

USDA-DG AGRI Stakeholders Event on Agricultural Resilience in Uncertain Times Washington DC, 8-9 April 2024

On 8-9 April 2024, DG AGRI together with USDA organized a second EU-U.S. stakeholders event in the context of the Collaboration Platform on Agriculture (CPA).

The stakeholders event included a one-day conference on 8 April and a field trip on 9 April. DG AGRI's delegation was accompanied by around 20 EU stakeholders from various parts of the food system (farming, processing, knowledge transfer, NGO, etc.), and more than 25 registered on the US side. The panel sessions were opened by senior officials from both administrations: Deputy Director General (DG AGRI) Pierre Bascou, Director for Strategy and Policy Analysis (DG AGRI) Catherine Geslain-Laneelle, Under Secretary for Farm Production and Conservation (USDA) Robert Bonnie, Under Secretary for Trade and Foreign Agricultural Affairs (USDA) Alexis Taylor and the Chief Economist (USDA) Seth Meyer. The sessions were moderated by the Acting Deputy Under Secretary for Trade and Foreign Agricultural Affairs (USDA) Jason Hafemeister.

CPA stakeholders event

The stakeholders panels took place in the main hall of the historical USDA building and started with a video address by Secretary Vilsack. The Secretary underscored significant accomplishments by CPA, which resulted in frank and fruitful exchanges. He particularly emphasised the need to focus on making our farmers resilient to our common challenges. He recommended to reinforce commitment and deepen ties.

In her welcoming remarks Undersecretary Alexis Taylor paid significant attention to mounting global pressures. They make transatlantic collaboration more important than ever. She noted sustainable productivity growth is needed. The Under Secretary concluded by underlining the essential role of women in agriculture as the United States is campaigning at the United Nations for the U.N. General Assembly to pass a resolution declaring 2026 as the international year of the woman farmer.

Acting DG AGRI's Deputy Director General, Pierre Bascou noted great commitments from both sides to answer the need to combine food security and sustainable farming. Given the

EU and US weight in global agricultural trade we have to lead by the example. At the same time, we cannot forget about the core concern of maintaining farmers' competitiveness and profitability of agriculture. Measurement of sustainability is also important to all of us to make policy effective. We already cooperate in diverse fora and this may be expanded in future.

The event consisted of six panels:

- 1. Recapturing and building on 2023 exchanges
- 2. Ensuring resilient food chains: global and regional perspectives
- 3. Developing new markets and measuring agricultural stability
- 4. The future of the livestock sector: pressures and opportunities
- 5. The role of innovation: how do we ensure farmers have access to all tools necessary to transform our food system?
- 6. Improving transatlantic cooperation on agriculture: what's the future role of the CPA?

Panel 1 - Recapturing and building on 2023 exchanges

In his introductory remarks, Under Secretary Robert Bonnie focused on discussions on risk management tools such as the crop insurance program including through effective publicprivate partnerships (PPPs) and a safety net that are needed for crisis. Young and underserved farmers are also under USDA focus. Providing market opportunities should be part of the definition of resilience. Productivity is critically important.

In turn, DG AGRI's Director Catherine Geslain-Lanéelle expressed her conviction that in an uncertain world we should value our relationships and work together. The Director outlined some of the achievements in the EU such as a legal proposal on a future CAP due for autumn 2025 following the Strategic Dialogue, that will encompass many of the issues on which we have exchanged in the CPA context. There is an absolute need to secure generation renewal. The image of the sector also needs improvement to attract young people. She was inspired by previous conversations on resilience.

