



2022/2053(INI)

27.10.2022

OPINION

of the Committee on Agriculture and Rural Development

for the Committee on the Environment, Public Health and Food Safety

on Sustainable Carbon Cycles
(2022/2053(INI))

Rapporteur for opinion (*): Martin Hlaváček

(*) Associated committee – Rule 57 of the Rules of Procedure

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SUGGESTIONS

The Committee on Agriculture and Rural Development calls on the Committee on the Environment, Public Health and Food Safety, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

- A. Whereas achieving climate neutrality requires neutrality in the land sector as well as a cut in greenhouse gas (GHG) emissions from the agriculture and forestry sector, while safeguarding the EU's strategic food security;
1. Welcomes the launch of the carbon farming initiative, as announced in the Farm to Fork strategy and the new EU forest strategy, which aims to achieve climate neutrality by 2050 as enshrined in the European Climate Law, and by 2035 in the entire EU land sector, and thus has the goal of making EU agriculture carbon-negative, such that it would store more carbon than it emitted; highlights that sizeable net carbon removals are possible through the deployment and facilitation of carbon-farming solutions¹;
 2. Stresses that each sector must first and foremost reduce its own CO₂ emissions independently and only use the storage capacity of other sectors, such as agriculture and forestry, for emissions that cannot be reduced;
 3. Underlines the importance of carbon farming as a new business model option for EU agriculture which can provide new and complementary sources of income as recompense for additional results achieved through supplementary activities to scale up climate mitigation and emissions reductions from incentive-based climate and biodiversity-friendly farm or forest management practices; notes that these will ultimately be more market based rather than dependent on public funding, and will provide opportunities in rural and remote areas for land managers active in crop and livestock production; highlights that the commitment of the entire food value chain will be essential to ensure that farmers achieve fair compensation in terms of their share of the market value;
 4. Underlines the necessity, when evaluating climate change mitigation practices, of taking into account preliminary work on this issue, Member States' different starting points and conditions, and the behaviour of carbon under various conditions likely under climate change, such as flooding and drought;
 5. Highlights the need to ensure that there is one single market structure developed by the Commission where credits can be traded and verified centrally, precluding the establishment of alternative markets that could undermine the value of genuine carbon credits;
 6. Stresses the need for public and private certification schemes to establish or facilitate financially attractive new incentives, in addition to those provided for in the common

¹ 'Solutions are available to reverse this decline and to return quickly to past levels of net carbon removals well above 300 MtCO₂eq, but their deployment needs to be facilitated' (European Commission COM(2021)0800 final of 15 December 2021).

agricultural policy, at the level of land managers, especially farmers, foresters, cooperatives, communities and local authorities, to facilitate or accelerate the uptake of carbon farming by setting up ecosystem service payments under public funding as well as allowing private funding to support the various benefits of the carbon removal certification; welcomes the possibility of extending the financial support provided, including private-sector support; highlights that certification must be based on scientifically robust requirements and accounting rules in terms of measurement quality, monitoring standards, reporting protocols and means of verification, ensuring environmental integrity and avoiding negative impacts on biodiversity and ecosystems;

7. Highlights that ensuring access to fair prices for farmers should be a priority and is the most appropriate form of supporting a just transition to positive agricultural practices for climate change, biodiversity and food and thus for the transition towards sustainability, food security and food sovereignty and that carbon farming has to go in that direction;
8. Recalls the fact that carbon farming practices provide additional environmental and societal co-benefits, such as reducing GHG emissions through land use and farm practices that can sequester carbon in natural sinks and such as appropriately designed and implemented conservation agriculture, direct seeding, catch and cover crops, use of fertilisers of biological origin, conversion back to permanent grassland and restoration of peatlands as well as sustainable forest management and agroforestry and the incorporation of innovative practices and alternatives in crop and livestock production such as animal nutrition and welfare, enhancing biodiversity, improving soil quality and water retention, enhancing ecosystem services and increasing the resilience of EU agriculture; recognises the need to facilitate the development of enhanced carbon schemes that take into account the co-benefits associated with certain carbon farming practices, for which the market should be prepared to pay a premium price;
9. Stresses that in the context of the current disruption to the supply chain, owing particularly to the COVID-19 pandemic and Russia's war on Ukraine, it is vital to avoid imposing additional administrative and financial burdens on farmers, and calls on the Commission to identify mechanisms for facilitating the transition to a voluntary model of carbon farming for all participants in the agri-food chain;
10. Stresses the importance of maintaining consistency across all measures under EU policies, in particular the common agriculture policy (CAP), to ensure that enabling conditions are created for the voluntary scale-up of effective carbon farming via carbon credits issued on a dedicated market, allowing private funds to finance practices implemented by farmers, and to allow equal access for all farmers and foresters across Member States; underlines that this includes the integration of carbon farming into CAP national strategic plans in line with Member States' on-going assessments so as to ensure that local natural conditions are adequately reflected; furthermore insists that the new carbon capture business model must deliver practices complementary and additional to those delivered by the CAP; stresses the need to consider the best way to encourage farmers and forest managers, and to not penalise those who have already undertaken efforts to maintain carbon in their soils;
11. Points out that prices per tonne of carbon in Europe range from EUR 30 to EUR 50,

whereas they are much lower in third countries; takes the view that, as a result, there will need to be numerous positive practices in the EU in order to ensure that the European market is attractive;

