EUROPEAN COMMISSION

DIRECTORATE-GENERAL FOR AGRICULTURE AND RURAL DEVELOPMENT

Directorate A – Strategy & Policy analysis **The Director**

Brussels, AGRI.A.1/OH(2023)12975999

MINUTES

JOINT MEETING WITH

THE MEMBERS OF THE CIVIL DIALOG GROUP ON CAP STRATEGIC PLANS AND HORIZONTAL MATTERS AND

THE MEMBERS OF THE EXPERT GROUP ON THE IMPLEMENTATION OF THE CAP STRATEGIC PLANS REGULATION

on Monday 11 December 2023 from 09:30 to 17:30

Chair: Catherine GESLAIN-LANEELLE, DG AGRI Directorate Strategy & Policy Analysis

All Member States were represented except: Cyprus, Denmark, Slovakia

All organisations were represented except: CEETTAR, CEJA, CELCAA, CEPF, CEPM, EAPF, EFNCP, ELARD, EMB, EPHA, EUCOFEL, EUFRAS, EUROMALT, FESASS, Fertilizers Europe, FoE, Freshfel Europe, IBMA, ORIGINEU.

I. Nature of the meeting

The meeting was non-public.

AGENDA

- 1. 9:00-9:30 REGISTRATION AND WELCOME COFFEE.
- 2. 09:30-09:45 Introduction to the process and objectives of the Workshop
- 3. **09:45-10:15** Framing the discussion
 - Resilience Joint Research Centre (JRC), JRC D5 with support from JRC B1) on the JRC resilience work: strategic foresight report resilience, role of agriculture in the resilience framework, and agriculture resilience indicator.

4. 10:30-12:30 Presentations Academia and Discussion

- Presentation results of the <u>SURE Farm Project</u> results (Towards SUstainable and REsilient EU FARMing systems), Miranda Meuwissen, WUR.
- Agricultural Policy and Support in light of Climate Change Adaptation, Kelly Cobourn, author of chapter 1 in the OECD Agricultural Policy Monitoring and Evaluation 2023 focusing on Adapting Agriculture to Climate Change.
- Presentation Weather insurance in European crop and horticulture production, Tobias Dalhaus, WUR.

5. 12:30-14:00 LUNCH BREAK

6. 14.00-16:00 DISCUSSIONS IN BREAKOUT GROUPS ON THE FUTURE OF RISK MANAGEMENT LOOKING ON THE THREE DIMENSIONS OF RESILIENCE

- **Group 1:** Robustness (stability and absorption): farming system's capacity to withstand stresses and (un)anticipated shocks (*ID*);
- **Group 2:** Adaptability: capacity to change the composition of inputs, production, marketing and risk management in response to shocks and stresses but without changing the structures and feedback mechanisms of the farming system (3A);
- **Group 3:** Transformability: capacity to significantly change the business model in response to either severe shocks or enduring stress that make business as usual impossible (3B).

7. 16:00-16:15 Break to give two breakout groups to get back to the plenary

8. 16:15-17:30 SUMMARY OF THE DISCUSSIONS IN PLENARY

- Takeaways from the three groups from rapporteurs.
- Reflection on break out session conclusions (Erik Mathijs, KU Leuven).

The results of the **SLIDO questions** can be found in annex II.

II. List of points discussed

Catherine Geslain-Laneelle recalled the <u>agri-food days</u> and particularly the agricultural outlook conference. She highlighted that EU agriculture is already engaged in a transition to become more resilient and sustainable, to adapt further to climate change, to reduce its impact on the environment – all this still while continuing to contribute to EU and global food security. She raised the question how to best accompany farmers in this transition and create the right enabling environment to let each farmer in the EU identify their best business model, reflecting their reality on the field. She stated that the resilience workshop aims to contribute to the debate by identifying opportunities and challenges for a resilient food system in the EU. The workshop focusses on the stability of and the perspectives for farming, from the angles of adaptability, robustness and transformability of the sector, including its role in the food system. At the end of the workshop all

participants would have a better understanding of the challenges and opportunities for a resilient food system.

Joint Research Centre (JRC) D5 with support from JRC B1 focused his presentation on the JRC resilience work: he referred to the 2021 strategic foresight report on resilience, the role of agriculture in the resilience framework, and the agriculture resilience indicator. Recalling that resilience is the ability not only to withstand and cope with challenges, but also to undergo transitions, in sustainable, fair and democratic manner, he focussed on resilience and climate change and highlighted the importance of preparedness, capacity key practices (soil moisture conservation, irrigation, agroforestry...) that are considered beneficial for resilience. The presentation is attached in annex IV.

