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A Vision for Agriculture and Food
Shaping together an attractive farming and agri-food sector for future generations

Agence Europe

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1. SHAPING TOGETHER AN ATTRACTIVE EU FARMING AND FOOD SECTOR FOR FUTURE GENERATIONS

Farming and food are core to the European way of life. Rooted in rich traditions, the ways we produce and enjoy food have shaped the communities, cultures, and landscapes that define Europe.

Farming and food are strategic sectors for the Union, providing safe, high-quality food to 450 million Europeans and playing a key role in global food security. The Niinistö report ⁽¹⁾ recognises food as one of the sectors most critical for providing essential services to citizens. The Union support through the Common Agricultural Policy (CAP) is at the heart of the European project for good reasons. European food security and food sovereignty are non-negotiable. European citizens confirm this: 94% of citizens who took part in the latest Eurobarometer survey confirm that it is important to secure a stable supply of food in the EU at all times.

Food is also part of our economic competitiveness. The agri-food sector, in its diversity of enterprises, scope, scale and production methods, generated an added value of more than EUR 800 billion in 2023, providing employment to almost 30 million people (15% of EU employment) ⁽²⁾. As the largest agri-food exporter in the world, the EU has been steadily increasing its trade surplus over the years, reaching EUR 70 billion in 2023.

Farming and food are essential to sustaining vibrant and economically prosperous communities in rural and coastal areas. Rural areas are home to almost 30% of the EU population and cover 80% of its territory, making them an integral part of Europe's identity. Vibrant rural and coastal areas are key in fighting depopulation and enabling 'the right to stay' ⁽³⁾.

Farming is working with nature. Farmers themselves are the first to realise that they are a vital part of the solution to the protection and resilience of our nature, soils, water, biodiversity, and climate. **Farmers and food businesses are innovators and entrepreneurs.** Innovation opens new business models and rewards, making the transition a win-win for both farmers and nature, while supporting competitiveness.

But we should never take our food sovereignty for granted. The agri-food sector has withstood the shocks of the pandemic and high input costs, showcasing its incredible resilience. However, the pressure of geopolitical tensions, legacy effects of recent crises, devastating impacts of extreme weather events as well as the consequences of structural trends are threatening the viability of this important sector and EU strategic autonomy.

The agri-food sector of today is facing challenging structural transformations, including an aging farming population. Only 12% of EU farmers are under the age of 40. Even though income per person engaged in agriculture has been increasing over the past decades, the income remains significantly lower than the average in the rest of the economy, which directly impacts the livelihoods of farmers and impedes their ability to invest, plan and innovate. This remains the number one factor in the mobilisation of farmers the EU witnessed recently. While many young people express an interest in farming as a career, and some are successfully engaged in thriving family farming

¹ Niinistö, S., *Safer together – Strengthening Europe's Civilian and Military Preparedness and Readiness*, 2024.

² Eurostat, *Key figures on the European food chain – 2023 edition (europa.eu)*, 2023.

³ Letta, E., *Much more than a market. Speed, Security, Solidarity. Empowering the Single Market to deliver a sustainable future and prosperity for all EU Citizens.*

enterprises, there are many challenges and barriers. Very uncertain income perspectives, entailing a high risk of poverty, in combination with complex regulatory requirements which can translate into stifling bureaucratic burdens, low profitability that hampers investments, crisis-prone production, demographic change, a gender gap, a lack of access to basic services in some rural areas, and the hardship of the profession are among the factors that can make farming increasingly unattractive for future generations. In parts of the Union, the cumulative impact of the agri-food sector still exerts high pressure on environment and climate, while at the same time farmers depend on nature to ensure future production. Most of these challenges are shared by primary producers in the fisheries and aquaculture sectors, as well as by the agri-food sector as a whole.

The lack of certainty and stability for the professional future of European farmers has led to recent wide-spread protests in the EU.

Against this background, it is essential for the EU to **recognize the vital role farmers play in our lives in livelihoods, reignite the competitiveness and reinforce the attractiveness of this profession so it can thrive, innovate and provide its many benefits to our society - today, tomorrow and in 2040.** This is all the more relevant in light of the imperative of enlargement, and the related challenges and opportunities for agriculture and for farmers, in present and future EU Member States.

This Communication sets out a vision for Europe's agri-food system for 2040 and beyond and presents a roadmap to guide EU action to ensure that **all policies work in step with this vision** and are adapted to new realities. In many areas a better alignment between national and EU policies will be required to achieve the goals. This vision also supports the delivery of the EU Competitiveness Compass, the overarching EU flagship initiative to boost EU competitiveness. In addition, the Commission will prepare a vision for the fisheries and aquaculture sector with a 2040 perspective to ensure its long-term competitiveness and sustainability, work to ensure job creation and address pressing issues affecting the fishing community.

The policy response is articulated around **four fundamental flagship actions**. The Communication spells out **work strands** on how these policy initiatives will be shaped in an inclusive and cooperative manner. The delivery of these flagship actions rests largely on important flanking elements, namely **simplification** of the regulatory framework that impacts farmers, and **innovation** that offers solutions for a sustainable transition.

New way of working: Building trust and dialogue

The experience shows that certain topics related to food and agriculture can be very polarising and societal consensus is more likely to emerge from inclusive approaches. The core of this Vision is therefore a new way of working – building trust and dialogue across the entire value chain, in the EU and globally.

The first steps have already been achieved with the Strategic Dialogue⁽⁴⁾ and its unanimously agreed set of recommendations. But this dialogue must go deeper on the ground, with sustained and more effective interaction with farmers, food chain operators and civil society at local and regional level all over Europe, listening to their concerns and ideas. At the same time, the existing mechanisms to foster dialogue and cooperation

⁴ *Strategic Dialogue on the future of EU Agriculture. A shared prospect for farming and food in Europe*, 2024.

with stakeholders at EU level, **such as the current Civil Dialogue Groups**, will need to be reviewed to guarantee more meaningful and effective participation in the design of future policies. The new **European Board on Agriculture and Food** ⁽⁵⁾ will be supporting the Commission in creating inclusive policies by providing strategic advice and fostering a new culture of dialogue among the different players in the agri-food chain. Additionally, **annual Youth Policy Dialogues** will empower the meaningful inclusion of young citizens and farmers in policy discussions.

Finally, the Commission will continue to maintain a **permanent dialogue with all other EU institutions and bodies**, notably the European Parliament and the Council of the EU, the Committee of the Regions and the European Economic and Social Committee, as well as key international organisations and partners. To ensure **effective monitoring of the implementation of this Vision**, the Commission will report regularly to all EU institutions on the progress regarding the successful delivery of the various initiatives. This Communication already draws from the existing positions and documents of key institutions. ⁽⁶⁾

2. VISION AND OBJECTIVES FOR 2040: AN AGRI-FOOD SYSTEM THAT IS ATTRACTIVE, COMPETITIVE, FUTURE-ORIENTED AND FAIR FOR CURRENT AND FUTURE GENERATIONS

The Union of 2040 must be a place where farming and food production thrive across our continent, in all their diversity. A place where farming is attractive for future generations, and the agri-food sector is competitive, resilient, future-proof and fair.

