

The Trade Policy Review and the CAP Reform: Incongruencies and Incoherencies

The European Commission recently released the Communication entitled “Trade Policy Review - An Open, Sustainable and Assertive Trade Policy” in which it stated that a new trade policy strategy is needed in order to “support achieving its domestic and external policy objectives and promote greater sustainability”.

The Institutions have outlined three key goals and six key areas of work (listed below) that they plan to prioritise in the reform of EU trade policy. Particularly in light of the first goal of “Supporting the recovery and fundamental transformation of the EU economy in line with its green and digital objectives”, and bearing in mind the importance of agriculture within the Farm to Farm and Biodiversity Strategies as a cornerstone of the green objectives outlined in the Green Deal, it seems essential to look more closely at the links between the Common Agricultural Policy (CAP) and EU Trade regulations, to evaluate the coherence and compatibility of the two.

Objective of Trade Policy	Objectives of the CAP
<ul style="list-style-type: none"> • Supporting the recovery and fundamental transformation of the EU economy in line with its green and digital objectives. • Shaping global rules for a more sustainable and fairer globalisation • Increasing the EU’s capacity to pursue its interests and enforce its rights, including autonomously where needed 	<ul style="list-style-type: none"> • Ensure a fair income to farmers; • Increase competitiveness; • Rebalance the power in the food chain; • Climate change action; • Environmental care; • Preserve landscapes and biodiversity; • Support generational renewal; • Vibrant rural areas; • Protect food and health quality.
<p>Some specific areas of focus to achieve goals:</p> <ul style="list-style-type: none"> • Reform the WTO: pursue reform of the WTO across all of its functions, updating and improving to reflect today’s trade realities. • Support the green transition and promote responsible and sustainable value chains : establishing an improved multilateral framework, implementing commitments to promote respect for core human and labour rights, enforcement of trade and sustainable development commitments, ensure imports comply with relevant EU regulation and standards, promote sustainable and responsible value chains. • Support the digital transition and trade in services: global framework of 	<p>Some specific areas of focus to achieve goals:</p> <ul style="list-style-type: none"> • Support viable farm income and resilience both through the CAP (e.g. with capping, redistributive payments, etc.). but also through an array of national policies beyond the CAP. Develop a common policy framework and the single market help to minimise potential distortions of competition. • Increase competitiveness and agricultural productivity through research and innovation programs, new technologies, rural development and infrastructure, efficient advisory systems and continuous training for farm managers. • Strengthening farmers’ position in value chains by improving cooperation among farmers, enhancing synergies

international rules needs to be updated, more ambitious global standards and rules, open but assertive approach to data management based on European values and interests

- **Strengthen the EU's regulatory impact:** adopt a more proactive stance when designing new regulations so as to be better equipped to promote EU regulatory approaches around the world
- **Strengthen the EU's partnerships with neighbouring, enlargement countries and Africa:** do everything it can to support partners in their efforts to recover from the impact of the COVID-19 pandemic and to achieve sustainable development, deepening and widening its existing trade agreements with African regional economic communities
- **Strengthen the EU's focus on implementation and enforcement of trade agreements, and ensure a level playing field:** assertive enforcement of both its market access and sustainable development commitments, monitoring the proper implementation and enforcement of the EU's trade agreements, propose a legal instrument to address distortions caused by foreign subsidies on the EU's internal market

within value chains, supporting the development of market driven production models, fostering research and innovation, increasing market transparency and ensuring effective mechanisms against Unfair Trading Practices (UTPs).

- Changes in farm practices to mitigate GHG e.g. the use of mitigation technologies, carbon sink through better soil management, biomass production, reduction in fossil fuel intensity of farm production, and reduction in agricultural production losses and waste.
- Foster sustainable development and efficient management of natural resources such as water, soil and air and contribute to the protection of biodiversity
- Support young farmers, who face significant challenges, such as low availability of land, high land prices and low profitability, difficult access to credit and poor knowledge and training
- Promote employment, growth, social inclusion and local development in rural areas, including bio economy and sustainable forestry.
- Improve the response of EU agriculture to societal demands on food and health, including safe, nutritious and sustainable food, reducing food waste, as well as animal welfare.
- Ensure the safety of the food chain, which is indirectly affected by the welfare of animals, particularly those farmed for food production, due to the close links between animal welfare, animal health and food-borne diseases.

One of the areas of work identified by the Commission is the reform of WTO rules and practices, which must be updated and improved to reflect today's trade realities in order to support economic recovery and development, as well as environmental and social sustainability. For European Coordination Via Campesina (ECVC), this update is also very important, particularly in the context of a pandemic that has laid bare the risks and limitations of a globalised food supply system, both within Europe but also, for third countries who are currently dependant on the import-export oriented food system.

