



**2022/2040(INI)**

26.10.2022

# OPINION

of the Committee on Agriculture and Rural Development

for the Committee on International Trade

on the resilient supply chains in the EU trade to address current shortages  
(2022/2040(INI))

Rapporteur for opinion: Claude Gruffat

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## SUGGESTIONS

The Committee on Agriculture and Rural Development calls on the Committee on International Trade, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

- having regard to Regulation (EU) 2021/2115 of the European Parliament and of the Council of 2 December 2021 establishing rules on support for strategic plans to be drawn up by Member States under the common agricultural policy (CAP Strategic Plans) and financed by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD) and repealing Regulations (EU) No 1305/2013 and (EU) No 1307/2013<sup>1</sup>,
- having regard to Regulation (EU) 2021/2117 of the European Parliament and of the Council of 2 December 2021 amending Regulations (EU) No 1308/2013 establishing a common organisation of the markets in agricultural products, (EU) No 1151/2012 on quality schemes for agricultural products and foodstuffs, (EU) No 251/2014 on the definition, description, presentation, labelling and the protection of geographical indications of aromatised wine products and (EU) No 228/2013 laying down specific measures for agriculture in the outermost regions of the Union<sup>2</sup>,
- A. whereas food supply chains are becoming increasingly vulnerable and at risk from the impacts of climate change and natural disasters, such as drought, flood, pests and diseases, as well as logistical challenges that have intensified as a result of lockdowns and restrictions during the COVID-19 pandemic and most recently because of the illegal, unprovoked and unjustifiable Russian war of aggression against Ukraine;
- B. whereas creating more resilience in food systems requires long-term consistency and commitment to building more self-reliance and sustainability into European agricultural production and supply chains;
- C. whereas in the wake of the COVID-19 crisis and the Russian invasion of Ukraine, the Commission has developed a contingency plan for ensuring food supply and food security in times of crisis, including through the creation of a European Food Security Crisis preparedness and response Mechanism;
- D. whereas climate change is increasingly affecting agricultural production and the EU has committed to reaching carbon neutrality by 2050;
- E. whereas the phase-out of fossil fuels is both an ecological and a geopolitical imperative;
- 1. Highlights the resilience of the agri-food sector during the COVID-19 pandemic and its ability to maintain the functioning of food supply chains and ensure food security in very difficult circumstances;

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<sup>1</sup> OJ L 435, 6.12.2021, p. 1.

<sup>2</sup> OJ L 435, 6.12.2021, p. 262.

2. Considers the fact that ongoing supply chain disruptions, notably caused by the COVID-19 pandemic and the Russian war of aggression against Ukraine, have revealed areas of fragility, risks to supply chains and the adverse effect of their segmentation and non-diversification, and have highlighted the vulnerability caused by the EU agricultural sector's dependence on complex import and export chains, as well as the dependence of many non-EU countries on basic food supplies from Ukraine;
3. Stresses that this new crisis highlights how essential it is to ensure our autonomy and therefore our food security; recalls that, through the common agricultural policy, the EU is committed to effectively stabilising markets, guaranteeing security of supply, ensuring reasonable prices for consumers and thereby helping to ensure food security at all times; calls in this regard for swift and effective action to be taken to achieve a shift to an even more sustainable, resilient and fair agricultural model anchored and located in the EU territories and capable of producing food in order to guarantee access to high-quality food for all Europeans no matter their level of income, while centring the protection and well-being of our primary producers; recognises that the EU and third countries must consider how to reconfigure food trade patterns and supply chains in the future, including via improved due diligence for responsible business conduct; calls on the Commission to help developing countries with governance and to build greater capacity for producing sustainable food;
4. Draws attention to the need for the EU to invest more in its ability to ensure food security, in particular through actions aimed at increasing independence in strategic areas, such as energy supply; stresses the need to increase resilience in sectors characterised by import dependency;
5. Takes the view that, in the light of the current situation, actions taken by the Commission and the international community should focus on unblocking Ukraine's Black Sea ports, with a view to rebuilding the grain supply chain to countries in North Africa and the Middle East; welcomes, in this context, the Commission's initiative on 'solidarity corridors', but expresses concern that a land-based alternative will not be able to replace shipments by sea; stresses that Ukrainian grain transported via the territory of the EU as an alternative route should go entirely to recipients in third countries;
6. Considers that EU producers meet the highest environmental, social and labour standards in the world and that the costs of complying with these provisions should be reflected in added value and actual payments to producers;
7. Believes that in situations where trade is taking place with third countries, the carbon footprint of the food's journey should be minimised by thoroughly considering which modes of transport to use;
8. Notes that in crisis situations in agricultural markets, the imbalance in bargaining power between suppliers, especially small farmers, and buyers of agricultural products is exacerbated, which increases the risk of unfair trading practices; stresses that EU farmers receive on average 21 % of the value of their agricultural product, while 28 % goes to processors and as much as 51 % to retailers; believes that the fight to even out these proportions in favour of farmers should be one of the priorities of the new

