



EUROPEAN COMMISSION

*Brussels, 23.01.2022
C(2022) 427 final*

*Mr Richard FERRAND
President of the
Assemblée nationale
Palais Bourbon
126, rue de l'Université
F – 75007 PARIS*

Dear President,

The Commission would like to thank the Assemblée nationale for its Opinion on the future of the Common Agricultural Policy (CAP), on free trade agreements between the European Union and third countries, on the structuring of agricultural sectors and the fostering of short food supply chains, adopted on 3 February 2021.

The Commission has carefully considered each of the issues raised by the Assemblée nationale in its opinion and is pleased to offer the following clarifications.

*The Commission notes your comments on the **direction of the CAP** and would like to underline its conviction that the agreement on the CAP reform, formally adopted 2 December 2021 by the European Parliament and the Council will lead to a CAP that is fairer, greener, more animal friendly and flexible. The new CAP will start in 2023, introducing a number of reforms in key areas to ensure fair, sustainable and competitive agriculture and forestry in the EU.*

On point 3 of the Opinion, the Commission would like to clarify that separate impact assessments are planned for all major legislative initiatives announced in the Farm to Fork Strategy¹.

While recognising that structural change in agriculture is linked to technological change and competitiveness, the Commission is keen to underline that the new CAP aims to direct support to smaller and medium sized farms to provide economic perspectives and maintain farms. Also, it is important to underline that gender equality and increasing the participation of women in farming are part of the objectives for CAP strategic plans and the EU countries must assess these issues and design their measures to improve the situation. Support for young farmers is reinforced under the new CAP and opportunities for new farmers are also envisaged, which means that the future policy should further

¹ Document COM(2020) 381 final - 20.05.2020

open up farming for new and young farmers. This is highly necessary in light of the high average age of European farmers.

On point 6 of the Opinion, the Commission wishes to clarify that the strengthening of farmers' position in the food supply chain is already an important objective of the CAP. The improvement of the position of farmers in the food supply chain and the competitiveness of the EU agriculture are among the specific objectives to be achieved by CAP national strategic plans. Regulation (EU) 2021/2117, amending Regulation (EU) No 1308/2013² (CMO Regulation), strengthens the role of recognised producer organisations and interbranch organisations, develops value sharing clauses and provides for a derogation from competition rules for vertical and horizontal initiatives for sustainability. It introduced Commission Delegated Regulation (EU) 2017/1183³ to increase market transparency, in particular to allow also smaller operators to access crucial market-relevant information; it proposed Directive (EU) 2019/633⁴ to ban unfair trading practices in the food supply chain to better protect smaller operators, and it investigated the role of retail alliances in the food supply chain. Currently, also in line with its Farm to Fork Strategy, the Commission is working on a revision of EU marketing standards for agricultural products to ensure a level-playing field for operators across the single market, and it prepares non-legislative initiatives to enhance the cooperation of producers to further support their position in the food supply chain. Furthermore, in Action 12 of its Organic Action Plan⁵, the Commission will carry out an analysis of the degree of organisation in the organic sector supply chains and identify ways to improve it.

Regarding point 7 of the Opinion, the CAP interventions in the fruit and vegetables sector are subject to membership of a producer organisation. Member States may also choose in their CAP strategic plans to set out similar interventions in other sectors. While studies indeed indicate that receiving public support can diminish farmers' interest in joining producer organisations, currently the Commission has no concrete plans to make the access to other CAP grants conditional on farmers' membership in a recognised producer organisation. While the Commission supports the promotion of recognised producer organisations in line with Regulation (EU) No 1308/2013, it considers it more important that farmers join a producer organisation, such as an agricultural cooperative, that suits their particular needs, whether it is a recognised producer organisation or not. The Commission also respects producers' free choice to decide for their individual situation what kind of business model or what kind of cooperation makes most sense.

Concerning the possible developing of a score system based on farmers income at EU level, we are aware of the recent adoption of a pilot on this matter ('remunerascore'). The Commission will look with interest at the results of this experiment, with a view to feed our reflection for the Farm-to-Fork action aiming at developing sustainability labelling in the EU.

² <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32013R1308&qid=1636466883930>

³ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32017R1183&qid=1636466955857>

⁴ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32019L0633&qid=1636467011518>

⁵ COM(2021) 141 final/2 correcting document COM(2021) 141 final of 25.03.2021.

The Commission acknowledges the opinion on agricultural free trade agreements.

On point 9 of the Opinion, the Commission wishes to clarify that the negotiating directives for the negotiation of trade agreements give detailed indications on the scope of the agreements to be negotiated, and on the objectives of the agreements and of each of their main chapters. These negotiating directives are valid for the whole of the negotiating process and serve as a reference point for the regular dialogue that takes place between the Commission, the Council and the other institutions. A regular review and adaptation of negotiating directives during the negotiating process does therefore not appear necessary.

