



Upper Austrian Regional Parliament
Committee on Economic Affairs and EU Affairs
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Opinion
of the Committee on Economic and EU Affairs in the
framework of the EU Subsidiarity Review of the Oö.State Parliament

pursuant to Article 23 g(3) B-VG in conjunction with Article 6, first sentence, second half sentence of the Provincial Constitution Act on the participation of the Province of Upper Austria in European integration

Communication from the Commission to the European Parliament, the Council and the European Economic and Social Committee and the Committee of the Regions
“From farm to table” – a strategy for a fair, healthy and environmentally friendly Food system
COM(2020) 381 final of 20 May 2020

I. Conclusion

Parts of the Communication are in tension with the principles of subsidiarity and proportionality and need to be questioned in the light of the division of competences between the EU and the Member States.

II. Analysis

1. The 'From farm to table' strategy is at the heart of the European Green Deal and sets out a comprehensive framework for the food sector and the principles that the Commission intends to follow in the coming years to shape this area of legislation. The main areas covered by this framework are food production, processing, trade, consumption and waste, and food security. The Communication is accompanied by a list of 27 legislative and non-legislative measures to be implemented by 2023.
2. Due to the general nature of this Communication, which is not a concrete legislative proposal but an announcement of new legislative acts, it is not yet possible at this stage of the EU legislative process to make a final judgement on the compliance of the proposed acts with the principles of subsidiarity and proportionality. However, on the basis of the information provided in the Communication, it is perfectly possible to identify certain trends and to carry out a subsidiarity assessment.

3. In the area of food production, the European Commission announces, among other things, several measures to achieve agricultural targets: The use of chemical pesticides is to be reduced by 2030 by 50 %, the use of fertilisers by 2030 by 20 % and the sale of antimicrobials for livestock by 2030 by 50 %. The Committee on Economic Affairs and EU Affairs of the Upper Austria Landtag supports the objective of promoting sustainability, but at the same time points out that general measures and targets set in percentages are not able to cope with the heterogeneity of European agriculture. The prevalent small- and medium-scale farming structure in Austria cannot be compared with the unequally larger agricultural producers in other Member States; Measures leading to a change in production elsewhere may mean the end of an agricultural holding in Austria. The Committee on Economic Affairs and EU Affairs therefore urges the Member States and their regions, in accordance with the principle of subsidiarity, to be allowed such leeway when formulating the measures announced, in order to take account of regional circumstances and to enable agricultural holdings in Austria to continue to survive in the future. In particular, the intermediate consumption already provided will be taken into account and the starting point of the calculations will be carefully chosen. In addition, in the area of veterinary medicinal products, it is questionable whether the total quantity alone is indeed an appropriate measurement parameter and whether a more targeted use of antimicrobials would be better able to achieve the legitimate objective of reducing antimicrobial resistance.
4. In the past, with reference also to the principle of subsidiarity, the European Union has decided to grant broad freedom to the Member States when deciding on the cultivation of genetically modified organisms (GMOs). If the Commission now announces the use of biotechnology and the 'potential of novel genomic techniques' in the context of seed safety, the following specific measures must take account of the fact that they do not cover classical 'green genetic engineering'. The cultivation of GMOs in particular is an area in which regional conditions – in particular the small-scale nature of agriculture – must be taken into account and Union action is still not necessary because the objectives pursued can be sufficiently achieved by the Member States.
5. The Committee on Economic and EU Affairs of the Oö Landtag is committed to the importance of organic farming, which has made and continues to make a decisive contribution to the good reputation of Austrian food. Around 25 % of Austrian agriculture is organic; the products thus produced correspond to an organic share of 8 % in the trade. Precisely because of this great importance, it is important that future measures at EU level do not jeopardise the future of Austrian organic farming. The Commission's objective that by 2030 at least 25 % of EU-wide agricultural land should be farmed organically can only be welcomed if the market for the sale of organic food is growing accordingly. The emerging supply of organic products resulting from a forced increase in organic farming across the Union (especially in Member States with a lower share of organic production than Austria) would by far exceed existing demand and thus inevitably lead to overproduction. A fall in the price of organic food and thus loss of income for Austrian organic farmers, which threatens their livelihoods, would have led to the death of farmers in the area which the Commission intended to promote by means of the 'From farm to table' strategy. The principle of proportionality means that Union action must be appropriate to achieve the objective pursued and must not go beyond what is necessary. Without combining supply and demand in the organic sector, a target such as that in the present strategy, irrespective of national and regional circumstances, would, on closer analysis, prove to be a serious risk for Austrian organic farmers and thus unlikely to actually achieve the desired objective of advancing organic farming.
6. The section on food security rightly points out that a sustainable food system must be able to supply

the population, especially in times of crisis. In this context, for the sake of consistency of EU legislation, the Committee on Economic and EU Affairs draws attention to the tension between this demand and the requirement of the EU Biodiversity Strategy, which has also recently been published, that 30 % of the EU's land area should be protected and 10 % of the EU's land area should be strictly protected, effectively taken out of agricultural and forestry production. The suitability of these measures for achieving the objective of sustainable food security and self-sufficiency in Europe must therefore at least be questioned in the light of the principle of proportionality.

