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RESILIENCE AND SUSTAINABILITY OF THE AGRI-FOOD SUPPLY CHAIN



European Council of Young Farmers



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About CEJA

The European Council of Young Farmers (CEJA) is the voice of Europe's next generation of farmers to the European institutions.

CEJA acts as a forum for communication between young farmers and European decision-makers. Its main objective is to promote a younger and more innovative agricultural sector across the EU-27 and to create good working and living conditions for young people setting up in farming and those who are already “young farmers”.

CEJA was established in Rome (Italy) in 1958 by organisations representing young farmers from the six founding members of the European Economic Community.

The organisation represents around 2 million young farmers in Europe. Our membership spans across 22 EU Member States and 31 national member organisations, including an associate member from the UK and an observer member from Serbia. We remain in regular contact with young farmers' organisations, agricultural institutions and associations throughout Europe and worldwide.



Summary

At the farm level

Risk management is an essential component of a resilient EU agriculture serving resilient agri-food supply chains. Young farmers believe a public-private framework to manage their risks would be the most adapted. They notably call on EU decision-makers to consider the creation of simplified subsidised instruments within the Common Agriculture Policy, built on counter-cyclical and cross-sectorial logics.

Anticipating crises by better adapting supply to demand should be a primary objective. The EU, from this point of view, needs to equip itself with a more coherent institutional framework, including a European market observatory whose conclusions are reflected in decision-making, a common definition of crises and an adequate budget for market measures.

Within the agri-food supply chain

Despite their fundamental role in the proper functioning of supply chains, farmers remain price-takers. Improving commercial relations within the food chain is a core priority to young farmers, who ask for balanced contracts, prices built on production costs, a fairer repartition of margins, as well as further transparency to tackle asymmetry of information. They also call on all actors involved to place ethical and social considerations at the core agri-food supply chains.

In order to increase farmers' bargaining power, farmers' economic groups (i.e. producer and interbranch organisations, cooperatives), should be supported for structuring, staff and resources, manufacturing and through technical assistance. They must also invest in their viability and bargaining power through better inclusion of young farmers, reinforced representativeness and value sharing as well as a diversification of their services. On-farm strategies, including a wide range of multifunctional activities, must also be given more credit in their capacity to create added value.

At consumer level

Young farmers aspire to build trust with consumers through transparent, clear and uniform information and open communication. Many labelling options exist to do so, from origin and nutritional labelling to animal welfare and a wide range of information on the sustainability of marketed products. Labels, to be successful, must be based on the principles of readability, integrity of the Single Market and coherence with the EU trade policy.

Complementary to labels, young farmers increasingly perceive the needs to raise awareness among consumers and to share knowledge on how the food we eat is produced. To inform consumers on food products, but also on farming activities, educational programmes, the enabling of new communication channels (e.g. social media), the promotion policy of the EU as well as direct selling and multifunctional activities are considered as powerful leverages.

Introduction

The unprecedented consequences of the COVID-19 pandemic have reinforced the need to establish a resilient and sustainable agri-food supply chain, from the farm to the consumers. In young farmers' views, such establishment must rely on three core elements: (1) boosting the resilience of the agri-food supply chain through adequate on-farm risk management instruments and crisis response capacity, (2) strengthening the bargaining position of farmers and rebalancing the agri-food supply chain by improving commercial relations and reinforcing the organisation of farmers and their economic groups, and (3) strengthening relations with consumers through clear and transparent information and raising further awareness on food production and consumption.



Chapter 1

Boosting the resilience
of the agri-food supply chain



As re-emphasised by the COVID-19 crisis, a resilient agri-food supply chain starts with resilient farming activities. In an ever-changing and globalised environment, agriculture faces high and diversified risks such as climate change, animal and plant diseases, market volatility, food insecurity, and geopolitical and political instability. In a sector characterised by limited predictability, coping with such hazards require appropriate skills and on-farm strategies, but also policy frameworks able to better identify good practices for building resilience at each stage i.e. risk identification, assessment and awareness; prevention and mitigation; preparedness; response and crisis management; and recovery and reconstruction. Over recent years, volatility and continuous low prices have led to an even more profound economic, social and vocational crisis. Therefore, for the EU to keep viable agriculture and achieve its European Green Deal objectives, there is urgency to act strongly on managing risks and crises.

