

## I

(Resolutions, recommendations and opinions)

## OPINIONS

## EUROPEAN ECONOMIC AND SOCIAL COMMITTEE

462ND PLENARY SESSION HELD ON 28 AND 29 APRIL 2010

**Opinion of the European Economic and Social Committee on 'Strengthening the European agri-food model' (exploratory opinion)**

(2011/C 18/01)

Rapporteur: **Mr ESPUNY MOYANO**

Co-rapporteur: **Mr TRÍAS PINTO**

On 23 July 2009, the Spanish presidency of the European Union wrote to the European Economic and Social Committee, under Article 262 of the Treaty establishing the European Community, requesting an exploratory opinion on

*Strengthening the European agri-food model.*

The Section for Agriculture, Rural Development and the Environment, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 25 March 2010.

At its 462nd plenary session, held on 28 and 29 April 2010 (meeting of 28 April), the European Economic and Social Committee adopted the following opinion by 124 votes to one, with three abstentions.

### 1. The Community agri-food model today

1.1 The Common Agricultural Policy (CAP) is not only the first common policy in the true sense of the term, culminating with the recent extension of powers brought in by the Lisbon Treaty, but also a real agri-food model. As a result, it should be a major strategic interest for Europe and have an active influence in the international arena.

1.2 Whilst maintaining its objectives since the outset and across successive Treaty reforms, the CAP has nonetheless adapted over nearly five decades to the new requirements that have emerged: reform of instruments and management systems, budgets, calls from the public, and the opening of the market to non-EU countries. Today's agricultural model is sustainable and based, increasingly, on a combination of economic, environmental and social considerations.

1.3 Throughout this process, the European agri-food model has been moving steadily towards its key goals of guaranteeing the population a supply of safe, healthy food, building a globally unparalleled economic food system and fostering varied, high-quality production that is appreciated by consumers.

### 2. Positives and negatives

2.1 While the overall assessment remains positive, certain improvements and upgrades to the model should nonetheless be considered, including:

— the need for common instruments that can respond to the price fluctuations that may reoccur in the years to come, avoiding episodes such as those during 2007 and 2008;

- improving specific agri-food schemes – designations of origin, protected geographical indications, guaranteed traditional specialities – in order to simplify and streamline their conditions, increase their technical requirements and strengthen the model, while ensuring they are more fairly protected within external markets;
- securing a policy to effectively promote Community agricultural products, bringing added European value to the wealth and variety of our products and, above all, successfully promoting European principles whilst ensuring the commercial development of products;
- furthering a strategic vision of the agri-food chain – production, processing and trade – whilst boosting the system's transparency and setting up measures to prevent abuses of dominant positions or unfair practices that affect the way it operates;
- improving information to consumers through a common labelling model, and setting up a system to harness the potential of new information technologies so that consumer choices are as informed as possible.

### 3. Facing the immediate challenges

3.1 The EU is entering a new phase, with renewed institutions and a new Treaty. A series of new challenges and major changes must be tackled if the EU is to confirm its role as leader and, above all, find a way out of the current economic and financial crisis.

3.2 In this context, the Community agri-food system has its own requirements which must be taken into account in the discussions currently underway with a view to establishing a new CAP as from 2013. A number of these requirements are set out herein, and have also been expressly mentioned in other EESC opinions <sup>(1)</sup>.

3.3 In this opinion, the EESC wishes to establish a more detailed position on the sustainability of the Community agri-food model and to highlight its importance. As the only model that can be valid in the long term, it is important to ensure that it is applied uniformly throughout the Community market and to prevent it from being adopted only by European operators, for there is clear evidence that it is the only model likely to endure.

### 4. Towards a safe, balanced, fair model

4.1 The European agri-food model falls within a framework of sustainability, taking into account its economic, environmental and social aspects.

4.2 In recent years, particularly with the last reform of the CAP, far-reaching legislative provisions have been included in key areas such as:

- increased food safety and traceability;
- organisation of organic production, integrated production, more environmentally-friendly practices and the protection of the environment in general;
- application of various provisions relating to animal welfare, for all products;
- stepping up of social and worker protection measures.

4.3 The EESC believes this model to be essential in order for the CAP to persist, and for the EU to remain a competitor in an increasingly globalised world. These values, reflected in legislation, combined with efforts to boost research and agricultural production, are what will enable the EU to face the challenge in a world where, according to the FAO, global food production needs will have doubled by 2020.

4.4 However, to achieve this model, major efforts have been – and will continue to be – required from Community operators in terms of both agricultural production and processing. It does not seem logical, therefore, that its implementation should bring to light various shortcomings that could undermine its very existence.

4.5 The first of these shortcomings relates to food safety and the compliance of imports (foodstuffs, feed, animals and plants) with Community regulations. In Europe, experience has shown that it is necessary to maintain high levels of health protection both for consumers and for animals and plants, and this has resulted in new standards being established, with the entry into force of Regulation (EC) 178/2002 which lays down the principles of Community food law. However, the legislator focussed on setting down the obligations for Community operators, while obligations for imported products were left to one side.

4.5.1 Today, according to data from the European Food Safety Authority, over one third of food warnings registered in the internal market originate outside the EU. The EESC is keen to stress that the EU is obliged to guarantee the health and safety of its consumers and to ensure that all products – including imports – placed on the market comply with legislation.

4.6 The second problem facing EU producers and industry players is that this lack of balance in the Community market is undermining their ability to compete with imported products.

