

# TOP 5: DAFC's Political Priorities for the European Parliament, Autumn 2023

*Below are the top priorities of the Danish Agricultural and Food Council (DAFC) in Brussels for the autumn of 2023.*

## Revision of the NGT legislation – a need for more sustainable varieties

The Commission presented in July its proposal for a revision of the legislation on new genomic techniques (NGTs), which can play an important role in plant breeding. New and more sustainable varieties are essential for climate adaptation and the implementation of the EU's Farm to Fork strategy.

The NGT proposal deals with, among other things, the so-called mutagenesis techniques, which do not introduce genes from outside the plant, but rely solely on the deactivation of specific genes in the plant's genetic material. The Commission proposes that these techniques be regulated separately as NGT1.

The DAFC supports the Commission's proposal and agrees that these techniques for NGT1 precision breeding, which are currently regulated as GMO techniques, are exempted in the same way as other mutagenesis techniques; the DAFC further supports the Commission's proposal to distinguish between NGT1 and transgenic techniques – so-called NGT2 techniques – in which genetic material from another plant species is introduced into a plant species; the Commission proposes a more restrictive regime for NGT2.

## Carbon absorption and carbon farming – a need for market and credit for reductions

In November 2022, the Commission presented its proposal for a framework for a voluntary certification standard for carbon sequestration, including carbon sequestration from carbon farming. It is proposed to set the requirements according to four basic criteria: quantification, additionality, long-term effect and impact of the measure on other sustainability criteria. The proposal provides for the possibility of voluntary standard certification only for farms that can ensure long-term carbon sequestration and for which there is not yet a legal obligation. This means that measures to reduce the climate footprint of agriculture by reducing emissions, such as feed additives, cannot be certified.

The DAFC supports voluntary certification covering both greenhouse gas reductions and carbon sequestration. The DAFC wants a simple certification system that ensures high credibility of certificates while maximizing value for landowners. This is why the DAFC is working in close cooperation with the European farming and cooperative organisation Copa & Cogeca to broaden the definition of carbon farming and make it explicitly more market-oriented.

The examination of the Commission's proposal started in the Council and the Parliament in the spring of 2023, and is expected in plenary in October 2023.

## NRL, IED and SUR – the DAFC supports works for agreements with green realism and higher ambition

The proposed Nature Restoration Law (NRL) provides a set of binding requirements for nature restoration in different parts of the ecosystems (including agriculture, forestry, waterways and the marine environment). The DAFC would like to see a more realistic scope of application of the NRL, including a greater focus on the implementation of existing legislation. At the same time, the DAFC would like to see greater coherence between the NRL and the EU's climate policy, including the possibility of carbon farming in the areas concerned. After having received mandates in the Council and the Parliament, trilogue negotiations were initiated on the 19<sup>th</sup> of July, and the Spanish Chairmanship is working to have a finished agreement before the end of the year.

The Industrial Emissions Directive (IED) and the Industrial Emissions Portal (IEP) require the use of Best Available Techniques (BAT) and reporting of emissions from industrial installations and large agricultural holdings in the EU. The revised Directive proposes a significant lowering of the threshold above which farms are subject to this obligation, as well as an extension of the scope of the Directive to cattle farms, whereas today it only applies to pig and poultry farms. Unfortunately, the Council and Parliament mandates in the upcoming trilogue negotiations suggest that fewer farms will be covered compared to the Commission's original proposal. The DAFC is generally in favour of further harmonization in this area and would like to see a guarantee of uniform implementation in the Member States and a limitation of the administrative burden of this new legislation.