1. Managing risks in agriculture

1.1. Enabling conditions for efficient risk management

- ***Stable income***

The absence of a fair income and increasing market volatility pose a direct obstacle to establishing savings and reserves on the farm. More financially exposed due to high investment needs, young farmers appear most vulnerable, often lacking the necessary treasury and stocks to face and mitigate risks that may occur. A strategy to improve farmers' income in relation to their downstream partners in the agri-food supply chain is proposed in chapter 2 of this document.

- ***Market transparency and anticipation***

To better anticipate market volatility, it is urgent to improve the scope, quality, readability and accessibility of data. Both sectorial and institutional efforts are needed to centralise market information through economic organisations and along the agri-food supply chain. Blockchain has the potential to centralise such data while protecting the rights of its owners. Ultimately, it would support a better understanding of short- and long-term market developments and help orientate on-farm investments.

- **Knowledge and skills**

More and better-quality preventive actions and training programmes, starting within educational curricula, are required for farmers to learn how to identify, prevent and respond to risks. CEJA has been advocating for a mandatory business plan in farm installation processes for several years. This plan must outline a risk management diagnosis. The role of tailored advisory services, both public and private, is crucial in accompanying young and installed farmers. Overall, there is also a need for knowledge, technology and innovation to face the many challenges in the agricultural sector, whether improved solutions for traceability to prevent animal diseases or climate-smart solutions to cope with climate change adverse effects. Cooperation with universities and within the framework of the Agricultural Knowledge and Innovation Systems (AKIS) should be mobilised and further developed to facilitate information sharing.

1.2. A public-private framework in line with today's challenges

In line with today's challenges, CEJA favours a public-private risk management framework. Due to their higher frequency and intensity, risks such as climate extremes have become more structural in recent years. As a consequence, both public funds and private insurance schemes have shown their limitations. In response, it is essential to call on Member States to mandatorily align available risk management tools in their CAP National Strategic Plans. In the future, the CAP must ensure further integration of risk management instruments and associated investments. It is also necessary to pool resources - reinforcing individual and collective capacity – and complement with financial instruments, for example, targeted at climate adaptation and mitigation. In the search for a balanced public-private framework, CEJA has identified and reflected on the following levers of action:

- **Private tools**

To cover normal risks, the first layer of action is at the farm level in the form of day-to-day financial management and savings in treasury and stocks. Farm business models should facilitate private savings and reserves. However, developing savings and reserves is more complex for young farmers whose level of investments on the farm is high, and income is not always stable. Another example, often quoted, is farm multifunctionality. Multifunctionality enables farmers to guarantee additional income channels and build resilience, it also brings additional risks.



For this, the COVID-19 crisis was particularly illustrative: on the one hand, direct selling helped many farmers in the face of the closure of their usual selling channels. On the other hand, agritourism structures were impacted by sanitary restrictions. Finally, next to many other private tools, non-subsidised insurance, although key to farm management, tends to fuel mistrust due to the assumption it does not always align to farmers' needs.

- **Public-private tools**

Young farmers favour subsidised tools outlined in the current CAP framework to cover marketable or insurable risks. For them to be workable, crop, animal and plant insurances must be purposeful and enlarged in their scope to cover all sectors and a more diverse range of risks. When it comes to Protected Designations of Origin (PDO), Protected Geographical Indications (PGI) and Traditional Specialties Guaranteed (TSG), a methodology should be found for insurance funds to cover the added value costs. Mutual funds and the income stabilisation tool are perceived as an opportunity to have a risk management strategy better tailored to farmers' needs. Such instruments could be used to increase guarantees to subsidised insurance or could be merged into a single, simplified tool, covering all types of risks and working on a counter-cyclical basis. Counter-cyclical instruments would be helpful to balance out fluctuations caused by climate events and market adversity. Such mechanism must be further investigated and should be open to cross-sector solidarity. CEJA calls for an independent study of this specific counter-cyclical aid tool at the EU level.

