



European Public Health and Agriculture Consortium's (EPHAC) response to "The reform of the CAP towards 2020 - Impact Assessment"

January 2011

The European Public Health and Agriculture Consortium (EPHAC) is a Brussels-based alliance of health organisations advocating for a healthier more sustainable Common Agricultural Policy (CAP). EPHAC members are Eurocare, EuroHealthNet, European Heart Network, European Public Health Alliance, Heart of Mersey, National Heart Forum and North West Health Brussels Office. Members provide wide variety of public health expertise and it is EPHAC's mission to bring this expertise into the reform of the CAP towards 2020.

Introduction

EPHAC believes that the CAP can play a profound role in improving health and tackling health inequality, but to do this requires a systematic reform. Production of food and agricultural policy are important social determinants of health. The way that our food is produced, processed, distributed, marketed and what is consumed has a major impact on Europeans health and has far reaching consequences in terms of Global health and food security. An increasing body of evidence shows that factors such as availability, accessibility and price play a predominant role in food choice. It is increasingly argued improving diets will require change in the environments we live in. Policies need to support making the healthy choice the easy choice¹. The CAP is an important European policy, but needs to change to reflect current and future challenges and be relevant for its citizens.

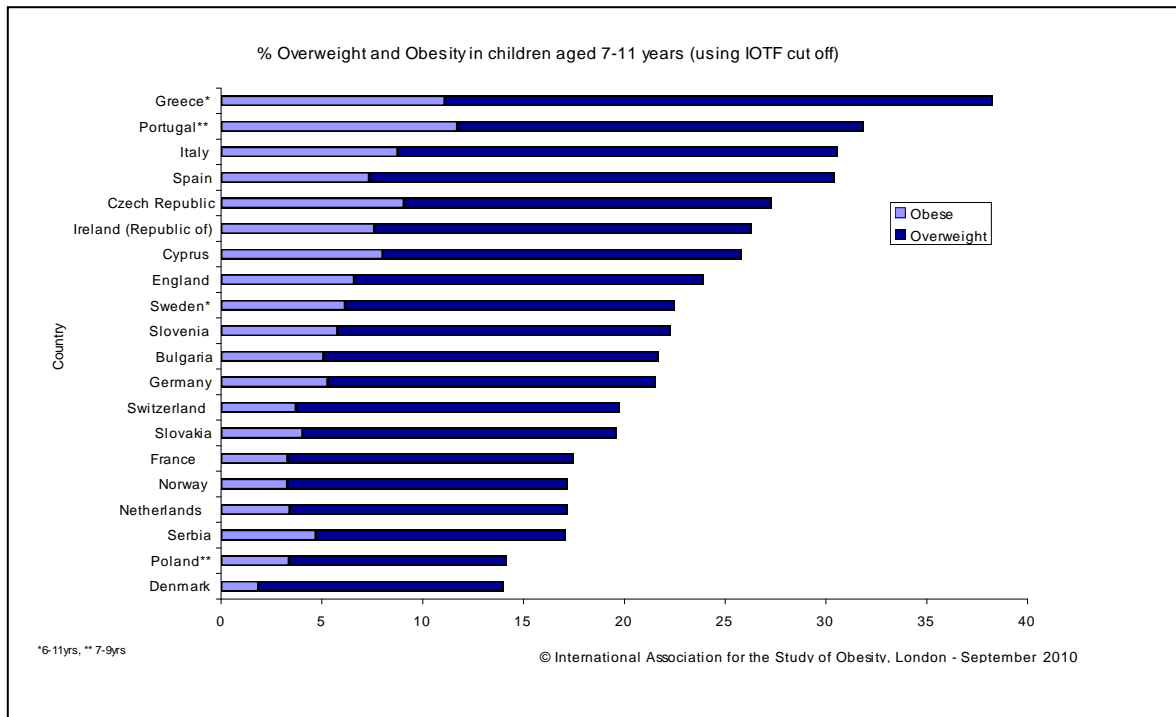
EPHAC would also like to stress that currently chronic diseases are a significant burden in the EU and represent a major barrier to sustainable development in the EU. Cardio-vascular disease (CVD) alone costs the EU economy € 192 Billion each year² Diet is one of the primary modifiable

¹Foresight: Tackling Obesities: Future Choices - Project Report (2007), Government office for science, London, 2nd edition.

² European Heart Network (2008) European cardiovascular disease statistics 2008, European Heart Network, Brussels.

determinants and an integrated food and agriculture policy is necessary to tackle chronic disease.