common agricultural policy;

9. Notes that import dependency increases the vulnerability of food producers to external shocks, as is now being observed in energy, fertiliser and feed chains; calls for EU production to be recalibrated to focus on more domestic production and more sustainable practices that reduce the need for inputs, for example by advancing and expanding the use of integrated pest management and practices that allow for changes and diversification towards more sustainable inputs, and to focus primarily on EU demand for healthy food; calls on the Member States to ensure greater farmer autonomy via their national strategic plans, with a view primarily to ensuring sustainable EU food security, inter alia, through support for agro-ecology, including organic production and the organic sector, integrated production, research, development and advisory services, the promotion of on-farm processing tools, the reduction of food waste and alternative fertiliser sources and streams;
10. Highlights that, as the COVID-19 crisis has demonstrated, diversified, localised, short supply chains can contribute significantly to the overall resilience of food supply chains, which ensures profitable and resource-effective paths for production and distribution, and highlights that these supply chains have often been able to adapt and fill in gaps when large-scale supply chains have been disrupted, while reducing the risk of generating food waste; stresses that challenges to the resilience and robustness of supply chains are present at every link in the chain, including the food production, storage, transport and final distribution stages; draws particular attention, in this regard, to the places in which compliance costs are disproportionately borne by small farms;
11. Stresses that small-scale actors in such chains can face specific challenges, such as more limited access to public support measures and social programmes; highlights the important role that young farmers and small and medium farmers play in maintaining the economic resilience of rural areas and the functioning of food supply chains; calls on the Member States to provide strong support for cooperation measures under the European Agricultural Fund for Rural Development, in particular its Article 77, in order to expand and strengthen producer networks, including networks of small producers, consolidate their access to local and regional markets and increase their individual viability, along with more targeted and efficient measures to support young producers, notably via the preparation and implementation of European Innovation Partnership and LEADER projects, as well as support for consortia, clusters and locally organised producers of quality products;
12. Reiterates that climate change, including severe droughts and biodiversity loss, poses a high risk of disruption for both logistics and primary production due to crop damage and reduced harvests in the short and longer term; highlights that measures enacted to address these challenges are essential to creating more resilient supply chains; considers that, as extreme climatic events become more frequent and more pronounced, producers need increased support to shift towards agricultural practices and nature-based solutions that mitigate and adapt to climate change; highlights further that EU agricultural, research and innovation policies should contribute to increased access for farmers to agro-climatic disaster risk and early warning systems, as well as to insurance when transitioning to more resilient, sustainable practices; recognises the potential for research, development and innovation to contribute to resilient food production and

distribution; stresses that all farmers, including small, medium and young farmers should have access to the benefits of such research;

