <https://wordpress.ceja.eu/wp-content/uploads/2019/09/CEJA-Delaval-Survey.pdf>

² European Court of Auditors, EU support to young farmers should be better targeted to foster effective generational renewal, Special Report, n°10, 2017, <https://op.europa.eu/webpub/eca/special-reports/young-farmers-10-2017/en/>

active farmers and landowners. Therefore, it is essential active farmers are put as a priority in the framework of environmental schemes.

Last but not least, the enablers already listed would need to reflect further external constraints faced by young farmers, such as higher risk-profiles and low capital, which are obstacles to accessing credits³. Reducing the investment gap in the sector is a key element of success for the Strategy. Preferential loans, green bonds and innovative financial instruments need to be further available to young farmers in order for them to drive the shift towards more sustainability. More efforts also have to be deployed in terms of knowledge and training. Farmers need to have access to proper tools and networks to truly learn from one another and deploy new practices and technologies. Such reflection has to go hand in hand with the farmers' ability to get a dignified income out of their production.

2.2. An increased farmers' income through a better functioning of the food chain

The success of the Strategy primarily depends on the capacity for farmers to get a decent income from the market. In this perspective, if we welcome the Strategy's mentions of improving income and reinforcing the competitiveness of EU agriculture, it is essential to realise the level of efforts needed to reach such objectives and to provide the appropriate instruments. According to the latest data, **farmers' income is only 40% of average wages in the EU-28 economy**, while being particularly volatile⁴.

Agricultural subsidies are important for EU farmers, who rely on them to reduce their income gap, even if partially⁵. The continuous reduction of subsidies is therefore a concerning trend, because it is currently not compensated by an increase in farmers' income from the market. At the end of the day, farmers want to have a market return for their products and ensure their long-term profitability. The Farm to Fork Strategy could constitute, in this point of view, a unique opportunity for the EU to create an enabling environment for farmers to live from their work while, at the same time, guaranteeing the consumers' access to safe and affordable food.

When envisioning the position of farmers within the food chain, the discussion should focus on fostering farmers' ***bargaining power***, whether it is in a collective way through cooperatives and producer organisations, or in an individual way. In each existing value chain, the objective is to get a fair share of value for farmers. Eventually, a firmer stance on actions throughout the food chain would be highly needed to avoid farmers bearing the cost, once again, of legal and economic adjustments from the other actors of the food chain.

³ Fi-compass, "Survey on financial needs and access to finance of EU agricultural enterprises", April 2019, https://www.fi-compass.eu/sites/default/files/publications/Survey_on_financial_needs_and_access_to_finance_of_EU_agricultural_enterprises_o.pdf

⁴ European Commission, Modernising and simplifying the CAP, Economic challenges facing EU agriculture, Background document, 2017:4, https://ec.europa.eu/info/sites/info/files/food-farming-fisheries/key_policies/documents/eco_background_final_en.pdf

⁵ European Commission, Modernising and simplifying the CAP, Economic challenges facing EU agriculture, Background document, 2017:19, https://ec.europa.eu/info/sites/info/files/food-farming-fisheries/key_policies/documents/eco_background_final_en.pdf

To guarantee a fair income in a well-functioning food chain, we have identified several levers, besides the Unfair Trading Practices (UTPs) Directive endorsement and organisation of sectors listed in the Strategy:

- To enhance market transparency, the creation of an **EU price observatory** that will make recommendations which are truly translated into decision-making through a reinforced early-alert mechanism to anticipate crises occurring on the markets. The readability of market data is also essential, both in scope and quality;
- The promotion of **value chain contracts** involving all the actors of the value chain, which would prevent farmers to face unfair practices and enhance their bargaining power within the food chain, while protecting their specific productions;
- To empower farmers in their **adaptability to market fluctuations**, an enabling framework combining instruments for market regulation, timely and complete information, flexibility in competition rules and on-farm technologies;
- Reinforced public **support for farm diversification**, via additional capacity for investment support. In addition to the funds already available under the second pillar of the CAP, new budgetary lines could be further explored. Among other elements of great importance, such support could be targeted at the development of short food supply chains and local economies. It is important, however, that funding the promotion of local economies does not come at the expense of today's diversity of selling channels. Short food supply chains, while valuable, should not be considered as the unique pathway for creating value;
- Clear, transparent and science-based labelling as an instrument to **enhance trust between the producers and the consumers** with the aim of promoting all aspects of sustainability, thus empowering consumers in their choices while recognising traditional food. When it comes to the project of an EU harmonized Front of the Pack Nutrition Labelling (FPONL), the European Commission should endorse a positive, science based and non-discriminatory methodology, avoiding colour-coding system, such as Nutri-score, that often discriminates certain categories of food products, in particular EU quality products (PDOs, PGIs and TSGs⁶). Any FPONL scheme should be based on portions following dietary recommendations for each product category. Labelling alone will not be efficient without a stricter policy on combatting food fraud and UTPs in the food chain, as well as more transparency;
- A **balanced trade policy**, which prevents EU products from unfair competition, while promoting higher standards on a global stage.

3. Potential constraints and trade-offs in the reach of objectives

While improving the environmental conditions of our agricultural lands is important, the objectives outlined in the Strategy may result in harmful trade-offs for people, the planet, and profits if their implementation goes wrong. In this perspective, it is essential to base any legal step on a rigorous impact assessment to identify and address potential trade-offs which may occur when reaching these objectives. In particular, it is of utmost importance to look at the impact of

⁶ Protected Designation of Origin (PDO), Protected Geographical Indications (PGI) and Traditional Speciality Guaranteed (TSG).

the proposed targets in terms of land use on agricultural yields and food security. It is also essential to make sure dietary recommendations do not discriminate productions, such as the meat production and livestock sector, which have made significant progress in the last years when it comes to sustainability. These approaches could lead to an increase in imports from third countries, which do not comply with the same level of ambition.