Overweight and obesity are currently of particular concern, especially in childhood. An estimated 22% of children aged 5-9 years are overweight (of which 6% are obese) and 16% of children aged 13-17 years are overweight (of which 4% obese) in Europe³. Increasing rates of overweight and obesity will put increasing pressure on health care and social costs. Prevention in early life is the most cost effective strategy and requires addressing both diet and physical activity. Rates of obesity exhibit huge social inequalities between and within EU Member States.



EPHAC welcomes the opportunity to contribute to the Impact Assessment on the reform of the CAP towards 2020. Although EPHAC recognises the wide range of issues and challenges that CAP agriculture towards 2020 and the corresponding impact assessment must deal with, this consultation response will focus on public health gains as one of the valuable outcomes of a reformed CAP.

³ Lobstein, T. and Frelut, M. L. (2003). Prevalence of overweight among children in Europe. *Obes.Rev.*, 4, (4) 195-200

Questions

(1) Are the policy scenarios outlined consistent with the objectives of the reform? Could they be improved and how?

We welcome and broadly accept the objectives put forth by the communication on the reform of the CAP, and applaud the commission for recognising that CAP can play a role in preventing diet related chronic disease by making healthy and nutritious foods more readily accessible. The World Health Organisation (WHO) estimates that 80% of cardiovascular diseases, 90% of type 2 diabetes and 30% of all cancers could be prevented by a healthy diet⁴. EPHAC would also like to stress that health and well being are explicitly related to loss of biodiversity, environment and climate change, and that addressing these objectives in a consistent manner would provide multiple benefits including a healthier workforce and more inclusive growth.

Building on the text, EPHAC suggest that the headlines in Section 3 should read:

- Developing the agricultural production capacity on a sustainable, equitable and ethically sound basis throughout the EU
- **Ensuring food security, safety and quality in a manner consistent with public health, environmental and ethical standards and equity**
- Ensuring the provision of public goods through sustainable management of farming systems, inclusive food systems natural resources and the preservation of the countryside
- Contributing to the vitality of rural areas and territorial diversity throughout the EU.

Based on this, a policy scenario for sustainable development needs to be devised drawing on elements from the 3 proposed scenarios and focusing on a thoroughly revised policy framework to meet these 4 objectives.

- The Single Payment Scheme (SPS) needs to be changed so that payments are conditional on a minimum set of good agriculture practices, environment and public health criteria to ensure that EU goals for sustainable development are met. Additional payments can be received for specific environmental or public-services supporting strategic issues or national priorities.
- The SPS should be harmonized to achieve equality of payments between and within Member States. More equality in Member States can be achieved by capping payments for single beneficiaries and making them subject to conditions relating to environmental and social goals i.e. employment.

⁴ World Health Organization (2008) 2008-2013 Action Plan for the Global Strategy for the Prevention and Control of Noncommunicable Diseases, World Health Organization, Geneva.

- Market measures should incorporate a food systems approach, strengthening the position of consumers and farmers, taking special care not to disrupt developing markets or undermine food security. Risk management, in addition to developing better instruments to deal with crisis, should focus on longer term goal of increasing the resilience of farming systems and develop new market mechanisms that support local and regional markets.
- Rural development funding should focus on new challenges, agro – ecological innovation and on social and economic development including improved access to health care services in rural regions, especially weaker rural regions. This should include support for regional and local food systems as a strategy for inclusive growth.
- A strengthened approach to strategic targeting should be developed and policy coherence with EU goals relating to public health, regional development and inclusive growth should be ensured.

(2) Are there other problems apart from those set in the problem definition section of this document that should be analysed when considering the architecture of the CAP in the post 2013 period? What causes them? What are their consequences? Can you illustrate?

EPHAC believes that the following issues should be brought into the analysis to meet the objectives as defined:

- **Non-sustainable overall levels of consumption and consumption patterns:** Current consumption patterns in the EU are not sustainable in relation to challenges relating to public health and chronic disease, food security and climate change. Saturated fat foods derived from the dairy and beef industries are a major contributor to the mortality and morbidity from various chronic diseases across Europe. Focusing only on technology to increase production and mitigate agriculture's impact on climate is not sufficient to meet these challenges⁵. Changes in global consumption patterns, primarily increasing consumption of meat and dairy in developing economies (Nutrition transition)⁶ leading to overreliance on feed stuffs and less nutritional efficiency. This has resulted in a rise in poor health outcomes such as obesity and other diet related conditions due to high fat consumption. The rise in meat and dairy production and consumption has also contributed to a rise in agricultural production of animal feeds and less nutritional efficiency in the overall food production process. These challenges mean that production and consumption patterns will increasingly need to move towards plant based diet and policies and instruments should take this into consideration.

