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Report Name: Review of the EU Policy on the Promotion of Agricultural

Products

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Report Highlights:

As part of the Farm to Fork Strategy and the Europe's Beating Cancer Plan, the European Commission announced that it would review the European Union's policy on the promotion of agricultural products both inside and outside the Union. This review fits in the Commission's Green Deal efforts to promote more sustainable production and consumption of food. There are mixed reactions from stakeholders to this initiative.

Background:

EU promotion programs for agricultural products have been available to EU farmers through a range of provisions in the Common Agricultural Policy (CAP) since 2001. Current programs are regulated by Regulation (EU) 1144/2014 under the "Enjoy! It's from Europe" slogan.

The main goal of the promotion programs is to enhance the competitiveness of the EU agricultural sector but Regulation 1144/2014 also lays down specific objectives:

- Increase awareness of the merits of Union agricultural products and of the high standards applicable to the production methods in the Union;
- Increase the competitiveness and consumption of Union agricultural products and certain food products and to raise their profile both inside and outside the Union;
- Increase the awareness and recognition of Union quality schemes (geographical indications);
- Increase the market share of Union agricultural products and certain food products, specifically focusing on those markets in third countries that have the highest growth potential;
- Restore normal market conditions in the event of serious market disturbance, loss of consumer confidence or other specific problems.

Every year, the European Commission adopts an annual work program that sets out strategic priorities for promotion measures in terms of products, schemes, target markets and available resources. The objective is to adapt the program each year to emerging market opportunities and the needs of certain sectors. For more information about the 2021 work program, please see GAIN Report <u>EU 2021</u> <u>Promotion Programs for Agricultural Products</u>.

Prioritizing More Sustainable and Healthy Products

As part of the Farm to Fork Strategy (F2F)¹, the European Commission announced a review of the EU promotion program for agricultural and food products with a view to "enhancing its contribution to sustainable production and consumption". The F2F specified that, in relation to meat, that review should focus on how the EU can use its promotion program to support the most sustainable, carbon-efficient methods of livestock production. The F2F also called for the promotion program to help boost demand for organic products. As part of the Europe's Beating Cancer Plan², the Commission also called for a review of the promotion program to encourage the shift to a more plant-based diet, with less red and processed meat, less foods linked to cancer risks and more fruit and vegetables. The Commission also announced that it would review the promotion policy on alcoholic beverages, notably wine.

In late 2020, the Commission <u>published</u> its 2021 work program for the promotion policy. For the first time, almost half of the total budget of EUR 182.9 million (EUR 86 million) was earmarked for campaigns that are in line with the Farm to Fork Strategy. This included promotion programmes on organic products with a total allocated budget of EUR 49 million and on sustainable agriculture³ with a

¹ For more information about the F2F, please see GAIN Report <u>Green Deal Strategies for the EU Agri-Food Sector Present a Politically Ambitious Policy Roadmap</u>

² For more information about the Europe's Beating Cancer Plan, please see GAIN Report <u>Europe's Beating Cancer Plan Aims</u> to Reduce Harmful Alcohol Consumption and Improve Access to Healthy <u>Diets</u>

³ The budget earmarked for sustainable agriculture will be based on the "contribution of the proposed information provision and promotion project in respect of the objectives of the climate and environmental ambition of the CAP, the Green Deal and

budget of EUR 18 million. Furthermore, EUR 19.1 million are allocated to the promotion of fruit and vegetables to promote a balanced diet.

A Review of the EU Promotion Policy Expected for 2022

To go even further in promoting healthier and more sustainable products, the Commission has started its review of Regulation 1144/2014. The Commission is currently conducting an impact assessment on the different policy options.

In February 2021, the Commission published <u>a roadmap</u> that laid down the options that the Commission's services would analyze during its review of the promotion policy. The roadmap notes that agriculture and the food sector will see rapid change in the coming years when adapting and responding to the need to increase sustainability of the food system. The Commission adds that the current EU promotion policy is neither sufficiently geared to supporting the sector in this transition, nor is it sufficiently aiming at nudging consumption to sustainable choices or healthy diets. Therefore, the Commission will consider three policy options to change the promotion policy:

- 1. Policy option 1: The current policy would largely remain as it is. The Commission would use a soft-law approach made up of dynamic technical guidance to applicants and evaluators and enhanced selection and evaluation criteria (re-assessed every year) to positively discriminate in favour of promotion programmes that are consistent with the Farm to Fork Strategy objectives.
- 2. Policy option 2: On the EU internal market, this option would focus on promotion and information measures in support of sustainable agricultural production and consumption, in line with the Farm to Fork Strategy and Europe's beating cancer plan, nudging consumers to healthier diets. The focus of promotion and information measures on non-EU markets would be more centred on the international dimension of Farm to Fork and the EU agrifood sector's competitiveness.
- 3. Policy option 3: This option would entail the introduction of new conditionality requirements and eligibility criteria that incentivise applicants to demonstrate support for the Farm to Fork Strategy relevant objectives through their proposed promotion programmes, or to exclude applications from certain sectors.