Miranda Meuwissen from Wageningen University & Research presented the resilience framework of the SURE Farm Project results (Towards SUstainable and REsilient EU FARMing systems) with a focus on resilience dimensions, resilience attributes and provided comments on the discussion paper (annex III). Notably, she underlined that key resilience attributes (agency, buffers, connectivity, diversity) differ substantially from the attributes of current food systems. "We must focus on the farming system, not the farm," she repeatedly said. The presentation is attached in annex IV.

Kelly Cobourn, OECD Trade & Agriculture Directorate, is the author of the climate adaptation chapter in the 2023 OECD Agricultural Policy Monitoring and Evaluation focused on Agricultural Policy and Support in light of Climate Change Adaptation. She highlighted concrete policy examples from OECD countries and beyond. She recommended to phase out distortive support, re-orient spending via investments in general services that support on-farm resilience capacity and public goods, prioritise public engagement in agricultural risk management through e.g. information provision, insurance support, and to strengthen agriculture's transformative capacity. The presentation is attached in annex IV.

Tobias Dalhaus, from Wageningen University & Research, gave an overview of weather insurance in European crop and horticulture production, underscoring the large variety of products on the market, but noting the underrepresentation of heat and drought insurance. In particular, he underlined that premium subsidisation threatens other policy goals and called for a holistic assessment. Finally he stressed the need to improve the enabling environment for resilience to increase robustness. The presentation is attached in annex IV.

Several participants took the floor in the discussion following the presentations (ERCA, ELO, COGECA, COPA, Via Campesina, Confragricola, Committee of the Regions, EURAF, EEB, BirdLife). During the discussion, stakeholders underlined the importance of increasing resilience and addressed several themes

such as the importance of assets as a risk management tool, the importance of investments that reduce income variance, the importance of data sharing and increasing training and knowledge around risk management, as well as the role of mutual funds. The possibilities and limitations of insurance schemes were addressed, including that insurance schemes should be conditional on application of certain sustainable practices. Some called for changes to the WTO treaty to improve classification of support for insurance schemes, but also negative effects of premium subsidies were again flagged. Some flagged the importance of off-farm employment, while others highlighted that the

result of centralisation of difference services has reduced rural off farm income opportunities. Flagging quitting to farm as a risk management option for some farmers, was criticised in an intervention. The importance of agroforestry and diverse agricultural production was mentioned, and factors that block their development (lack of advice, finance and financial understanding of new farming profiles).

Results of the breakout groups:

Group 1: Robustness (stability and absorption): farming system's capacity to withstand stresses and (un)anticipated shocks (*1D*).

A Danish farmer described how she is translating resilience and robustness on her farm.

Questions discussed:

- What are the best policy instruments that can support farmers affected by extreme climate events, usually not covered by crop insurances? And which types of events and damages should be compensated?
- How can we improve uptake of private risk management measures, such as insurance? Can crop insurance be a long-term solution for more frequent disasters?
- How can we improve the uptake of national and EU risk and crisis management tools by farmers? Which are the main barriers?
- What is the role of the EU in promoting resilience building measures, versus national/local and/or private approaches?

The breakout group raised the following points in the plenary:

- There are different sources of risks with different impacts;
- It is difficult to follow a one-size-fits-all approach at EU level;
- Risk management needs to be approached holistically: insurance plays a role but there needs to be a variety of tools;
- Risk management tools (e.g. insurance schemes) may lock in production systems, hampering adaptation & transformability. Therefore, conditions should be put in place to ensure policy signals to farmers are correct (e.g. to avoid that risk reducing schemes could lead to increased cultivation of more risky crops using on average more pesticides);
- There is a need to improve data infrastructure, on both occurrence of events and impact on farms.

Group 2: Adaptability: capacity to change the composition of inputs, production, marketing and risk management in response to shocks and stresses but without changing the structures and feedback mechanisms of the farming system (3A).

An Italian farmer described how he is translating resilience and adaptability on his farm.

Questions discussed:

- How to make sure that adaptation strategies are tailored to local vulnerabilities?
- Should risk management be realised at farm level and farm types (arable, perennial, orchards) or at broader landscape/river basin level? Do we need

- territorial governance in risk management, i.e. to steer, in an integrated and complementary way, adaptation actions that need to be implemented by different actors at territorial level?
- Should any risk and crisis management measure be conditioned or linked to any change of practice (ex-ante such as eligibility criteria and ex-post such as action plan / remedial actions)?
- How to ensure that support for risk and crisis management does not reduce incentives for farmers to adapt to and improve their resilience through risk management interventions and adaptation measures?