- **Public tools**

To cover the most catastrophic risks, causing considerable large-scale damage, public support is fundamental. Such support can take the shape of national, regional or local solidarity funds and advances on CAP direct payments at the EU level.

2. Strengthening our crisis response capacity

2.1. A coherent institutional and sectorial framework

Learning from previous experience is an essential element to boost preparedness for crises affecting agriculture. From this perspective, pace, budget and accountability remain legitimate questions at the institutional level. Arrangements must be made to acknowledge the role of sectoral regulator of the European Commission. A performance framework must be established to assign the EU's executive with greater responsibility and accountability when it comes to the proposal and unlocking of market measures. CEJA asks to implement an effective and ambitious crisis management system (i.e. storage and aid for production reduction), defined upstream at the EU level and triggered automatically.

Financial means should also be increased and better managed throughout the programming period, as budget shortages in the context of the COVID-19 crisis have painfully shown. Given their role in implementing crisis management tools, producer organisations, interbranch organisations, and cooperatives need to be further promoted in all sectors. Cooperation with farmers' economic groups, for example, through flexibility in competition rules, is essential to the efficiency of public responses. Such cooperation should also translate into creating a new market observatory, equipped with an early-alert mechanism and which recommendations are genuinely translated into decision-making.

2.2. A mix of instruments within and beyond the CAP

- **Market measures**

Market measures are an essential feature of a Common Market Organisation in young farmers' eyes. Nevertheless, rather than acting as reactive public instruments, these should aim at anticipating crises by better adapting supply to demand. To be workable, it presumes the establishment of a European market observatory with increased competence.

In the absence of anticipation, public intervention may be relevant if surrounded by appropriate checks and balance. As far as aid for private storage is concerned, no additional cost for farmers should be added and infrastructure limitations need to be further acknowledged (e.g. proximity of processing structures and storage availability). Finally, exceptional measures in the form of derogations from competition rules are an important feature of the sector's adaptability, not only to limit production but also to create new markets.

- **Crisis reserve**

The crisis reserve, supposed to be an implementable instrument in times of crises, appears not adapted to the needs. Additional funds should finance this reserve from budgetary margins available in the Multiannual Financial Framework, not by reducing direct payments. Young farmers insist: budgets allocated to the reserve should not be used for other markets measures, such as public intervention or private storage aid, which must have their own budget. Finally, a clear definition of crises needs to be laid down so that the triggering of the reserve is guaranteed when needed the most.



- **Beyond the CAP**

With an increased focus on sustainable food security at the EU level, instruments to boost crisis response must be mobilised outside of the CAP. In the perspective of the Contingency plan for ensuring food supply and food security, the EU and Member States have the opportunity to reflect on defining more coherent frameworks for action to tackle some of the most pressing issues impacting the agri-food supply chain:

- Strategic stocks for food security, as they often exist at the national level already, as a way to reduce EU's dependency on strategic imports in times of crises;
- Institutional guarantees for the integrity of the Single Market translating, for example, into the enabling of Green Lanes with priority access to perishable and agricultural goods. An assessment of the state aid regime should also be conducted to make it more transparent and preserve a level-playing-field;
- Adaptation to and mitigation of the decreasing workforce in the agri-food supply chain through generational renewal strategies, the acknowledgement of farmers and food workers as essential workers and investment into on-farm solutions, such as mobile slaughterhouses. Green Lanes must also be put in place promptly to guarantee cross-border movement of seasonal and food workers in times of crises.
- Further coherence of the EU trade policy, materialising, among other things, into the systematic implementation of standards' reciprocity and safeguard clauses¹, and the inclusion of agricultural products to the Carbon Border Adjustment Mechanism.

Conclusion

As we witness every day on our farms, it is undeniable that our world is increasingly and more frequently confronted with a wide diversity of risks, pressuring the stability of our incomes. As young farmers, we are advocating for more ambition in risk management instruments and crises response capacity both within and outside of the CAP. In today's debates around the CAP, we miss an opportunity to provide farmers with a reliable mix of measures to address this great variety of risks. The increased market-oriented character of the CAP must be balanced with instruments allowing us to easily anticipate and respond to market volatility and rules to ensure a level-playing-field in the Single Market and with our trade partners to all play by the same rules. Only then, we will be able to carry out resilient farming activities serving resilient agri-food supply chains.

