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REPLY FROM DG TRADE

Interservice consultation launched by: DG SANTE

Reference: ISC/2020/01398

Title: Commission Communication on “A Farm to Fork Strategy – For a fair, healthy and environmentally-friendly food system”

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| <input type="checkbox"/> | Agreement |] |
| <input checked="" type="checkbox"/> | Favourable opinion subject to account being taken of the following comments | |
| <input type="checkbox"/> | Negative opinion | |

Thank you for the opportunity to comment on this important communication. DG TRADE has some general concerns, but would also like to introduce a number of specific drafting proposals.

General comments of DG TRADE

We fully support the ambitious “Farm to Fork” initiative in the broader context of the European Green Deal. It is indeed crucial to increase the sustainability of the EU’s food systems. We also need to ensure that “Farm to Fork” is coherent with other key Green Deal initiatives being developed, notably the forthcoming EU biodiversity strategy (parallel ISC/2020/1474 which also closes on 13 March 2020).

It would be useful to **add information such as results of Eurobarometer or other surveys** to underline and provide evidence for claims that consumers are indeed interested in sustainability-relevant information including “environmental, health and ethical issues” and “want green, organic food, with less pesticides, sugar and additives” and “expect transparency across the entire supply chain to be sure they are buying ‘healthy food from a healthy planet’”. (cf. chapter 1 on “need for action”, second page, 4th paragraph).

The draft makes a number of statements about future legislative proposals. It is important **that future proposals under the “Farm to Fork” strategy be based on solid analysis**

and evidence. This is particularly relevant for trade: all proposals for regulatory action should be based on an **impact assessment**, including in light of our **international commitments** and obligations, notably those under the WTO – in particular proposals such as **enhanced food labelling**, including with regard to origin labelling and mandatory (front-of-pack) nutritional labelling. DG TRADE believes that it is advisable to first look into voluntary labelling schemes which are generally less trade-restrictive compared to mandatory regimes.

With regard more specifically to **origin labelling**, it is important to recall that any mandatory labelling scheme will have to comply with WTO rules and jurisprudence, notably on non-discrimination and not being more trade restrictive than necessary to meet the legitimate objective of providing consumers with information on origin¹.

We should also keep in mind that the **proposal to extend mandatory EU-wide origin labelling to milk as well as milk and meat used as ingredient** should be assessed in light of the possible extension of national schemes. For example, France has just requested the extension of its respective national origin labelling scheme for the same products until the end of 2021 which is likely to be granted by the Commission, while Commission Implementing Regulation (EU) 2018/775 on the indication of origin of the primary ingredient of a food will enter into force on 1 April 2020 and was supposed to terminate national measures such as the one taken by France. Given the strong criticism of national origin labelling schemes (of France, but also various other Member States) by many third countries at the WTO, extending this measure EU-wide may be difficult and would first require an in-depth impact assessment as well as a careful legal analysis in terms of WTO compatibility.

On the first page of chapter 2 (“The way forward”), the communication announces that *“By end 2023, a legislative framework for sustainable food systems will be proposed to recognise performance of front-runners and gradually raise sustainability standards so as to become the norm for products placed on the EU market”*. Section 2.3 complements this announcement as follows: “in the medium term, the Commission will develop a **sustainable food labelling framework** integrating nutritional, climate, environmental and social aspects.” At this stage, it is not clear whether the overarching legislative framework for sustainable food systems would primarily be focused on labelling schemes or would introduce further elements. This should be clarified to the extent possible.

Moreover, DG TRADE contests the notion that shorter food supply chains are generally preferable in terms of sustainability. For instance, on the second page of chapter 1 (“Need for action”) the draft communication states: *“Even as societies become more urbanized, citizens want to feel closer to their food, having it fresher, less processed and locally sourced.”* While short supply chains may offer potential for greater sustainability in the food chain, DG TRADE believes that we currently do not have sufficient data which would allow to infer today that shorter distances are a sufficient proxy to assess the sustainability of food chains. This would be tantamount to implying that international trade is environmental unfriendly per se. However, this Commission has pledged to base its policies on facts, yet the economic and environmental sustainability of short supply chains appears to be still questionable.

¹ DS384, https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds384_e.htm. The WTO Appellate Body’s precedent could limit the EU’s room of manoeuvre for introducing mandatory origin labelling on imported products.

Specific drafting suggestions (in track changes)

➤ Chapter 2 on “The way forward”, first bullet point:

*“Ensuring that food is produced, transported, distributed and marketed **in an environmentally sustainable way and** has a **reduced** environmental impact, preserving and restoring the land and sea-based resources on which the food system depends; contributing to mitigating climate change and adapting to its impacts; protecting land, soil, water, air, plant and animal health, and stopping the loss of biodiversity.”*

In DG TRADE’s view, the Commission should not over-promise by envisaging a “neutral or positive environmental impact” of food production, transportation and distribution – it seems preferable to refer to an environmentally sustainable way of producing, transporting and distributing food which would already constitute major progress towards enhancing the sustainability of EU food systems. Moreover, fully eliminating the environmental impact of food production does not appear realistic for imports because of transport emissions which may become smaller but will still be sizeable for the foreseeable future.