The breakout group raised the following points in the plenary:

- There is a need for more knowledge and awareness on resilience; advisory services play a key role in raising knowledge and awareness;
- Risk management at farm-level or landscape-level? Every farm is different, but there needs to be an integration into a larger approach: e.g. nature-based approaches need to be implemented at landscape-level (e.g. water infrastructure);
- Additional bureaucracy needs to be avoided;
- Resilience support should be conditioned on changes in farming practices, while maintaining flexibility. At the same time, schemes should not be too complex as
- too much complexity can be a barrier to adaptation and transformation;
- Adaptation should be incentivised as much as possible;
- Insurance premiums should be linked with the history of the farm to lower costs (need for good data set!);
- It is necessary to think about adaptation more broadly than only in relation to climate change, other food system sustainability dimensions must be considered, including food availability and security.

Group 3: Transformability: capacity to significantly change the business model in response to either severe shocks or enduring stress that make business as usual impossible (3B).

A Swedish farmer described how she is building resilience at her organic farm through organic farming, diversification and direct marketing.

Questions discussed:

- What are the best tools to promote resilience in the context of the green and digital transition (adapting to the changing socio-economic, climate, etc. environment)?
- Transition pathways will need to be developed where current agricultural production is projected to no longer be possible in the same way (e.g. due to climate change). How to best support the farming sector in transformational change?
- Which role can upstream and downstream actors play in the resilience of the food system as a whole and in the resilience of the agricultural sector? Can they play a role in risk management?

The breakout group raised the following points in the plenary:

• Risk sharing with consumers could be a way forward;

- If there is no support in risk management, farmers will become more resilient because they will need to look for solutions;
- Resilience tools: Enabling diversity (in agricultural practices, in the value chain, in monitoring tools, in indicators); living labs can help evaluate the effects of diversity;
- Resilience pathways: Start with a consistent, clear long-term, science-based approach and nudge actors into that requires good communication about resilience:
- Biophysical resilience is important: adopt more sustainable agricultural practices; improving diversity at plot, farm, landscape level (e.g. through agroforestry, agroecology) in a profitable way; indicators can show performance (e.g. satellites measuring diversity...) and incentivise farmers to take this up;
- How to involve upstream and downstream actors?
 - Need for sustainability and resilience governance, talking to shareholders; looking beyond farms and at actors in rural areas in general, including specifically banks;
 - o Risk and cost sharing among farmers and relevant actors;
 - Value chain actors should accept and open up to diversity: e.g. processors also need to accept diversity of grains (e.g. accept not just one variety of seeds);
 - Interest in global markets does not fit with promotion of more local and regional resilience.

III. Conclusions

Erik Mathijs concluded the workshop with a number of observations:

Observation 1: We are still talking about different things when we talk about resilience, i.e. different indicators, different solutions, different expectations. Taking this into account, there is a need to continue the discussions to better frame the concept and make it operational for policy design.

Observation 2: We need better education and resilience literacy to build up the necessary resilience capacities. This will require better tools to support and build resilience capacities at farm level.

Observation 3: There are other financial instruments beyond insurance, e.g we need to look at mutualisation beyond farmers, taking into account consumers and other value chain actors; moreover, fiscal tools need to be taken into consideration in this debate.

Observation 4: Holistic/systemic assessment of instruments is needed to avoid negative unintended consequences, e.g. conditionalities could be part of the (insurance) system. There is a need to take into account that certain subsidies are weakening price signals. Future policy design will need to take into account a holistic approach and explore mechanisms to guarantee consistency across the different tools.

Observation 5: Short term robustness is needed to be able to adapt or transform. However, addressing risks in the short run should not undermine long term solutions (to prevent addictive behaviour).

Observation 6: What if there are NO prospects or opportunities to transform? This is a difficult discussion as threats and opportunities are not equally distributed across Europe. In that sense, the diversity of situations across territories, sectors and farming models needs to be taken into consideration.

Some blind spots were not sufficiently discussed, such as trade, the role of the input industry, informal networks and social policies.

Catherine Geslain-Laneelle thanked all participants for their active engagement and in particular Erik Mathijs for his insightful concluding observations. She concluded that we to find better ways to measure resilience despite its multidimensionality and complexity to be able to build policy instruments to strengthen resilience.

IV. Next meeting

The next workshop within the series of technical workshops will be held on 5 February 2024 and focus on food security.

V. List of participants

See annex I.