The future of this strategic sector rests on the ability of the Union and its Member States to put in place the right conditions to enable:

- **An attractive and predictable agri-food sector where incomes enable farmers to thrive**, attracting future generations that will continue producing food that meets consumer demands and remains affordable;⁽⁷⁾ where conducive conditions are in place to allow the agri-food sector to leverage its entrepreneurial potential, supported by different income sources and skills to grasp the opportunities of innovation, technology and the green transition; where ecosystem services such as in the growing organic sector are properly rewarded; where a fair functioning food chain ensures that the burden and costs of the transition are shared equitably along the chain.
- **An agri-food sector that is competitive and resilient in the face of rising global competition and shocks**. This hinges on the EU's ability to diversify its trade relationships, creating new export opportunities for the sector and reducing critical dependencies. Where framework and global actions enable farmers to compete on a level playing field globally, alleviate the burden of bureaucracy at

⁵ High-level advisory group with 30 member organisations representing three stakeholder categories: the farming community, other actors in the food supply chain, and civil society, including areas such as environment and climate, animal welfare, and consumer issues.

⁶ Conclusions of the EU Heads of State and Government (2022, 2023), Conclusions of the Hungarian Presidency of the Council of the EU (2024), Conclusions of the Belgian Council Presidency on the future of agriculture (2024), as well as the Council conclusions on the future of the CAP (2024). It further builds on the Resolutions and Opinions of the European Parliament, as well as the Opinions of the European Economic and Social Committee and the Committee of the Regions.

⁷ Krzysztofowicz, M., Rudkin, J., Winthagen, V. and Bock, A., Farmers of the future, EUR 30464 EN, Publications Office of the European Union, Luxembourg, 2020, ISBN 978-92-76-26331-9, doi:10.2760/5237, JRC122308.

home and increase the resilience of the sector to be able not only to withstand and recover from shocks but also to adapt and transform. The EU continues to contribute to global food security and pursues its partnership-building role across the world.

- **A future proof agri-food sector that is functioning within planetary boundaries**, where farming contributes to removing greenhouse gases from our atmosphere and the food sector does its part to become a low-carbon sector, supporting the EU's climate objectives, while preserving healthy soils, clean water and air, and protecting and restoring Europe's biodiversity. Stakeholders along the food chain contribute jointly to delivering these results and share transition risks. All segments of the agri-food system are much better adapted to the effects of climate change, use natural resources sustainably and efficiently and operate in line with a One Health approach.
- **An agri-food sector that values food, fosters fair working and living conditions and vibrant and well-connected rural and coastal areas**, including outermost regions; where in 2040, rural areas enable their citizens' right to stay. Where the link between food, territory, seasonality and traditions are cherished as integral parts of the European way of life; where the EU remains a world leader in food innovation and food is affordable for citizens; where mental health is not a tabu but part of the social support system for farmers and workers; where living and working conditions attract more women to the profession and ensure the protection of rights of workers on farms and along the food value chain.

Finally, essential to the delivery of this Vision, Europe's agri-food system is investing and leveraging the transformative power that **research, knowledge, skills and innovation** offer.

3. DESIGNING TOGETHER THE POLICY RESPONSES FOR A THRIVING AGRIFOOD SECTOR

This vision can only be achieved through a forward looking and coherent policy response articulated around the central question: how to build an agri-food system that is attractive, competitive, future-proof and fair for current and future generations.

3.1. Building an attractive sector that ensures a fair standard of living and leverages new income opportunities

Over 60 years ago, the EU has committed to ensuring a fair standard of living for the agricultural community, as established in Art. 39 of the Treaty on the Functioning of the European Union. This commitment is as relevant now as it was then. On average, overall agricultural income per worker is still significantly lower than the average wages in the entire economy (60% in 2023)⁽⁸⁾, despite the efforts made.

Farmers do not want to depend on public support, but the volatile nature of this profession and market imbalances often require this. When defining the different measures to achieve a fair standard of living, **we must draw on all sources of income**: market revenues, public support as well as diversified and new complementary income sources.

⁸European Commission (2024). Agri-food Data Portal: Jobs and Growth in Rural Areas. Farmers' income compared to wage in the rest of the economy.

Fair and equitable food chain

Firstly, farmers must get a **better revenue from the market**, enabling them to make the necessary investments to future-proof and render their farms more resilient. A prerequisite for this is that current imbalances in the food chain where an unfair distribution of revenues, risks and the burden of costs often disproportionately affect primary producers, are corrected. **Practices where farmers are systematically forced to sell below costs will not be tolerated.**

First steps have already been taken to rebalance the positions and facilitate proper enforcement of rules tackling unfair trading practices with the proposals adopted by the Commission on 9 December 2024 ⁽⁹⁾. They will strengthen the producers' position in the negotiation and conclusion of contracts and better protect farmers against unfair trading practices.

Moreover, several Member States have resorted to national rules that aim to address the challenge of the production below cost, which might however lead to different approaches in the Single Market. As part of the evaluation of the current rules, unfair trading practices will be further investigated, together with a review of the national regulations as recommended by the Strategic Dialogue. The Commission will on this basis propose further initiatives, in particular the revision of the UTP directive to **address the principle that farmers should not be forced to systematically sell their products below production costs**, as well as the review of the CMO regulation in the context of the post-2027 CAP proposals.

A key element to stimulate trust and fairness is **transparency** about how costs and margins are formed and shared in the food chain. The Commission will further enhance transparency along the food chain, including through the new **Agrifood Chain Observatory (AFCO)** that will elaborate and publish indicators related to the formation of prices in the food chain to guide further action. Those instruments should also support the long-term competitiveness of SMEs in the food and drink sector that have been particularly hit by the recent inflation.

Fairer and better targeted public support

To ensure the continuation of farming that attract the future generations of farmers across the EU, the public support through the **CAP remains essential to support farmers' income through several tools.** ⁽¹⁰⁾ Amongst those, CAP direct payments still play a crucial role in supporting and stabilising agricultural income at farm level, accounting for 23% of farm income on average in 2020. ⁽¹¹⁾

The future CAP, as part of the future MFF proposals, will be simpler and more targeted, to support **an ambitious and future oriented EU agricultural policy.** It will define a clearer balance between regulatory and incentives-based policies affecting farmers.

⁹ The recently proposed amendments to the **Common Market Organisation Regulation (CMO)** aim to strengthen the producers' position in the negotiation and conclusion of contracts for the supply of agricultural products, foster cooperation among farmers and improve price transmission. Similarly, the proposed new rules on cross-border enforcement in the framework of the **Unfair Trading Practices Directive** should help us better protect farmers against unfair trading practices.

¹⁰ Direct payments, support for farming in areas under natural constraints, remuneration of ecosystem services, investment support, market measures and support for rural development.

¹¹ European Commission (2023). Report from the Commission to the European Parliament and the Council: Summary of the CAP Strategic Plans 2023-2027: joint effort and collective ambition.

Furthermore, the Commission recognises that the public image of the CAP has been impacted by perceptions of a lack of fairness in the distribution of payments in some territories.

As a general principle, future CAP support will therefore be more directed towards farmers that **actively contribute to food security, towards the economic vitality of farms** and the preservation of our environment. The approach should also consider prioritising production of agricultural products which are essential for the EU's strategic autonomy and resilience.

