

# Social Dialogue in the EU Food and Drink Industry

## Joint Statement on the CAP Reform

### 1. The close linkage between the EU food and drink industry and EU Agriculture

The EU food and drink industry plays a vital role in the European economy, notably in rural areas where processing plants are mainly located close to places of agricultural production. The EU food and drink industries rely on access to adequate quantities of EU agricultural products that meet specific quality criteria and are competitively and sustainably priced.

Since the EU food and drink industry processes 70% of EU agricultural products, the policy orientations developed in the CAP towards 2020 are pivotal in securing the availability of agricultural products. The success of the EU agricultural sector is closely related to the economic performance and employment levels in the food processing sector as well as in the hotel, catering and commerce sectors. We therefore recognise the importance of the EU agricultural sector in terms of sustainable production, food security, rural employment, and landscape preservation, and ask that adequate support is allocated to it in order to enhance the sector.

### 2. Promoting the safety and quality of EU agriculture and food products

#### Food safety

As an upstream part of the food chain, EU agriculture plays a key role in contributing to food safety. As is the case in the food and drink industry, agricultural producers and their employees play a critical role in bringing to the market safe agricultural products. In particular, agricultural workers are at the forefront of agricultural production and need to have access to the technical and practical knowledge and expertise to properly undertake agricultural production so that it is fully safe for the final consumer and for themselves as workers.

#### Promoting quality and marketing EU agricultural and food products

The success of the EU food and drink industry and its ability to create wealth and provide decent<sup>1</sup> employment very much depends on the success of its products in both the internal and world markets. EU agricultural products as well as EU food and drink

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<sup>1</sup> Definition of Decent Work (ILO): 'Decent work sums up the aspirations of people in their working lives. It involves opportunities for work that is productive and delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men'.

products are among the highest quality ones in the world. The EU has a unique agricultural and food quality and cultural heritage which is one of its key assets that should be preserved, supported and promoted as a premium both on the internal and external market.

### **3. CAP contribution to the EU2020 Strategy**

In line with the EU2020 objectives of smart, inclusive and sustainable growth, the CAP reform should deliver a productive EU agricultural sector, decent employment and good working conditions as well as environmental sustainability.

#### **a. Securing a sustainable supply of agriculture and food products in the EU**

Access to agricultural products at sustainable and competitive prices is key to a thriving EU food and drink industry. The EU is a net importer of a number of such products. In the current context of prolonged price volatility of agricultural commodities, climate change and a dramatic increase in world food demand due to demographic growth and shifting eating habits, the need for a sustainable<sup>2</sup> and competitive EU agricultural sector is vital for the EU food and drink industry and for global food security. Enhancing the EU agricultural production will also help to contribute to keeping processing operations and their related employment in the EU.

#### **b. Securing the social dimension**

Employment and working conditions: The generation of decent employment in agriculture plays a critical role for social inclusion in many rural areas of the EU. Besides, the quality of working conditions, including occupational health and safety (OSH) and sanitation, is key to securing social cohesion as well as food quality and safety along the food supply chains starting with agricultural production.

Training: The EU agricultural sector is responsible for implementing the CAP measures on the ground and so everybody working in the agricultural sector is a key actor at the start of the EU food chain. For this reason, farmers and workers should be provided with access to training. For example, worker training is key to implementing and disseminating good agricultural practices, such as more efficient and safe use of sanitary and phytosanitary products and fertilizers, as well as soil protection practices.

#### **c. Securing the environmental dimension**

Increased productivity in EU agriculture should, of course, not be achieved at the expense of environmental sustainability. Developing agricultural production in the long-term should go hand in hand with promoting its environmental sustainability in terms of water quality and quantity, soil, climate change and biodiversity.

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<sup>2</sup> The sustainability of agricultural production includes economic viability, social responsibility and sound environmental management.

The three compulsory greening measures introduced in the first pillar of CAP are likely to have an impact on the supply of agricultural and food products. A proper impact assessment should be carried out to provide clear indications on the impact of the supply of agricultural products as well as on the environmental benefits of these three measures.