5 Friel S, Dangour AD, Garnett T, Lock K, Chalabi Z, Roberts I, Butler A, Butler CD, Waage J, McMichael AJ, Haines A., Public health benefits of strategies to reduce greenhouse-gas emissions: food and agriculture. *Lancet*. 2009 Dec 12;374(9706):2016-25.

⁶Popkin, B. M. (2001). Nutrition in transition: the changing global nutrition challenge. *Asia Pac.J.Clin.Nutr.*, 10 Suppl, S13-S18

- **Separate sustainable production to sustainable consumption agendas:** Neither policies promoting sustainable production of food nor campaigns encouraging healthier, more sustainable diets are enough – production policy can drive consumption and consumption patterns can lead to more sustainable production, and a more integrated approach is needed to reach the goals for a more sustainable food system. Much more can be done to create links between production and consumption through public procurement policy, nutrition programmes i.e. the EU School Fruit Scheme (EU SFS) and Most Deprived Persons Scheme (MDP), and catering policy. Programmes and creative action in this field could help enormously to promote affordability and accessibility of high quality, natural, healthy, nutritious and regionally and locally sourced foods, but such action is currently inhibited by EU regulations and trade rules. CAP promotion budgets should give preference to foods which support the EU public health nutrition objectives (such as whole grains, fruit and vegetables, foods low in saturated fat, salt and sugar) and incentive should be provided which create synergies with the EU SFS and MDP schemes.

Unused promotion funds should be made available for public campaigns focusing on healthy diets. EPHAC believes that funds should not be allowed to be used to promote products that are not otherwise promoted as part of public health nutrition healthy eating goals.

- **Elimination of subsidies for products considered damaging to health:** Regarding public health, the CAP tools should not promote products regarded as damaging to health such as alcohol, whilst the EU increases efforts and funding to encourage its population to refrain from excessive alcohol consumption. Subsidies for production and promotion of alcoholic beverages are counterproductive public health measures in other EU policies to reduce harm caused by alcohol. Ending subsidies for promotion of alcoholic beverages would lead to greater consistency of the EU legislation and better spending practice of the EU budget. Nevertheless currently, (mainly through promotion strands) the EU subsidises promotion of alcohol. For instance, the production of wine alone receives €1.5 billion worth of support yearly through the Common Agricultural Policy (CAP)⁷. CAP subsidies for distillation of alcohol should be phased out in the next framework.
- (3) In addition, EPHAC supports the decision to phase out tobacco subsidies by 2012 and reinforce that support for tobacco production and processing should not be a part of CAP in the future.
- **Health and social equity:** Currently, social inequalities are major barrier to improving population health, maintaining a healthy and productive workforce and sustainable growth. Inequalities-related losses to health are currently evaluated at €141 billion per year⁸. About 10 million people live below the poverty line in rural areas within the EU: these include certain minorities, including many Roma people, particularly in the new Member States. In most countries, their needs are not effectively addressed by current rural development programmes. Approximately 21 million people suffer from food insecurity in the EU and substantial differences in

⁷Anderson, P. & Baumberg, B. (2006) 'Alcohol in Europe'. London: Institute of Alcohol Studies.

⁸ "Economic implications of socio-economic inequalities in health in the European Union". J.P. Mackenbach, W.J. Meerdink, A.E. Kunst. Rotterdam, 2007

health outcomes exist within and between Member States. Improved economic analyses of policies and programmes that directly or indirectly affect health, social exclusion and distribution of these outcomes⁹; and evidence of how food and farming needs interact can strengthen action to reduce health inequities.

