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OUTCOME OF PROCEEDINGS

From: General Secretariat of the Council

On: 24 June 2024

To: Delegations

No. prev. doc.: 11247/24

Subject: Outcome of proceedings

At the meeting of the "Agriculture and Fisheries" Council on 24 June 2024, discussions did not lead to reaching a consensus on conclusions on the future of agriculture in the EU. However, the Presidency concluded that the text annexed to this note was supported or not objected to by 26 delegations.

Conclusions on the future of agriculture in the EU

The Presidency of the Council of the European Union

RECALLING:

- Article 39 of the Treaty on the Functioning of the European Union (TFEU) stating the objectives of the Common Agricultural Policy: (a) to increase agricultural productivity, (b) thus to ensure a fair standard of living for the agricultural community, (c) to stabilise markets, (d) to assure the availability of supplies and (e) to ensure reasonable prices for consumers;

TAKING NOTE OF:

- The recent and widespread protests of farmers throughout the EU;
- The immediate measures taken by European institutions and national and regional authorities and, at the same time, the need to reflect about responses in the medium to long term;
- The European Green Deal and, in particular, the Farm to Fork Strategy as well as the EU Biodiversity strategy and the related Council conclusions¹;
- The Council conclusions on a Long-Term Vision for the EU's Rural Areas² as agreed on 20 November 2023, especially as regards the concept of rural proofing;

¹ Doc. 12099/20

² Doc. 15631/23

1. STRESSES the strategic role of the agricultural sector with regard to ensuring food security and strategic autonomy in an open economy; UNDERLINES the sector's many efforts to enhance the sustainability of food production, while facing a growing number of challenges, such as climate change and geopolitical tensions like the Russian aggression against Ukraine;
2. RECALLS the essential role of the CAP objectives of Article 39 of the TFEU and the need to guarantee due attention to each of those objectives; RECOGNISES the horizontal objectives contained in the Treaty on European Union and the TFEU that are applicable to all policies and therefore also to the CAP, including in Article 11 of the TFEU;
3. RECOGNISES the many reasons for dissatisfaction expressed by farmers, mainly focusing on the need for a fair income, the low profitability of farming due to low producer prices and high input costs, the introduction and implementation of complex legislation, the frequent changes in the regulatory framework, the need to reduce administrative burden, and the need to ensure a level playing field globally and in the internal market;
4. RECALLS the European Council meetings held on 1 February, 21-22 March 2024 and 17-18 April 2024, where EU leaders stressed the essential role of the CAP and recognised that a competitive, sustainable and resilient agricultural sector is a key strategic interest of the Union and that farmers need a stable and predictable framework, including to accompany them in tackling environmental and climate challenges; CONSIDERS that agriculture should remain a key strategic interest in the years to come given the current geopolitical context;
5. WELCOMES the Strategic Dialogue on the Future of EU agriculture initiated by the European Commission in January 2024 and its aim of depolarising the debates surrounding agriculture and the green transition; LOOKS FORWARD to continue being actively informed of the discussions and to receiving the outcome of the dialogue;

6. EMPHASISES the need for a food systems approach that encompasses all actors in the food chain; STRESSES the need for increased coherence and synergies between policies and instruments and among the different policy levels in order to establish a systemic and integrated approach; CALLS ON the Commission to provide an analysis about food systems approaches that put farmers centre stage and ensure affordable, sufficient, safe and sustainably produced food in the Union; STRESSES the need to better respond to the expectations of consumers;
7. Without pre-empting the next Multiannual Financial Framework (MFF), NOTES that appropriate resources are needed for the CAP in order to efficiently respond to its multiple objectives and that a fair distribution of CAP support, in particular direct payments, among Member States is a sensitive issue and an adequate solution should be sought;
8. RECALLS that agriculture is key for the economic, social and territorial cohesion of rural areas, which are essential contributors to the overall prosperity and economic strength of the EU; NOTES that the attractiveness of the agricultural sector is linked to the viability of rural areas and access to basic services; STRESSES the diversity of rural areas in the Union and the importance of maintaining agricultural activities throughout the Union including in outermost regions³, areas with natural or other area-specific constraints, areas with high population density and islands and island-states; RECOGNISES the specific challenges of many rural areas in the EU, including depopulation and ageing, poverty and limited connectivity, employment opportunities and access to services; STRESSES the importance of maintaining and developing small and medium-sized enterprises, including small farms, for vibrant areas; STRESSES the importance of women for the development of the agricultural sector and their contribution to social development in rural areas; RECALLS that farmland should primarily be used for agriculture;