7. In the same section, the Commission announces the establishment of a rapid reaction mechanism for agriculture, fisheries, food safety, labour, health and transport to deal with future crises, involving Member States. It should be noted that Article 196 TFEU in conjunction with Article 6 TFEU provides only for the European Union's competence to support, coordinate and supplement civil protection. In accordance with this primary law requirement, European civil protection consists primarily of civil protection cooperation between the Member States, which have primary competence; the Union has only limited co-responsibilities in this area. Article 196 TFEU expressly prohibits measures of EU law harmonising the laws of the Member States in the field of civil protection. Since, in accordance with this primary law requirement, the Member States are therefore the bodies responsible for European civil protection and the EU must confine itself to supporting, coordinating and supplementing it, implementation of this announcement would lead to the opposite of the current division of powers. In the light of the experience of the COVID 19 crisis, the Committee on Economic Affairs and EU Affairs supports European coordination in the event of a crisis, but only in compliance with the applicable primary legislation.
8. The harmonised nutrition labelling proposed by the Commission in favour of better consumer information and the planned extension of mandatory origin or provenance labelling to certain products is to be welcomed because of the high quality and reputation of Austrian foodstuffs. However, in the practical implementation of the measures, care will have to be taken to ensure that the Union rules are proportionate and only cover areas which, by reason of their scale or effects, can be better achieved at Union level. In particular, the aim is to avoid overburdening red tape for regional small and micro-producers of food, including and above all in the agricultural sector.
9. In the section entitled 'Promoting sustainable food consumption and facilitating the transition to a healthy and sustainable diet', the Commission refers to fiscal incentives 'as an incentive for consumers to choose sustainable and healthy diets', stating that 'tax systems in the EU should also aim to ensure that the actual costs of using limited natural resources, environmental pollution, greenhouse gas emissions and other environmental effects do not appear to have an economic impact on food consumption'. The Committee on Economic Affairs and EU Affairs expressly advocates healthy and sustainable diets, but recalls that the EU has competence under Article 113 TFEU to harmonise certain taxes only 'in so far as such harmonisation is necessary to ensure the establishment and functioning of the internal market and to avoid distortions of competition'. In addition to this competence restriction, the subsidiarity principle also applies in the field of tax harmonisation, which must be taken into account in particular in view of the possible impact of such measures on regional agriculture – for example, the increase in the price of domestic meat and the associated problems with the livelihoods of farmers.

¹ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, EU Biodiversity Strategy 2030. More space for nature in our lives", COM(2020) 380 final of 20 May 2020.

10. The Commission announces to transform its Farm Accountancy Data Network into a “Sustainability of Farms Data Network” in order to monitor the achievement by European farms of the objectives of the farm-to-for-table strategy, the biodiversity strategy and other sustainability indicators. The Committee on Economic Affairs and EU Affairs is of the opinion that, when implementing this measure, strict care should be taken not to introduce excessive bureaucratic requirements. As the past has shown, administrative hurdles make the work of agricultural and forestry holdings more difficult and thus indirectly contribute to the development of farmers’ deaths. In the interests of the future of Austrian agriculture, it must therefore be ensured that, in the light of the principle of proportionality, the forthcoming administrative measures do not go beyond what is strictly necessary to achieve the sustainability objectives in agriculture.

III. Summary

To sum up, the Committee on Economic Affairs and EU Affairs of the Oö. The Landtag generally supports the objectives of the ‘From farm to table’ strategy. At the same time, it points out that some of the announced measures unnecessarily restrict the Member States’ scope for regulation and action, which, if insufficient account is taken of regional circumstances, could pose a threat to Austrian agriculture.

For reasons of division of competences between the EU and the Member States, and in the light of the principles of subsidiarity and proportionality, the Committee therefore recommends that future action should take into account, inter alia, the following points:

- The possible impact of percentage targets for pesticides, fertilisers and antibiotics by 2030 must be taken into account.
- Classical ‘green genetic engineering’ is further rejected.
- Setting an EU-wide minimum share of organic farming of 25 % by 2030 is only possible if supply and demand in the organic sector are combined.
- The objective of food security is jeopardised by large-scale set-aside.
- The competences of the Member States in the field of civil protection must be respected.
- Nutrition labelling and indications of origin or provenance shall be prescribed in a proportionate manner.
- The plan to influence food consumption by means of taxes must not affect the powers of the Member States in the field of taxation.
- The EU should not introduce excessive bureaucratic requirements for farms.