



Strategic Dialogue on the Future of Agriculture



**CONSUMER CHOICE CENTER
POSITION PAPER**



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This document is a Consumer Choice Center (CCC) position paper, in the context of the [Strategic Dialogue on the Future of EU Agriculture](#), launched by the President of the European Commission Ursula Von der Leyen on January 25, 2024. In her opening speech at the EU Agri-Food Days, the President outlined the key questions that the Dialogue seeks answers to from key stakeholders, including consumer groups. As a consumer advocacy group involved in the dialogue over the future of agriculture in the European Union, the CCC thus provides input with what we see to be priorities for consumers in the years to come.

- How can we give our farmers, and the rural communities they live in, a better perspective, including a fair standard of living?

The role of any food system, by virtue of its historic intent, is to serve the end consumer. Farmers, commodity traders, food processors, and retailers alike respond to the demand of consumers. As is common in economics, supply follows demand. However, in past years we have experienced a trend in policy-making that seeks to interfere in both the demand, and even more directly, in the supply side of the equation. For instance, subsequent policy strategies have sought to increase the role of the organic food sector, despite organic produce representing a mere fraction of the overall market. For consumers, it would not necessarily change much – ultimately they get to choose at retailers whether they prefer products derived from organic or conventional production. However, growers get caught in a gamble over steering policy of supply : if consumers do not buy the targeted amount of organic produce, growers will be left hanging, and price-intensive investments can bankrupt their businesses.

For consumers to get an accurate representation of their needs, we need farmers and retailers to stand on solid financial ground, and for them to respond to demand only. **Increasing toolboxes for farmers** to diversify their crops, crop protection, and seed variety, guarantees they can make the best decisions for their business. Interventions in the negotiations between farmers and retailers, [through floor pricing](#), means that consumers will end up with higher food prices and lower supply.

It is safe to say that **consumers are rightfully confused over the real price of food**. On the one hand, retailers fight for the lowest possible prices while maintaining realistic margins for themselves. Farmers fight for higher wholesale prices, but simultaneously



are made dependent on direct payments through the Common Agricultural Policy, which increasingly also adopts steering policies. This system creates a lack of transparency, and distorts the reality of prices. The real price of a cucumber is no longer a question of what is displayed in a store, but of a multitude of layers of government intervention, many of which are co-financed by tax paying consumers.

As the European Union, we should strive for a **fair marketplace** that considers fairness also for allied trade partners. The success of the Single Market needs to be extended with **free trade policies** that open our agricultural sector to fair competition from other markets and continents. This will not only improve Europe's geopolitical and diplomatic standing with those countries, but also increase choice for consumers. We should allow European farmers to adapt to that reality by deregulating what we see as a **currently overregulated profession**.

Public policy debate is often quick to equate fairness with tariffs, import quotas, bans, and other protectionist measures on non-EU countries. But that is based on confusion over the merits of trade by privileging seemingly money-making exports over imports. In reality, our true wealth comes from imports. They are the food we put on the table and the tools we use in farming. Exports are merely the goods we pay in order to acquire imports we possess. Mutual protectionism simply denies this benefit to both parties. It is a war in which [everyone loses](#).

The same rules apply when replying to protectionist measures that others have imposed on the EU. Fighting fire with fire is supposed to deter another would-be protectionist. But it does not work, as the costs of trade wars hurt one's own domestic workers and consumers. These costs come in terms of lower wages, less skilled work, and lost opportunities to develop industries that would have been profitable if not for protectionist measures [distorting agricultural markets with taxes and subsidies](#). It is, therefore, still wise and fair to one's own country to practice free trade (even when others aren't willing to).

- How can we support agriculture within the boundaries of our planet and its ecosystem?

Before mentioning the impact of agriculture on global sustainability goals, it is adequate to recall the [immense advancements](#) the sector has made in the last decades. The world [has reached peak agricultural land use](#) in the early 2000s. This means that we produce



more food with less overall resource input. With the help of modern machinery, best practices, genetic engineering in select jurisdictions, and crop protection, farmers have reduced the amount of land needed to feed a growing population. Stanford University researchers [have found](#) that if we farmed in the same manner as 60 years ago, an area equal to the entire land mass of Russia—three times the size of the Amazon, four times that of the European Union—would have to be cleared of forest and natural habitat and brought into agricultural production. Adding to that, [high-yield farming has avoided 161 gigatons of carbon dioxide](#) since 1961, while [research from the United Kingdom has shown](#) that moving all current agriculture to organic farming would increase greenhouse gas emissions by up to 70 percent.