³ Art. 349 of the TFEU

A strong and competitive EU agricultural sector

9. EMPHASISES the contribution and potential of agriculture to sustainable economic growth among others by harnessing the potential of the bio-economy, and its market uptake, circular economy, resilient food supply chains, innovative methods and other nature-based practices; STRESSES that farmers are often the most vulnerable link in the food chain, their income is often structurally below the average of other sectors and RECOGNISES the diverse causes of these lower incomes; UNDERLINES the need to ensure a fair income for farmers in the medium and long term by improving their position in the food chain, by exploring and promoting additional opportunities for income diversification and by ensuring rules-based and fair competition and effective implementation of the single market; RECALLS the role of direct payments as income support to farmers;
10. WELCOMES the Commission's initiatives to strengthen the position of the farmers in the food chain, including the launching of the EU Agri-Food Chain Observatory; CALLS on the Commission to continue to take action to strengthen the position of farmers in the food chain, to ensure that they receive fair remuneration for the goods and services they provide to society and to stimulate the demand and remuneration for sustainably produced agricultural products; RECOGNISES that such policies should not have excessive consequences on food prices for EU consumers;

11. STRESSES the importance of ensuring a fair, open, rules-based trading system and level playing field, with strict control and enforcement of health and safety standards; RECALLS that the EU is a net exporter of agrifood products and needs diversification in its trade relationships, and in this light EMPHASISES the imperative of conducting a well-balanced management of trade instruments, especially as regards tariff-rate quotas to ensure fair and sustainable trade and to take into account the interests of domestic agricultural producers and consumers; RECALLS the 2021 Joint Statement by the European Parliament, the Council and the Commission on proactive engagement at multilateral level concerning the application of EU health and environmental standards to imported agricultural products⁴; TAKES NOTE of the 2022 Report of the Commission on the application of EU health and environmental standards to imported agricultural and agri-food products⁵; RECALLS the conclusion of this report that there is some scope to extend to imported products EU production standards provided this is done in full respect of the relevant WTO rules; INVITES the Commission to continue to monitor and report on the situation of agricultural markets in the Union and to regularly update and further develop the assessment of the cumulative impact of free trade agreements on the agricultural sector;
12. NOTES that agriculture is an important sector in the forthcoming EU-enlargement process; CALLS on the Commission to carefully assess the impact of EU enlargement in order to prepare the agricultural sector for such an enlargement and limit unfavourable effects for EU markets and producers based on the lessons learned from previous enlargements, while also considering the positive implications of such EU-enlargement for agriculture and the Union as a whole;

⁴ OJ C 488, 6.12.2021, p. 6

⁵ Doc. 9651/22

13. RECOGNISES the increasing importance of resilience of the farming sector to external challenges such as volatile markets, geopolitical circumstances and climatic events, especially given that water-related challenges, including water availability, will increasingly become a key issue for agricultural production; therefore HIGHLIGHTS the importance of preventive measures and more targeted, flexible and efficient crisis and risk management mechanisms at Union level based on an assessment of available financial resources and the experience gained so far; ENCOURAGES the Commission to take into account the agricultural specificities in future water-related initiatives;