- **Regional and local food systems:** developing regional and local food systems can play a substantial role in more inclusive societies, better access to healthy diets and developing more resilient farming systems, but depend upon effective policy support in order to be viable and competitive.
- **Micro-enterprises and SMEs:** these form a large part of the economy of most rural areas, but their viability is increasingly in danger do to administrative burden difficulties accessing credit and markets dominated by large scale operators. Creating vibrant rural areas and developing local and regional food systems will require investment in Micro-enterprises and SMEs, simplifying rules and better governance in market access.
- **Subsistence farming communities:** Subsistence farming falls outside the normal “economic operator” model of farming, but plays a role in the informal economy and food security for vulnerable populations. These communities, in which over 10 million people live, face a bleak future unless they are assisted through a dynamic and integrated approach to rural development.
- **Policy coherence:** there are current inconsistencies between policies, both within the CAP and between it and other EU programmes. A future strategy must ensure the coherence of polices across key priorities such as public health, sustainability and the environment.
- **Governance in the food system:** Concentration, inequities in bargaining power, commodity speculation and suboptimal price translation have had a negative impact on both farmer’s livelihoods and affordability of healthy diets for consumer. There is little evidence that transparency, monitoring of price translation, self regulation and codes of conduct are sufficient to provide adequate governance in the food chain. New more rigorous process need to be put in place.
- **Food waste:** nearly one third of all food produced within or imported into the EU is wasted, because of practices in all parts and aspects of the food chain, including the purchasing, processing and selling policies of food processors and traders, transport and storage systems and consumer behaviour.
- **Financing models:** Very little attention is given to whether policies and instruments will be co-financed by member state and at what rate; financial crisis in some MS will make it increasingly difficult for Member States to implement programmes and instruments. Attention should be given to how CAP policies and instruments will be

⁹ Closing the gap in a generation. Report of the World Health Organization Commission on the Social Determinants of Health, Geneva, 2008

financed and the impact that this can have in the current economic situation and how this will affect the strategic goals of CAP in the long term.

(4) Does the evolution of policy instruments presented in the policy scenarios seem to you suitable for responding to the problems identified? Are there other options for the evolution of policy instruments or the creation of new ones that you would consider adequate to reach the stated objectives?

EPHAC believes that the challenges described in Section 2 of the impact assessment document call for a more dynamic and radical shift of policy than is implied in any of the three central scenarios. Farm incomes are depressed, the farm labour force is falling rapidly, health care costs related to chronic conditions are increasing, greenhouse gas emissions must be cut, loss of biodiversity must be halted, rural vitality must be revived, and public health and food safety must be assured. Gradual evolution of policy, given the challenges faced and speed and scope of change, will not be sufficient. The current reform must mark a decisive shift, into a new paradigm for agriculture and food systems.

- Reorientation from industrial farming, and highly processed foods to sustainable farming and natural foods of high nutritional quality, will require a clear definition of progressive standards of sustainability in agriculture; incorporation of these standards into updated legally binding codes of good practice, with efficient enforcement of these codes; conditionality related to those standards on future direct payments to all farmers; and updated farm advisory systems that encourages agro-ecological innovation
- Policies for food security, trade, aid and supply which together ensure food security for Europeans without compromising developing county farming systems and guarantee a return for farmers as outlined in the Rome and Lisbon Treaties
- Policies for food safety and quality linked to public health nutrition; for reduction of food waste; and for promotion of regional and local production and processing of food, and related issues
- Vigorous and integrated programmes of rural development, focused on strengthening and diversifying rural economies, accessibility to services and infrastructure, and addressing the needs of subsistence farming communities and recognising its contribution to local communities.
- Mechanisms at EU, national, regional and sub-regional level which achieve true synergy and complementarity between the policies and programmes for agricultural, rural, regional, social, cohesion and fisheries development, which harness the energies and resources of all sectors, and which guarantee that measures or policies do not negatively impact on the sustainability objectives.
- Creation, throughout the rural territories, of sub-regional partnerships with the task of preparing and implementing sub-regional or territorial development strategies, with powers to deliver all relevant measures within the Operational Programmes related to all five EU Funds

Impacts

(5) What do you see as the most significant impacts of the reform scenarios and the related options for policy instruments? Which actors would be particularly affected if these were put in place?

The question should be, what are the desired impacts of reform and which policy scenario will be most effective in achieving the desired impacts.

Our answer to those questions would include:

- Improved access to and affordability of foods necessary for a healthy and sustainable diet, in order to support public health nutrition objectives
- Reduction of social inequalities in rural areas and dietary choice
- Reduction in mean levels of LDL serum cholesterol in MS populations.
- Further reduction of greenhouse gas emissions (through clear GHG limits in codes of farming practice)
- Halt the loss of biodiversity in rural areas, by focusing farm and forest support systems on encouragement and extension of farming systems which enhance biodiversity
- Secure a high level of delivery of public goods by encouraging the uptake of farm systems such as organic farming, high nature value farming and integrated production.
- Achieve a level “playing field” by strengthening the position of farmers and consumers and assuring fair production-cost-based prices for both groups.
- Maintain employment in farming, and support family farms, through the terms of farm support systems and create new employment opportunities through development of regional and local food systems.
- Reduce food waste by close analysis of all causes of that waste and use of regulations, education and public awareness to address these causes.
- Reduce “food miles” by promotion of local and regional food systems, and create better links between producers and consumers.
- Reduce dependence of EU farmers upon farm inputs from outside Europe by promoting more sustainable farm systems, low-input breeds, extensive low input (i.e. grass fed) production methods and production and use of animal-feed proteins within Europe.