¹ European Council of Young Farmers (CEJA), From threat to opportunity: an international trade policy fit for young farmers, November 2020, <https://wordpress.ceja.eu/wp-content/uploads/2020/11/From-threat-to-opportunity-an-international-trade-policy-fit-for-young-farmers.pdf>

Chapter 2

Rebalancing the agri-food supply chain





To ensure the resilience of the agri-food supply chain, all actors involved need to compete on equal terms. Due to their dominant position on the markets, actors in the middle of the agri-food supply chain, i.e. food processors and operators, wholesalers and retailers, benefit from the current system to the detriment of farmers. Despite their fundamental role in the proper functioning of supply chains, notably by carrying all risks inherent to food production, farmers remain price-takers. They do not get a fair return for their work and products. Despite a few initiatives in recent years, EU and national policies have failed to adequately address these issues. As young farmers, we believe it is urgent to rebalance the agri-food supply chain through the use of both market and regulatory instruments and a better organisation of sectors.

1. Improving commercial relations within the agri-food supply chain

- **Contracts**

Contracts should be established in a way that guarantees a stable and fair income to farmers. Young farmers favour long-term contracts which can support them during their installation process. Considering that the first five years are most crucial to establishing viable activities, contracts must guarantee certainty and fair price for young farmers to sustain their investments. The same principle applies to sustainable transitions during which long-term contracts must mitigate associated risks.

Nonetheless, the establishment of balanced contracts requires a trust relationship with buyers translated into written terms, with at least indications of price, duration, quality and volume. In order to build up trust between all contractual parties, value chain contracts could be used. Such agreements allow all actors to cooperate to guarantee a fair price to producers and quality of raw materials and final products. Trust also relies on preventing additional burden for farmers when it comes to delivering information to buyers and giving the possibility to farmers to market their products through additional selling channels.

Agri-food supply chain contracts – which can be concluded for several sectors – can help build relationships of trust between farmers and other partners in the agri-food supply chain. They can also be initiated and entered into by farmers' organisations and associations. These contracts allow farmers to collectively trade with food business operators (FBOs) with more bargaining power and generate a positive effect along the agri-food supply chain, from farm to fork. They lead to higher, stable and fair prices paid to farmers, clear contract conditions and engagement rules, quality productions' assurance for FBOs, and increased transparency, which is beneficial for all the actors.

- **Prices and margins**

Prices and margins are an essential topic to farmers, whose income does not reflect the quality and amount of work they inject into their production. Too often, retailers, by buying at the minimum price possible, condition farmers to sell below their production cost. Below cost selling should be further investigated and banned. Prices, on their side, must be built in a “forward-looking way”, from the farm to the consumers, based on agricultural production costs so that producers are no more the adjusting variable, but rather the basis for building the final price to consumers. Production costs must consider all primary production costs, including labour, working capital and required investments as well as qualitative variables. Many farmers internalised the idea of a price limited to the final product. However, all inputs and positive externalities they deliver through primary production must be remunerated by the market.

- **Competition law**

Monopolistic and oligopolistic positions from which many actors in the middle of the agri-food supply chain benefit constitute a direct threat to farmers’ bargaining power and income. Rather than only focusing on price setting, competition rules must align more constraining anti-trust rules and further controls on commercial negotiation practices. Young farmers denounce the practice of some retailers organising themselves through purchasing centres, giving them powerful and collective leverage to obtain lower prices from farmers. In the context of the European Green Deal and the fast development of online selling, breaking up monopolies, giving a chance to smaller actors to settle and thrive is vital to the success of the policy and for market balance.

- **Information and transparency**

Asymmetric information within the agri-food supply chain impedes farmers in negotiating better prices and constitutes an important disruption factor for food supply and demand. Reinforcing market transparency must therefore be a priority. CEJA has already proposed to create an EU price observatory based on current market observatories, with recommendations fully translated into decision-making². Transparency must fully apply to price and margins definition so that both producers and consumers can determine whether farmers’ income is fair.