<sup>(1)</sup> OJ C 77, 31.3.2009, p. 81.

4.6.1 The requirements imposed by the EU model significantly increase production costs, some of which are not faced by imported products, which may also enjoy reduced tariffs <sup>(2)</sup>.

4.6.2 Therefore, according to LEI report 2008-071 by Wageningen University, the application of the new animal welfare requirements for laying hens established by Directive 99/74/EC will mean an 8-10 % increase in costs for the average EU producer, who must compete with products imported from Brazil and the USA. Not only do these imports not comply with such animal welfare requirements, but the production systems used entail much lower standards than those laid down in EU legislation (intensive production, fewer restrictions on the use of medicines, no restrictions on the use of GMOs in animal feed, etc.).

4.6.3 Regulatory costs produce a similar effect. The European animal feed industry needs to import certain raw materials as European production is insufficient, but the strict limits imposed by Community legislation on GMOs make it difficult to import products essential for animal feed such as cereals, soya or protein seeds from countries like Brazil or Argentina. These restrictions directly affect the European meat industry which must cover cost increases that affect its competitiveness in the European market and in its exports to non-EU countries. The EESC is neutral regarding the need for GMO use.

4.6.4 Indeed, the European Commission recognises this in the report by DG AGRI on the implementation of GMO legislation, pointing out that the 'zero tolerance' policy could lead to losses of up to EUR 200 bn for the European agri-food sector. Moreover, in reality, European consumers are not receiving the high level of protection they are entitled to because Europe continues to import meat, milk and other products derived from animals raised on feed containing GMOs. Therefore, the right conditions need to be created for a production chain to develop which is more attentive to consumers' expectations.

4.6.5 Similar problems to those mentioned above also occur in other areas where regulatory costs are just as high, such as pesticides (maximum residue limits and other environmental restrictions), plant health and animal identification.

4.7 Lastly, there are political considerations which mean that the current situation cannot be sustained in the long term. It does not seem reasonable that European operators should be discriminated against within their own market, in relation to non-EU countries.

## 5. The necessary search for solutions

5.1 The EESC believes that the EU should find solutions in order to improve the application of the Community model in

<sup>(2)</sup> The EESC highlights that the EU is the world's biggest importer of agricultural produce – a position which has been gained on the basis of preferential tariff schemes (GSP, GSP+, Everything but Arms) for products from less advanced and developing countries.

the internal market whilst allowing for free competition and complying with international legislation.

5.2 The solution would involve various areas, and in some cases might need to be implemented gradually. Among the measures possible, the EESC would like to highlight the following:

- *Improving access conditions*: import control must be able to ensure that animals and plants – especially those to be used in foods – entering the EU do so safely and in compliance with European legislation. It is also important that this control be based on harmonised procedures so that all products, regardless of their point of entry, offer the same safety guarantees. It is an issue of reciprocity among European operators.
- *Improving international approval of the European model*: the EU must explain and advocate the international acceptance of its model, based on values of sustainability promoted globally by the UN system. Bodies such as the WTO, FAO, Codex Alimentarius Mundi, IOE, ILO, UNCTAD, etc. should be involved in these efforts. Likewise, efforts should be made to harmonise legislation at international level, as far as possible, so as to prevent unequal treatment.
- *Furthering the system for mutual recognition of systems for protecting consumer health and animals with non-EU countries*: in its trade agreements, the EU should include specific chapters for mutual recognition of health, plant health and food systems, in order to ensure consensus on the appropriate levels of health protection, within the framework established by the WTO.
- *Improving international technical support*, by boosting initiatives such as 'Better Training for Safer Food', which supports technical cooperation with developing countries which export or wish to export to Europe, via technical training, the creation of rules and standards, exchange of staff, etc.
- *Trade incentives*: The EU could also look into the possibility of improving treatment in terms of trade, financial aspects or development cooperation for developing countries that harmonise their systems with the Community model.
- *Better lawmaking*: The EU should not resort to protectionist measures to restrict access to its markets; so, by the same token, it should not agree to its model being applied at the expense of its own operators. Legislative simplification could also be a very useful way to cut red tape.

5.2.1 Part of the European model is based on those 'public assets' that citizens and consumers value as necessary – most importantly, quality based on the origin and protection of animals, animal welfare, the precautionary principle and environmental protection.

5.2.2 European policy should include instruments that prevent work from being relocated to other areas, so that it is possible to compete under equal conditions, encouraging the application of the socio-occupational legislation<sup>(3)</sup> on decent work that is advocated in the internal market. The EU should also urge the relevant international bodies (especially the WTO) to include the basic socio-occupational standards among their

non-trade considerations, as trade can only be truly free if it is also fair.

5.2.3 The legislator must therefore prioritise the need to rebalance the current situation by adopting appropriate legal measures.

5.3 The EESC calls on the European Parliament, the Council and the Commission to take this opinion into account, and urges the Spanish presidency to propose measures in this connection.

Brussels, 28 April 2010.

*The President*  
*of the European Economic and Social Committee*  
Mario SEPI

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<sup>(3)</sup> ILO Conventions 87, 98, 105, 111, 135, 182; ILO Declaration of Fundamental Principles and Rights at Work; ILO Tripartite Declaration Concerning Multinationals & Social Policy; ILO Declaration on Forced Labour; ILO Declaration on Discrimination; ILO Decent Work Agenda; ILO Declaration on Child Labour; OECD Principles of Corporate Governance; OECD Guidelines for Multinational Enterprises; UN Millennium Declaration.