Small and medium-sized farmers form the social fabric of rural areas, protecting nature and livelihoods. They should have the conditions which enable them to farm without administrative over-burden. Given their scale, the Commission will consider making more attractive and extending the use of **simplified income support tools** with a streamlined system of controls and conditions.

The support should be further directed **towards those farmers who need it most**, with a particular attention to the farmers under areas with natural constraints, young and new farmers, and mixed farms.

Enhanced use of **measures such as degressivity and capping** will be considered, taking into account different structural and sectorial realities of Member States. All farmers should continue benefiting from instruments such as payments for ecosystem services that will be streamlined and simplified, as well as investment support, and crisis and risk management tools.

Building on the experience of the current CAP Strategic Plans, **there is a need for further streamlining of how the CAP policy is implemented**. Current complexity calls for a more strategic approach.

The future CAP for post-2027 will rely on basic policy objectives and targeted policy requirements, while giving Member States further responsibility and accountability on how they meet these objectives.

Flexibility will be extended to farmers, giving them further agency in designing farming practices that are more tailored to their farms and context. The current system of conditionality will be simplified. Farmers have responded positively to the introduction of one-year commitments under eco-schemes, which reward them to deliver ecosystem services that go beyond mandatory requirements. The Commission will orient the future CAP **away from conditions to incentives**.

Leveraging the opportunities of innovation that rewards

Farmers are innovators and entrepreneurs by nature and **young farmers want to be the drivers of innovation**. New opportunities are emerging for complementary sources of income for farmers from a climate-neutral and nature-positive economy.

Concrete examples are the growing **organic sector and agroecological farming practices** which prove to be attractive options for younger farmers, combining economic possibilities with environmental results and social responsibility.

For others, innovation offers new and exciting opportunities. For example, **bioeconomy and circularity** offer a great potential for agriculture, forestry and the entire food system. The new **Bioeconomy Strategy**, to be presented by the end of 2025, will aim at positioning the European Union as a global leader in the rapidly expanding bioeconomy market. We must accelerate the commercialization of bio-based and circular solutions,

scale up breakthrough biotechnologies, capture emerging market opportunities and bridge investment gaps. This will be particularly beneficial for the farming community by enabling diversification of value streams, valorisation of farm residues, strengthening the role of primary producers in the value chain and generating new jobs in the rural areas. The Commission will work with international partners, in particular through the Food and Agriculture Organisation (FAO), to together identify sustainable ways of mobilising the potential of the bioeconomy for farmers not only in Europe but also worldwide.

Innovative financing tools, including private, and blended public-private, financing for nature can, in addition to public support, reward farmers who maintain or transition to nature-positive practices and bring them together with companies and investors with a business interest in such practices.

Carbon farming is already emerging as an additional source of income. The first EU-wide voluntary framework for certifying carbon removals, carbon farming and carbon storage (CRCF) has already been established and certification methodologies are currently being developed to create a certification framework to reliably monitor, report, and verify carbon removals, soil emission reduction, and biodiversity benefits.

Going forward, the Commission will complement this with speedily developing **nature credits**, units of nature-positive actions, representing quantified and certified high-quality nature-positive outcomes. A number of ongoing pilot projects, both at EU and international level, show the important potential for such projects, on which further work can build.

Important opportunities are also emerging on **renewable energy production**, an avenue which enhances energy security, decreases greenhouse gas emissions, and offers farmers and foresters additional income and innovation prospects. Farmers should not only be even more **energy-sufficient with for example solar panels, windmills and biogas production**, but also be able to **deliver their energy products to the market**, including through energy communities.

Examples:

Digitalisation, research and innovative AgriTech technologies have a potential to revolutionise farming and reduce on-farm costs, thus contributing to better incomes.

- E-commerce platforms, digital marketing tools, and online marketplaces can help farmers reach a wider customer base and diversify their revenue streams.
- Precision farming and data-based solutions can increase profitability through the optimisation of inputs.
- The 100 living labs of the research and innovation mission 'A Soil Deal for Europe' are an unprecedented resource to support farmers in the context of high inputs prices for fertilisers and water scarcity and other extreme phenomena such as floods.

Building an ambitious investment agenda

A resilient and sustainable agri-food system requires significant investment and hence **bold action to finance and de-risk the sustainability transition**. The farm sector is

confronted with a significant financing gap estimated at EUR 62 billion (for 2022), much higher than in 2017 ⁽¹²⁾. But getting a loan from a bank, financial institutions or a private investor is hard, especially for young farmers and women. This is a consequence of the relatively small farm size, low or modest returns on investment, highly variable profitability and risks, unpredictable production output due to weather and climate impacts and exposure to volatile (global) commodity markets.

The CAP will continue to finance investments to foster the competitiveness, sustainability and resilience of the farming sector. This includes the often relatively small-scale investments at farm level as well as public and private infrastructure needed for the modernisation of the sector. Existing instruments can only reinforce each other, if they are used in a smarter way in future.

The Commission will work to maximise public investment and leverage and de-risk private capital, working closely with institutional investors such as the **European Investment Bank (EIB)** as well as the banking sector.

In this respect, the Commission will explore options to establish risk insurances schemes and also explore public-private partnerships to **attract investments for SMEs in agriculture and food business** to step-up the agri-food chain transformation.

Fostering entrepreneurship: a new generational renewal strategy

The future of food sovereignty in Europe in 2040 rests on the shoulders of young and new farmers of today.

One of the preconditions for an increased attractiveness of the agricultural sector is to **tackle the key barriers to generational renewal**, in particular access to land, investments, skills, and more. “The right to stay” as established in the Letta report can be applied to the setting up of young farmers who wish to stay and farm in their territories.

But this responsibility cannot be solely borne by the CAP. Stimulating a true generational renewal requires a whole-of-society approach and a policy mix across different areas and responsibilities, many of which lie within national and regional competences.

The Commission will lead the work on the **Generational Renewal Strategy** that will be delivered in 2025, in close cooperation with the Member States, European Parliament and the key stakeholders. This strategy will **provide recommendations** for the policy response and measures needed, both at the EU and national/regional level.

The limited availability of **land** in a context of growing competition for its use puts the farming community, and particularly the new entrants to the sector, in a difficult situation. Land policy covers many aspects, mainly within national competences. This work should consider land mobility and transfer conditions, building on the good examples from several Member States in land mobility schemes, which could be reinforced through tax facilities to connect retiring and young farmers. Equally important is transparency in land planning and buying.

In response to the European Parliament’s request, and in line with the recommendation from the Strategic Dialogue, the European Commission will work towards launching an **EU Observatory on Farmland** ⁽¹³⁾. We will enhance transparency and cooperation in domains such as land transactions and transfers of land use rights, price trends and

¹² European Commission & EIB, *Financing gap in the EU agricultural and agri-food sectors*, F1 Compass, 2023.

¹³ *PP 08 25 01 — EU observatory for agricultural land, control and access to farmland*; European Parliament legislative resolution of 27 November 2024 on the joint text on the draft general budget of the European Union for the financial year 2025, P10TA(2024)0050.

market behaviour, changes in land use, loss of agricultural and natural land, soil quality, and erosion.

Member States have potential to develop strong levers in their national toolbox that could facilitate generation renewal including through **retirement schemes and tax incentives**.