² European Council of Young Farmers, “Farm to Fork Strategy: a reality check by young farmers”, July 2020, <https://wordpress.ceja.eu/wp-content/uploads/2020/09/Position-Paper-Farm-To-Fork-a-reality-check-by-young-farmers.pdf>

Any action which aims to increase information and transparency should be accompanied by capacity-building instruments. Farmers should be enabled to read short-term price variations and anticipate longer-term market developments, starting with appropriate education and training programmes. Additionally, more awareness of data collection and sharing needs to be raised as they enclose many opportunities to create value.

Transparency along the agri-food supply chain can also be improved, by widening the scope of origin labelling rules to all agri-food products, bringing by doing so additional information to consumers about the origin of ingredients. Such information would push food business operators (FBOs) to shift towards a more locally-sourced food supply. Such efforts would ultimately translate into fairer agricultural product prices which will benefit European farmers.

- **Ethics**

In general, more ethical practices and behaviours must drive the agri-food supply chain. Fighting against abusive practices is the first step, with the complete transposition by Member States and enforcement by all actors of the Directive against Unfair Trading Practices (UTPs). For the Directive to be effective at the national level, total clarity must be brought to the legal leverages at the disposal of farmers and groups of farmers should they face unfair practices. Young farmers will remain vigilant as to the application of the Directive by operators and call on policymakers for more robust regulatory action should there be no substantial progress.

Nevertheless, in a chain characterised by a growing diversity of actors, everyone needs to make increasingly substantial commitments to one another. Young farmers believe buyers and retailers must address the negative externalities of practices such as reverse auction, discounting and in-house brands driving prices down. CEJA demands strong measures to limit the “laissez-faire” approach that some retailer chains adopt when practising sales promotion. Discounting and sales promotions from retailers must be regulated by public authorities so that they are not detrimental to farmers’ income. CEJA also urges regulators to take firm action when it comes to fighting fraudulent practices in the agri-food supply chain, protecting the rights of farmers and food workers and ensuring labour conditions and human rights behind imported products are complying with international standards.



2. Empowering the organisation of sectors and producers

2.1. Organisation of sectors

Better organisation of sectors is an essential response to the imbalance resulting from a diversity of farmers negotiating with a few buyers. Farmers' organisations, cooperatives, producers' organisations and interbranch organisations have the potential to build resilience and competitiveness within sectors and drive negotiations towards a fairer price. They are doing so by promoting horizontal cooperation between farmers and fostering vertical collaboration within the value chain. Despite their potential, they are often confronted with a lack of workability in specific sectors and with a trust issue from farmers. Addressing that trust issue would start with a cultural shift of the sector towards considering rather than opposing the potential of cooperation. To make economic groups workable, young farmers propose to:

- **Reinforce public support for farmers' cooperation:** producer organisations appear vulnerable when they have just been established. In some cases, actors in the middle of the agri-food supply chain tend to offer better prices to individual group members, leading to disincentivising participation. Processors and buyers should be required to negotiate with producer organisations before to do so with their individual members. Support for structuring, staff and resources, manufacturing, and technical assistance may empower them to grow on a more solid basis. Public support also takes the form of regulatory flexibility when it comes to competition laws to truly empower farmers' groups to be more proactive on the price, volume, calendar and planification of production;
- **Facilitate young farmers' inclusion:** to tackle the lack of young farmers, it is necessary to promote access to information and training to take over a proactive role in the governance of economic organisations;
- **Guarantee representativeness and value sharing:** the fundamental role of farmers in decision-making needs to be protected and encouraged. The created value must be passed on to the next generations of farmers so that they are aware of the benefits of being part of these organisations.



- **Diversify the range of services:** cooperatives and producer organisations have the opportunity to create additional value by diversifying their range of services, for example, by investing in manufacturing, marketing, promotion or training activities, and by creating their own brands.