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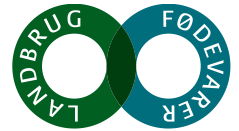


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**The Danish Agriculture & Food Council** is a trade association representing agriculture, the food and agro industries. With annual exports in excess of DKK 100 billion and with 145,000 employees, we represent one of Denmark's most important business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



With the proposal on the sustainable use of pesticides (SUR), the Commission proposes to halve the use of pesticides by 2030. Denmark has achieved this 50% reduction since 2012, so this new reduction requirement is limited to 35%. In addition, the original proposal included a total ban on the use of pesticides in 'particularly sensitive areas', a provision which the Commission left open to amendment in a November 2022 non-official document. In December, the Agriculture and Fisheries Council decided to ask the Commission to launch a study to complement the existing impact assessment. The DAFC would like to see greater protection for 'pioneers' – in the light of the reduction already achieved by Denmark, the 15-percentage point reduction is insufficient. Furthermore, the DAFC finds the requirement for a ban on spraying in 'particularly sensitive areas' unacceptable, as this area would cover approximately 90% of Denmark's agricultural area.

### **Focus on a strategic trade policy for EU exports**

The Spanish Presidency has scheduled two Council meetings on trade-related issues. Discussions are expected to focus on the ongoing free trade negotiations with Indonesia and Australia, where political agreement on a free trade agreement is expected to be reached. In addition, discussions are expected on the Mercosur agreement with Brazil, Argentina, Uruguay and Paraguay, which has been finalised in principle. The DAFC supports an ambitious trade policy, which at the same time takes a strategic approach to the opportunities and challenges posed to the more stringent production requirement, particularly in the EU's agricultural and food sector.

The Council is expected to take concrete steps in the second half of 2023 in the context of the negotiations on the proposed Due Diligence Directive, which will, among other things, impose stricter requirements on companies' commercial and supply chains in certain sectors, including the agricultural and food sector. The DAFC supports the intentions behind the proposal, but the proposal must be adapted so that the directive does not jeopardize existing and future trade relations with third countries.

The year 2023 also marks the 30<sup>th</sup> anniversary of the creation of the EU's single market, which the Commission celebrated in May. Trade between EU countries, for which the single market is the main precondition, is the cornerstone of an export industry like the Danish agricultural and food cluster. The DAFC therefore welcomes this anniversary and wishes for an even stronger single market in the future, which requires the Commission to address existing challenges in the single market, such as local and national procurement requirements in some countries.

### **Implementation of green elements in the CAP and revision of the animal welfare legislation**

The turn of 2022/23 marks the transition to the new CAP reform, which will apply until the end of 2027. The reform includes a number of green elements, including organic programmes. Based on the experiences from the first round of applications, the evaluation of the reform is now slowly beginning. In Denmark, among other countries, it has turned out that the schemes were not attractive enough for farmers and were therefore under-applied for. The Commission is expected to publish an evaluation report by the end of 2023 based on the experiences in all countries, in view of the next CAP reform of 2028. In relation to the EU budget, the Commission has in its mid-term review proposed new own resources (e.g. from the CO2 quota trading system) to help ensure a more robust EU budget. The DAFC is working on an agricultural budget that is broadly unchanged, but which reflects the demands on farmers. At the same time, the DAFC is critical of the significant relaxation – partly in response to high inflation – in the use of state aid, which creates a breeding ground for unreasonable distortion of competition.

As part of the Farm to Fork (F2F) strategy, all animal welfare legislation in the EU is to be reviewed. The purpose of this revision is to update the legislation with new knowledge about animal welfare and to update the legislation in relation to current challenges such as animal transport, tail docking, beak trimming, dehorning of calves, etc. In addition, the revision will include proposals for new legislation that will lead to the phasing out of animal caging in response to the citizen initiative "End the Cage Age". The DAFC follows this work process very closely through excellent cooperation with the European organisations and through participation in the European Commission's platform for animal welfare.

The DAFC works to ensure that efforts are made for a more uniform and harmonised implementation of existing legislation and that any new rules are scientifically based.

### **The DAFC holds the answers to your questions**

If you have questions concerning the above or other issues, we will be happy to help you obtain answers from expert colleagues at Axelborg (our headquarters in Copenhagen) or from our cooperative members.