DEATH OF THE European Green Deal

Have emerging challenges and lessons learned served to nullify the well-intended European Green Deal? By Albert Coetzee

The European Green Deal was launched in 2019 with the goal to transform Europe into a climate-neutral continent by 2050. The Deal has had significant implications for agriculture and food systems.

While most of the objectives of the original Green Deal remain, the transition of the Farm to Fork (F2F) Strategy into the Vision for Food and Agriculture represents an evolution in the European Union's approach to agriculture and food systems, shaped by emerging challenges and lessons learned.

Introduced as a cornerstone of the European Green Deal, the F2F Strategy aimed to create sustainable food systems while addressing environmental challenges. Key components to this strategy included reducing pesticide use, nutrient loss, and greenhouse gas emissions; increasing organic farming, and promoting biodiversity-friendly practices. When considering all these components, economists estimated the financial impact of the F2F Strategy to negatively impact the value of production by € 12 billion[1]. The Strategy emphasised environmental sustainability but faced criticism from farmers and stakeholders regarding its economic implications, including compliance costs, regulatory complexity, and market pressures. Implementation of the strategy revealed gaps in balancing environmental goals with financial resilience for farmers. This later sparked farmer protests due to increased economic pressures, including rising energy costs and market volatility. Global trade tensions and disruptions underscored the importance of securing food systems and supporting farmers' competitiveness amid changing global dynamics.

Strategic Dialogue and the Vision for Food and Agriculture

In January 2024 the European Commission – prompted by the farmer protests – launched the Strategic Dialogue on the Future of Agriculture in the European Union (EU) initiative. Its purpose was to bring together key stakeholders from the agriculture sector, rural communities, academia, and civil society to develop a shared vision for the future of EU farming and food systems. This dialogue led to the creation of the Vision for Food and Agriculture.

The Vision for Food and Agriculture adopts a more balanced approach by addressing economic, social, and environmental challenges. It aims to simplify regulations around food production. The focus of this vision is to attract young farmers for stable future food production, while creating an agriculture sector that is competitive and resilient in the face of rising global competition and shocks. Equally important in this Vision is a future-proof agriculture sector that functions within planetary and social boundaries.

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Possible implications for SA citrus

The Vision strongly advocates for the elimination of competitive disadvantages for EU farmers. This means that the challenges confronting EU farmers because of imposed regulations should not make producers from third countries more competitive. The vision emphasises a protective stance. Notably, the Common Agricultural Policy (CAP) income for the average EU farmer is 33% of their total income[2].

The Vision for Food and Agriculture emphasises the need for better alignment of production standards for imported products, especially concerning pesticides. The European Commission plans to establish a principle that bans the import of the most hazardous pesticides that are prohibited in the EU for health and environmental reasons. Producers in third countries are already subject to mirror clauses, meaning that if an active substance is banned in the EU but remains legal in their country, the maximum residue limits (MRL) in the EU will be set to levels that usually restrict the use of that substance in the exporting country. It remains unclear whether these mirror clauses will be expanded to cover more active substances or if a complete ban will be enacted. However, the current trend appears to favour the latter option.

Figure 1: Overview of production and price impacts on production value (%) of all Farm to Fork measures (Source: Impact assessment of EC 2030 Green Deal Targets for sustainable crop production)

Additionally, the EU has indicated a commitment to crack down on banned substances produced within the EU that are exported to countries where their use is still permitted. The process of placing a ban on chemicals in the EU may also become more challenging. The Commission will "carefully consider any further bans on pesticides if reasonable alternatives are not available within a reasonable timeframe and at a reasonable cost," except in cases where human health or crucial farming habitats are at risk. To support the development of alternatives, the upcoming Biotech Act aims to expedite the approval of biopesticides.

While this approach seeks to enhance competitiveness, the EU typically has access to new active substances several years before third countries, already giving them an advantage. Consequently, we can expect increased pressure on an already limited toolbox of available options.

The EU Commission aims to reduce administrative burdens by cutting back on certifications and reporting requirements that have previously created high transaction costs and confusion for farmers. Instead, they propose introducing a new on-farm sustainability assessment and benchmarking system, which will allow farmers to monitor, record, and evaluate their sustainability performance more easily. Some positive outcomes in this area are already evident, such as the delay in implementing the Corporate Sustainability Reporting Directive (CSRD) and the Carbon Border Adjustment Mechanism (CBAM), which now exclude smaller companies. Whether this will lead to reduced reporting for South African producers or result in an unsatisfactory compliance standard necessitating additional requirements, remains to be seen.

The EU Vision for Food and Agriculture risks heightening barriers for South African farmers through costly compliance demands and restricted pesticide access, threatening their global market position. However, this shift also incentivizes accelerated adoption of sustainable practices and innovation, potentially positioning proactive producers as leaders in eco-conscious agriculture if supported by targeted funding and partnerships.

Sources:

1. Bremmer, J., Gonzalez-Martinez, A., Jongeneel, R., Huiting, H., Stokkers, R., & Ruijs, M. (2021). *Impact assessment of EC 2030 Green Deal Targets for sustainable crop production.* (Report / Wageningen Economic Research; No. 2021-150). Wageningen Economic Research. https://doi.org/10.18174/558517
2. CAP expenditure: European Commission, Directorate-General for Agriculture and Rural Development (Financial Report), including Next Generation EU payments for 2021/2.