It is important to note that, for ECVC, food is not a commodity or an economic tool with which to make profit. Rather, it is a fundamental right and should be treated as such. Food sovereignty – the political capacity to legislate on agriculture and food and thus guarantee the power of peoples to have autonomy and access to locally produced, health, fresh and culturally appropriate food - is not something that should be put up for sale. In order to achieve the goals and priorities of the CAP, it is necessary to comply with one of the most important of La Via Campesina's demands: excluding food and agriculture from free trade agreements.

At present, there is an incoherence between the CAP objectives and the orientation of food systems towards the export-import model, due to the inclusion of food and agriculture in the WTO and FTAs. In order to “strengthen farmers’ position in value chains”, and “promote employment, growth, social inclusion and local development in rural areas”, market regulation, remunerative prices, measures to relocalise and control production and shortening the food supply chains are needed. Encouraging producers to ship food halfway around the world certainly does not take us closer to implementing these measures, and – considering the environmental impact of the associated storage and transport requirements - is definitely not an example of “sustainable resource management” or “changes in farm practices to mitigate GHG”. Nevertheless, the position of the Commissioner for Agriculture suggests there is opportunity and openness to change, thanks to statements supporting the need to use the potential of the local markets. The Commission has committed to giving preference to short food chains and to the alternatives to long-distance trade, in the approval process of the CAP national strategic plans, because this is also a climate target. The farm to fork distance, that is now about 150km, needs to be reduced.

FTAs are an obstacle to the creation of new public policies to improve food systems from the point of view of quality, food security, environmental sustainability, social inclusion and rural development. Yet, whilst FTAs are still being negotiated, Member States are being called upon to achieve these goals and make real and serious change within their National Strategic Plans in the CAP. The priority when deciding how we produce our food should be providing the population with healthy, sufficient, secure, sustainable and sovereign food sources. Profit can no longer be allowed to take precedence over that, and the European Institutions must set the tone with Free Trade Agreements policy, to encourage Member States to implement sufficient national policy within the CAP and beyond.

Similarly, within the Communication on Trade Policy review, the Commission has committed to continue to support “the EU agricultural and agri-food sector, composed primarily of SMEs, with a focus on promoting the sustainability and quality of their products, making them a standard-bearer of the EU food sustainability system.” However, this commitment has not been extended to the measures approved by the Council and Parliament within the CAP reform. If we look at the small farmers scheme, the support has been limited to a ceiling of €1250 non-compulsory redistributive payments whilst capping and degressivity for large CAP beneficiaries was not made compulsory for Member States. It is unrealistic to think small and medium-scale farmers can plan or adapt their

practices, or even continue in the profession, if the CAP fails to ensure they get a fair share of subsidies and support. Many of the small and medium farms the Commission promises to support within the Trade Policy are considered too small to even receive support according to the CAP.

In addition, whilst in the CAP the importance of supporting the resilience and position of farmers is underlined, through for example “rural development and infrastructure”, “efficient advisory systems and continuous training” and solutions to combat “difficult access to credit”, the Trade Policy Communication puts a lot of emphasis on the how the digital revolution will change the nature of trade, “supported by intellectual property (IP) protection.” It is especially dangerous to think that trade can evolve and become more environmentally sustainable and support farmers through innovation promoted by intellectual property protection – the same “protection” that is denying the access to seeds for farmers or, more broadly, access to vaccines in the Global South.

Furthermore, the Commission says that, through its openness, global engagement and cooperation, the EU is working with partners to ensure adherence to universal values – core labour standards, and social protection in line with the European Pillar of Social Rights, gender equality, and the fight against climate change and biodiversity loss. For example, one of the key actions and areas of work highlighted in the Trade Policy review is ensuring “imports comply with relevant EU regulation and standards.” Unfortunately, and, yet again incoherently, in the recent negotiations on the CAP reform, the ban on importing products containing pesticides that are not approved in Europe (Article 188a) was not adopted. The Council refused to subject imports to European regulations on pesticides, turning their backs on European citizens on a crucial issue such as food safety.

If the EU continues to “reinforce relationships with countries in and around Europe and to deepen engagement with the African states” as outlined in the Communication Trade Policy but fails to approve and implement measures in other policies such as the CAP, the Green Deal and Farm to Fork Strategy, and vice versa, then the lack of coherence between these pillars of EU policy will continue and other actors, such as industrial actors and private investors, will continue to set the standards and use their power to make profit for the few, at the expense of progress for the many.

Whilst there are many incongruences between the CAP and Trade Policy review, one common conclusion can be drawn from both documents. There is not enough ambition to change the current situation. There is no a coherent vision on EU policies, and there is no commitment to put in place stronger measures to comply with the Green Deal and the F2F strategy, and there is no real commitment to the paradigm shift that is so clearly needed to transition to sustainable agriculture.

The Institutions need to listen to the voice of peasant communities and organizations in rural areas to make holistic policy decisions that change the focus of trade policy towards a sustainable and local development, supported by a coherent and congruent CAP on an EU level and ambitious National Strategic Plans on the Member State level. The future of small- and medium-sized European producers, and therefore the health and well being of all the citizens they feed, depend on it.