

## MEETING OF CHAIRPERSONS OF COMMITTEES SPECIALIZED IN AGRICULTURE, INDUSTRIAL DEVELOPMENT AND SMEs

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Senate of the Republic

### Session I - The European way to quality food: land protection, eco-friendly organic farming and protection of traditional products

According to data provided by the European Commission, the European Union has in recent years suffered a **sharp decline of employment in the agricultural sector**, amounting to about 4 million full-time jobs, or about 25% of the total. Equally worrying is the **disinclination of young people to take up farming**. Only 7% of EU farmers are less than 35 years old, and one in three is older than 65. As the agri-food industrial model, which rapidly brought Europe first to self-sufficiency and then to overproduction, is largely based on the intensive exploitation of natural resources, it has also caused some irreversible pollution affecting waterways, the air and the soil. The most harmful and worrying effects relate to **water sources** (on average, 24% of the water used in Europe is destined for agricultural purposes), the soil (15% of the land in the EU has been damaged by erosion), the **loss of biodiversity** (just 12 plant and five animal species account for more than 70% of what humans use for food), and the **degradation of ecosystems**.

The reform of the Common Agricultural Policy (CAP), which was completed in connection with the new Multiannual Financial Framework 2014-2020, and the review of the laws relating to food security and the promotion of quality agriculture are meant to respond to the crisis of the sector and to the complex environmental problems related to the agribusiness model used in recent decades. The guiding principle behind the changes is the recognition that European agriculture must perform two basic functions: **first, produce goods destined for industrial processing to be allocated through the market; second, preserve and protect the environment and ensure the development of rural areas by acknowledging the multifunctional nature of agriculture**.

The European Union has opted to pursue several lines of action, including:

- **The revision of the system of direct payments so that they include an ecological dimension.**

This, known as “greening”, accounts for 30% of the direct financing available. To become eligible for funding, farmers are required to adopt environmentally friendly methods and comply with three conditions: to **maintain permanent grassland, cultivate a minimum number of crops and manage at least 5% of the arable land using methods that promote biodiversity** (these lands are known as "areas of environmental interest").

- **Stepping up efforts to introduce innovation and combat climate change as part of rural development programmes.**



The European Union has rolled out several incentives (loans for the purchase of land, machinery and equipment, and grants for the training of new and already practising farmers) to encourage **young people to take up farming**, make agriculture more attractive a profession and ensure continuity from one generation to the next. The EU is also ready to support **rural communities in vulnerable** (hilly, mountainous, and/or remote) **areas** to ensure their survival and encourage activities that support and defend the environment.

- **Action to counter the enormous waste typically encountered in the agri-food sector in order to achieve food security without the need to increase output, while also protecting farmers' bargaining power.**

The European Union particularly aims to help small and medium-sized farming concerns increase their **bargaining power in the supply chain**. To this end, the EU is promoting the **establishment of producer organisations** and all other forms of cooperation that can help farmers boost their profit margins and competitiveness. The EU is also supporting specialised production such as organic farming, and the setting up of **mutual funds** and **insurance schemes** that will enable farmers to respond more effectively to situations of market instability or rapid price declines.

- **Making a determined effort to protect biodiversity and the quality of agricultural production.**

As regards the protection of biodiversity, increasing importance is being attached to the concept of **land protection**. This consists primarily in the promotion of so-called "**local products**" or "**integrated specialties**", i.e. produce with a strong local identity that offers good value to consumers. The development of these products is contingent on the ability to create a mixed system made up of agricultural and non-agricultural businesses, institutions and rural communities, and the aim is to preserve biodiversity along with the economic, social and environmental value of the local area.

The laws governing the quality of agricultural produce are currently under review. The **system of quality schemes** has been reformed by Regulation (EU) 1151/12 and by the relevant Delegated Regulation 664/13 and Implementing Resolution 668/14. Three discrete labels are now planned: Protected Designation of Origin (PDO), which guarantees the consumer that all the raw materials come from a defined geographical area in which all the processing work, as described in detail in a specific manual of standards, is also carried out; Protected Geographical Indication (PGI), which is a less binding designation in that only a part of the raw material needs to be from a defined geographical area, and only some stages of the processing need to be carried out there, as long as one or more of the quality specifications that determine the reputation of the product depend on their connection to the geographical area in question; and Traditional Specialities Guaranteed (TSG), which applies to products made according to a traditional local recipe, which are therefore distinguished by their method of production rather than by their place of origin.



European bodies, meanwhile, are still discussing the dossier on the **reform of organic farming**. The European Commission has come up with a proposal that would: tighten the rules of production by eliminating all exceptions and exemptions; improve the system of controls by incorporating all regulations into a single legislative text (as part of a Proposal for a Regulation on feed and food products), and by consolidating the risk-measurement approach; introduce a group certification system and specific provisions to reinforce provenance labelling and fraud prevention; amend trade laws to guarantee a level playing field for the organic food producers of the EU and of third countries.

- **Commitment to global food security.**

Global food production will have to double to feed a world population, which will reach nine billion by 2050. The volume, diversity and quality of its products make the European Union the world's largest exporter of agricultural produce (mainly processed goods with high added value). The development plan envisages a system of preferential access to the EU domestic market for the products of developing countries, imports from which will amount to €60 billion per year (higher than the intake of the other five major importers, the USA, Japan, Canada, Australia and New Zealand). It should be noted, however, that although recourse to export refunds has declined drastically since the beginning of the nineties, most EU agricultural exports are often sold at a price lower than the cost of production. This has the potential negative effect of market dumping and of harming production in the importing nations, the majority of which are developing countries.

In light of the measures and lines of action listed above, the debate might pivot around the following questions:

- Are the funds allocated by the new CAP to greening, to the conservation and management of natural resources, and to rural development sufficient to ensure high-quality, environmentally sound and sustainable agriculture, and to render the agricultural sector more attractive, including for young people?
- With respect to "greening", is "reinforced cross-compliance" (i.e. the fact that the greening rules are in any case mandatory for anyone who wants access to direct payments) a positive thing? Some believe that the system of crop diversification, obligatory for anyone who wants funding, is agriculturally and environmentally indefensible, and represents an inadequate alternative to crop rotation/variation: are their claims correct or groundless?
- Can the concept of land protection, which is closely connected with the public utility function of farming, be effective both for the promotion of eco-friendly agriculture and for strengthening cross-sectoral policies for the protection of local areas?
- Is the reform of the system of quality schemes satisfactory? More generally, what issues should have priority in respect of quality labels and geographical indications? (That is to say, should they focus on protection against unfair competition, including within the framework of the TRIPS Agreement, on reinforcing the connection with the local area of production by increasing the typicality of the product and tightening the rules of production,



or on the improved communication of message and enhanced responsiveness to customer tastes?)

- Are the Commission's proposals relating to organic agriculture, particularly those to do with the abolition of all exemptions in production techniques and with the modification of the control system, which entails replacing annual reviews with a risk-level approach, adequate to the current needs and situation of the industry?