As new technologies such as CRISPR Cas-9 become increasingly available in the agricultural field, even more advances to that end will be made, which is particularly in the interest of European and global biodiversity.

The story of modern agriculture is impressive. It displays to what extent **humanity is capable of overcoming the supposed limits to its own growth** and development. Agricultural efficiency will continue to improve insofar as we allow for scientists, plant breeders and farmers to fully deploy their knowledge and skill in a way that benefits consumers and the environment alike.

In economic terms, one would predict the increased productivity to be a win-win - high supply, higher wages, and lower prices. Indeed, the EU enjoyed a respectable average total factor productivity (using less land, investment, and effort to produce more) [growth of 1%](#) per year between 2011 and 2019, higher than the US or New Zealand. Nevertheless, farmers and consumers have been unable to enjoy the fruits of this labor due to artificial constraints set in Brussels, either in the form of [strict fallow land policies](#) or [severe curbs on pesticide use](#). Fewer crops are viable than otherwise, resulting in [lower supply and more land use via organic farming methods](#). Far from an inevitable constraint, then, the EU's shortcomings are a policy choice.

To support agriculture in the current drive for environmental sustainability, we need to make Europe a beacon of tech innovation. In our modern world, farming looks very different to the ways it used to. A tractor is now not merely a vehicle, it is a computer system with monitors to increase efficiency in both resource and time use. When it



comes to innovations in plant breeding, AI, and smart hardware tools, we need to allow for lower costs, by incentivising farmers and investors through alleviated regulatory and tax burdens to make more innovation available.

This does not mean that innovation is merely reliant on modern technology. For instance, more established techniques for crop protection, such as biocontrol, also need to enter the toolboxes of farmers, through fast-tracked regulatory approval.

- How can we make better use of the immense opportunities offered by knowledge and technological innovation?

While our technological standards have moved on, our regulatory processes have not. Political statements often far exceed what is feasible. We often hear that chemical crop protection chemicals ought to be phased out, or that genetic engineering needs to help us fight our sustainability challenges. That said, the regulatory approval procedures drag on, creating a lengthy and expensive process for manufacturers to comply with. **Consumers in Europe are hurt by that red tape**, as they access innovation more slowly than those in other jurisdictions. A smart regulatory approach first and foremost needs to invest into time efficiency. A stringent and lengthy approach means that only large corporations can afford compliance costs, leaving ambitious and ingenious European start-ups stranded or hoping to be acquired by larger companies. Both from a viewpoint of access to innovation, as well as from a viewpoint of economic development, this hurts the European food ecosystem.

As Consumer Choice Center, we are not worried that the drivers of innovation, as well as consumers as arbiters of market demand, will make choices that foster innovation. For that to happen, we need institutions that allow it to flourish.

- How can we promote a bright and thriving future for Europe's food system in a competitive world?

Europe prides itself as a trendsetter in global food policy, but many policies have actively contradicted that ambition. The Farm to Fork strategy did not live up to its ambitions because it was not based in evidence-based policy-making, nor did it take into account the needs of farmers and consumers. We need a new approach that takes into account



feasibility, purchasing power, trade, and decentralisation.

Going forward, strategies in food policy ought to be internally tested before they are published, and follow what we call the AFOS approach:

Affordability - no new policy should be presented if it would increase food prices for consumers

Feasibility- no new policy should be presented if there is no existing and non-subsidised feasible way of implementing it

Openness - no new policy should be presented that hinders European competitiveness and innovation

- A regulatory framework that is proactive and premised on permissive innovation (one that creates the conditions for future discoveries) rather than reactive and restrictive (focused on identifying problems after they have surfaced, thus always trying to catch up).

- The rule includes an element of regulatory harmonization, recognizing that a product deemed safe in top jurisdictions should enjoy similar recognition in the EU

Subsidiarity - no new general policy should be presented if national and sub-national rules perform better

Adding to that, all existing food policies need to be analysed for these criteria, in order to retroactively amend existing legislation that is shown to be in contradiction with AFOS.