3.2. A competitive and resilient sector in the face of global challenges

In an interconnected world in which the EU is both the world's largest agri-food exporter and one of the largest importers, the way we produce, consume and trade agricultural products has a major impact on our relations with third countries. ⁽¹⁴⁾

Food insecurity is often a main driver and / or result of wars and conflicts, and in the changing global order, food is being used as a weapon. Our trade partners resort to unilateral actions that target our key sectors, our exports still face barriers and global supply chains are at risk of distortions. The EU's pursuit of high global standards to protect universal objectives of environmental protection, human health and animal welfare is often seen as a trade irritant. At the same time, farmers in the EU are increasingly concerned by unfair global competition and lack of reciprocity.

But these challenges will not stop the Union from continuing strengthening ties with many willing partners, including through the Global Gateway investment strategy. **Global food security and European food sovereignty will remain an integral part of the EU's overall security, competitiveness and sustainability agenda.** With high levels of hunger, acute food insecurity and rising food prices around the world, the EU will continue to support third countries in their food sovereignty, resilience and sustainability, ensuring access to high quality and nutritious food for all.

Diversifying supply chains and promoting transformative resilience

In a world marked by geopolitical and geoeconomic tensions, “**dependencies are becoming vulnerabilities**” in Draghi's words. Today, the EU's food sovereignty depends to a large extent on imported inputs, such as fertilisers, feed and energy, and this usually from geographically concentrated regions. **Reducing these strategic dependencies and derisking supply chains is therefore crucial**, while supporting a transition to a low-carbon economy ⁽¹⁵⁾.

In terms of key import dependencies, the Union's **protein supply** is heavily reliant on high-quality imports from a limited number of origins, making our food system vulnerable to global market fluctuations and sustainability risks. We need to consider both the way protein is produced and consumed in the EU. The Commission will therefore **develop a comprehensive plan** to address these challenges, integrating policy, research and on the ground efforts to create a more self-sufficient and sustainable EU protein system, while at the same time diversifying imports from reliable partners.

¹⁴ The value of EU agri-food exports amounted in 2023 to €230 bn (9% of total exports) and the one of EU imports to €160 bn (6% of total imports), generating a €70 bn trade surplus.

¹⁵ Spain's National Office of Foresight and Strategy, *Resilient EU 2030. A future-oriented approach to reinforce the EU's Open Strategic Autonomy and Global Leadership*, 2023.

Another important dependency is on **imported raw materials and fertilisers** which are essential for food production and security. There has been an increasing concentration of imports from a few origins recently, particularly for urea, with about 88% of EU imports supplied by four countries⁽¹⁶⁾. Reducing these dependencies is a win-win: (i) for the **European clean industrial competitiveness** by supporting domestic production of fertilisers, including low-carbon fertilisers and fertilisers from recycled nutrients; (ii) **for the farmers** who can count on a reliable supply and stable prices, and (iii) for **environment and climate** through the support for the uptake of low-carbon/recycled fertilisers, such as RENURE, and their efficient use.

Looking ahead, the future enlargement of the EU will bring opportunities for the EU's resilience, with the objective of maintaining and strengthening production and export capacity in both current and future Member States, thereby strengthening the EU's strategic autonomy and weight in global agri-food trade. But there are also challenges that require careful consideration, in particular as regards the impact on the EU farmers. Preparing for the challenges and opportunities of enlargement will therefore be essential to ensuring a gradual integration especially as regards the Single Market.

Towards a fairer global competition

The Union approach to a **fairer global level playing field** will consist of two-fold action that must go hand in hand:

(a) **Global and bilateral cooperation**

In the current geopolitical context, it is clear that it will become **increasingly difficult to achieve a global consensus** on farming and food standards.

However, the EU will continue working in Team Europe approach with our partners and key International Organisations to strengthen a stricter implementation of internationally agreed commitments and to increase their ambition. Priority will be given to raising global standards in international standard-setting bodies in areas critical for ensuring fair competition, particularly when it comes to plant protection products and animal welfare. **The Commission will present in 2025 its line of action on deepening reciprocity to the Member States for further elaboration.** Secondly, the Union will work with its international partners in driving the development of a common approach to allow a comparable and fair assessment of sustainability aspects on food production globally, complementing the EU's work on benchmarking sustainability.

The EU will be more assertive in promoting and defending strategically the **exports of EU products**, making sure that third countries would benefit from the implementation of trade facilitation measures (e.g. regionalisation) provided they also apply similar measures to the EU. We will reinforce our **agri-food economic diplomacy** and dedicated high-level missions.

At **bilateral level**, the existing bilateral agricultural policy dialogues will be reinforced and **new Agrifood policy partnership dialogues** will be established with key bilateral, regional and continental partners. In this context, strategic and comprehensive partnerships with our Southern neighbourhood and the upcoming new Pact for the

¹⁶ With urea imports of 38% from Egypt, 33% from Russia and Belarus, and 19% from Algeria (European Commission, DG Agriculture and Rural Development, *Agri-food data portal - Fertiliser trade*).

Mediterranean offer important opportunities. The EU will also use bilateral Free Trade Negotiations and Agreements to their full extent. The interests of European farmers will be protected. The EU will reinforce the implementation and enforcement of Trade and Sustainable Development chapters/provisions with more targeted and operational country specific priorities and actions, including in relation to specific sectors of activity, as appropriate.

(b) **The Union framework for a competitive agri-food sector**

At the same time, the Union will ensure domestically that ambitious EU standards do not lead to economic, environmental and social leakages, and that the European agri-food sector is not put at a competitive disadvantage without corresponding reciprocity. To this end, **the EU will coherently implement an SME and competitiveness check in its policies** as stated in the Competitiveness Compass, consistently assessing the impact of Union regulations on EU farmers, on trade and on risks of creating leakages, and thoroughly examine the implications of free trade agreements under negotiations for EU farmers and global sustainability.

To ensure a fair and sustainable level playing field and respond to societal demand, the Commission will pursue, in line with international rules, **a stronger alignment of production standards applied to imported products, notably on pesticides and animal welfare.**

In that respect, the Commission will **ensure that the most hazardous pesticides banned in the EU for health and environmental reasons are not allowed back to the EU through imported products.** Similarly, the Commission will deliver on its commitment to ensuring that hazardous chemicals banned in the European Union are not produced for export, including pesticides⁽¹⁷⁾.

Another non-negotiable element of the Union's policy towards imports is **food safety.** The EU product standards are the highest in the world and ensure that all imported agrifood products are safe for consumers. The Commission will ensure that relevant food safety legislation is properly implemented and enforced. **A dedicated task force will be established,** pulling expertise and forces from the Commission and Member States, which will significantly increase the Union's response to further **strengthening the control on imports, including a powerful strengthening of controls on the ground.**

In the area of **animal welfare,** the Commission will make sure that future legislative proposals apply the same standards for products produced in the EU and those imported from third countries, also addressing enforcement related issues and concerns expressed by EU citizens. The targeted review of the **animal welfare legislation** will be an opportunity to apply this, in a WTO compliant way.