On March 31, 2021, as part of the impact assessment, the Commission launched a 12-week public consultation on the review of the promotion policy. This consultation builds on the policy option laid down in the roadmap and seeks feedback from stakeholders both inside and outside the EU. U.S. Stakeholders who would like to comment can do so here. Deadline for input is 12:00 am Brussels Time (Universal Time Coordinated + 01:00) on June 23, 2021. All comments made in the framework of the consultation may be published.

Mixed Reactions from EU Stakeholders

Many EU stakeholders reacted to the announcement from the Commission to review the promotion policy. The publication of the 2021 work program that prioritized organic products and earmarked half

of the budget to campaigns in line with the Farm to Fork Strategy was also highly commented on in Brussels.

The Agriculture and Rural Development Committee of the European Parliament <u>argued</u> that no sector should be left behind in the review of the promotion policy. In February 2021, during a debate with Wolfgang Burtscher, Director-General for Agriculture and Rural Development in the Commission, many members of the European Parliament (MEPs) criticized the Commission's 2021 agri-food promotion budget and the focus on organic products. Many MEPs also condemned the idea of excluding red meat and wine from the EU's promotion program as part of the ongoing review of the policy. Some MEPs warned that if EU farmers are driven out of business, the demand for red meat will be met by imports from farmers who "are not producing sustainable products". Some MEPs added that the Commission should promote a balanced diet, which includes fruit and vegetables, but also dairy, beef and fish.

On the other hand, some MEPs are in favor of a promotion policy more in line with the Green Deal objectives. In December 2020, 34 MEPs, sent <u>a letter</u> to the Commission to explain their concerns regarding a promotion campaign named "Proud of EU Beef" (also marketed as "Become a Beefatarian") to promote the consumption of bovine meat (fresh, chilled and frozen). The signatories note that this EU-funded initiative undermines Green Deal goals to cut emissions. They wrote that "when deciding not to end marketing subsidies to meat and dairy products, especially those produced by intensive livestock farming systems, the EU is financing, with public money, an incentive for citizens to buy products that are not sustainable."

The exclusion of meat and wine in the future promotion regulation is highly sensitive for the Commission. Brussels-based media, Euractiv, <u>noted</u> that the Commission has already softened its position on phasing out the promotion of red and processed meat in Europe's Beating Cancer Plan and the Farm to Fork Strategy compared to early drafts.

Stakeholders from the private sector and non-governmental organizations also weighed in on the debate. In December 2020, ten major European agri-food associations⁴ sent an <u>open letter</u> to the Commission and called on the Commission to use a less dogmatic approach to make efficient use of the EU's promotion budget for sustainable agri-food goods. The associations noted that consumers are moving towards a more holistic sustainability concept that is broader than just the organic specification.

On the contrary, the European Consumer Association <u>expressed</u> its disappointment that some measures on ending EU-funded ads for meat have been watered down in the EU Beating Cancer Plan final version. Greenpeace Europe is also very vocal against the use of the promotion policy to promote meat and dairy products. Greenpeace EU agriculture campaigner Sini Eräjää <u>stated</u>: "What's the point of EU plans to beat cancer or tackle climate change if it continues to promote food like meat that makes these problems worse? Don't tell us you care about climate and health – show us your budget and we'll tell

⁴ Signatories of this letter were: Copa-Cogeca, representing EU farmers and cooperatives, the European Dairy Association (EDA), the European Liaison Committee for Agricultural and Agri-Food Trade (CELCAA), the European Fresh Produce Association (Freshfel), the European Forum of Farm Animal Breeders (EFFAB), Union Fleurs, the Assembly of European Regions producing Fruits, Vegetables and Ornamental Plants (AREFLH), the Poultry Meat Sector (AVEC), the Liaison Centre for the Meat Processing Industry in the European Union (CLITRAVI) and the European Potato Trade Association (Europatat).

you if you care about climate and health." In April 2021, Greenpeace Europe published <u>a report</u> ("Marketing Meat") that calls on the Commission to end public funding for projects aiming to promote and increase the consumption of meat and dairy products and to put forward a comprehensive set of measures to shift consumption to more plantrich diets, with a transition to ecologically produced animal products, including marketing and procurement policies as well as dietary guidelines and fairer pricing schemes.

Next Steps

The European Commission is currently conducting the impact assessment on the review of the promotion policy. The Commission is expected to publish a legislative proposal in the first quarter of 2022. The proposal will then be sent to the European Parliament and the Council, representing EU Member States, to be amended and voted.

Attachments:

No Attachments.