Additionally, the targets need further detailing of their concrete implementation, in particular when it comes to their distribution among the Member States and whether it will take into account pre-existing differences within the EU. Ensuring **a level-playing-field** and acknowledging that there is no one-size-fits-all solution are, in this context, key factors to bear in mind. At an individual scale, a mistake would be to consider only those who start from zero and those who are best practices examples. Every effort put in by farmers need to be acknowledged and financially encouraged.

If we believe in the value of a result-based approach, we also think it has to lay on clear and relevant success metrics – taking into account economic, social and environmental constraints on the farm as well as potential trade-offs. We also firmly believe in the urgency to find alternatives to chemical pesticides and fertilisers that are practical on farms and financially accessible. Knowing the considerable time needed for research and development, the objective of 2030 appears quite unrealistic to reach the targets without affecting productions and farmers' incomes.

- **Achieve at least 25% of agricultural area under organic farming by 2030**

Once again, the focus of the Strategy on organic farming must not exclude financial and social recognition of the efforts of non-organic farmers who for decades have been adopted non-certifiable agro-ecological practices. Alternative practices, some of which being listed in the Strategy such as agroforestry or circular agriculture, have proven to be beneficial for both the environment and society. Additional EU-wide certification schemes, such as High Nature Value farming, would allow to measure and acknowledge environmental performance, while creating added value on the markets.

As already highlighted by CEJA, any objective aiming at increasing organic production must be **market-driven**. An increase in the production, if not triggered by a rise in consumption, will only create imbalances and affect farmers' income negatively. Besides, for the progress evaluation to be as accurate as possible, it is crucial to avoid administrative burden when it comes to certification, which already creates aversion among young farmers.

- **50% reduction target on the use and the risk of chemical pesticides**

In methodological terms, the horizon 2030 appears quite unrealistic when it comes to the reduction of chemical pesticides. Further detail on the implementation of targets needs to be given and the question of organic pesticides, clarified. Lots of efforts have already been done by the sector, in reducing by 20% the use of pesticides already, as outlined by the Strategy itself. Considering their overall cost (including spraying technologies, time and volume), farmers have been willing to use as less pesticides as possible. It seems to us further reduction might heavily affect some key sectors of EU agriculture, and that such an objective would require an in-depth assessment.

The 50% reduction target will have more effects on specific sectors: farmers in the fruits, vegetables and wine sectors, which are very much factors of regional identities, will face more considerable difficulties than annual-based productions. Without pesticides, some of them, in

particular the potatoes sectors, will be highly impacted. While the Strategy, by using the wording ‘dependency’, acknowledges the fact that using pesticides is a necessity, more focus has to be drawn on the finding of sustainable alternatives. In the next steps, it is essential to provide these alternatives in order to keep the same level of food production within the Union.

- **50% reduction target on nutrient losses**

The 50% reduction target on nutrient losses, which would reduce the use of fertilisers by at least 20% according to the Strategy, also implies potential trade-offs; for example, a decrease in fertilisation would also bear the potential to decrease yields, and ultimately increase pressure on land. It is, therefore, essential to support farmers in their land management planning to guarantee soil quality and health. One of the principal instruments to achieve this goal, outlined in Farm to Fork and the CAP reforms post-2020, will be the use of a Farm Sustainability Tool. In the past, these tools have prescribed practices that are useful in theory but fall short of showing how to adopt those practices within farmers’ business plans and financial realities. Therefore, these tools must be coupled with robust advising programmes and financial instruments.

4. Next steps

In light of all the potential trade-offs raised in our analysis, a first priority would be to involve farmers in a more in-depth dialogue to proceed with a reality-check on the Strategy. It is particularly true when it comes to the realisation of some specific targets put forward. It is also crucial that the Strategy does not ignore the nine specific objectives laid down in the future CAP – as they should remain the core priorities to achieve in the farming sector. To guarantee the long-term success of the Strategy, one main objective remains to tackle the pending obstacles experienced by young farmers in the framework of an ambitious generational renewal policy. Given all these elements, 2030 appears to be quite an unrealistic timeline for the shift in paradigm proposed in the Strategy.

The economic feasibility of the Strategy should be further developed. If farmers are required to bear the efforts of the shift towards more environmental sustainability, they need to be equipped with adequate finances. In this view, the MFF’s revamped proposals will not be sufficient to facilitate the expected transition while, at the same time, strengthening the economic resilience of the farming sector. This resilience should be based on the acknowledgement and the preservation of the diversity of EU agricultural value chains. All farmers should be empowered to generate a dignified income out of their productions, whether they opt for collective or individual marketing strategies.

In their own management strategies, young farmers are committed to maximise their efficiency through a decreased level of inputs while creating positive outputs both in production and in environmental performance. In this view, we believe in the role that knowledge and innovation can play. This will, however, only be successful if farmers are able to implement technological tools and management choices through adequate investment support.

As Europe’s young farmers, we see in the Farm to Fork Strategy the elaboration of a paradigm that will determine our entire journey in the sector. We, therefore, want to reiterate that the strength of our European agricultural sector comes from its diversity. The pathway to success is to encourage each individual farmer to contribute in accordance to his/her own realities, potentials and ambitions. To do so, we need to acknowledge and incentivise differentiated approaches across farms, regions and sectors.