

# **Opinion of the German Farmers' Association on the EU Commission's initiative on: Sustainable EU food system - new initiative**

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Brussels, 25 October 2021

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## **1. General remarks**

The German Farmers' Association supports the EU Commission in making the EU food system sustainable. In this statement we focus primarily on the subject of sustainability labelling of food. To this end, we call for European labelling framework legislation that includes both fresh and processed goods. Labelling must be mandatory. A sustainability labelling system has to come along with strategic trade policy adjustments in order to avoid relocation of production abroad.

Following, we present our (non-conclusive) considerations for a labelling system:

## **2. Sustainability labelling system**

When designing a sustainability labelling system, it has to be ensured that potential trade-offs do not result in a undesirable classification for European production. Trade-offs exist, for example, between animal welfare & extensification versus climate efficiency or air pollution control. In this regard, concentrating only on the carbon footprint should be avoided. Rather, a small but very relevant and meaningful number of criteria should be identified on which the sustainability of a product can be based. At this point in time, the German Farmers' Association specifically asks for the following mandatory labelling systems:

### **Origin labelling**

- We ask for mandatory origin labelling for both fresh and processed products at national and/or regional, and possibly European, level.
- The labelling must allow national, regional and private regulation to coexist with a possible EU labelling.
- Labelling must clearly distinguish between EU and non-EU products (e.g. through different colours).

## Animal welfare labelling

- We ask for mandatory animal welfare labelling at European level for both fresh and processed products. This can be amended by national welfare labelling.
- Livestock/processors/traders from a Member State may also supply the market of another Member State with their own labels/standards, provided they meet the requirements of the respective national levels, i.e. mutual "recognition" of labels/programmes within the EU and also globally.

## Economy | Strengthening the producer side | Value creation in the chain

- In order to improve the economic situation of producers, a legal framework is needed.
- It is not enough to set up voluntary labelling systems. Mandatory labelling must increase the overall price structure of labelled goods.
- For this, consumers need information that is easy to understand and reliable.
- The additional value added must at least compensate for the higher production costs of labelled goods.

## 3. Trade policy adjustment

In the spirit of "open strategic autonomy", the EU Commission's new trade strategy, the transformation of food systems must be accompanied by trade policy adjustments in order to avoid relocation of production abroad.

- It is essential for sustainable agriculture systems that agricultural trade is conform to comparable minimum rules on environmental, climate and animal protection. Currently, this is not or only to a limited extent the case in many countries or trade agreements.
- Domestic production tends to being replaced by agri-food imports being produced under dumping standards. EU trade policy has so far failed to provide an adequate response to this "leakage effect" at the expense of consumers, farmers, and the environment.
- Food and agricultural goods produced with substances or processes banned in the EU shall not be imported into the EU. This has to be safeguarded in trade agreements.
- In general, instruments and mechanisms should be developed to compensate for the differences between international and European environmental, climate and animal welfare standards as well as different production requirements. In the meantime, compensation through direct payments remains necessary.