On the demand under point 10 of the Opinion, the Commission would like to explain that each trade agreement contains institutional provisions that allow for a regular dialogue to take place with the partner country on all trade related issues that may arise, including for example the ones linked to the special conditions created by the health crisis resulting from the COVID-19 pandemic. A formal modification of the agreements, or of the negotiating directives, is not necessary for such a dialogue to take place.

On point 11 of the Opinion, the Commission would like to reassure the Assemblée nationale that a very high level of transparency around trade negotiations is applied. The Commission notably publishes draft negotiating directives when they are sent to the Council – and encourages the Council to publish its adopted decisions, the negotiated text at the end of the negotiation – even before the legal revision has been done, as well as explanatory material and reports of every negotiating round.

The EU acts on the basis of the EU Treaties. Trade agreements that cover matters of EU competence are concluded at EU level, while trade agreements that also concern matters of national competence must be ratified at national level too. Whatever type of agreement is concluded, the Commission is convinced of the importance of having an informed debate across the EU. This is why national Parliaments can and should be involved early on in this process, particularly through direct engagement with their governments.

With regard to point 12 of the Resolution, the Commission wishes first of all to clarify that, in conformity with the commitments that the EU acquired in the World Trade Organisation (WTO), European food safety rules apply to products imported into the Union to ensure that these products achieve the same level of health protection as the rules applied to EU internal production. In addition, we cannot anticipate what the future legislation will be.

That said, the Commission is fully aware of the wider debate on the application of certain production standards, including environmental standards, to imported agri-food products.

As already stated in its Communication ‘Trade Policy Review — An open, sustainable and firm trade policy’⁶, the Commission considers that, in certain circumstances provided for in the rules of the WTO, the European Union should require imported

⁶ Document COM(2021) 66 final - 18.02.2021

products to comply with certain production requirements. However, the Commission clarified that the legitimacy vis-à-vis the WTO agreement of the application of production requirements to imports is based on the need to protect the global environment or to address ethical concerns. It is therefore necessary to examine the situations on a case-by-case basis.

To this end, as announced in its Farm to Fork Strategy, the Commission will start to take environmental aspects that are of global concern into account when assessing applications for import tolerances for pesticides that are no longer approved in the EU, while respecting WTO standards and obligations.

Secondly, in its reply to the European Citizens' Initiative 'End the cage age'— the success of which the Commission wishes to welcome — the Commission undertook to put forward a legislative proposal by the end of 2023 with a view to phasing out and finally prohibiting the use of cages for all the species and categories of animals covered by the initiative and to examining various options for addressing the trade dimension of this phasing out, such as the introduction of rules or standards for imported products equivalent to those of the EU and/or a labelling obligation, in line with WTO rules, or introducing labelling requirements also applicable at import.

Finally, following the request of the European Parliament and the Council of the European Union during the negotiations of the Regulation on the next Common Market Organisation, the Commission will by June 2022 produce a report on the issue of the application of health and environmental standards (including animal welfare standards) to agricultural and agri-food products imported into the EU. This report will provide more detailed answers to the question raised by the National Assembly. It will feed into the debate on the legal feasibility of introducing 'mirror' clauses into European law and on the appropriateness of such measures.

*The Commission acknowledges the opinion on the **application of competition law to agricultural activities**. We draw your attention on the numerous improvements achieved by the co-legislator going in the direction you advocate during the reform of the CMO, which will enter into force as from 2022, reinforcing the specificities of the agricultural sector with regards to competition law.*

*On **promoting agriculture in 'short food supply chains' through taxation and public procurement**, the Commission would like to clarify first that according to Regulation (EU) No 1305/2013⁷, short supply chains are those “involving a limited number of economic operators, committed to co-operation, local economic development, and close geographical and social relations between producers, processors and consumers”, and Commission Delegated Regulation (EU) No 807/2014⁸ specifies that short supply chains are “only supply chains involving no more than one intermediary between farmer and consumer”.*

⁷ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32013R1305&qid=1636467395503>

⁸ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32014R0807&qid=1636467438811>

The Commission takes note of the idea to grant tax exemptions to short food supply chains, as a possible avenue to assess in the context of the implementation of the Farm to Fork strategy in order to enhance resilience of regional and local food systems.

The Commission is committed in its Farm to Fork Strategy to setting minimum mandatory criteria for sustainable food procurement to promote healthy and sustainable diets. However, as recent reviews indicate that the sustainability (also of short food supply chains) has various drivers, the criteria for promoting sustainable food procurement may need to be adjusted. It will also have to respect the single market and make sure not to endorse gastro-nationalism.

The Commission hopes that the clarifications provided in this reply address the issues raised by the Assemblée nationale and looks forward to continuing the political dialogue in the future.

Yours faithfully,

*Maroš Šefčovič
Vice-President*

*Janusz Wojciechowski
Member of the Commission*