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Sustainability Focus

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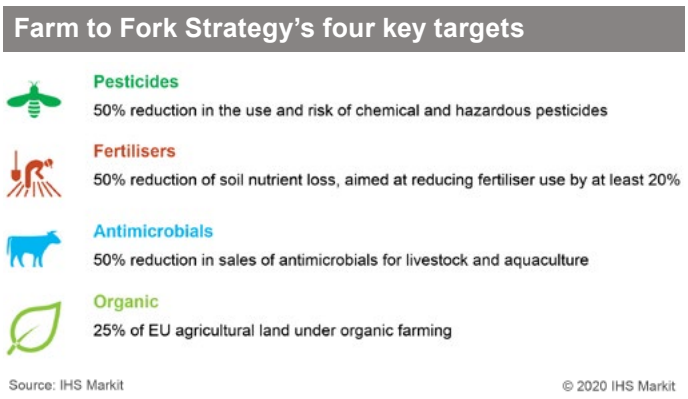
The European Commission wants the EU's agri-food sector to become the global standard for sustainability, but without a clear link between certification schemes and farm assessments can it push ahead with the needed environmental, economic and social progress? IHS Markit explores if the Commission is putting its agri-food sector on the right track or risking a further imbalance..

The global food system is at a crossroads – it faces an unparalleled recession caused by a global pandemic while the climate and biodiversity crises hang over the sector's future like a productivity guillotine. This critical juncture has seen scientists reiterate calls for a fundamental shift in how agri-food supply chains operate, something policymakers have been reluctant to support, until now.

The EU executive's Farm to Fork (F2F) Strategy is its plan to transform the bloc into 'the global standard of sustainability', which includes four aspirational targets and 27 sectorial measures aimed at shaping more resilient supply chains.



But a key piece of the puzzle is missing – a large part of the F2F Strategy's success will rest on linking progress at a farm-level with credible information on products, except there is no universally accepted definitions on what sustainability in food production and consumption means. And if companies and consumers don't trust, or understand, a sustainable claim then they are less likely to do their part in generating demand.

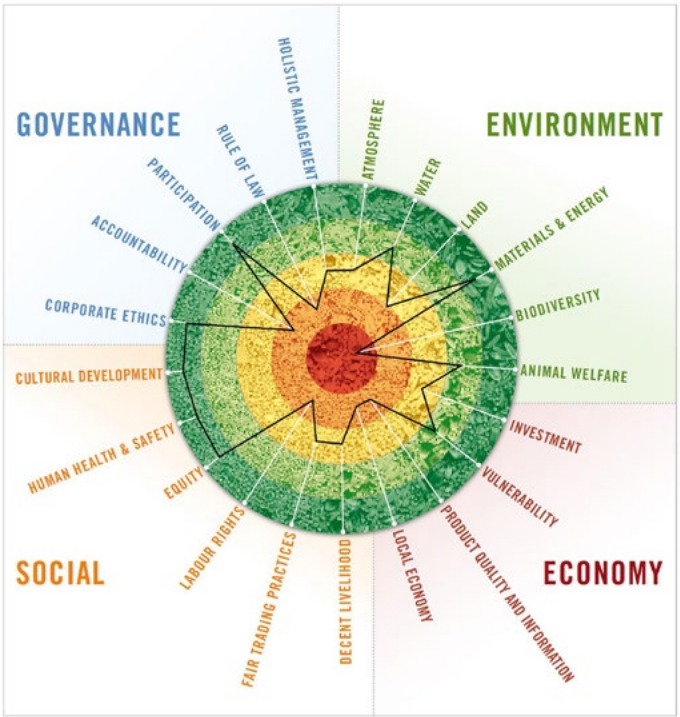
"We don't have a common language for farm sustainability," said Patrick Holden, founder of the Sustainable Food Trust, a charity dedicated to pursuing greener agri-food systems. "I could go to a country anywhere in the world and ask the farmer, or business, to tell me about their finances; those protocols include the profit and loss balance sheet, but we don't have an equivalent system for assessing farm and food sustainability – and we need one."