Where our trade partners resort to unfair competition and unilateral actions that unlawfully target our agri-food sector or that of individual Member States with the aim to divide us as a Union, the EU will use all protective tools at its disposal. The Union will develop (in 2025) an ambitious **Unity Safety Net** for the EU agri-food sector. In cases of economic coercion of the EU or its Member States by non-EU countries, the Union will

¹⁷ European Commission (2020), *Chemicals Strategy for Sustainability. Towards a Toxic-Free Environment*, COM(2020) 667 final.

protect the agri-food sector through all available means, including in the context of the WTO or EU autonomous instruments such as the Anti-Coercion Instrument, where appropriate.

The Commission will also work with the EIB to provide **export credits** that de-risk exports for Union agri-food sector.

In this context, the reserve of 1 billion announced in the context of the EU-Mercosur agreement in the next MFF will play an important role.

In addition, the Commission will work on strengthening the competitiveness and resilience of sensitive sectors such as livestock, present a **simplification package** that will contribute to the competitiveness of European farmers, propose an **extension of the country of origin labelling for agricultural and fisheries products** and intensify its **promotion policy**.

Preparedness and risk-proofing agri-food sector

“**We must be better prepared, not only to survive, but also to thrive in this new reality**”, states the Niinistö report. This new reality has been marked by significant shocks, from the pandemic, the Russian war of aggression and market disturbances to animal/plant diseases, severe climatic events affecting Europe and a volatile geopolitical situation.

Farmers are at the forefront of many of these crises. The growing uncertainties call for an ambitious **European risk and crisis management approach** which would **review and strengthen the toolbox to better manage risks and crises** at EU level.

Firstly, the incentives for farmers will be reinforced to reduce their exposure to risks through long-term farm adaptation, as well as incentives for farmers to share risks (e.g. via producer organisations or cooperatives). A climate-resilient EU agriculture must rely on **policies tailored to local, regional and national needs**, supporting agricultural practices and interventions that make agricultural local productions fit for future climate conditions.

In that context, the upcoming **European Climate Adaptation Plan** will play an important role, in particular in supporting Member States on preparedness and planning, and covering the impact on infrastructure, energy, water, food and land in cities and rural areas.

The future CAP will support, in a more targeted way, measures and investments that make the agricultural sector more resilient to the changing conditions. More ambitious transformational changes will be needed in places where the current productions are not sustainable for the longer term, through for example new local strategies, research and innovation, including new genomic techniques to produce more climate resilient crops.

Secondly, ambitious action is needed on risk preparedness, insurance and de-risking. In that domain, cooperation with the **European Investment Bank (EIB)**, with banks, insurance and re-insurance companies and with value-chain actors will be crucial. This should lead to a better pooling of risks and an improvement in the availability and affordability of agricultural insurances for farmers.

Thirdly, the Commission and the Member States must ensure **policy coherence between risk and crisis management tools** as well as greater flexibilities. Crisis management

tools should not discourage farmers from proactively managing risks and Member States from working towards efficient and adapted risk management strategies.

Moreover, the **functioning of the agricultural reserve** should be carefully assessed with a view to refocusing it to specific crisis of a significant magnitude, such as major market disturbances and animal/plant health issues. Furthermore, the provision of exceptional support to farmers should be better linked to appropriate preventive measures.

As a follow-up to the Niinistö report, the EU should step up its level of preparedness on food security across the whole food chain. The activities of the **European Food Security Crisis Mechanism (EFSCM)** should continue and be further developed. In consistency with the **Preparedness Union Strategy**, new EU tools could be considered for preparedness, related to food reserves, joint procurement, and increased transparency in times of crises. Like for other essential sectors such as health, holistic preparedness and response plans should be developed at national and regional level covering all aspects relevant to the whole food supply chain.

Supporting the resilience of agricultural markets

The geopolitical events resulting in trade distortions, the global competition, the impacts of extreme climatic events and the changing consumption patterns are a source of uncertainty for many commodity markets, from wine, cereals, animal products to olive oil. The Commission closely monitors all markets and rapidly acts when market situation deteriorates. The specific situation of the wine sector required such a response, and the Commission will advance towards the implementation in 2025 of the recommendations of the High-Level Group on Wine ⁽¹⁸⁾.

The EU livestock sector is particularly vulnerable to different shocks and global competition. High EU standards require EU livestock farmers to be world leaders, but their efforts are not reciprocated globally where they compete on an uneven level playing field. Such standards also come at a cost that the market does not always reward. **Livestock is and will remain an essential part of EU agriculture, competitiveness and cohesion.** Sustainable livestock is crucial for the EU economy, viability of rural areas and preservation of rural landscapes. It is a sector in which innovation can thrive and bring tangible benefits.

The **EU livestock sector requires a long-term vision** that respects the diversity of livestock production across Europe. Protecting this diversity means that there cannot be a 'one-size-fits-all' approach but rather targeted, territorial solutions for the sector's competitiveness and sustainability. A powerful drive could be given by designing conducive conditions for the development of an "excellence livestock production chain". The Commission will launch a **work stream on livestock** to develop policy pathways that: a) provide a diagnosis of the sector's challenges, including global competition; b) propose appropriate tools to accompany the sector and reciprocity measures; c) seek ways to address its climate/environment footprint including ways to valorise the link between livestock production and maintenance of environment- and climate-valuable grasslands; d) foster investments, technological development and innovation; and e) enhance the development of sustainable production models.

Reducing red tape to foster a competitive agri-food sector

Farmers should be entrepreneurs and providers, not carrying unnecessary bureaucratic or regulatory burdens. As the Draghi report stated, excessive

¹⁸ High-Level Group on Wine Policy, *Policy Recommendations for the Future of the EU Wine Sector*, December 2024.

requirements and reporting obligations impede the competitiveness of the EU economy and innovation.

The Commission will deliver an unprecedented simplification effort⁽¹⁹⁾, including in agriculture. There is no place for the Union to design in such detail the on-farm practices that must be respected. Numerous requests for derogations from these obligations, often justified based on national and regional specificities, have proven that one-size-fits-all approaches are not the most appropriate tool for such a diversified sector.

Additionally, there must be a better burden-sharing when it comes to the implementation of regulations and requirements between farmers and Member States, paired with a stress-test and reality-check of existing and new legislation. Equally, gold plating should be avoided and a cumulative assessment of impacts is essential.

Positive prospects for simplification stem from new technologies. For example, satellites help reduce manual controls and reduce reporting obligations by providing real-time and actionable data at farm level. The integration of satellite technology leads to better resource use, reduced input costs, and improved sustainability.

The Commission will propose in Q2 2025 a comprehensive **Simplification package of the current agricultural legislative framework** which will deliver: (i) On-farm simplification and streamlining of requirements that better recognise various situations and farming practices (such as organic farming); (ii) Streamlining support for smaller and medium-sized farms by greater use of simplified payments; (iii) Boosting competitiveness through improved and simplified planning and access to financial instruments available under the current MFF; (iv) Giving greater flexibility to the Member States for the management of strategic plans.

In addition, the Commission will work in 2025 on delivering a **cross-cutting legislative simplification package** that delivers meaningful simplification at farm level and for food businesses from other policy areas than the CAP. It will focus on elements that will help farmers and food businesses be more competitive and resilient, also in view of geopolitical shocks and global competition.