13. Reiterates the need to preserve a level playing field in the single market and stresses the importance of monitoring unjustified price increases for certain food products; calls on the Commission and the Member States to pay greater attention to those companies that, through their activities, may engage in potentially monopolistic behaviour in the single market; considers that inflation, price fluctuations, rising food prices and related civil discontent also pose a high risk of disrupting primary production and logistics; calls on the Commission and the Council, as well as the Member States, to consider putting into action Article 40(2) of the Treaty on the Functioning of the European Union (TFEU) as regards the regulation of prices for basic food products, if necessary in times of crisis, in order to maintain reasonable prices as set out in Article 39 TFEU;
14. Is concerned that various factors contribute to logistical challenges that are more frequent and more serious than in the past, as disruptions to international supply chains affect imports of key materials and ingredients and exports of goods from the EU, particularly in the agriculture and food sectors, and phenomena such as border blockages require the rapid deployment of solidarity or green lanes to aid the movement of key food and feed supplies, for example during the COVID-19 pandemic or because of conflict situations;
15. Underlines the need to keep up the fight against antimicrobial resistance (AMR) and thinks that the EU must include concrete AMR measures, in line with EU standards, in all new relevant trade agreements, set up stronger import requirements for all imported food products (meat, plants, fish) that have been treated with antibiotics and promote the idea of a global agreement to tackle AMR; welcomes the newly implemented veterinary medicinal packages and the import ban on animal products that have received antimicrobials to promote growth or antimicrobials reserved for human use;
16. Highlights that the health, safety and labour conditions of agri-food workers affect labour availability in the supply chain, as demonstrated by COVID-19 disruptions to labour-intensive food processing sectors where sanitary and distancing measures were difficult to uphold, and in farms that usually rely on seasonal labour; notes that deteriorating labour conditions since 2020 have led to reduced intra-EU labour mobility; considers that the well-being of these workers must be taken into account in all proposals for a sustainable supply chain and that a new approach is needed to make the sector more appealing as a secure workplace, including training for young people in order to expand the labour pool;
17. Stresses the need to ensure better governance of international markets by promoting, in line with World Trade Organization (WTO) rules, appropriate public strategic stocks and other instruments and rules, to limit the impacts of market crises linked to price volatility – whether caused by natural disasters, logistical bottlenecks or geopolitical crises – to secure supplies, prevent excessive speculation and thereby ensure the availability of food at reasonable prices, without compromising the integrity of the single market;
18. Calls for enhanced market transparency and timely information, including by expanding

the Agricultural Market Information System to include both public and private stocks on global commodity markets; highlights the role of digitalisation in this regard; cautions against allowing private stocks to be used as a speculative tool; calls for the EU position limits regime to be set at levels capable of preventing excessive food speculation, preventing market abuse and supporting orderly pricing and settlement conditions; welcomes the Commission's recent decision to oblige Member States to report their private and public stocks of cereals, oilseeds, rice and certified seeds on a monthly basis in order to improve market transparency; encourages the Commission to encourage the same transparency among the world's major agricultural countries;

19. Underlines that, in the light of Russia's unprovoked invasion of Ukraine, the importance of monitoring and exchanging information and good practices in order to develop concerted responses to food supply and international food security crises is clear; thinks therefore that an international food security crisis preparedness and response mechanism should be established, with the aim of coordinating and developing a platform to map risks and vulnerabilities, including structural issues, of international food supply chains and critical infrastructure;
20. Stresses that the EU's engagement in global food governance, including within the WTO, must recognise, enable and promote the right to food, as well as the food security of its trading partners and their right to regulate their exports and stocks or take other appropriate measures to secure their own needs, as a failure to make these changes in its trading relationships and agreements will perpetuate an imbalance in bargaining power between the EU and developing countries; highlights the necessity of following WTO rules and ratified international bilateral and multilateral agreements; calls on the Commission to submit legislative measures in order to secure strategic stocks of basic foodstuffs at the level of the Member States to prevent food crises in the EU, and, if needed, to be used by the World Food Programme to mitigate severe food crises in third countries;
21. Recognises the role of international trade in ensuring the resilience of global agricultural supply chains and welcomes, in this regard, the WTO Ministerial Declaration on the emergency response to food insecurity and the WTO Ministerial Decision on World Food Programme food purchases exemption from export prohibitions or restrictions, adopted at the conclusion of the 12th WTO Ministerial Conference;
22. Highlights that the newly agreed upon freed trade agreement (FTA) between the EU and New Zealand, including its chapters on sustainability, in particular those on sustainable food systems, and its protection of EU standards, such as almost 2 200 geographical indications, is a modern and more EU agriculture-friendly FTA than previous ones; calls for reinforced efforts from the Commission to conclude FTAs with other trading blocks, holding up the New Zealand FTA as a role model and being sure to secure the livelihood and prosperity of EU farmers, as well as to start negotiating new FTAs and multilateral agreements within the WTO framework;
23. Believes strongly that resilient supply chains can only be guaranteed in the long term through sustainable production and defending producers against unfair competition, either from imports or from unfair practices, whether in the EU or in third countries;