EU agriculture accounts for almost 10% of the bloc's greenhouse gases and is a key driver of biodiversity decline in Europe. It's also facing socio-economic uncertainty with about 6% of EU farmers aged 35 or below, largely due to young people seeing a better life outside rural areas or an insurmountable difficulty in competing in industrialised sectors. Meanwhile, overproduction has been linked to EU obesity rates rising throughout the bloc, with 53% of adults over the age 18 considered overweight.

Patrick Holden - founding director of the Sustainable Food Trust

The challenge for setting a sustainability standard for the EU's agri-food system rests on balancing these types of social and environmental issues alongside the economic viability of farmers and businesses. Some factors are easier to measure than others, like a farmer's bank account, but it gets trickier when trying to measure environmental and social issues, particularly at the farm level due to the number of variables that need to be considered.

There are several approaches already out there, such as the EU's organic scheme, the UK's Red Tractor and Ireland's Origin Green programme. All these operate under the premise of proving



Sustainability Assessment of Food and Agriculture Systems (SAFA) Guidelines infographic
Image: https://www.fibl.org/en/themes/smart-en/safa-guidelines.html

EU 'Farm to Fork' infographic
Image: https://ec.europa.eu/food/farm2fork_en

sustainability credentials on the farm and communicating progress to the market which could lead to environmental, economic and social progress, except they all have a different way to measure sustainability and may not be moving at the same speeds.

"We obviously need to agree on the categories of metrics by which sustainability should be assessed," said Holden. "There are many definitions which move towards or claim to be sustainable out there, including organic farming, regenerative farming, agro-ecological farming systems; and it is our belief that all these systems of farming have their merits, but they need to be assessed against one common framework."

The Sustainable Food Trust has also developed its own approach, which is designed around a set of different principles that could support other schemes. These include staying in so-called planetary boundaries, which are environmental limits that cannot be surpassed, such as greenhouse gas emissions and biodiversity loss. It also includes fundamentals like minimising the use of non-renewable external inputs, preserving and building natural and social capital, avoiding pollution, building biodiversity, and promoting the wellbeing of society.

The Commission could propose a similar overarching path when they put forward their own plans to measure and determine a sustainable agri-food system, scheduled to come out before the end of 2023. Not many details are known about this legislative proposal except that it will contain common definitions, general principles and requirements for sustainable food systems – all aimed at guaranteeing policy coherence at an EU and national level.

Commission sources told IHS Markit that its design is indeed still in its early days as officials are fleshing out the elements it should, and can, address. Before anything is published, the EU executive will hold a public consultation to allow stakeholders and citizens to express their views on what such a framework should look like. Following this input, the Commission will decide on what methodology they will put forward.

Still, that's over three years away and the EU executive is already pushing ahead with the F2F Strategy's sustainability policies, which raises the question – is the bloc moving in the right direction or risking a further environmental, economic or social imbalance?

Commission's groundwork

The Commission's F2F vision does touch upon a lot of the sustainability issues already mentioned, but it does risk some shots in the dark.

In May, the EU executive announced its plans to reduce agriculture inputs, namely through the F2F's pesticides, fertilisers and antimicrobials targets. It told member states to support these targets in their Strategic Plans of the next Common Agricultural Policy (CAP), which some national governments have already begun to draft. These policy blueprints will explain how each country hopes to meet different EU objectives, which the Commission will then approve and monitor.

The Commission tracks a range of useful CAP data on key economic, social and environmental elements that can be used to determine sustainable progress, but this also depends on information being submitted from member states that the EU executive can use to uncover if each country is within its planetary limits or above socio-economic thresholds.

The EU executive appears to be some way away from supporting this overarching approach since their database has some gaps in crucial sustainability areas, such as pesticide use. The current approach to tracking pesticide is focused more on sales of the agrochemicals, which some critics have said is not a clear indicator of the situation on the ground. There are also data gaps for the conservation status of agricultural habitats and high nature value areas as well as different elements of water quality and the carbon content in farmland.

The Commission is attempting to fill these gaps and improve its ability to track this information, but their database for environmental factors must be developed further if it hopes the F2F Strategy can find a safe operating space for the EU agri-food system.

This lack of key data, along with no universally accepted sustainability definitions, has irked some stakeholders and sparked fears that the F2F Strategy risks putting the cart before the horse – prioritising environmental issues over productivity and profits. EU agriculture ministers and farming groups have regularly criticised the Commission's F2F targets for a gung-ho approach to sustainability, regularly calling for assessments to determine their impact on yields and incomes.