- **Reinforce fraud detection:** farmers' groups are legitimate to detect fraud within the supply chain and play the role of early-alert actors in times of crises. In this respect, EU young farmers believe that clear and shared legal definitions of "agri-food fraud and crime" and "sounding practice" must be implemented at the EU level.

- **Provide a level-playing-field in operational programmes:** in order to establish a level playing field for all farmers across the EU, access to sector interventions through operational programmes must be provided, even for farmers who are not members of POs but who belong to a national association representing farmers. This need is particularly felt in regions where the presence of POs is lacking or not influential to sufficiently aggregate producers, compared to the national associations representing farmers.

2.2. On-farm strategies

Farms across the EU are incredibly diverse and must have the opportunity to elaborate their on-farm strategies. Multifunctionality, characterised by a great diversity of complementary practices at the disposal of farmers (e.g. direct selling, agritourism, energy production), is a powerful way for farmers to create added value. Expanding their range of services, investing in sustainable practices and quality schemes or drawing on the reputation of their territories are levers for producers to increase their potential as price-makers.

Such strategies require long-term investments and often bring additional risks. Public support can boost their success by providing investment support targeted at processing facilities, broadband and new technologies as well as by promoting training programmes on supply management and marketing. Direct selling, as an example, can only be performed if granted enough flexibility, especially if accompanied by processing. Therefore, regulations must be shaped with the overall aim of "enabling" rather than "disincentivising".

Conclusion

As young farmers, we advocate for the empowerment of individual farmers and their economic groups in their widest diversity to define their market strategy and create value in all supply chains. We are witnessing an undeniable movement towards further vertical integration and collaboration, which leads to a risk of further concentration of the actors of the middle of the agri-food supply chain. To regain our bargaining power and secure a fair income, we are committed to a better organisation of our sectors, including through the integration of processing functions. In all marketing modalities, we call on actors involved in the agri-food supply chain to adopt more ethical practices regarding contracts, prices and margins. Ultimately, our first aim is to engage with all kinds of demands and answer consumers' expectations.



Chapter 3

Strengthening relations with consumers

Farmers
Market



In line with consumers' demand, young farmers are committed to delivering a resilient and sustainable agricultural sector. Through their choices on the farm, they are willing to provide a diversity of high-quality products accessible to all European consumers. Taking into account today's social realities, political orientations must remain committed to the following objective: access to food as a basic need. Because it constitutes such a central element to their everyday activities, young farmers aspire to build trust with consumers. Through transparent, clear and uniform information and open communication, consumers must be given the keys to making food choices aligned with their needs.

1. Providing clear and transparent information

Providing clear and transparent information on the products which are marketed and sold is a crucial element to building trust between producers and consumers. Labelling is seen by young farmers as relevant leverage. However, in light of the many options available, it is essential in future legislative initiatives to reflect on the level of readability and coherence granted to these labels.

1.1. Conditions for success

- ***Readability of labels***

In a context where many labelling types are being considered at the policymaking level, young farmers believe it is essential to avoid over-information. Nonetheless, over-simplification may be just as detrimental when discussing labelling options by superficially distinguishing “good” and “bad” farmers or leading to greenwashing practices. Ultimately, such simplified approaches would only undermine consumers' trust in food producers. Therefore, European young farmers argue for readable and science-based labels.

- ***Integrity of the Single Market***

When delivering information to consumers, it is necessary to ensure Single Market's integrity and maintain trade between EU countries. It is essential, in other words, that tools used to provide more information to consumers, whether about the origin, nutrition, or organic labelling, are built to maintain a level-playing-field, which the multiplication of private initiatives on different terms currently impedes. Harmonisation of regulations and standards needs to drive legislative action in the area of labelling.

- **Coherence with EU trade policy**

To avoid confusion for consumers regarding the offer of products, there is a duty of reciprocity for imports from third countries. At the core of consumers' concerns, the exigence of traceability needs to be anchored not only within EU labels but also through a coherent trade policy³.

