EU ELECTIONS AND THE FUTURE OF THE

The EU 2024 elections have just taken place. How is the outcome likely to impact the Southern African citrus export industry? By Albert Coetzee and Paula Bester

The European Parliament elections in June prompted a look at what has transpired since the 2019 elections, and the potential effect of the outcome of the 2024 elections on the Southern African export citrus industry.

Backed by mass climate protests, the 2019 European Parliament elections saw the rise of the "Green Wave" and favourable voting results for parties campaigning for a climate-neutral Europe. Youth participation contributed to a record-breaking voter turnout – votes from people between the age of 18-24 increased by 14%. This high youth participation showed support for drastic environmental policies, evidenced by the likes of the Greta Thunberg youth movement worldwide.

In 2020 the European Commission, comprising mostly the European People's Party (EPP), Progressive Alliance of Socialists and Democrats (S&D), and Renew Europe, unveiled its EU Green Deal. At the heart of the Green Deal is the Farm-to-Fork Strategy, which is an ambitious action plan to make European food more sustainable by transforming its production, distribution, and consumption while mitigating food waste. These initiatives include the reduction of the use of pesticides and excess fertilisation, an increase in organic farming, and the revision of various packaging legislation to reduce the environmental footprint, and to ensure consumer safety (amongst others). The strategy set out precise targets, such as a 50% reduction in the use of chemical pesticides and a 20% reduction in the use of synthetic fertilisers by 2030.


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What has changed since the 2019 election?

Very few of the EU Green Deal and Farm-to-Fork targets have in fact been achieved since 2019. At the time of writing, the window of opportunity within which to complete these initiatives under the current EU Parliament was about to close. And there was still a bit of time to make decisions around the on-going initiatives, including due diligence requirements for companies, carbon farming rules, animal welfare, and biodiversity protection. In contrast, some initiatives were placed on hold, like plastic recycling and food contact materials legislation, and the sustainable use of pesticides directive, which was recently withdrawn.

The geopolitical landscape has certainly changed significantly. Being a net importer of food, Europe has historically relied heavily on the assumption that global supply chains would always supply on time. The on-going Russia-Ukraine and recent Israel-Palestine wars have disrupted shipping routes and the supply of produce into Europe. European citizens are now facing a high living cost crisis due to the dramatic increase in the price of energy (which the EU strongly relies on for heating during winter), and the ripple effect of the COVID-19 pandemic. On top of this, the ability of European farmers to produce a sustainable amount of food is wavering in light of reduced access to chemistry to protect their crops. This is due to pressure from the Farm-to-Fork Strategy, alongside severe weather patterns that make it more difficult to produce.

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War has emphasized the need to be prepared for conflict, with many EU countries not able to support long periods of defence. COVID-19 and the accompanying high cost of living have shifted the focus to economic recovery and affordable food and energy.

Impact of the EU Green Deal and Farm-to-Fork Strategy

Various impact assessments of the Farm-to-Fork Strategy found that EU agricultural production and supply will decrease by as much as 10–20%[1]. Alarmingly, the number of food-insecure people would potentially increase by a staggering 185 million, if the EU Farm-to-Fork Strategy was adopted worldwide (that is on top of the current projected number). A decrease in EU farmer gross income can be expected, alongside an increase in agricultural and food prices in the EU[2].

More specifically, an impact assessment of the Sustainable Use of Pesticides Directive showed that it's not possible to establish the extent to which the directive has had a direct contribution to reducing the risk of pesticide use. And a recent study by the UN indicated that the impact of the Carbon Border Adjustment Mechanism on global carbon emissions is very low[3]. What seemed like good intentions might not have been as effective or achieving the desired outcomes.

Understandably, there is a general disgruntlement amongst EU citizens over the impact of policies, evidenced by the recent farmer protests across Europe. German farmers are unhappy about a cut in diesel subsidies, French farmers are protesting against free-trade arrangements, while Polish farmers blocked border crossings to stop imports of lower-priced grain from Ukraine.

> The general sentiment on mirror clauses may indicate an opportunity for more engagement with EU role-players around South African circumstances.

The future of the EU Green Deal and the effect on third countries

EU farmer protests, geopolitical circumstances, and the withdrawal of critical Farm-to-Fork directives have led to the "strategic dialogue on the future of EU agriculture", basically putting a temporary halt on the pending EU Green Deal and Farm-to-Fork Strategy targets. The way forward will depend on the composition and focus of the new EU Parliament. The strategic dialogue, the content of the manifestos from political parties, and the current polls indicate general support for EU farmers through less restrictive policies and more financial support through the Common Agricultural Policy.

The EU is known to be precautionary (to the extreme) when it comes to active substance risk assessments and subsequent maximum residue limit (MRL) settings. And there seems to be a trend to set MRLs at the level of determination (or even lower if the analytical service providers can manage it). EU MRLs are subject to parliament voting and the appetite for setting positive tolerances for chemical active substances will depend on the outlook of the new parliament.

New, equivalent active substances to replace the lost tools are not reaching the growers fast enough. This is understandable, taking into account the many years and substantial amount of investment required for research and development. The effect on agricultural production, food security, and farmer income must be considered when setting agricultural policies. The pressure from EU farmers might push back on extreme agricultural targets (like the reduction of chemical pesticides).

The net-zero goal is certainly not lost, but new approaches are needed that are more market-orientated which could pose opportunities. The impact on South African producers is uncertain, but general sentiment on mirror clauses (meaning that the same rules for European farmers must apply to third-party farmers who import produce into Europe) may indicate an opportunity for more engagement with EU role-players around South African circumstances. But this may also lead to protectionism.

References

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2: The Copa-Cogeca Communication Team, 2021. The Farm-to-Fork/ Biodiversity Strategies: What are the first studies saying about their potential impacts?

3. A European Union Carbon Border Adjustment Mechanism: Implications for developing countries.