And yet, the science means the EU executive must act to protect the environment. According to Holden, this context does not mean the Commission is at risk of failing, in fact, he thinks the EU executive is in an "excellent position" to become the global standard for sustainability – due to the momentum of the Green Deal and the infrastructure the EU executive has already built up.

Holden still sees some issues in the way the Commission is moving forward, most notably the F2F's focus on organic production and its risk in fuelling further consumer confusion.

Patrick Holden on his dairy farm in Wales

Agriculture Commissioner Janusz Wojciechowski has said that he sees organic farming as the engine to help deliver the F2F targets since it uses less pesticides, fertilisers and shorter supply chains. Holden, who is also an organic dairy farmer in Wales and helped develop the EU's organic programme, sees the Commission's focus here to be a bit misguided.

"The binary idea that you are either organic or not gives rise to some polarisation within the farming community," Holden said, which he thinks could exclude some food producers in supporting EU-wide progress. "And it doesn't accurately reflect the degree of sustainability of each farm."

He says his farm undergoes a range of annual audits including two organic inspections, one for the farm and one for the cheese dairy, as do most EU organic food producers, but at end of this he has no idea if the system is any more sustainable than it was the previous year, for instance in terms of soil carbon sequestration, biodiversity levels or nutrient cycling.

Some farm assessments do offer food producers a progress report, such as the Irish Food Board's 'Sustainable Quality Assurance Schemes', but these improvements often focus on single environmental results, such as the reduction of greenhouse gas emissions and how it can increase farmers' income. An effective sustainability assessment must incorporate and track progress of all the key economic, environmental and social issues.

Holden adds that an overall sustainability improvement also needs to inform the marketplace about credible progress so it can create stronger momentum for the needed change on the farm level.

"It's critically important to link certification schemes for foods in the marketplace with the sustainability assessment on farm," he said.

Consumer confusion

Source: Shutterstock.com

The F2F Strategy contains plans to develop an EU food labelling framework that would integrate nutritional, climate, environmental and social aspects into possible packaging rules for agri-food products. Little is known about the details of this framework since it will only be put forward in 2024, but member states have already voiced fears that the Commission is not considering the economic impact of such a proposal – as well as its potential to fuel further consumer confusion.

One index says there are over 70 sustainable labels on the EU agri-food market, covering a range of issues and products. The Commission is also planning mandatory front-of-pack nutritional and origin labelling for food products, while the Council also wants a new EU animal welfare standard.

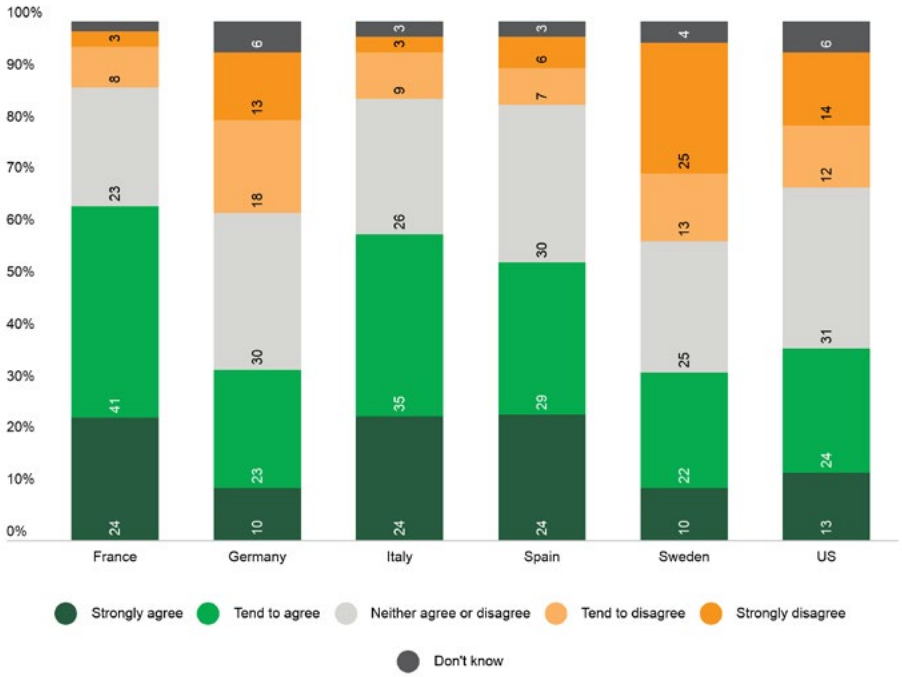
While Holden accepts the abundance of labels on the market, he recommends that the Commission helps consumers differentiate between the sustainability credentials of all the different certification schemes – through a sustainability score. He thinks this could rank all food products from 1-100 with regular updates to show sustainable progress.