- Reduce the emigration, especially for young citizens from rural areas to urban areas by action to diversify the rural economies and sustain services in these areas.
- Enlist the knowledge, capacities and resources of all stakeholders in the process of agricultural and rural development, by enabling local strategies and local partnerships to flourish throughout rural Europe.

(6) To what extent will the strengthening of producer and inter-branch organizations and better access to risk management tools help improve farmers' income levels and stability?

EPHAC believes that strengthening producer and inter-branch organisations is a good first step that would allow farmers to achieve a fair deal in the food chain in order to increase their bargaining power and to create added value for re-investment in local and regional economies. This will depend on making necessary changes to competition rules.

However, this alone will not suffice to improve farmers' income levels and stability and maintain affordable prices for consumers. There is need also for **creation of a market monitoring system** ensuring transparent data on price transmission, production costs and margins, concrete efforts to improve price translation and to improve governance in the food system. This cannot be left to self-regulation, voluntary codes and standards. Farmers, consumers and civil society should be involved in this process.

There should also be change in the **systems of price intervention**. The present systems, which aim to keep prices low for raw materials for the (exporting) food industry, does not provide a sufficient safety net for producers who manage their farms according to sustainable principles, because the intervention prices are far below the production costs. Current tools such as export subsidies and intervention stocks need to be phased out, and new instruments that do not harm markets or infringe on other policy goals need to be developed.

These measures lie largely within the remit of the Commissioner for Agriculture and Rural Development, but these measures are dependent on **policies for food trade and aid**. A better balance between local, regional and global markets, and rules for regulating speculation in commodity markets should be reinstated.

(7) What environmental and climate-change benefits would you expect from the environment-targeted payments in the first and the second pillar of the CAP?

EPHAC believes that targeted payments in the first and second pillar would lead to better delivery of ecosystem services, but must take into consideration maintenance and effective management of the rich and highly diversified heritage of ecosystems, cultural landscapes and other environmental assets including soil and water resources, which are found in the rural areas of the EU. Climate change left unchecked will have a profound effect on public health and well-being and early analysis suggests that it will impact hardest on less affluent

countries. All elements of future policy, including (but not confined to) environment-targeted payments, should be designed to achieve that aim.

The EU is already committed to halting the loss of biodiversity, which is itself a major challenge within this diversity of farming systems. Loss of biodiversity will have a profound effect on health and well being especially in less affluent regions, and halting the loss of biodiversity should be reflected in cross compliance and targeted payments. It is important that this includes not biodiversity in general, but also focuses on “agriculture biodiversity”. The policy must also focus on the ‘new challenges’ of adapting to and mitigating climate change, generating renewable energy, cutting emissions of greenhouse gases, reducing dependence on fossil fuels and on inputs derived from those fuels, and putting good agronomic sense and agro-ecological innovation at the heart of farming decisions.

(8) What opportunities and difficulties do you see arising from significant increase the rural development budget and reinforcing strategic targeting?

EPHAC believes that increases in rural development budget can improve the economic, social and environmental performance of rural areas to fully realise the contribution that rural regions can make to a prosperous and sustainable Union and to honour the EU’s commitment to social, economic and territorial cohesion. This could make a major contribution to the goals of EU 2020, especially for inclusive growth. This must reflect and build upon the high diversity in the character, resources, strengths and traditions of the Union’s many different rural regions. Moreover it must draw upon the energies and resources not only of the EU and of national and regional governments, but also of local authorities and the private, corporate and civil sectors. For that reason, we urge that future policy should focus on *strategic targeting*. Mechanisms are needed at EU, national, regional and sub-regional level to achieve true synergy and complementarity between relevant major EU Funds. The new Policy should make provisions for:

- a. A common EU-level strategic framework for the Common Agriculture Policy, Food and Rural Policy and the successors to the present ERDF, Cohesion Fund, ESF and EFF
- b. Funds should be fully harmonised (including procedural terms) in order to clearly highlight their difference and intended complementarity..Member States and delivery agencies could therefore simplify processes for beneficiaries; and enable the delivery of relevant measures by sub-regional partnerships operating across the full range of Funds
- c. Member States (and/or Regions, in countries with federal systems) should draw up national and/or regional strategic frameworks for the next financial framework, reflecting the purposes of the common EU-level strategic framework, and setting a clear basis for active complementarity between the Operational Programmes related to the five EU Funds.
- d. Member States or, where relevant, regional authorities should – throughout their territories – promote the creation and support the activity of sub-regional partnerships in order to prepare and implement sub-regional or territorial development strategies. These would

deliver all relevant measures within the Operational Programmes related to all five EU Funds, and specifically all measures within the scope of the proposed European Rural Fund, thanks to operational funds provided (in mainly rural sub-regions) through the Rural Fund or (elsewhere) through Regional or Cohesion Funds.

(9) What would be the most significant impacts of a "no policy" scenario on the competitiveness of the agricultural sector, agricultural income, environment and territorial balance as well as public health?

EPHAC believes that a “no policy” scenario would have devastating social, economic and environmental and lead to further intensification of production in order to sustain their competitiveness, The number of farms, and the farm labour force, would be drastically reduced and employment reduced. Territorial balance would be destroyed; migration from rural to urban areas would accelerate, with serious consequences for unemployment, urban crowding, public health and pressure on public services. .

Monitoring and evaluation

(10) What difficulties would the options analysed be likely to encounter if they were implemented, also with regard to control and compliance? What could be the potential administrative costs and burdens?

During the long period when CAP payments were linked to production, control and compliance were assured through paperwork (latterly the IACS system), plus field survey, aerial photography and other means to ensure the validity of claims. Agri-environment schemes depended upon the creation of prescriptions related to and field-survey validation of, environmental features and management regimes. These methods are essentially continuing in the present SPS regime.

As the agenda moves more fully onto a wider interpretation of sustainability, including environmental services and other public goods, so these systems will need to be adapted to cope with this widening agenda. Difficulties of implementation must be anticipated, and reduced by timely and effective preparation. For example, the production of a clear definitional basis for High Nature Value farmlands would allow environmentally-targeted payments to be made on a horizontal basis, preferably with 100% EU funding, with less difficulty and administrative cost than if they were variable country by country. Administrations should be offered guidance on efficient implementation in order to reduce “red tape” for both farmers and officials. Experiences from certification systems (organic farming) can be used as practice examples to control e.g. crop rotation. With such measures, there should not be significant increase in administrative burdens or costs

(11) What indicators would best express the progress towards achieving the objectives of the reform?

EPHAC believes that the following indicators would best express progress towards achieving the objectives of the reform:

- Socio-economic status of people working in the agricultural sector.
- Income inequality/Gini coefficient between people working in non-agricultural and agricultural sector.
- Food production levels by sector and type of production (eg intensive, organic etc)
- Indexed production costs, consumer food prices, added value and profit margins by sector
- Indicators relating to food consumption for specific foods per country and disaggregated by gender, age and socio-economic-status;
- % of population facing food insecurity
- Mean levels of serum cholesterol fractions in the populations of MS
- Farm-gate prices of farm products covering full costs of sustainable production, and reduced volatility in those prices
- Levels of compliance for standards of sustainable farming
- Improved conservation and sustainable use of biodiversity, also within farming practices
- Measures of biodiversity in general and more specific agricultural biodiversity
- Emission of greenhouse gases by the agriculture sector broken down by sector
- Levels of carbon sequestration for agriculture
- Levels of nitrogen loss
- Levels of regional self-sufficiency (Imports and exports)
- Levels of food waste
- Levels of rural poverty

(12) Are there factors or elements of uncertainty that could significantly influence the impact of the scenarios assessed? Which are they? What could be their influence?

- The speed of recovery from the present economic crisis, particularly in the eurozone. Delays in the recovery could seriously constrain the willingness and ability of Member States to contribute own share to the measures described in the scenarios or in our answers above. Special attention should therefore be given to co-financing and how this will impact on implementation in Member states.
- Intensity speed and impact on climate change on agricultural production. Rapid changes in climatic norms, or rapid increase in the incidence of climatic extremes (storms, floods, droughts, extreme cold or heat), which could disrupt farming, food markets, forests, ecosystems, infrastructure etc.

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