12. Recalls that there are over 300 different soil types in various states of health across the EU, which are subject to different limiting factors for carbon sequestration, and that, consequently, soil carbon uptake research needs to be supported and financed, for example through the LIFE and Horizon Europe programmes;
13. Underlines the importance of creating new public and private funds and financial incentives, in addition to established CAP funds, so as to stimulate action on emissions reductions and to improve cooperation, knowledge transfer and training among land managers and other stakeholders; underlines also the role of public actors, the sharing of best practices via the revitalised EIP-AGRI platform, the covering of additional costs entailed by monitoring, reporting and verification (MRV), and better synergies between the different EU funding programmes essential to scale up carbon farming and to achieve the 2050 climate targets;
14. Underlines the importance of CAP funds in stimulating action on emissions reductions by providing funding to improve knowledge and cooperation among land managers; underlines that carbon storage is already being used in many areas through the implementation of the CAP; emphasises that the land and forestry sector have a natural maximum carbon storage capacity that has not yet been properly evaluated, and that there are significant differences in the rate of absorption by carbon sinks and the retention of the stored carbon versus emissions from soil that are linked to specific soil conditions; notes in particular that in waterlogged soils, carbon sinking only occurs on the very surface due to anaerobic conditions and that drought may mineralise soil carbon or cause other GHG emissions;
15. Notes that access to land, and particularly the price of land, is one of the main obstacles for new and young farmers; calls on the Commission to thoroughly assess the impact on access to land of carbon markets based on carbon farming;
16. Stresses that carbon MRV still need to be further developed in order to accurately capture specific details of real-farm situations; welcomes the commitment to ensure transparency and accountability by establishing a robust science-based EU regulatory framework for measurement, the accounting and certification of additional carbon removals and the permanence of storage in soils as a key condition to ensure market-based uptake of carbon removal solutions and to avoid double counting while safeguarding EU public funds in line with Article 6 of the Paris Agreement and outcomes of the 2021 Glasgow COP26 Summit;
17. Welcomes the commitment to ensuring transparency and accountability by establishing a robust science-based EU regulatory framework, along with an impact assessment with stakeholder consultation, for the accounting and certification of carbon removals;
18. Calls on the Commission to clearly define additionality criteria for projects to be developed under the European certification framework; notes that these projects must enable the implementation of GHG emission reduction and carbon absorption practices that go beyond:

- the obligations arising from the legislative and regulatory texts in force,
 - the various incentives that exist, in particular economic incentives, whatever their origin,
 - common practice in the relevant sector of activity;
19. Underlines that the new certification framework for carbon farming should be as simple as possible in its design and not result in disproportionate administrative burdens for land and forestry managers and owners; points out that the future certification framework should take into account existing national initiatives and their operating structures, preserving those that have proven their effectiveness according to the best available science and in line with the required criteria; calls on the Commission to expand the scope for soil-related GHG abatement through the promotion of carbon-friendly farming practices and considers that despite the great need for private companies to reliably offset their carbon footprint, emissions from all sectors must be reduced and offsetting emissions by means of carbon sinks must not diminish this ambition;
 20. Underlines the need to take into account other relevant international private sector initiatives, without compromising the robustness and rigour of the EU initiative and to stimulate B2B markets for trade in agricultural sequestered CO₂ or the promotion of crop management practices that enhance carbon sequestration, such as regenerative agriculture or other sustainability schemes;
 21. Recognises the need for carbon farming measures to be centred based on local, regional and national data that takes into account the different climate and soil types, and land management practices in the Member States;
 22. Stresses the need for a credible certification system for the quantification and certification of carbon removals that can be applied at farm level and that avoids greenwashing and carbon leakage; underlines the need to promote high-quality carbon certificates that can ensure the achievement of the criteria of additionality, permanence, no double counting, sustainability and authenticity to ensure credibility and prevent fraudulent payments and to incentivise improved land management practices, so as to boost carbon capture;
 23. Highlights the significant carbon abatement potential of rewetting peatlands; recognises that in order for these actions to work effectively, they must operate on a voluntary basis and fully reward the true value of the carbon abated while also recognising the economic loss endured from the change in existing activities;
 24. Emphasises the need for the Commission to also, in parallel with the regulatory framework for certification of carbon removals, reflect upon – as requested by the European Parliament in its position of 6 October 2020 on the EU Climate Law – options for future market design for trading of agriculture sequestration and mitigation credits that count towards EU reduction and removal targets;
 25. Asks the Commission to draft a comprehensive list of monitoring methods, such as LiDAR and flux towers, being used across Member States to measure and monitor

emissions in the agriculture and forestry sectors;