➤ Section 2.1 “Ensuring sustainable food production”, second page of that section, 2nd paragraph:

*“EU agriculture is responsible for 11% of EU GHG emissions out of which nearly 60% are linked to **animal farming**. To **reduce the environmental and climate impact of animal production**, in addition to CAP measures, the Commission will facilitate the placing on the market of **sustainable and innovative feed additives** that help reduce the carbon footprint, water and air pollution and methane emission of livestock farming. It will also examine EU rules to foster more sustainable feed materials such as insects, marine feed stocks and by-products from the bio-economy.[...]”*

We suggest removing the reference in brackets to “e.g. soya from deforested land”; this Communication is not the right place to identify deforestation-related commodities.

➤ Section 2.1 “Ensuring sustainable food production”, second page of that section, 3rd paragraph:

*“**Antimicrobial resistance** linked to the excessive and inappropriate use of antimicrobials in animal and human health leads to an estimated 33.000 human deaths in the EU each year and health-care costs. The Commission will therefore take action to reduce by XX% the **use** of antimicrobials for farmed animals and in aquaculture by 2030.”*

In our view, it would be preferable to refer to the use of antimicrobials (as is done for pesticides and fertilizers in the same section 2.1); the term “sales” could be misleading as the Commission as a public institution should not be viewed as an actor who directly

establishes commercial sales targets; the term “use” seems thus more appropriate in a public policy context.

- Section 2.1 “Ensuring sustainable food production”, second page of that section, 4th paragraph:

“Better animal welfare improves food quality, animal health and decreases the need for medication. Livestock farming practices more respectful of animal welfare also contribute to preserve biodiversity and are an ~~the~~ ethical choice.”

By removing “only”, the substantial message is maintained but becomes less apodictic.

- Section 3.3 “Promoting the global transition”, 1st bullet point:

- *“Promote sustainable food systems **in the work of relevant international organisations [such as FAO] and during international events** (e.g. UN Convention on Biological Diversity Conferences of the Parties, 2021 UN Summit on Food Systems).”*

We believe that the EU should do more than promote sustainable food systems through side events in major conferences, but should work in international organisations to help develop standards or practices to this end. Hence the suggestion to add a more general reference. The FAO reference is optional. Regarding the CBD we suggest a more general reference to CBD COPs rather than only the one in 2020. The FAO reference is optional.

- Section 3.3 “Promoting the global transition”, 2nd bullet point:

- *“Use a partnership approach to **support developing countries in their transition to sustainable food systems**, by fostering international research for sustainable value chains, reducing malnutrition and integrating **Policy Coherence for Sustainable Development in all its policies**. This should include dialogue and support to help developing country exporters of agricultural and fishery products meet the sustainability [standards][requirements] proposed in this Communication for placing such products on the EU market. The EU cooperates with more than 60 partner countries on agriculture, food security and nutrition, has 13 sustainable Fisheries Partnership Agreements with third countries, [and is one of the main providers of humanitarian food assistance]. The significant EU cooperation portfolio in these areas can have a leverage effect on partner countries’ policies and private sector investments towards the global objectives set out in the European Green Deal as well as the Sustainable Development Goals.”*

While general support for sustainable food systems is welcome, we believe that there is a need to flag the need for specific support for developing country partners to meet new EU sustainability requirements in order to export to EU markets. Without this there is a risk of a backlash against the Farm to Fork strategy. The addition of a reference to the SDGs in addition to Green Deal objectives would help making the text less Euro-centric and more acceptable to the EU’s third country partners

- Section 3.3 “Promoting the global transition”, 4th bullet point:

- *“Assist the economies of EU neighbourhood countries and the Western Balkans region in reforming and restructuring their agri-food sectors.”*

In addition to the Western Balkans, we should add countries in the EU’s neighbourhood when talking about helping third countries with the modernization and greening of their agricultural systems. If one of the stated objective is to reduce agricultural supply chain lengths to mitigate negative environmental impacts, the numerous third countries in the EU’s neighbourhood may be in a position to make a meaningful contribution, given their geographic proximity and interest in adopting EU standards.

➤ Section 3.3 “Promoting the global transition”, 5th bullet point:

- Build **green alliances** with third countries and ensure the inclusion of ambitious sustainability provisions in all relevant **EU bilateral agreements**. These alliances will also support the work on global sustainable food systems in **international standard-setting bodies and other multilateral organisations**.”

Despite DG TRADE’s requests of clarification, it is still unclear what these food provisions would consist of. It is therefore suggested to delete the words “food related”.