Copa and Cogeca’s Contribution to the 2022 Annual Work Programme (AWP) of the EU Promotion Policy

Main Comments

- **Main aim of the Promotion Policy:** The core of the Promotion Policy is to ensure the competitiveness of all EU agricultural products as laid down in Article 2 of Regulation (EU) 1144/2014. We would like to underline that it is thus crucial that the 2022 AWP be aligned with this objective. We believe that the Promotion Policy can certainly help to enhance food sustainability, and already does given the high sustainability standards of EU agricultural products compared to those from third countries. However, we would like to remind the Commission that this new Promotion Policy focus proposed in the Farm to Fork Strategy is currently only a proposal and is not enshrined in any legal text approved by the EU co-legislators. Therefore, we would like to stress that the Commission has no grounds to shape the 2022 AWP according to the objectives proposed in the Farm to Fork Strategy. While the Promotion Policy can certainly increase its contribution to sustainability, those changes need to follow the normal legislative process.

- **A budget aligned with current challenges:** In 2021, the AWP budget was down by 9% on the 2020 budget. We call for the budget to be restored to a minimum of 200 million euros. Indeed, agricultural markets have been severely impacted by the COVID-19 crisis. In addition, the trade war with the USA and Brexit have added to the already heavy burden of the COVID-19 crisis. It is thus more important than ever to provide a strong and well-funded Promotion Policy to enable EU farmers to survive and adapt to these difficult times. The Promotion Policy has been a key tool for ensuring the maintenance of the competitiveness of EU agriculture since its creation and has shown significant positive results as demonstrated by the evaluation commissioned by the Commission (SWD(2020) 401 final of 22 December 2020) and many national farming organisations across Europe. It is thus essential to maintain a strong budget.

- **Proportionate support for all agricultural practices:** In the 2021 AWP, a significant part of the budget (29%) has been entirely dedicated to organic products. Given the objective to have 25% of agricultural land under organic farming by 2030, we believe that the organic sector in particular should be supported by the promotion policy, even above its market share. Our only fear is that the Commission’s ambition to dedicate 29% of the total promotion budget to organic farming, albeit well-intentioned, is inappropriate. Today, the organic farming segment only represents 8% of total EU agricultural production. While the organic sector certainly has potential for growth, the current budget proposal does not correspond to the market reality and is therefore not realistic. Promotion opportunities should be adjusted to the natural growth of the production potential and the market demand, otherwise the profitability of this agricultural segment will be seriously at risk and European funding could even benefit organic products from outside the EU. The Commission could thus end up making the organic sector more fragile instead of strengthening it. Furthermore, we strongly believe that due to the often small size of their structures, the applicants representing the organic sector may not have the necessary resources to submit projects for the budget share proposed for organic on the internal market. In addition, if the
intention is to boost the Promotion Policy’s contribution to sustainability, an objective that has not yet been approved by co-legislators, the focus should be on proportionately supporting all agricultural practices that demonstrate commitment in terms of sustainability. **Disproportionately focusing on a single production method could prevent the others from contributing further to EU agricultural sustainability**, which would reduce the Promotion Policy’s overall capacity to increase sustainability.

- **Proportionate support for all EU quality schemes:** The 2021 AWP has allocated 29% of its budget to the EU organic quality scheme and has considerably reduced its support for other EU quality schemes such as GIs. Both the organic quality scheme and GIs are important tools to showcase the quality of EU products. When adequately supported, GIs in particular are quite efficient at creating new market opportunities in third countries thanks to their renown. These products then open up the doors of those new markets to other EU products. Furthermore, GIs are also important from a sustainability point of view as they are intrinsically sustainable thanks to their promotion of local rural development, local varieties, species and agricultural techniques adapted to small scale productions and regional landscapes and biotopes. We thus call for a more significant share of the 2022 AWP budget to be dedicated to EU quality schemes as a whole, irrespective of whether they are organic, GI or other quality schemes.