Fostering innovation and sector cooperation

14. HIGHLIGHTS that research and innovation in sustainable and competitive agricultural production, food production and processing plays a pivotal role in achieving sustainable, safe, healthy and affordable food at the scale needed to feed the population; WELCOMES the European initiatives aiming to build robust knowledge flows and accelerate innovation within the agricultural sector, taking into account its diversity; EMPHASISES the relevance of bioeconomy, biotechnology, innovative methods and other nature based practices;
15. ENCOURAGES the development of research and innovation programmes on sustainable farm practices and technologies including processing, nature-based solutions, bioeconomy, circular economy and precision agriculture; STRESSES therefore, without pre-empting the agreement of the next MFF, the importance of EU funds complementary to the CAP; CALLS for facilitation of investment opportunities in infrastructure and innovation;
16. HIGHLIGHTS the importance of exchange networks between all the players in the value chain, including farmers, research units, companies, civil society and public authorities; RECALLS the use of the European CAP Network to this end; ENCOURAGES the development of advisory systems for farmers including training of advisors; NOTES that large disparities in investment capacity and access to knowledge are barriers to the adoption of various sustainable technologies by farmers;

The need for simplification to reduce the administrative burden for farmers and Member States' administrations

17. RECALLS the importance of a stable and predictable regulatory and financing framework for farmers and Member States' administrations and the need for an appropriate implementation or adaptation period in case of significant change in the regulatory framework to allow effective communication and ensure good implementation in the field; HIGHLIGHTS the need for a timely introduction of the CAP legislative proposals;
18. CALLS on the Commission to continue monitoring the sources of administrative burden and complexity regarding EU rules affecting farmers and administration in the implementation and to address the outcome of that assessment, particularly with regard to new delivery model processes and governance, to monitor the cumulative effects of policies affecting agriculture and to explore developing a results-oriented approach in those policies;
19. NOTES that Member States are the first points of contact for farmers and are responsible for the management and the distribution of EU funds and, therefore, Member States also have a role to play in the simplification process; Member States are CALLED UPON to examine ways of improving the situation of farmers in the long term;

Support for young and new farmers and generational renewal

20. RECOGNISES the importance of generational renewal in the farming sector which is necessary to ensure the continuity of agricultural activity and the long-term resilience of the EU agricultural sector; RECOGNISES the difficulties young and new farmers face with regard to starting their business, including access to farmland; EMPHASISES that a positive long-term perspective for the sector is a crucial factor to attract young and new farmers;
21. STRESSES the importance of taking measures to foster installation and land transfer for young and new farmers and the need to facilitate access to credit and to land primarily for agricultural use;

Resilience to climate change and preservation of the environment

22. RECALLS that the proper functioning and preservation of ecosystems is crucial to ensuring food security and long-term resilience of the EU agriculture; RECOGNISES that climate change mitigation and adaptation in all sectors, including agriculture, are key;
23. RECOGNISES the progress made to date and the many efforts already made by farmers to help achieve the EU's climate, biodiversity, environmental, animal welfare and other sustainability objectives; RECOGNISES that the agricultural sector will need to continue those efforts to reach these objectives while taking into account the socio-economic reality, competitiveness and profitability of the agri-food sector; UNDERLINES that various climate-friendly agricultural practices can provide solutions to environmental and climatic challenges, including through carbon farming; CALLS for enhanced attention to the availability and diversification of plant protein sources in the Union;
24. STRESSES the need to adequately support farmers in the transition to adopt sustainable practices, while maintaining high standards for food safety; CALLS on the Commission to favour an incentivising approach that remunerates farmers beyond the costs and income foregone for their ecosystem services; HIGHLIGHTS the importance of the CAP to help achieve the EU's environmental, biodiversity and climate commitments;
25. STRESSES that in addition to the contribution of the CAP, other public and private instruments can also play a key role to assist farmers to meet the Union's environmental, biodiversity and climate challenges;

Conclusion

26. CALLS on the incoming Commission to address all of the above issues when elaborating its work programme and policies affecting agriculture for the following years.