(e-signed)

Catherine GESLAIN-LANEELLE

Annex I - list of participants- Minutes

Joint Technical Workshop on Resilience With Members of the Civil Dialogue group on the CAP Strategic Plan and Horizontal matters and the Members of the Expert Group on the implementation of the CAP Strategic Plans Regulation 11th December 2023

MEMBER STATES		
BELGIQUE/BELGIË (Belgium)	SPW	
BELGIQUE/BELGIË (Belgium)	Vlaamse Overheid - Departement voor Landbouw en Visserij	
БЪЛГАРИЯ (Bulgaria)	Ministry of agriculture and food	
ČESKO (Czechia)	Ministry of Agriculture	
DEUTSCHLAND (Germany)	Bayerisches Staatsministerium für Ernährung, Landwirtschaft und Forsten	
EESTI (Estonia)	Ministry of Regional Affairs and Agriculture	
ÉIRE/IRELAND (Ireland)	Department of Agriculture, Food and the Marine	
EΛΛΆΔΑ (Greece)	EL IMPLEMENTING AUTHORITY CAP SP	
EΛΛΆΔΑ (Greece)	EL MANAGING AUTHORITY CAP SP	
EΛΛΆΔΑ (Greece)	Ministry of Rural Development and Food	
ESPAÑA (Spain)	Galicia	
FRANCE (France)	Ministère de l'Agriculture et de la Souveraineté Alimentaire	
FRANCE (France)	Représentation permanente FR	
HRVATSKA (Croatia)	Ministry of Agriculture	
ITALIA (Italy)	Ministero dell'agricoltura, della sovranità alimentare e delle foreste	
ITALIA (Italy)	Ministry of Agriculture - DISR 6 - Risk managment in agriculture	
ITALIA (Italy)	Ministry of Agriculture - NRN (Crea)	
ITALIA (Italy)	Mnistry of Agriculture - DISR 6 - Rism management in agriculture	
LATVIJA (Latvia)	Institute of Agricultural Resources and Economics	

LATVIJA (Latvia)	Ministry of Agriculture
LIETUVA (Lithuania)	Ministry of Agriculture
LUXEMBOURG (Luxembourg)	Ministry of Agriculture
LUXEMBOURG (Luxembourg)	SER
MAGYARORSZÁG (Hungary)	Ministry Of Agriculture - Hungary
MALTA (Malta)	Ministry for the Economy, European Funds and Lands
NEDERLAND (Netherlands)	Ministry of Agriculture, Nature and Food Quality
ÖSTERREICH (Austria)	Federal Ministry of Agriculture, Forestry, Regions and Water Management
POLSKA (Poland)	Institute of Agricultural and Food Economics - National Research Institute
POLSKA (Poland)	Ministry of Agriculture and Rural Development
PORTUGAL (Portugal)	Gabinete de Planeamento, Políticas e Administração-Geral
PORTUGAL (Portugal)	GPP
ROMÂNIA (Romania)	Ministry of Agriculture and Rural Development - Managing Authority for NRDP
SLOVENIJA (Slovenia)	Permanent Representation of the Republic of Slovenia to the European Union
SLOVENIJA (Slovenia)	Slovenian Ministry of Agriculture, Forestry and Food
SUOMI/FINLAND (Finland)	Ministry of Agriculture and Forestry
SVERIGE (Sweden)	Jordbruksverket
SVERIGE (Sweden)	Landsbygds- och Infrastrukturdepartementet

ORGANISATIONS	
AEEU - Agroecology Europe	
AREFLH - Assemblée des Régions Européennes Fruitières Légumières et Horticoles	

AREPO - Association des régions européennes des produits d'origine		
BeeLife - Bee Life - European Beekeeping Organisation		
BirdLife Europe		
COGECA - European agri-cooperatives / General Confederation of Agricultural Co-operatives of the European Union		
COPA - "European farmers / Committee of Professional Agricultural Organisations of the European Union		
ECVC - European Coordination Via Campesina		
EEB - European Environmental Bureau		
EFFAT - European Federation of Trade Unions in the Food, Agriculture and Tourism sectors - TR needed		
EFOW - European Federation of Origin Wines		
ELO - European Landowner's Organisation		
ERCA - European Rural Community Alliance		
EFA - Eurogroup for Animals		
EUROMONTANA		
EURAF - European Agroforestry Federation		
FEFAC - European Feed Manufacturers Federation / Fédération européenne des fabricants d'aliments composés		
FoodDrinkEurope		
GEOPA-COPA		
IFOAM - International Federation of Organic Agriculture Movements European Regional Group		
IPIFF - International Platform of Insects for Food and Feed		
Rurality, Environment, Development		

PFP - Primary Food Processors
Rurality, Environment, Development
Rural Tour - European Federation of Rural Tourism
WWF - World Wide Fund for Nature

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