3.3. Future-proofing the agri-food sector that works hand in hand with nature

Like no other sector, food production is based on, and inextricably linked to, nature and ecosystems. The ability of farmers to produce food in the long run and be resilient depend on a good state of soils, pollinators, water quality and availability, and climate conditions. The EU has the objective to be climate neutral by 2050 and fight and reverse environmental degradation. The agri-food sector has an important contribution to make towards this objective.

At the same time, the ecological transition must carefully integrate economic and implementation challenges, as well as the need for a just transition in social terms. It must also recognise specificities of farming: on the one hand, agriculture will always have a degree of impact on natural resources, with limitations in terms of mitigation compared to other sectors of the economy. Similarly, situations across regions and territories differ greatly. This naturally calls for well-tailored and targeted solutions.

¹⁹ European Commission (2025), *A Competitiveness Compass for the EU*, COM(2025) 30 final.

Where decarbonisation and competitiveness go hand in hand

Agricultural activities can remove carbon from the atmosphere into soils and biomass; in most cases, these activities also make food production more resilient to climate-related damage, and therefore contributing to food security. Even if the potential to reduce emissions in agriculture is relatively smaller than in other sectors of the economy, climate action is essential in the agri-food sector to meet the broader goal of a **climate-neutral Europe by 2050**.

The Commission expects agriculture to achieve the emissions cuts foreseen under the Fit for 55 EU Climate Targets for 2030. Building on this, the Commission will consider pathways for the contribution of the agricultural sector to the EU's 2040 climate target, **keeping in mind the specificities of the sector, the need to ensure food security and in dialogue with the sector and the Member States**. This approach will be reflected in the review the relevant legislation regulating GHG emissions and removals from the agriculture and the Land Use, Land Use Change and Forestry sectors.

With **effective policies that reward good practices and approaches tailored to specific needs**, there is room to further decrease emissions from agriculture faster while enhancing carbon removals in the land sector, in soils and forests. For prevailing emissions from livestock, the recommendations from the Livestock work stream will serve as the basis for the further development of a toolbox of tailored measures to support the sector and regions in their efforts to reduce emissions. Technological advancements in feeding strategies will be essential. Linked to this, the future CAP will assess how to support farmers best in reducing further greenhouse gas emissions from their farming and livestock activities.

The food and drink industry has also a crucial role to play in contributing to the 2040 Climate target and the environment protection. Clear policies and incentives should be put in place to realise the innovation potential in the food system and the bioeconomy at large and to deliver healthy, affordable and sustainable food to EU citizens.

Incentivising sustainability

Environmental sustainability is increasingly a license to produce for farmers. The opportunities from nature and climate protection can provide a **positive agenda** for European agriculture. Working with nature provides resilience for farming for future generations, and it has started its incremental steps to draw in financing from the private sector, which should be further explored as a complementary source of income, in addition to public support.

However, in recent years European farms have seen a **substantial multiplication of sustainability standards, certifications and reporting requirements**, set by various actors, organisations and institutions, both public and private. These different methodologies and reporting requirements are resulting in a fragmented landscape characterised by inconsistencies between standards, incomparability of initiatives, and misleading signals as to the direction to take. This creates high transaction costs and confusion for farmers and bears the risk of 'greenwashing' practices.

To address this problem, in addition to simplifying and streamlining EU requirements, the Commission will also develop and gradually phase in a **voluntary benchmarking system for on-farm sustainability assessments**, thus allowing simplification and benchmarking to go hand in hand. Although it will start by focusing on agricultural activities, in the future it could be extended to the whole agrifood sector, including supporting consumer choices.

An example of benchmarking: On-farm Sustainability Compass

The sustainability compass should **act as a one-stop-shop** that **reduces administrative burdens** for farmers, allowing them to monitor and record sustainability data only once. Secondly, it will support farmers in gradually adopting more sustainable practices. It will allow them to better measure and **benchmark their sustainability performance** and **demonstrate their provision of ecosystem services** through easier data sharing. Thirdly, improved measurement and reporting can help design public policies in a **proportionate way**. As a result, a voluntary system for on-farm sustainability assessments will bring economic, environmental and social benefits. The key role of this future system implies that a **bottom-up, participatory and 'customer-driven' approach** to its development is essential.

Benchmarking will enable the farmers to showcase their on-farm sustainability performance and to attract new sources of financing. These sustainable farming practices should be rewarded, and the Commission has taken first steps to enable these rewards with the **Carbon Removal and Carbon Farming (CRCF)** certification framework.

Farming and nature

The starting point for further nature protection in the EU is not in more regulation but in **better implementation and enforcement of existing legislation** while using incentives and new market-based tools to promote change.

Additionally, farmers need a more advanced toolbox to be able to farm in a nature-friendly way and achieve the set objectives. This toolbox requires a well-calibrated mix of a better targeted public support from the future CAP, investments into nature-friendly solutions, advances in research and innovation, and a more agile regulatory environment.

One such example is the EU ambition to reduce the use of harmful pesticides. This is important both for the long-term resilience of farming, nature and health protection. However, the introduction of alternatives in a form of biological or innovative low-risk plant protection products has not followed with the same pace as the withdrawal of active substances from the EU market. If this trend continues, it can affect the EU's ability to ensure food production. The Commission will therefore carefully consider any further ban of pesticides if alternatives are not available within a reasonable time and at reasonable cost, unless the pesticide in question represents a threat to human health or to the very biotopes agriculture relies upon for its viability

Equally, the Commission **will in 2025 put forward a proposal that accelerates the access to biopesticides** onto the EU market. It will provide a definition of biocontrol active substances, introduce the possibility for Member States to grant provisional authorisations for plant protection products containing such biocontrol active substances while their evaluation is still ongoing and create a fast-track procedure for their approval and authorisation.

Furthermore, the role of the European Food Safety Authority (EFSA) will have to be reinforced with additional resources to speed up harmonised assessment procedures so that it can continue playing a central role in providing transparent and independent scientific advice. This will facilitate the access to the EU market of innovative plant protection products while ensuring a high level of protection of consumers' health and the environment.

Healthy soil is the basis for farming, today and tomorrow. At the same time, European soils are under strain from factors including climate change, biodiversity loss, and pollution. To address this, the Commission will incentivise and support farming practices that recover, maintain or improve soil health. Continuous support for organic farming remains essential, and integrated approaches such as permaculture could be further encouraged. In this respect, putting in place independent and **reliable advisory services** will be critical to ensure that farmers can draw on best knowledge profiting soil and farming.

Agriculture is heavily **reliant on water**, requiring a steady and safe supply to ensure the health and wellbeing of crops, livestock, and all forms of life. However, water is vulnerable to a number of challenges including agriculture-related abstraction and pollution. The EU is increasingly affected by water stress since **water scarcity** is further exacerbated by climate change. Adverse weather events due to climate change are a key risk to crop production, especially in Southern Europe. The Commission will soon present a **Water Resilience Strategy** that will outline the Commission's response to the pressing need for more efficient water uses, reducing water pollution and addressing challenges related to over-abstraction of water resources.

Special attention needs to be paid to improving **nutrients management at farm level** and increasing nutrients circularity. Priority should be given to addressing nutrient pollution hotspots and promoting integrated territorial approaches. A key aspect of this would be the management of nutrients from livestock farming to limit negative externalities, support extensification in regions with high livestock concentrations, and promote circularity which can help reduce the use of synthetic fertilisers. **The evaluation of the Nitrates Directive due at the end of 2025** will provide important further evidence to inform the discussion.