- **Need for flexibility:** The COVID-19 crisis is still ongoing and it is thus **not yet possible to fully assess** the extent to which each sector has been impacted. Nor is it possible to foresee the consequences that this crisis will have for the different sectors in the coming months or years. Therefore, we believe that it is **essential to take this uncertainty into account when defining the promotion policy priorities and to retain some flexibility** to adapt to this exceptional situation. Based on intermediate evaluations and evolutions, adjustments to the running programs should be smoothly possible, in order to increase the impact.

- **Need to focus on digitalisation:** In light of the COVID-19 pandemic, the lockdown and an already prominent trend towards digitalisation, we believe that some of the promotional actions should partly focus on digital platforms and digital campaigns.

- **The deadline to apply for the programmes are often too short** to be able to have all the required papers. More time should be provided to submit the programmes applications.

- **The administrative work for both the applications and the management of the programmes is too burdensome and complicated.** A simplification of the administrative part would be extremely beneficial for both the programmes runners and the managing authorities.

**Specific Comments**

**A. A. Simple programmes**

1. **Simple programmes on the internal market:**

- The **budget allocations should be balanced** so as to give the same opportunities to every sector via generic promotion. All products should be eligible for both simple and multiple programmes.

- The **support that simple programmes on the internal market provide** is especially **key for those sectors that, in addition to the COVID-19 crisis, were already facing difficulties** due to:

  - A **steady decline in consumption** and in the overall value of EU products as witnessed in the beef (especially high-value cuts) and milk sectors.

  - **Logistical difficulties** (i.e. highly perishable sectors, extremely expensive logistics, etc.) or **SPS barriers preventing** access to alternative markets as
seen in the flowers and plants, and fruit and vegetables sectors.

- The fact that they face competition from continuously increasing imports and want to promote the EU’s model of production, high standards and sustainable agriculture as is the case for rice, honey and other hive products.

- Market disturbances resulting from trade wars as is the case in the wine and olive oil sector.

2. Simple programmes in third countries:

- We are convinced that trade opportunities in third countries will continue to play a key role in enhancing the competitiveness of our sector and in raising consumer awareness about the high-quality and added value of our European products worldwide.

- Copa and Cogeca believe that it is essential to map out the current and upcoming opportunities. This is why the macro-economic analysis carried out every year by the Commission services plays a decisive role.

- Different economic indicators (e.g. export and import growth potential) for the different agricultural products are indeed fundamental. However, we also need to include other economic indicators in the analysis, such as the purchasing power of consumers and the development of the middle class in these countries. The trade agenda and policy evaluation of free trade agreements (FTAs) must also be considered.

- In addition to the analysis issued by the Commission, many of our agricultural actors applying for promotion programmes conduct their own market studies to identify the relevant markets to target. These studies are essential for agricultural actors to make valid decisions regarding their promotion efforts. Therefore, we believe that the costs of these studies should be eligible for reimbursement under the promotion programmes.

- Given the COVID-19 circumstances, it is no easy undertaking to identify specific third countries that should be targeted. Nonetheless, taking into account current knowledge of the situation and previous trends, we believe that the following countries or regions should be included: the Middle East, North America, South East Asia, Southern Asia, Japan and China.

- Within these priorities in third countries, we also believe that it is important to look at neighbouring regions and countries, especially for those sectors with highly perishable goods or those facing export difficulties due to logistics.

- As the UK is close to the European market, it is a very important export market for many European agricultural products and it is thus advisable to foresee a specific budget for UK within the budget for third countries. Brexit was a major test for trade relations and some extra resources may bring back stability.

- As the volume of European organic production, available for export to third countries is very limited and the equivalence not always recognised, the budget for promoting organic products should better be invested in the internal market.

B. Multi-country programmes

- We believe that all products should be eligible for multi-country programmes (as well as simple programmes) as each type of programme, both multi and simple, has its own specific strengths and advantages.