



## THE COVID-19 CRISIS AND EU AGRICULTURE WHAT WE NEED AND WHAT WE DON'T NEED

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In all major crisis there is a moment of denial, a moment of blame and a moment of reckoning. We are experiencing a major and unprecedented crisis, a crisis on which states decided to stop economic activity to protect lives. Unfortunately we see many still in denial of the inevitable impact on agriculture.

Farm Europe has written about the likely impact of the Covid-19 crisis in agriculture markets, and what should be done to anticipate the shock.

Here we want to look forward and contribute to what should be the comprehensive response of EU agriculture policy, and what should be avoided at all cost at this stage.

The European Commission indicated her willingness to revise the MFF, the multi-annual budget proposal. You will recall that the CAP was badly treated in the original proposal, with real budget cuts of 12% over the 7-year period.

The current crisis has however showed one thing: **we need food security**. Some third countries have announced food export restrictions. What would have been the situation in the EU if we were short of food supplies?

Farm Europe agrees with those who point out that food security cannot be delegated, and that the CAP is not a policy only for farmers but rather a policy to the benefit of EU citizens.

**Food security is not achievable at local level, only an EU-wide approach will deliver.** We are not advocating a narrow and misguided concept whereby each county or region should be self-sufficient, because it is simply not feasible nor desirable. Only at a larger level like the EU, with a functioning internal market, can we achieve actual food security. We are also not advocating that the EU should not trade with the rest of the world, as we can benefit from trade and enjoy its economic benefits without compromising food security.

**We also need a reversal of the unfavourable treatment of agriculture in the EU budget proposal.** The EU agriculture has been the bedrock of food provision to European citizens even when most of the economy is idle. It is however facing hardship due to reduced demand and demand shifts, as a result of commerce shutdowns, and in the near future reduced purchasing power of many Europeans and world consumers. The last thing EU agriculture needs is further cuts in support. When life lines are extended to whole parts of the economy it would be unaccountable to reduce support to agriculture.

**By contrast what we don't need is a set of policies that increase the burden of producing food in the EU.** We don't need a Farm to Fork Strategy, or a Biodiversity Strategy, that only increase restrictions on the use of inputs, that reduce the agricultural area and productivity, and that reduce already stretched farmer's incomes.

Farm Europe wishes to be crystal clear: we believe that EU policies should contribute to further environmental protection and to fight climate change. But that has to be done hand-in-hand with furthering the economic situation of farmers and assuring food security.

Increasing the land set-aside for biodiversity goals to 10% and organic production to 30%, as some propose, would reduce the EU production of food by a staggering 15%. Reducing pesticide and fertilizer use without providing farmers with the investments and the technology mix to achieve meaningful environmental goals will result in further food reduction and economic distress for farmers. That is not acceptable.

**Thus the second logical "what we need" is a package to promote the right investments in agriculture, those which reduce the environmental foot print and**

**greenhouse gas emissions and at the same time keep or expand agriculture production, ensure food security and sustain farmer's livelihoods.**

We also need to strengthen the resilience of the sector. As Farm Europe has been consistently advocating, and the European Parliament COMAGRI has taken the lead in proposing, **we need a well-financed crisis reserve in the CAP that would have the means and the mandate to quickly intervene in times of crisis, by making use of exceptional measures and shoring-up insurance and mutual funds.**

This Covid-19 crisis will leave its scars for some time and we need to learn from past experience that showed that the current CAP crisis management tools are not good enough. The latest dairy or fruits and vegetable crisis are witness to the problems we faced in the past, at great economic and budgetary cost.

What we don't need is to wait-and-see, to seat back and wait for the crisis to unfold in the dairy, beef, wine, fruit and vegetable, sugar, ethanol or any other sector. The flower and ornamental plants producers are already facing tremendous hardship. **Farm Europe calls on the decision-makers, and in particular on the European Commission to change gear and become proactive rather than reactive.**