The stakeholders in the panel discussed issues such as protecting income of farmers in the face of natural disasters, also through better access to insurance. Some pointed to debates around ongoing trade deals. Both sides emphasised that without productivity and profitability farming is not sustainable. There is a need to reaffirm the importance of farmers and the respect for their work since much is at stake. Another concern was a lack of generational renewal, which already falls in the category of "crisis." Young farmers can bring in new technology and practices. New business models are needed. Young farmers struggle with student loans, lack of childcare, access to land and high land prices. More innovative risk sharing loans, ownership/partnership models are needed. In the US, social enterprise and not for profit farming models were emerging that focus on serving and feeding local communities. Some believed the CPA could do more in reaching out to other groups outside agriculture - they gave the example of the FACA partnership in the US.

Panel 2 - Ensuring resilient food chains: global and regional perspectives

DG AGRI's Deputy Director General, Pierre Bascou, opened the panel underlining the importance of resilience in the face of a food crisis. The Russian aggression to UA has disrupted markets. He provided some figures on the Solidarity Lanes. The Deputy Director General also mentioned the need to monitor market imbalances, which forced the Commission to intervene on some occasions to secure the functioning of the food chain including the logistics; enhanced communication and transparency has also become essential, and he pointed out the recently created European Food Security Crisis preparedness and response Mechanism (EFSCM). He informed that the Commission, in response to these perturbations, had recently taken some measures to adjust our environmental requirements.

Seth Meyer, the USDA's Chief Economist, focused his remarks on the lessons from the three global food shocks (2007, 2012 and recently) that had occurred in the last 17 years. For every price spike, the poorest consumers paid most of the price. The policy response globally had not always been the best, but the AMIS system of sharing commodity price and availability data was a good response to the second crisis. Now we are in the situation where again commodity prices are easing. We need to learn from the experience so that we can moderate the price drop effects. US producers have shown responsiveness following market signals from UA. They have adapted in spite of difficult conditions. Would this be the case in future?

Grey Harris of USDA focused on issues of equity and justice; there is a need for better market conditions for small and medium sized operations.

The stakeholder panelists focused their remarks on the need to ensure the correct balance between producing food and protecting the environment. An issue of import dependence was mentioned in the context of the need to maintain EU's open strategic autonomy e.g. the EU protein plan. The war in Ukraine was another topic related to resilience. Traders had to find solutions, but the system must function too. Often attention to port infrastructure tends to focus on passenger and container, but we cannot neglect that bulk transportation infrastructure is needed for the purpose of food security.

Panel 3

Under Secretary Alexis Taylor welcomed the next panel. She mentioned a partnership program on research, the climate hub and AIM for Agriculture as examples of US initiatives. She said we needed markets open to technological innovation for the sake of food security. These will provide opportunities for farmers.

Director Geslain-Lanéelle mentioned the importance of incentives in the public and private sector such as eco-schemes, new opportunities in CAP Strategic Plans, which aim to have 35% of the agricultural area engaged in these programs. She quoted Lord Kelvin as saying that you cannot improve what you cannot measure. The Director underlined that the Commission is working with the Research Centre of USDA and FAO leading to a seminar on how to measure sustainable productivity growth.

The stakeholders remarked on the need for sustainable intensification and quoted examples of sustainability schemes in the US such as "one drop per crop" or "coffee by bicycle" that we

need to pay attention to as policy makers. Panelists agreed that we need to be able to measure the outcomes of on-farm sustainable practices such as carbon sequestration in the soil and be able to repeat these measurements reliably. Otherwise, we will simply not be able to move forward on sustainability. We can try to get the market to pay for environmental goods, but consumers are not willing. This leaves regulation (standards), as standards are important to shape the market. Some queried whether standardised metrics are good as they can stifle innovation. The same for recognising process and/or outcomes. The latter are difficult to measure but focusing on process can also stifle innovation. Some pointed out the importance of circular approaches for sustainability.

The contributors in the session agreed on the importance of standards to make the market more fluid. Consumers must trust the information that is provided to them. Harmonisation of tools is also very important. The science is not yet sufficiently developed as common practices do not yield repeatable results. Beneficial practices are locally contextualised. Claims do not always stand up to scrutiny. There was consensus that rules are needed to ensure claims are not misleading. Consumers need to trust the system.