1.2. Labelling options

Many options are discussed for a future EU-wide labelling, in a context where private initiatives have flourished all over the EU. When talking about labelling, young farmers want to underline the following:

- **Origin**

Origin labelling is a strongly-requested instrument to increase transparency. As such, young farmers consider that origin must be indicated and cover all agri-food products. It should be widespread across the agri-food supply chain and all consumption patterns, from supermarkets to the food service sector and the growing industry of pre-made meals, to name just a few. Origin must also be displayed on imported products in a transparent way for consumers to make informed choices based on clear identification of EU products. Origin labelling will trigger a broader reflection from industries and policymakers on increasing sustainability efforts made by food producers, encouraging food business operators to choose EU high-quality raw materials and ingredients instead of low cost and less sustainable options from third countries.

- **Nutrition**

Front-of-the-pack nutritional labelling (FOPNL) is designed to help EU consumers access healthy and balanced diets. While young farmers acknowledge the challenge to provide a readable system on nutrition levels of food products, they also believe it is necessary to endorse a positive, science-based and non-discriminatory methodology. A colour-coding system, such as Nutriscore, presents certain disadvantages, notably the stigmatisation of EU quality products, Protected Designations of Origin (PDO), Protected Geographical Indications (PGI) and Traditional Specialties Guaranteed (TSG), which cannot be reformulated. By over-simplifying how the system is conceived, consumers may only differentiate between products in the green and products in the red, although diets are all about balance and portions. CEJA advocates for a FOPNL scheme based on portions, following dietary recommendations for each product category⁴. In a larger perspective, nutritional aspects must also be addressed in over-processed products, for which processing methods should be more transparent.

³ European Council of Young Farmers, "Farm to Fork Strategy: a reality check by young farmers", July 2020, <https://wordpress.ceja.eu/wp-content/uploads/2020/09/Position-Paper-Farm-To-Fork-a-reality-check-by-young-farmers.pdf>

⁴ *Ibid.*

- **Sustainability**

Sustainability labelling can constitute a relevant market-oriented tool to accompany farmers in their green transition by creating added value. A single label would encounter many methodological limits considering sustainability remains a broad concept covering economic, social, environmental and ethical aspects. A more efficient alternative would be to leave the range of options open so that all sustainable farming practices can get acknowledged through their own tools. However, it would assume the existence of a control body to avoid an exponential increase of labels that would hinder the consumers' readability and Single Market's integrity. Regardless, any sustainability information that will be provided to consumers towards labelling must consider the social dimension and ethical issues.

- **Animal welfare**

Young farmers acknowledge the importance of animal welfare and its growing consideration in consumption choices. Young farmers recognise the need to communicate more about the care and attention they give to their animals and underline regulations and private initiatives already in place. To this day, EU food production standards are the highest and the most stringent in the world. In recent years, European livestock farmers have constantly been investing considerable resources in improved animal welfare and increasing EU requirements. However, having a clear and transparent label on animal welfare remains challenged by the vast diversity of animal welfare practices within the EU. Therefore, such a label would assume the existence of harmonised rules, co-designed together with farmers, based on clear scientific evidence. It must consider farms' economic sustainability without endangering those producers who still comply with EU strict rules, even if not beyond current standards.



1.3. Beyond labelling: the role of retailers

While labelling agri-food products is perceived, both by farmers and consumers, as a meaningful instrument, it remains complicated to display a great diversity of information on a single package. In this perspective, young farmers want to highlight the role of retailers in providing, for example, traceability information. Shelving has the potential to facilitate consumers' access to information and establish better visibility of available options. The use of new technologies via dedicated applications can complement physically available information. Retailers should also display information related to constructing the price and distribution of margins for marketed products. Additionally, blockchains can be an effective tool to improve traceability and transparency of the agri-food supply chain. All these instruments would allow consumers to better understand what they are paying for and whether farmers are fairly compensated for their work.

2. Raising awareness among consumers

All this said, while being a very important tool to inform consumers and build trust along the chain from farm to fork, labels need to be complemented with additional instruments. Delivering information on the origin, nutritional aspects and sustainability of the products is one key element, but the need for information goes beyond these considerations. Labelling, together with instruments aiming to raise awareness among consumers, will allow them to make faster purchasing decisions and trigger more reflections on the role of food and farmers in society in the long term. Therefore, young farmers strongly believe in the need to raise awareness among consumers on the items mentioned hereafter.

