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Creating pathways Towards the Green Economy

The Common Agricultural Policy and a green transformation

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The Common Agricultural Policy (CAP) and a green transformation

- Why is a green transformation necessary?
- What transformation is required?
- What do the Green Deal (GD), Farm to Fork & Biodiversity Strategies propose?
- What was agreed in the 2021 CAP reform?
- How does the CAP reform match GD ambitions?
- What can now be done?



Why is a green transformation necessary?

- Our food system is unsustainable
- Production
 - Climate: GHG emissions
 - Water & air pollution
 - Habitat & biodiversity loss
 - Soil health
 - Marginality of many businesses
- Consumption
 - Diets and health
 - Food waste



What transformation is required?

- Analysts and the Green Deal suggest
- Three elements of **production & land use change**
 - **Re-allocate agricultural land** to climate & biodiversity protectionImprove environmental performance of land management by either or both:
 - **Deintensification**: adopt nature-based systems
 - **Sustainable intensification**: precision farming
- and on the **food consumption** side
 - Reduce consumption of livestock products
 - Reduce over consumption of carbs, fats & salt
 - Increase consumption of fibre, fruit and veg
 - Reduce waste in the food chain

Unlike energy & transport, the transformation of the food sector is deeply disputed

- **Producer interests**

- Favour intensive production: data-driven, precision production, using robotics, AI, gene editing, vertical production, cell culture.
- Worry that less land for agriculture and reducing intensity will reduce output
- Without rise in prices farmers' incomes will be reduced
- Higher food prices are not politically acceptable
- Plus, they say reduced EU food output means more imports of questionable quality and worse climate & environmental impacts

- **The counter - arguments are**

- The current system is unsustainable – it undermines natural capital & destabilises the climate
- Have to tackle diets, health, waste & the food system too: reduced consumption will balance reduced production
- Unclear about higher prices; many argue that pollution & biodiversity damage result from wrong price signals.
- They focus on nature-based, regenerative, agroecological systems

- **Perhaps there is a middle way or happy balance?**

What do the Green Deal, Farm to Fork & Biodiversity Strategies propose?

- The Green Deal was a bold and surprising initiative
- GD has much to say about food **system** transformation
 - not just agriculture – land use too, ie forestry & peat management not just primary production – food industry & consumers too
- The strategies describe the motivation & direction of transformation
- Has specific targets for production issues, fewer proposals on food consumption
- Little on trade: food products are tradables, significant risk of leakage ie exporting environmental damage

Broad objectives of the Green Deal Farm to Fork Strategy

- Ensure sustainable food production
- Ensure food security
- Stimulate sustainable food processing, retail, hospitality & food service practices
- Promote sustainable food consumption & facilitate shift towards healthy, sustainable diets
- Reduce food loss and waste
- Combat food fraud along the food chain

Key targets of the Green Deal Biodiversity Strategy

- Bringing back nature into our lives by:
 - Strictly protection of 1/3 of the protected areas
 - Nature restoration targets
 - Reduce use and risk of pesticide use by 30% by 2030
 - Designate 10% agricultural areas to high diversity landscape features
 - Devote 25% agricultural land to organic farming by 2030
 - Diminish loss of nutrients by 30% by 2030
- Plus actions on **GHG emission targets** for agriculture and land use & the **bioeconomy**, and **circular economy**

What was agreed in the 2021 CAP reform?

- Origins in 2018, subsequent debate confused by the GD
- CAP ambition clearly lags the Green Deal
- Political agreement, June 2021, implementation 2023, runs to 2027
- Principal features of the reform:
 - Retained **two pillar structure**; budget 'only' reduced slightly
 - **Nine high level objectives**: strengthening need for **sustainable agriculture & climate protection**
 - **New green architecture** – strengthened conditionality SMR/GAEC, an ecoscheme and minimum spending requirements on environment
 - **New delivery model** based on: needs assessment & SWOT analysis justifying National CAP Strategic Plans (CSPs) a decentralisation
 - **Stronger evaluation** for the whole CAP, ie both pillars

How does it match up to Green Deal ambitions?

- “CAP proposals look rather detached from the much larger and more joined-up framework being constructed round them” (Baldock)
- “There is an urgent need to significantly strengthen many technical provisions of the CAP” (Guyomard and Bureau).
- The CAP structures **could** be deployed to achieve GD targets, the outcome depends on MS decisions + farmer attitudes & behaviour
- Signs from the co-legislators are negative – dilution of Commission proposals at every stage by Council & Parliament
 - The GD targets are not precisely defined nor legally binding
 - Many actions based on adoption of practices, not result-based
 - More effort required on baselines against which to measure progress
 - Good Agricultural and Environmental Conditions should be strengthened especially for peat, wetlands and permanent grass
 - Need methodologies for reporting agricultural & land use emissions

What can now be done?

- Key step is the EC acceptance of CSPs; how rigorous will it be?
- Thereafter have to act on MS Ministries of Ag
- Beyond this it's the 2028-34 CAP reform; start thinking now!
- Meanwhile – consumer behaviour, the health/education sector and the food industry could lead further transformation, eg
 - Voluntary dietary change
 - Food reformulation – voluntarily or pushed by legislation
 - Government action on diet and health – info, campaigns, procurement
- Other policy areas where action could be taken
 - Pollution taxes
 - Circular economy – biomaterial use, from wood to biodegradable products
- Other areas where concomitant policy action is required
 - Border adjustments to ensure level playing field and avoid exporting environmental damage -

Final words

Strong demands from citizens, especially the young, to grasp the challenges of harmful climate change & damage to nature

This is grasped at the top political level in the Commission –less clear if MSs have the same motivation & drive, some do . . .

The food – farming – environment – health nexus is particularly challenging – technically, analytically & for policy

In truth, there is disagreement about how to make the food economy greener

A drag on transformation is lack of conviction among many farmers that what they are doing is unsustainable & endangering their soil

The resolution: mix of education + strong positive & negative inducements for a change course & help to show how to do it.

Thank you for your attention

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