The EU food and drink industry is committed to reducing its own environmental impact and to working with partners and stakeholders to increase resource efficiency, minimize waste and help protect natural resources across the whole food supply chain. Only a sustainable and long-term approach to EU agricultural production can ensure the security and quality of agriculture products that are needed by the EU food and drink industry to operate effectively.

#### **4. Encouraging investment in innovation in EU agriculture**

We welcome CAP Pillar 2 measures placing greater emphasis on research, innovation and knowledge transfer in agriculture, forestry and rural areas. Supporting agricultural research and innovation should be seen as a major element in all Member States for securing the increased sustainable production of food and for creating quality employment opportunities. Targeted measures should be secured to tackle the specific investment and innovation needs of Small and Medium Enterprises (SMEs).

Innovation should not only be about product innovation and investment in infrastructures to secure efficient logistics between primary production and the processing steps of the EU food supply chain, but also about innovative forms of agricultural work organisation. These will enhance production, optimize efficiency and promote decent<sup>3</sup> employment and good working and health and safety conditions. Innovation strategies should be initiated, developed and implemented with the full and constructive involvement of social partners as well as with all other relevant stakeholders in the agricultural sector.

#### **5. Enhancing the attractiveness of EU agriculture for the young**

We support the Commission's proposal to allocate more resources to new entrant young farmers. This measure would help to: retain rural populations; promote development in rural areas and address the issues of an ageing population in rural areas.

Globally speaking, it is important to enhance the attractiveness of EU agriculture<sup>4</sup> for young workers and address skill shortages in agriculture. Key aspects of such a strategy should include improved access to credit and land, as well as training for young people.

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<sup>3</sup> Idem footnote 1

<sup>4</sup> Making the sector more attractive is also important for other part of the food chains, such as the food and drink industry.

## **6. A better functioning of the EU food supply chain**

EFFAT and FoodDrinkEurope have been active stakeholders in both the High Level Group (HLG) for the competitiveness of the agro-food sector (created in 2008) and its successor the High Level Forum (HLF) for a Better Functioning Food Supply Chain since its establishment in July 2010.

Indeed, both fora have been instrumental in fostering dialogue among its stakeholders, in particular the development of EU Social Dialogue in the food and drink industry.

Among the key challenges that the EU food supply chain faces today and which directly affect both EU agriculture and the EU food and drink industry are unfair B2B commercial relations along the food supply chain. This challenge needs to be urgently and effectively addressed by the HLF and by the other appropriate EU institutions as it impacts adversely upon the competitiveness and social conditions of both the food and agriculture sectors.

## **7. The need for coherence across EU policies**

Given the complex inter-relationships of the EU agricultural and EU food and drink industries, we stress that it is of the utmost importance that the CAP reform ensures that there is policy coherence across the different priorities and objectives of the EU. In particular, the CAP objectives should be consistent with the Europe 2020 Strategy, the EU Employment Strategy, the Agenda for new Skills and New Jobs, Horizon 2020, the Roadmap to Resource Efficient Europe, EU trade policy and the EU Development and Cooperation Policies.

## **8. Impact Assessment on the supply chain and consultation of EU Food Industry Social Partners**

We feel that the Impact Assessment (IA) has not appropriately addressed some issues which are key to the effect of the CAP proposal on employment, agricultural production and the food and drink industry, factors that should be at the heart of the CAP proposal and which are critical for its success.

The Social Partners in the EU food industry want to continue to be consulted in a timely manner on the CAP reform so that their views and concerns can be taken into account but they would also have wanted to be consulted during the development of the IA.

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**EFFAT** is the European Trade Union Confederation representing 2.6 million workers through 120 national trade unions from 35 European countries employed in the food processing, agriculture, tobacco, hotel, catering and tourism industries across the EU.

**FoodDrinkEurope's** mission is to represent the food and drink industries of the EU. FoodDrinkEurope's membership consists of 25 national federations, including 3 observers, 26 European sector associations and 18 major food and drink companies (more information: <http://www.fooddrinkeurope.eu>).