"This would then be a harmonised approach," he said. "And it would clarify the immense confusion which exists out there at the moment – both in the marketplace and in the public."

Such an initiative could include all aspects of consumer interest, from food quality to nutrient density and from farmers' income to environmental credentials. Holden believes this all-encompassing approach would better serve the F2F's ambitions than pursuing another label focused purely on one specific area, such as nutrition.

"I would strongly advise against going forward with a Nutri-score on its own," said Holden. "We have to be careful

Consumer focus: How important is is to see corporate action to reduce a product's carbon footprint?



Based on data from the Carbon Trust that surveyed 10,000 consumers - https://www.carbontrust.com/resources/product-carbon-footprint-labelling-consumer-research-2020

Source: IHS Markit

about rushing to a conclusion about giving weightings to certain nutritional elements of that food, because that will inevitably cause a lot of friction."

The Nutri-score has already been adopted by France, Belgium, Spain, Germany, the Netherlands and Luxembourg. The scheme also appears to be leading in support among some major agri-food businesses thanks to its simple traffic light colouring system that is used to reflect the nutritional content of a product.

But there are strong divisions elsewhere in Europe, particularly from Italy, which uses its own NutrInform label. Italy's farming minister Teresa Bellanova recently said that using Nutri-score "will not help consumers have a better understanding of the food they're about to eat" because it "doesn't properly represent" nutritional value.

There is also the challenge of dealing with what exactly is a healthy and sustainable diet. Some nutritionists favour a plant-based diet while others say livestock products, particularly if they are produced sustainably, include vital nutrients which are more important for health. Whichever path is chosen, a nutrition focus does not address the link between the sustainability of the food production system and the nutritional content of the product.

"Our sustainable diets ought to be linked to the productivity under sustainable agriculture," Holden said. "Otherwise, you'll have a diet which will consist of ingredients that can come from the other side of the world or produced in unsustainable quantities."

Solutions Showcase

Each month, we feature different sustainable agri-food solutions that could help put the sector on a resilient path. This time we're looking at traceability, carbon farming markets, and the circular economy.

Provenance helps brands and retailers build customer trust in sustainability actions by using blockchain technology to allow transparency around agri-food production, from farm to fork.

Nori is a US company aiming to reverse climate change by removing carbon dioxide from the atmosphere through sustainable farming practices and then selling these offsets to the public and businesses.

REFLOW is an EU H2020 funded project that is working to recover phosphorous from dairy processing wastewater and recycling fertiliser products to enable a more sustainable expansion of the dairy industry in Europe.

Do you have a project that you'd like featured here? Send suggestions to: steve.gillman@ihsmarkit.com

SUSTAINABILITY SPOTLIGHT

- The rotten apples of Brazil's agribusiness – a research **paper** from the Institute for Food and Resource Economics and Center for Development Research
- FAO's Food Outlook – Biannual **Report** On Global Food Markets
- Foodwatch **report** on CETA – An Attack on Human Health, the Environment, Consumer Protection and Democracy
- European Parliament's **analysis** on the Farm to Fork Strategy's implications for agriculture and the CAP
- FAO-WFP early warning **analysis** of acute food insecurity hotspots
- Lancet's **research** on 'The healthiness and sustainability of national and global food based dietary guidelines'
- Aarhus University developing new **3D method** for more resource-efficient and climate-friendly cows
- European Food Safety Authority (EFSA) **report** on pesticides and bees reviewing evidence on mortality rates
- A research **paper** on 'Livestock in Evolving Foodscapes and Thoughtscapes' from Vrije Universiteit Brussel in Belgium

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