Panel 4 - The future of the livestock sector: pressures and opportunities

DG AGRI's Deputy Director General kicked off by stating that livestock production is one of the more controversial topics. In the EU it is important for the sustainable development of rural areas. He highlighted the many roles/dimensions of livestock production. Livestock can make marginal land profitable and is a vital source of micro and macronutrients. We need to make this production truly sustainable.

Steven Moeller of USDA's national research service referred to the opportunities in relation to research making livestock more sustainable. GEM (genetics, environment, and management) has made an enormous impact and can do so in the future. Agriculture accounts for 3% of US emissions only and it does this in return for producing the most nutritious food that exists. Epigenetics and gene expression is where both the US and EU are global leaders. Carbon emissions can be reduced by feed additives and there is even the possibility of vaccines for animals grazing on pastures (and are not fed three times per day as dairy cows are).

Shawna Harris of the US Dairy Export Council referred to the certified animal welfare program run by US milk producers. It covers the bulk of milk deliveries in the US.

Stakeholders agreed on the need for sustainability in the sector but pointed out differences in footprints between types of animal production. There is a need to reflect properly on absorbing attendant costs given that production is optimised within a long supply chain. Topics raised included labelling and the need to reconnect consumers and farmers. Ranchers present admitted being subject to a growing scrutiny as to what they do on their farms. Efficiency in livestock production is necessary element of sustainability: in livestock we cannot have the latter without the former. Research and a gradual policy change approach are needed to do that. Panel 5 - The role of innovation: how do we ensure farmers have access to all tools necessary to transform our food system?

Danielle Peck of USDA started off by stating that climate change had made innovation more relevant than ever. Productivity was growing but at a slower pace than in the past. Our productivity needed to grow faster, which makes the innovation essential. She mentioned the need to convene among us, but also with producers and consumers and the latter among themselves as well. There is a need to create an enabling environment.

DG AGRI's Director, Catherine Geslain-Lanelle, continued the introductory remarks. Both in the EU and the US, we needed strategic actions across the agricultural sector to ensure that innovative agricultural practices, technologies and policies can make our food systems more productive, resilient, sustainable and climate friendly. At the same time, she said, there was not one technological solution that could fit all in agriculture and food systems. What is key for the success of research and innovation is to ensure that knowledge and innovation are generated and brought to the end users: farmers, foresters and the rural population.

After a short break for the solar eclipse, the panel convened.

All stakeholder panelists agreed that innovation is key given sustainability challenges but also issues with limited land. There is a need to increase food production on the basis of land that is not unlimited. Technology means breeding, crop protection, slow-release chemicals, biological molecules. Financial industry stakeholders emphasised that investment for sustainable production can reduce profitability in the short term but is a sounder lending proposition (deserving of a discounted rate) over the long term. However, it is difficult for the first mover, the industry needs to move as one. Some remarked on better targeting of subsidies for farmers to take up innovation. Some topics linked to trade flows also appeared with some advocating harmonisation (mutual recognition) of standards, so that food considered safe in one place was not considered unsafe somewhere else.

Panel 6 - Improving transatlantic cooperation on agriculture: what's the future role of the CPA?

All agreed that we should work together in the context of the CPA, especially learning how to measure the benefits of sustainable practices. New partnerships are needed as well as a focus on tangible and practical outcomes. Finally, all supported bringing in a still wider range of stakeholders.

The EU and the US principals concluded the session on the future role of the CPA by saying that he was really impressed with the excellent organisation of the meeting and with an intellectually stimulating debate. He pointed to a large consensus on t analysis and main topics. They underlined how impressed they were by the achievements to date, but remarked on the difficulties endured by our farmers. They agreed there were no one-size-fit-all solutions. CPA has become a true platform for exchange and trust building and the EU remains fully committed. They invited the stakeholders to get together and use this platform to inform policy maker decisions and expressed the need to also collaborate more between administrations and show leadership.