3.4. **Valuing food and fostering fair living and working conditions in vibrant rural areas**

Food connects people across territories and regions. It connects farmers with consumers and links urban centres with rural dwellers. Farmers, fishers and food production are the glue that keep rural and coastal communities strong and form the basis of further economic activity. Dynamic rural areas foster quality food production which in turn supports their economy. Reinvigorating these connections between food and territory and revitalising rural areas will be essential for the future of farming in Europe.

Fair living and working conditions across European rural and coastal areas

Demographic challenges, ageing and depopulation trends in particular, paired with **poor generational renewal** are leading to a decline in the working age population in rural and coastal areas.

Besides access to land and capital, the availability of better education, quality jobs and career opportunities, better mobility, basic health services, and connectivity are all pre-conditions for attracting new workforce in the food sector. Food and feed production in

the EU is also dependent on farm workers, which are frequently coming from other EU Member States or from third countries and too often work under precarious conditions. This needs to be, more than before, proactively addressed and considered in public policies.

Farming is a rewarding but also a demanding profession, often characterised by lack of work-life balance, and frequent isolation and loneliness, which many times affect **mental health**. Suicide rates among farmers are 20% higher than the national average in certain Member States. The Farm Advisory Services under the CAP can be instrumental in raising awareness on mental health and accidents at work through specific advice to farmers. For example, Irish Teagasc has been actively supporting farmers' mental health and raising awareness through its numerous activities ⁽²⁰⁾.

Alongside the CAP, a number of other policies, including the Cohesion policy, have a significant impact on rural areas and contribute to social, economic and territorial cohesion in Europe. **Synergies and complementarities must be further enhanced to ensure effective support and tangible impact in rural areas.** A closer coordination of funding instruments with sectorial policies can contribute to the development of rural areas through integrated planning and implementation efforts.

In 2025, the Commission will launch an **updated EU Rural Action Plan** that will be consolidated with projects, initiatives and actions from numerous policies of the EU to respond to the new European policy priorities post-2027. The **rural proofing principle**, including territorial impact assessments, will be operationalised and sufficiently resourced at EU level. Moreover, the **Rural Pact** will be further strengthened as the instrument for dialogue and engagement of civil society and rural communities – both in supporting implementation and policy discussions. The Commission will also take further action to **address the targeted spread of disinformation** in rural areas.

Furthermore, circular economy contains significant potential for the economy of rural areas, in particular through bioeconomy. In the Long-term Vision for rural areas ⁽²¹⁾, the Commission estimated that the further development of the bioeconomy will lead to the creation of 400,000 new highly skilled jobs by 2035 and up to 700,000 by 2050, mostly in rural areas.

Participatory local development tools, like **LEADER/community-led local development and other forms of cooperation like Smart villages**, which proved their efficiency, will be further strengthened. The concept of **functional rural areas** will be developed in view of addressing the gap in the availability and affordability of services for rural citizens. This concerns all rural areas, with relevance for remote areas and those that do not have immediate access to services offered by towns and cities.

Outermost regions have specificities that require specific and targeted support. The Commission confirms the importance of the POSEI scheme to support farmers in the outermost regions. The results of the ongoing evaluation will feed into the reflection on how to ensure that POSEI can guarantee the long-term future of the agricultural sector in the outermost regions, further contributing to their food security and sovereignty, competitiveness and resilience.

²⁰ Teagasc & Mental Health Ireland, *Sowing Seeds of Support: Positive Mental Health Guidance for the Farming Community*, 2024.

²¹ European Commission (2021), *A long-term vision for the EU's Rural Areas - Towards stronger, connected, resilient and prosperous rural areas by 2040*, COM(2021) 345 final.

To attract more women to farming and to allow for exchange of experience, the Commission will establish a **Women in Farming platform** that will strengthen women's engagement and equal opportunities in the farming sector thanks to the actions brought about by the Platform members. It will also serve as a forum to discuss and exchange good practices.

Valuing food: reestablishing the essential link between farming, territory and food and harnessing the power of innovation

Over the past decades, consumers' relationship with food has evolved. Food is more processed, eating habits are changing and supply chains have gotten longer and more complex. While the link between farming, food and territory has weakened, changing societal expectations with regard to food hold opportunities for the sector.

Consumers have an important role to play in supporting farmers in the transition. Farmers and fishers face pressure to improve their environmental performance, while markets fail to reward the progress already made and to incentivise further sustainability practices. **Therefore, going back to the "roots" and re-establishing the link between food, territory, seasonality and local traditions is very important.**

Food is a crucial part of any discussion on the future of agriculture and food production in Europe. But it is also **sensitive**, as experience shows, where social and cultural traditions come into play. This chapter identifies areas where **Union action can bring added value**, without encroaching into the national and regional competences in health policy and the freedom to choose.

Local authorities are often best placed to lead engagement on how to shape favourable food environments through community-led initiatives, including food councils that foster dialogue on how to enhance the affordability and availability of healthy, high-quality food. The Commission will promote such initiatives at national and regional/local level and facilitate further exchange of good practices across Member States. One aspect where the Union can help is to bring this dialogue and interaction to the EU level. In addition to the established forums, **the Commission will hold every year a Food Dialogue** with the food system's actors, including consumers, primary producers, industry and public authorities. This dialogue would be the forum to address pressing issues such as food reformulation, collection of data on dietary intake and food affordability, just to name a few. To support this dialogue, the Commission will launch a study on the impact of the consumption of ultra-processed products.

Additionally, the Commission will come forward with a legal proposal to strengthen the role of **public procurement**. The lowest price should no longer be the only criterion to award tenders when procuring food. Public procurement should pursue a "best value" approach to reward quality and sustainability efforts made by European farmers. This can provide the right incentives to promote the consumption of local, seasonal products, and food produced with high environmental and social standards, including organic products and food originating from shorter supply chains. Linked to this, the development of **short food supply chains** remains of strategic importance to ensure fairer prices for farmers, fishers and improved access to fresh and seasonal products for consumers.

Furthermore, the Commission will propose a targeted review of a successful **EU school scheme** to strengthen its education dimension, adapted to the local and regional needs and traditions. The **EU promotion policy** will remain a strategic policy tool to be used to enhance consumer awareness about EU agricultural and fisheries products and quality schemes. Linked to this, the Commission will continue working to promote further uptake of **geographical indications (GIs)** which are a powerful tool for European producers in valorising their food and drink products, preserving food heritage across Member States and creating growth and jobs in the rural areas where they are located.

The contribution of the food industry is essential to develop business models that strengthen every part of the value chain and look also at the wellbeing of farmers, fishers, sector workers and consumers. In this respect, a comprehensive approach is needed to encourage **investments in the competitiveness, resilience and sustainability in food processing, distribution and sale to address current gaps and challenges**. To support local agri-food SMEs in the transition, the upcoming Transition Pathway Platform will facilitate networking opportunities. The Commission will also continue supporting very actively the uptake and results generated by the implementation of the **EU Code of Conduct on Responsible Food Business and Marketing Practices** and evaluate whether further action is needed if the achievements generated by the Code of Conduct do not meet the expected ambition.