2.1. Acknowledging societal demands and farmers' needs

Young farmers are eager to inform and communicate about societal demands, which they perceive as a common objective to achieve together with consumers. They are particularly willing to open dialogues on all the aspects of sustainability, demonstrating the efforts they are providing every day on their farms to protect the environment and act against climate change, for example, by decreasing the use of chemical inputs or by sequestering carbon. They are also determined to increasingly raise awareness on the fundamental issues of price and margins and how this can affect farmers' and farm workers' well-being and social inclusion. Finally, there is also a willingness among young farmers to address what is not working as well as it should in the agri-food supply chain, for example, concerning animal welfare and transportation. Transparency is a fundamental element in building trust.



2.2. Instruments

In today's society, there is a widespread disconnection with food and how it is produced. CEJA believes knowledge-sharing is the way forward to build trust between producers and consumers.

- **Educational programmes**

School programmes must include mandatory units dedicated to nutrition as well as health and food production, starting from primary education. Farms should be brought to schools, and vice versa, to trigger dialogue and inform children in a non-dogmatic way about where their food comes from and farmers' daily lives. Education is also of utmost importance to improve lifestyles, which must be based on balanced and nutritious diets. Young farmers are increasingly aware of the role they can play in this and are often involved through their organisations in such programmes. While options do not lack, it is also up to public authorities to facilitate such exchanges.

- **Communication**

The agricultural sector should communicate more towards consumers and society about the quality of EU agri-food products, the sustainability of EU farming production and the role of farmers in actively safeguarding and protecting EU's countryside and rural traditions. While young farmers themselves want to take responsibility by enhancing their communication efforts towards the public, media outlets should give greater coverage to agriculture issues and farmers. Young farmers see a great opportunity both in social media platforms and in the creation of audio-visual content to promote direct interaction and share their reality and passion for farming.



- **Promotion policy**

As the EU plans to review of its promotion policy, this is an opportunity to further promote certain sectors, such as the fruit and vegetables sector and the wide diversity of farming practices existing throughout Europe. However, it is essential to ensure that all sectors remain eligible, and not undermine products such as meat, meat-based products and wine, for which the EU is known worldwide. Should products be excluded from the promotion, there is a risk that unpromoted EU products are demonised and that consumers look for alternatives coming from third countries with non-equivalent standards of production. The EU's promotion policy is not only about promoting products but also about acknowledging entire value chains and know-how. Therefore, it must keep its objective to create knowledge for consumers based on facts and trigger responsible consumption of quality products.

- **Tax incentives**

As regards tax levies to disincentivise the consumption of certain products, young farmers believe that punishing approaches are not the way forward. Taxes undermine the accessibility and affordability of food products for consumers and eventually penalise farmers by further impacting their margins.

- **Direct selling and multifunctional activities**

Direct selling and multifunctional activities can be an important tool to increase consumers' awareness and knowledge about food and the farming sector. A multifunctional approach, including farmers' markets, direct selling, agritourism activities, social farms or agri-kindergartens, can positively affect consumers' knowledge and perception of the role of agriculture in promoting sustainable food systems.

Conclusion

As young farmers, we are committed to establishing trust and understanding with consumers. Such an objective can be achieved by listening to consumers' needs and concerns and providing them with transparent information both on the final products and the way these are produced. As purchasing power has been severely impacted by a context of economic and social difficulties, it is our collective duty as society to ensure that the relationships we establish in the agri-food supply chain enable consumers to access high-quality food and farmers to get a decent income for their work. We also believe in the value of open communication. We are eagerly exploring a diversity of tools at our disposal, from farmers' markets to new technologies and social media, to establish direct relationships with the consumers. At the end of the day, the relationship with consumers is the one that matters the most to young farmers.

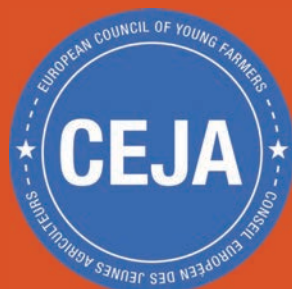


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