24. Underlines the importance of the Directive on Unfair Trading Practices<sup>3</sup> in regulating the relationship between producers and buyers; calls for its principles to be built on to further regulate the relationship between third country suppliers and EU business buyers;
25. Points out that food security depends as much on trade flows as it does on available stocks; calls on the Commission to change its position at the WTO on food stocks for stabilisation purposes in order to take account of the reality of climate change, the structural instability of agricultural markets and the pressing needs of developing countries; calls for the rice stocks cooperation scheme involving South-East Asian countries (ASEAN+3), set up following the 2007-2008 food crisis in order to increase food resilience, to be taken as a model;
26. Calls on the Commission to be fully aware of the fact that there is no longer any prospect of building a large, unified global market, which is what was sought in the 1990s, and that there has been a shift towards small-scale globalisation between friendly nations, under which government-to-government trading will regain its pivotal pre-1980s role in securing international commerce.

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<sup>3</sup> Directive (EU) 2019/633 of the European Parliament and of the Council of 17 April 2019 on unfair trading practices in business-to-business relationships in the agricultural and food supply chain (OJ L 111, 25.4.2019, p. 59).



## INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

<b>Date adopted</b>	25.10.2022
<b>Result of final vote</b>	+: 38 -: 6 0: 2
<b>Members present for the final vote</b>	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, Maria Noichl, Juozas Olekas, Eugenia Rodríguez Palop, Bronis Ropė, Bert-Jan Ruissen, Anne Sander, Simone Schmiedtbauer, Annie Schreijer-Pierik, Veronika Vrecionová, Sarah Wiener, Juan Ignacio Zoido Álvarez
<b>Substitutes present for the final vote</b>	Franc Bogovič, Rosanna Conte, Marie Dauchy, Anna Deparnay-Grunenberg, Alin Mituța, Emma Wiesner

## FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

38	+
ECR	Mazaly Aguilar, Bert-Jan Ruissen, Veronika Vrecionová
ID	Rosanna Conte, Marie Dauchy, Gilles Lebreton, Elena Lizzi
NI	Dino Giarrusso
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	Jérémy Decerle
S&D	Clara Aguilera, Attila Ara-Kovács, Carmen Avram, Adrian-Dragoş Benea, Isabel Carvalhais, Camilla Laureti, Maria Noichl, Juozas Olekas
THE LEFT	Luke Ming Flanagan, Chris MacManus, Eugenia Rodríguez Palop
VERTS/ALE	Benoît Biteau, Anna Deparnay-Grunenberg, Martin Häusling, Bronis Ropé, Sarah Wiener

6	-
ID	Ivan David
RENEW	Atidzhe Alieva-Veli, Asger Christensen, Martin Hlaváček, Elsi Katainen, Emma Wiesner

2	0
ECR	Krzysztof Jurgiel
RENEW	Alin Mituța

Key to symbols:

+ : in favour

- : against

0 : abstention