

QUESTIONS TO EU COMMISSIONER-Designate:

Christophe Hansen

Portfolio: Commissioner for Agriculture and Food



Climate solutions for Agri-Food Sector – Pricing & Rewarding	
<p>Context: Agriculture and food sectors are a key source of jobs, income and food, but also of greenhouse gas emissions. In 2027, they will be the only sectors in the EU without an Emission Trading Scheme (ETS), while emission reductions in this sector in the last 10 years were reduced only a little bit, far behind the targets. ETS systems are successful in reducing GHG-emissions so far, and encouraging innovation, with rewards for companies with low climate footprints and ETS-revenue used to compensate low-income groups (Social Climate Fund), while CBAM (carbon border adjustment mechanism) import taxes protect EU industries against cheap imports from countries without GHG-emission pricing and ambitious climate policies. The EU Commission is now studying on proposals to apply this success story in the Agri-Food sector too, e.g. starting in 2030, to help realise the 2040 and 2050 climate goals. There are 3 options: Agri-ETS on-farm, or two downstream options: food company level (slaughterhouses and dairies) or retail/foodservice level. In an EU wide stakeholder survey, the downstream options got most support. An on-farm ETS system would mean more administrative burden.</p>	
<p>Question we want to ask:</p> <p>Do you agree a (standalone) Agri-ETS with CBAM potentially is a market based instrument for the sector to bring GHG-emissions down to the ceiling chosen for 2030, 2035 and 2040 for the sector in a way that increases innovation and rewards companies with relative low emissions, while it protects against cheap imports (a concern mentioned at farm protests last year many times)?</p> <p>Are you committed to study, develop and support the best Agri-ETS options for the sector, together with the Commissioner for Climate, and in line with scientific recommendations and those of the</p>	<p>Answer we want to hear:</p> <p>Yes, I fully support the strength of market based instruments like ETS for realising climate targets in the agriculture sector, where companies themselves decide how to realise emissions, instead of more EU legislation, new standards and restrictions, with more administrative burden, although some standards might be necessary. An Agri-ETS can be a powerful tool to let consumers pay more for food products to enable farmers and food companies to implement climate actions that have a price. An Agri-ETS will also generate billions of euro’s from auctioning and CBAM-taxes can be recycled to the agri-food sector on top of existing CAP subsidies, to help the sector to reduce GHG-emissions, e.g. for rewarding farmers and finance the proposed new Agri-Food Just Transition Fund (and the Social Climate Fund for consumers to compensate low income groups</p>

Strategic Dialogue of the Future of Farming?	for higher food prices). I probably will not support the on-farm model, but downstream models look more promising. A downstream model for slaughterhouses and dairies would need a CBAM for imports of meat and dairy, while a downstream retail model does not need a CBAM and has other advantages like less administrative burden, since many retail companies already report their CO2 equivalents (CSRD-directive).
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Strategic Dialogue on the Future of Agriculture	
<p>Context: The new report of the Strategic Dialogue on the Future of Agriculture published 4th September 2024, marks the end of seven months of debate between 29 stakeholders (including farmers, food industry and green and consumer NGO's) to reach a consensus on the future of EU agriculture. The outcome is a collective call for change, stating clearly that "business-as-usual is not an option". It also sets out concrete recommendations including "substantially increasing funding" for nature and climate-friendly farming, and "supporting trends towards rebalancing diets towards more plant based proteins". The report recommends: 'The European Commission and Member States should provide fiscal tools that seek to foster coherent price signals, in form of tax reduction, for consumers, such as VAT reductions on more sustainable products'. The report recommends assessments to place an Agri-Food Emission Trading Scheme (Ag-ETS) in the centre of climate policy for the sector.</p>	
<p>Question we want to ask:</p> <p>In your mission letter, you are asked to draw on recent reports like the report from the Strategic Dialogue on the Future of EU Agriculture. Will you embrace, implement and prioritise all policy recommendations, also those on diet shifts and food policy, EU Action Plan for Planted-Based Foods and not cherry pick only some items favoured by some stakeholders?</p>	<p>Answer we want to hear:</p> <p>Yes, it is a historic that 29 stakeholders now have a common ground and they agree a road towards the future of EU Agriculture and food. All recommendations are equally important. It's clear we cannot continue with business as usual; we will present new agriculture and food policies within 100 days after the new Commission starts. This will include new proposals for CAP subsidies for farmers and for instance, new food policy proposals (e.g. an Action Plan for Plant-ased Foods by 2026, to increase consumption of vegetables and other plant based proteins) and the Framework for Sustainable Food Systems (FSF law) developed last year, to be developed with my colleagues in the Commission. I will also initiate the development of an EU wide benchmarking system that will enable farmers to measure their environmental performance against set standards and track progress.</p>