

TOP FIVE: DAFC's political priorities for the European Parliament, spring 2020

Danish Agriculture and Food Council

Below are stated the top priorities of the Danish Agriculture and Food Council (DAFC) in Brussels for the spring of 2020.

Green Deal: A new EU climate law

The Commission President Ursula von der Leyen has announced a proposal for an ambitious European climate law within her first 100 days in office. The DAFC supports the objective of a climate-neutral EU in 2050, as well as a 55% reduction in emissions by 2030 – joint action in the EU both benefits the climate and helps to ensure more level playing field in terms of competition.

Von der Leyen's climate law could be the occasion to establish the EU as a strong global player: climate ought to be a cross-cutting priority in EU policy – not least EU efforts in developing countries. Unfortunately, agriculture and climate are given a modest priority in EU development policy. Only 12% of the funds of the UN Green Climate Fund, to which EU Member States are the largest contributors, have so far gone to agricultural projects, although the sector's global role in meeting the Paris Agreement's objectives can hardly be overstated.

In May 2019, the DAFC, our agricultural knowledge centre SEGES and the Dutch agricultural development organisation Agriterria signed a framework agreement to transfer technology and know-how on a climate-friendly agricultural and food production to developing countries. We are also working to make Agriterria the first agricultural player to be accredited to the Green Climate Fund. We hope this will help to stimulate an increased mobilisation of European and global climate funds in the agricultural and food sectors – a desire we share with the experts of the IPCC.

In the longer term, the DAFC expects the Commission to take the initiative to support "carbon farming" both within the EU and in third countries. It is essential that climate actions by farmers in Europe and around the world are recognised, which can be done under the market mechanisms of the EU and the UNFCCC.

Green Deal: The Multiannual Financial Framework 2021-2027

The green transition must be funded. The Commission's proposal for the EU's next multiannual financial framework (MFF) 2021-2027 reflects years of debate about new expenses regarding migration, a defence union, education and research. At the same time, Brexit leaves the EU with an annual 12 billion euro budget gap. The Commission proposes "new money for new initiatives" and a partial compensation of the Brexit deficit by increasing national contributions from 1% to 1.1%. Germany, France and 21 other EU Member States support this, while Denmark, Sweden, Austria and the Netherlands unfortunately still oppose.

The DAFC and the European agricultural organisation Copa & Cogeca support the Commission and the majority of EU Member States on the budget. We advise Denmark to seek real influence on the budget instead of delaying the process, which will consequently have negative consequences for other policy areas.

Green Deal: The EU's "Farm to Fork" strategy

New plant breeding techniques (NBTs), which have emerged as a result of advances in scientific research, are an important part of the solution to the climate challenge. The DAFC supports a scientific approach to crop improvement, enabling plants to become more resistant to diseases and increase, for example, drought tolerance, which can lead to higher yields, as well as superior nutritional, storage or processing qualities – important elements in efforts to reduce the carbon footprint of products and avoid food waste. The DAFC therefore supports the risk assessments carried out by the European Food Safety Authority (EFSA).

Some EU Member States have launched or are about to launch national mandatory labelling systems for certain food products, mainly dairy products, but also meat used in processed foods. The DAFC opposes mandatory origin labelling and gastronationalism, which could mislead consumers into believing that locally produced products are, for example, the most environmentally friendly. The DAFC, on the other hand, supports the Commission's proposal for an eco-label – the Product Environmental Footprint (PEF). A common European standard will help consumers and authorities to assess and compare the environmental impact of products according to their life cycle.



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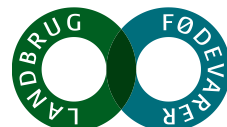


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The Danish Agriculture & Food Council is a trade association representing agriculture, the food and agro industries. With annual exports in excess of DKK 100 billion and with 145,000 employees, we represent one of Denmark's most important business sectors.

Through innovation and promotion of the industry's contribution to society, we work to ensure a strong position for our members in Denmark as well as in international markets.



Green Deal: Trade is part of the solution

If there are persistent differences in climate ambition across the world, the Commission has announced that it will propose a mechanism to adjust CO₂ limits for certain sectors in order to reduce the risk of carbon leakage.

The DAFC believes that it is important to support such a mechanism for adjusting CO₂ limits, but that it is essential that, in this case, the mechanism comply with WTO rules so that it does not unnecessarily interfere with international trade.

The free trade agreement between the EU and the Mercosur countries should be implemented in the coming years. Before the European Parliament and the Council vote on the implementation of this agreement, the Commission should explain in detail the application of the climate and market safeguard clauses contained in the Mercosur agreement, in particular as regards the concrete implementation and management of the agreement's tariff quotas, in order to avoid that few major players can monopolise total meat imports from Mercosur.

Maintaining existing market access in the UK and ensuring equal conditions of competition in future EU-UK trade links is a key priority for the DAFC. This will ensure smooth trade and continued UK compliance with EU standards. We share with our British and European counterparts in Copa & Cogeca the desire for common standards for food after Brexit, an ambitious future trade regime and avoiding a hard Brexit at the end of the transition period. A hard Brexit at the end of 2020 would be a significant challenge for the European market and could require a political intervention.

The Danish agriculture and food cluster has very significant export interests, including good trade relations with China and the US. In addition, the DAFC wishes to maintain its focus on opening up new markets and implementing a revised trade agreement with Mexico, implementing the free trade agreement with Vietnam and negotiating agreements with countries in Southeast Asia and Oceania. In the event of a hard Brexit, an increased market access in other countries will be crucial for the Danish and European agriculture and food sectors.

The DAFC supports the fact that there are concrete solutions to some of the most important reform needs in the WTO, so that the WTO can continue to be the foundation for a rule-based international trade policy going forward.

The DAFC supports the establishment of a strong "trade enforcer" as a new EU trade policy post, in particular to ensure that concluded trade agreements are respected and implemented in accordance with their terms, and that, in the event of non-compliance, the EU can react quickly and effectively.

Green Deal: The common agricultural policy

The DAFC supports a modernised and simplified CAP post 2020 that envisages a higher degree of domestic policy implementation. Member States must draw up a domestic strategic plan that implements nine CAP policy objectives. It must happen within the framework of the two CAP pillars: pillar 1, which consists of direct payments and the new eco-schemes, and pillar 2, which is the rural development policy. According to the DAFC, the objective must be for the EU agricultural policy to support farmers' ability to produce sustainable agricultural commodities and food at competitive prices.

The strategic plans must include ambitious eco-schemes in pillar 1, which e.g. might be used in support of climate initiatives and to provide farmers with an opportunity for incentive payment – and thus ensures that farmers and society's interests are met in the context of the Green Deal. However, the proposal also contains a number of hurdles. It constitutes a threat and a distortion to competitiveness, were Member States to get the opportunity to move up to a third of their allocated direct payments from pillar 1 to pillar 2, while governments in other countries retain the right to move money in the opposite direction, which has happened in Poland. The DAFC therefore calls for this flexibility to be removed or limited. If this possibility remains, the funds transferred to the second pillar should at least be accompanied by mandatory national co-financing.

The DAFC holds answers to your questions

In addition to the five priorities presented above, the DAFC office in Brussels and our colleagues at Axelborg (our headquarters in Copenhagen) follow a number of ongoing cases. We keep, among other things, an eye on the important dialogues on sustainable finance.

If you have questions concerning the above or other issues – technical or political – we are happy to help you obtain answers from expert colleagues at Axelborg, at SEGES in Aarhus or from our cooperative members.