

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

Danish Agriculture and Food Council

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

Green Deal: The Common Agricultural Policy

The DAFC supports a modernised and simplified CAP post 2020 where Member States must draw up a domestic strategic plan that implements nine CAP policy objectives. It is essential for the DAFC that the agricultural policy supports an invariably competitive sector that contributes to growth and employment, especially in rural areas. This support must be guaranteed while ensuring that the sector meets the ambitious goals of a green transition. Unfortunately, the proposal for the future agricultural budget foresees a reduction in the total amount, which thwarts the possibility of success of the EU's green growth strategy 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 should be for the EU agricultural policy to support farmers' ability to produce sustainable agricultural commodities and food at competitive prices.

The DAFC works so that the strategic plans must include ambitious eco-schemes in pillar 1, which should be used in support of environment and climate and which, without causing significant redistribution, will provide farmers with an opportunity for incentive payment – and thus ensure that farmers and society's interests are met. 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 40% 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. 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.

Green Deal: A new EU climate law

Ursula von der Leyen has presented a proposal for an ambitious European climate law. 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. It is also gratifying that the Commission's climate bill contains a reference to Article 2.1.b of the Paris Agreement which supports global climate action "in a manner that does not threaten food production". This requires continuing to differentiate cost-effectiveness when sharing the EU's overall reduction targets between the ETS and non-ETS sectors, including food security as one of the criteria to be taken into account in Article 3.3 of the climate law, and giving farmers and food companies the tools they need to adapt to climate change and produce more climate efficiently.

Furthermore, 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. There is a need to put more emphasis on climate finance in the climate law.

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. CO₂ storage represents a positive contribution from the agricultural sector to the 2050 climate neutrality target. It is essential that climate actions by farmers in Europe and around the world are recognised, which can be done under the EU's ETS reform, where the possibility of establishing a separate quota market for negative "storage credits" should be explored.

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, when EU production is replaced by imports from third countries.

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.



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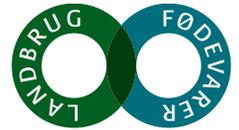


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The Danish Agriculture & Food Council is a trade association representing agriculture, the food and agro industries. With annual exports in excess of DKK 100 billion and with 145,000 employees, we represent one of Denmark's most important business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



The free trade agreement between the EU and the Mercosur countries should be discussed in the European Parliament and the Council from October. Before voting on the implementation of this agreement, the application of the climate and market safeguard clauses contained in the Mercosur agreement should be explained in detail, 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 compliancy with EU standards. We share with our British and European counterparts in Copa & Co-geca the desire for common standards with "level playing field" for food after 1st January 2021. A hard Brexit at the end of 2020 would be a significant challenge for the European market and could require a political intervention. The EU's recovery fund should be able to support such action if necessary.

The Danish agriculture and food cluster has very significant export interests, including maintaining global supply chains and 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 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 EU's "Farm to Fork" and Biodiversity strategies

The "Farm to Fork" and the biodiversity strategies aim to strengthen sustainable food production in Europe. It is a program supported by the DAFC. The EU must ensure competitive production that provides sustainable and safe food in the EU and globally. With regard to the strategies presented, including the very high requirements for reducing pesticides, fertilisers and the conversion of agricultural land, the DAFC is calling for impact assessments.

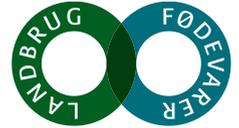
In relation to the various reduction targets, the DAFC is working to ensure that frontrunners are rewarded. This means that countries where significant steps have already been taken in favour of sustainable production are rewarded for their efforts. This may include, for example, a reduced, thoughtful and professionally based use of pesticides and antibiotics. At the same time, research, development and advice need to be highlighted. This includes ensuring access to new technologies, such as new plant breeding techniques. This is essential if we are to meet the high demands of society. However, these strategies should not lead to the exclusion of our agricultural production, which is already highly environmental and climate efficient. We therefore welcome the fact that the strategy envisages rewarding farmers who are frontrunners and have already made the transition.

The Danish Agriculture and Food Council will also remind the European Commission that it is essential to protect the internal market. There is no question of setting up obstacles, for example in the form of a mandatory origin marking.

The DAFC supports the efforts aiming to reverse the trend in terms of nature and biodiversity, and stresses the need to examine the possibility of converting agricultural land to other purposes – particularly in the context of climate action – but believes that it is essential that this action be based on key principles of inclusion, positive incentives, remuneration, dialogue and flexibility instead of a binding regulation.

The DAFC supports an ambitious goal to develop the organic sector, in which initiatives to stimulate demand would also be taken. We must ensure that organic production remains market-driven in order to avoid bankruptcy among organic farmers.

Strategies must be considered in conjunction with the EU's Common Agricultural Policy, and with the approval by the European Commission of the strategic plans of the Member States, which will, in the future, be a requirement for the disbursement of agricultural aid. The DAFC calls for a balance between the increased demands on agricultural production and a reduction of the EU's budget for the CAP.



Green Deal: Research-based solutions to societal challenges

The Commission's proposal for a new EU budget contains substantial funding for Horizon Europe, the EU's research framework programme. We welcome this news. The DAFC also supports the Commission's proposal to allocate large sums of money to agricultural and food research (10 billion euros in the original proposal). Joint European research cooperation is a necessity to find solutions to key societal challenges in the areas of climate, biodiversity, food security, nutrition, soil fertility and animal welfare. The DAFC wants more efforts to involve the primary sector and the industry in research activities.

It is essential that this 'separation' is maintained in the final agreement on the EU budget, which the European Parliament must approve.

The DAFC holds answers to your questions

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 (our headquarters in Copenhagen), at SEGES in Aarhus or from our cooperative members.