

Speech by Commissioner Phil Hogan at Expo Milan - Agri-Food Chain Coalition event

29th June 2015, Milan

- Check Against Delivery –

(Introduction)

- Ladies and gentlemen,
- Many thanks for inviting me here today. It is a pleasure to be with you on this occasion, and I am very glad to be back at Expo Milan.
- This massive gathering, held under the theme "Feeding the Planet, Energy for Life," is playing a significant part in deepening the global discussion that we need to have in order **to design and steer a food strategy fit for the 21st Century.**

- I look forward to hearing your insights and views today, and I can assure you that I will incorporate any suitable ideas into my own work as European Commissioner for Agriculture and Rural Development.
- During my most recent visit to the Expo in May, I challenged the participants I met to have a purposeful and productive discussion worthy of the event. **And I will do the same with you today!** Let's make the most of this occasion: the Expo is a real window of opportunity to communicate with citizens, foster global research and stimulate a meaningful policy debate.
- I know that the members of this audience are intimately familiar with the global backdrop to this discussion.
- As global population growth continues to gather pace, the world will have to produce 60% more food by 2050. **This is the reality in terms of quantity, but there is also the question of quality.** We know that worldwide demand for high-quality food will continue to increase in the coming years, particularly in Asian and African emerging markets.

- It is estimated that 150 million people will enter the global middle class every year until 2030. This massive growth in disposable income will result in significant changes to dietary patterns, as families demand better quality and more nutritious food on their tables.
- But there is a further dimension to this equation, as you know. I am referring, of course, to the need for agriculture to contribute to our shared environmental and climate targets. This is no longer a question of choice, but a genuine global imperative, and the European Union is leading the way.
- So we are in a position where we need to produce more high-quality food and drink using fewer resources. **We need to do more, using less.**
- Our shared challenge is therefore to develop sustainable food systems and focus this growing international debate on how we can increase productivity, while tackling climate change and promoting the sustainable management of natural resources.
- **This, ladies and gentlemen, is what an agri-food strategy fit for the challenges of the 21st Century will look like.**

- **So how do we get there?**

(Innovation – Research – Precision Agriculture)

- Broadly speaking, we must steer our efforts towards the creation of a knowledge-based agriculture, based on improved research and innovation. **We need to innovate more, and innovate faster, if we are to achieve our ambitions.**
- But let us be clear: the research and innovation required to make these changes happen will not happen spontaneously. **It will happen because we create the right enabling environment for it to thrive.** To achieve this, it is high time we begin bridging the communication gap between farmers, researchers and agri-business.
- The European Union has recognised the changing global patterns, and we have acted decisively in recent years to target supports where they are needed. **We are putting our money where our mouth is!**
- Thanks to innovation, European farmers have already adapted tremendously to progressively improve productivity, food security, safety and quality at all stages of the food chain.

- **But we need to do more.** We need to establish vehicles to bring together people from the Agri-food, research, ICT and investment communities. In so doing, common opportunities will be identified, key collaborations will be established and things will start to happen!
- **We are entering the era of Big Data for Precision Farming, and the European Agri-food and research communities must position themselves to make the most of the coming changes.**
- **So what is the European Union doing to promote and fund these innovations?**

(Research & Funding – EIP – Horizon 2020)

- First and foremost, the Rural Development Programmes for the 2014 to 2020 period will engage in supporting innovation, through close collaboration and networking.

- Improved tools have been put on the table, such as the European innovation partnership for agriculture 'EIP AGRI' - a major new policy and networking initiative to speed up innovation on the ground.
- In addition, through Horizon 2020, our framework programme for research and innovation, we have doubled our efforts on food, agriculture, forestry and marine research to reach €3.6 billion for the period 2014 to 2020.
- It is our hope that industry will also assess ways to leverage the EU Horizon 2020 research budget. Once overall strategic objectives have been agreed, in the next phase industry stakeholders working in collaboration with policy and research partners can discuss which instruments are best suited to achieve the objectives. **A wealth of opportunities should become apparent in the interface between primary production and food processing, as well as on the functioning of the food chain as a whole.**

(Food Chain)

- **Let me now turn to the debate about the food supply chain and its functioning.**

- As you know, the Commission, and indeed the whole food supply chain, in the form of the High Level Forum, have been working on this issue for a number of years.
- You are also all aware of the current situation, where concerns persist about unfair trading practices in the food chain.
- In reaction to this, an open debate has been taking place concerning the question of regulatory frameworks at EU and national levels.
- In addition, an ongoing attempt at industry self-regulation appears to be stuck in something of a stalemate.
- Fundamentally, there are two methods for improving the situation, both of which need to take place in parallel.
- **Firstly**, we are continuing to develop the Common Agricultural Policy in such a way that it helps making farmers more resilient. In particular, there is considerable financial support available for farmers who want to organise into producer groups, i.e. farmers who wish to band together in order to carry more weight vis-a-vis their trading partners.

- But it is not only about money. If you look at the Common Market Organisation, you will see that there are actually numerous derogations from general competition law foreseen, precisely because this will allow farmers to organise themselves in a stronger way. And this is a very concrete and current policy dossier – the Commission is currently working on guidelines to make several such derogations easier to understand and thus to apply.
- **The second method consists in tackling the issue of unfair trading practices directly by making them more difficult and costly to apply.**
- There has been considerable progress here as well. Not long ago players on every link of the food supply chain agreed that unfair practices such as unwritten contracts and sudden changes of terms should not exist.
- This is why industry set up the Supply Chain Initiative, a self-regulatory regime aiming to achieve this exact goal of dealing with and ultimately preventing unfair trading practices.

- But more work on the Supply Chain Initiative is needed. Not all parts of the supply chain feel that the Initiative is strong enough to guarantee progress, or enough progress. We would very much like to see this changing. **We are confident that a supply chain whose representatives could agree what constitutes unfair trading practices could also agree on what constitutes a robust self-regulatory initiative to eradicate them.**
- **In fact, I am sure that everyone who has joined the Supply Chain Initiative will confirm that unfair trading practices have no place in the way they do business.** No company should have anything to fear from more stringent self-regulation. On the contrary, those who take the next step first will be applauded and ultimately, I believe, rewarded.
- **I view this as a strengthening of the Supply Chain Initiative from the inside out, with a harder core operating to more robust rules which will attract others over time. And I assure you that my services and I stand ready to help wherever we can to make this happen.**
- **Achieving this goal will require action from everyone, at all the links on the chain.** We need more people to engage with the Initiative, to strengthen it, and deepen it.

- Let me look beyond the SCI and turn more to the regulatory debate now. In the first half of next year the Commission will publish a report that follows on from the July 2014 communication on unfair trading practices. I am working with Commissioner Bienkowska, who leads this dossier, to prepare the ground. We also welcome the declaration on the food chain recently adopted by the dynamic Visegrad group, as well as first signals that the forthcoming Slovak presidency of the Council, in the second half of 2016, could make this one of their priorities.
- And finally, by then the European Parliament will also have adopted its report on this issue. **I welcome any constructive ideas you have on how we can make progress together. This topic will not go away.**
- Ladies and gentlemen, many thanks for having me here today. I hope that I have given you some food for thought!