As diverse and balanced nutrition can impact positively people's well-being and health, it is important to advance with Member States the work on monitoring the effects of certain advertising and marketing practices of food on the health of the most vulnerable groups of consumers, particularly children.

Innovative technologies have emerged, including in the field of food technology, biotechnology and biomanufacturing. Keeping Europe's innovation edge in such technologies is paramount for the sector to remain competitive and for the EU to remain a world leader in food innovation. At the same time, certain food innovation is sometimes seen as a threat to the traditions and culture across Europe. This calls for an **enhanced dialogue** on this matter and better knowledge, to make sure that these innovations can be assessed in an inclusive way that also considers social, ethical, economic and cultural aspects of food innovation.

Finally, new societal expectations regarding food are shaping consumer behaviour, in particular when it comes to animal welfare and product origin. If well supported, this can present new opportunities for farmers. To address this, the Commission will closely exchange with farmers, the food chain and civil society and on that basis **present revised proposals on the revision of the existing animal welfare legislation**, including its commitment to phase out cages and other closed confinement systems. This revision will be based on the latest scientific evidence and take into account the socio-economic impact on farmers and the agri-food chain, providing support and appropriate, species-specific transition periods and pathways. Linked to this, the Commission will advance on better information to consumers on **animal welfare and origin labelling** to address societal expectations.

At the same time, **continuing efforts to reduce food loss and food waste** is a key priority for the years to come. Reducing food losses and food waste will not only benefit farmers but will also increase the sustainability of the EU food system, contributing to more efficient resource use and food security.

3.5. Putting research, innovation, knowledge and skills at the heart of Europe's agri-food economy

Digitalisation as a driver to further advance the transition

The digital transition moves at unprecedented speed and can contribute to quickly improving farm economic performance, resilience and sustainability. Data enabled technologies like **artificial intelligence** can also revolutionise the way we produce food, taking care of the environment, climate and people. Nonetheless the adoption of digital tools lags behind in agriculture and other parts of the food system. Perceived high costs, lack of digital skills and trust, absence of tailored solutions and connectivity issues are among the main reasons why farmers are not fully tapping into the digitalisation wave.

The priority will be to ensure connectivity in rural areas, particularly in remote areas. Investing in the enabling environment, such as **lifelong training in digital skills and advice**, is also crucial, as well as **encouraging testing and adoption**, also collectively (e.g. via cooperatives). **Digital systems** need to be further integrated and harmonised, both for the collection of data by farmers and Member States' systems. The Commission will pursue a **'collect once, use multiple times'** principle, reducing reporting burden for farmers.

To deliver on these challenges **the Commission will launch an EU digital strategy for agriculture** to enable the transition to a digital-ready and future-oriented farming and food sector while avoiding possible pitfalls⁽²²⁾.

Knowledge & Innovation as catalysts of change

New knowledge and innovations must reach farmers and other food system actors more quickly and at wider scale, with concrete on-farm and on-site applicability of innovative solutions. And we are not starting from zero. The Mission Soil supports farmers in their transition to sustainable soil practices through a combination of R&I and on-site testing and experimentation, which should be continued to achieve healthy soils in the EU by 2050.

But innovation is advancing and should be embraced. For example, testing regulatory initiatives, new technologies or business models in **sandboxes** (e.g. for digital tools in agriculture or in the area of biopesticides) **before rolling them out, and innovation procurement** will help to remove barriers for more innovation ready to be used by farmers.

To deliver results tailored to farmers' needs, **the co-creation** of knowledge and innovation in local experimentation sites on-farm with farmers, scientists, innovators and business e.g. in living laboratories should be scaled up.

Developing a new EU strategic approach to R&I to improve the competitiveness of agriculture, forestry and rural areas will be paramount to target investments efficiently, align future priorities with scientific developments and grasp new opportunities.

²² Barabanova, Y. and Krzysztofowicz, M., *Digital Transition: Long-term Implications for EU Farmers and Rural Communities*, Publications Office of the European Union, Luxembourg, 2023, doi:10.2760/286916, JRC134571.

In this endeavour, further strengthening existing public-public and public-private R&I partnerships and developing new ones will be key to pool resources, talents, and research infrastructures. In this respect, a strengthened cooperation with the Standing Committee on Agricultural Research (SCAR) is key. On the global stage, **reinforcing international partnerships and cooperation with international organisations** like FAO, CGIAR and OECD will help deliver on innovative solutions to the global challenges and the 2030 Agenda for Sustainable Development.

Plant breeding innovations, including the use of biotechnological tools such as new genomic techniques (NGTs), are key to accelerating the development of climate-change resilient, resource-saving, nutritious and high-yielding varieties, and thereby contribute to the EU's food security and food sovereignty.

To reap the benefits of these innovations, an enabling regulatory framework in the EU is needed. This also ensures a level-playing field with an increasing number of third countries, which are in the process of adapting their legislation or have done so already. It is therefore particularly important to complete the legislative procedure for the Commission's NGT proposal and to implement the legislation fast. The Commission is committed to working in close cooperation with the Council and the European Parliament to find a forward-looking compromise in the near future.

Strengthen knowledge and innovation systems in agriculture and support for advice

New knowledge and innovations stemming from the EU R&I programmes must be widely accessible and used in practice. The Member States need to put substantial efforts into **strengthening Agricultural Knowledge and Innovation Systems (AKIS)** and match resources with the broader range of needs faced by the sector. To this end, the CAP will continue to provide strong support to implement AKIS strategies with the AGRI European Innovation Partnership (EIP) as a cornerstone. It will also promote further actions to strengthen the role of **impartial and competent advisors** and develop **attractive training offers** that respond to the need of farmers all along their professional life and are particularly suited to the **evolving skills demand** of the new generation of farmers and their career prospects.

4. CONCLUSION

This Communication presents the Commission's reflection on the future of agriculture and food in Europe. The European agri-food sector has many strengths and is a leader when it comes to health, safety, quality and innovation in food production. We must build on these strengths. But in the current geopolitical context, the Union **must sharpen its response** to the challenges farmers, other rural actors and the agri-food sector are facing and prepare for the future with a **more assertive policy response in favour of our strategic autonomy and food sovereignty**, while pursuing its objectives of nature protection and decarbonisation. This policy response is united around a **common vision that will frame the work of the Commission for this entire mandate** across all policy areas that have an impact on agriculture and food.

The delivery of this vision cannot rely on the EU level alone. It requires that new generations of farmers, agrifood operators, informed consumers and rural communities take up the mantle from the current generation as entrepreneurs, custodians of the countryside and agents of change. It requires a strengthened dialogue at all levels of governance, with EU institutions, national, regional and local authorities, and with our international partners.

That is why this Communication launches this dialogue to enrich the Commission's reflections on the way forward around the four flagship actions. Many of the topics contained therein are sensitive and do not often find easily a consensus in society, in particular aspects related to food, livestock, and the future of the CAP. This is why further strands of work are launched to elaborate these key issues and find solutions in close engagement with relevant stakeholders and policy makers. Experience shows that one-size-fits-all solutions cannot be applied to such a diverse sector and the Strategic Dialogue has rather called for territorial and tailored response.

The Commission invites the European Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions, the social partners and all stakeholders to actively contribute to the development and delivery of the initiatives in this Communication.

Agence Europe