26. Stresses that existing and future legislation, by making certain actions mandatory, should not preclude these actions from carbon farming practices on an additionally clause, thus undermining the potential of these actions to be achieved through the incentivisation of carbon farming;
27. Calls for the establishment of robust, straightforward, transparent and accessible methodology based on a solid body of peer-reviewed science that ensures accurate and fraud-free MRV so the resources invested in carbon farming reach farmers and foresters, that clearly includes their emissions reduction and that does not allow for speculative trading while ensuring the objective measurement and certification of additional carbon removals across sectors in order to create harmonised criteria for the calculation, capture, use and storage of carbon dioxide (CO₂), nitrous oxide (N₂O) and methane (CH₄); underlines the need for standard methodologies and rules for MRV of gains, or losses, in carbon sequestration, and stresses that private certification schemes need to be able to adapt these harmonised methodologies to local conditions so as to accommodate new technologies while ensuring a level playing field; stresses that on-farm carbon diagnostic professionals should initially be publicly funded; highlights the importance of increased funding for innovation and research in EU programmes;
28. Stresses that financial incentives should come primarily from private sources and should reward land managers for their management practices or the actual amount of carbon sequestered, or for increasing the storage of atmospheric carbon; underlines that public funding under the CAP and other Union programmes, such as the LIFE programme, the Cohesion Fund, the Horizon Europe programme, the Recovery and Resilience Facility and the Just Transition Fund, can already support carbon sequestration and biodiversity-friendly approaches in forests and agricultural lands and should be stepped up and made consistent with the CAP's food security goals;
29. Underlines that the permanence of carbon storage in soils is one of the main issues of carbon farming as an efficient way to limit the concentration of GHGs in the atmosphere; notes that a system rewarding carbon storage in soils but allowing later release of said carbon (ploughing of pastures, drying of wetlands, large clear cuts, etc.) would be useless in the fight against climate change; recalls notably that land managers change and retire, and that land ownership and renting are national competences, and rules vary considerably from one Member State to the other; calls on the Commission to assess closely the impact of such issues on the retention and permanence of any carbon sunk;
30. Highlights the problems associated with permanent storage and, in particular, the leakage that may occur because of natural disasters; takes the view that the Commission's model must take account of the need for certainty, both financial and legal, for farmers who have reduced or removed GHG emissions on their holdings;
31. Underlines the role of producer organisations such as farming cooperatives in joint implementation of practices enabling their members to promote carbon sequestration in a collective and coordinated way, increasing their effectiveness and sharing the cost of implementation and MRV;

32. Stresses that payments must be provided to farmers for efforts as well as results, taking into account that, due to natural circumstances and changes, results may differ over time and from one place to another;
33. Calls on the Commission to ensure the full involvement of farmers as primary stakeholders in drawing up the framework for the standardisation of carbon removal certification, and to ensure that the administrative burden in the framework is kept to a minimum;
34. Calls on the Commission to make full use of the expert group it plans to set up in order to benefit from existing experience in this area;
35. Considers that addressing the knowledge gap, especially among farmers and foresters, is essential to creating an efficient certification framework for carbon removals via carbon farming; calls on the Member States to boost knowledge transfers through targeted training and education programmes and access to dedicated and independent advisory and extension services to promote an increase in the uptake of carbon farming and a reduction in emissions from holdings, including agroecology and organic farming and other carbon- and biodiversity-friendly practices and nature-based solutions, by land managers, farmers and foresters; calls, in this regard, on Member States to ring-fence appropriate amounts of resources for advisory and technical assistance in their rural development plans for 2023-2027 accordingly;
36. Believes that collective and cooperative approaches, shared on-farm training, soil sampling and analysis, transaction costs, investment in new machinery, measurements, and verifications costs of MRV tools would help scale up carbon farming among land managers particularly in results-based carbon farming schemes;
37. Calls on the Commission to take into account the specific situation of young farmers, such as a lack of capital and access to agricultural land, so as to avoid adverse side effects of the carbon farming proposal that might be to the detriment of young people's entrepreneurship in agriculture and the generational renewal;
38. Welcomes the Commission's newly created expert group on carbon removals, which brings together public- and private-sector experts in the field of carbon removals, covering both industrial and nature-based carbon removal initiatives (carbon farming); calls on the Commission to communicate and disseminate the expert group's outputs, particularly as regards knowledge exchange and best practices;
39. Stresses the role of bio-energy carbon capture and storage (BECCS) through the combustion or fermentation of biogenic carbon, with the aim of providing private and public funds as an additional means of removing carbon from the atmosphere; recalls the need for further research into BECCS to verify its soundness as a technology; stresses also the potential of BECCS when it comes to additional removal of carbon from bio-energy, so as to create truly negative emissions; notes that the functional carbon market will create a need for better technology and innovations in BECCS practices;
40. Reiterates in this connection Parliament's resolution of 24 March 2022 on the need for an urgent EU action plan to ensure food security inside and outside the EU in light of

the Russian invasion of Ukraine, in particular with regard to fertiliser;

41. Calls for the use of innovative sustainable, circular and long-lasting bio-based carbon products that mitigate climate change by trapping carbon in the circular bio-economy to be incentivised, including, if relevant, by appropriately amending the relevant EU legislative framework and taking into account indirect and supply chain emissions related to sequestration, biomass production, transportation, refining, capturing and storing that these emissions incur and taking advantage of the policy for boosting biomethane within the Commission proposal to end reliance on Russian fossil fuels before 2030, RePowerEU, in line with the sustainability criteria, and using the digestates obtained for carbon removals; stresses that the European carbon farming model should be realistic and proportionate and cover relevant bio-based and innovative products, including those made from by-products and residues, where there is a scientifically proven, genuine and verifiable long-term carbon sequestration effect, backed up by a solid body of peer-reviewed science;
42. Stresses also the need to develop research and innovation on farms so as to ensure the implementation of positive practices by farmers, in particular through innovative animal nutrition or irrigation solutions;
43. Calls on the Commission to address existing legislative barriers so as to ensure that farmers can effectively re-use animal manure to contribute to enhancing organic carbon in the soil.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	25.10.2022
Result of final vote	+: 36 -: 10 0: 1
Members present for the final vote	Mazaly Aguilar, Clara Aguilera, Atidzhe Alieva-Veli, Álvaro Amaro, Attila Ara-Kovács, Carmen Avram, Adrian-Dragoş Benea, Benoît Biteau, Daniel Buda, Isabel Carvalhais, Asger Christensen, Ivan David, Jérémy Decerle, Salvatore De Meo, Herbert Dorfmann, Luke Ming Flanagan, Dino Giarrusso, Martin Häusling, Martin Hlaváček, Krzysztof Jurgiel, Jarosław Kalinowski, Elsi Katainen, Camilla Laureti, Gilles Lebreton, Norbert Lins, Elena Lizzi, Chris MacManus, Colm Markey, Marlene Mortler, Ulrike Müller, Maria Noichl, Juozas Olekas, Eugenia Rodríguez Palop, Bronis Ropè, Bert-Jan Ruissen, Anne Sander, Simone Schmiedtbauer, Annie Schreijer-Pierik, Veronika Vrecionová, Sarah Wiener, Juan Ignacio Zoido Álvarez
Substitutes present for the final vote	Franc Bogovič, Rosanna Conte, Marie Dauchy, Anna Deparnay-Grunenberg, Alin Mituța
Substitutes under Rule 209(7) present for the final vote	Estrella Durá Ferrandis

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

36	+
ECR	Mazaly Aguilar, Krzysztof Jurgiel, Bert-Jan Ruissen, Veronika Vrecionová
ID	Rosanna Conte, Marie Dauchy, Gilles Lebreton, Elena Lizzi
PPE	Álvaro Amaro, Franc Bogovič, Daniel Buda, Salvatore De Meo, Herbert Dorfmann, Jarosław Kalinowski, Norbert Lins, Colm Markey, Marlene Mortler, Anne Sander, Simone Schmiedtbauer, Annie Schreijer-Pierik, Juan Ignacio Zoido Álvarez
RENEW	Atidzhe Alieva-Veli, Asger Christensen, Jérémy Decerle, Martin Hlaváček, Elsi Katainen, Alin Mituța, Ulrike Müller
S&D	Clara Aguilera, Attila Ara-Kovács, Carmen Avram, Adrian-Dragoș Benea, Isabel Carvalhais, Estrella Durá Ferrandis, Camilla Laureti, Juozas Olekas

10	-
ID	Ivan David
S&D	Maria Noichl
THE LEFT	Luke Ming Flanagan, Chris MacManus, Eugenia Rodríguez Palop
VERTS/ALE	Benoît Biteau, Anna Deparnay-Grunenberg, Martin Häusling, Bronis Ropė, Sarah Wiener

1	0
NI	Dino Giarrusso

Key to symbols:

+ : in favour

- : against

0 : abstention