“Ensuring future CAPability!”

France urbaine’s contribution to the public debate on the future of the European Common Agricultural Policy
The Common Agricultural Policy (CAP) is a historic pillar of European unification and a central element of the European project, both in terms of the budget it mobilises - nearly 30% of the European budget - and in terms of its impact on European citizens’ food supply and on environmental, social and economic issues.

With the negotiation of the financial framework for the period 2021-2027, the Green Deal, including the "From Farm to Fork" and "Biodiversity" strategies, the European Union has set an ambitious course towards greater sustainability in order to achieve carbon neutrality by 2050. The current debate on the future of the CAP offers a major opportunity to rethink the whole European agricultural and food system, in a context in which the coronavirus epidemic has highlighted numerous vulnerabilities.

As the main centres of food consumption, large cities and inter-municipalities are vital actors in the food system and its necessary transition. Rethinking the future of the food system will require the alliance of all the actors in the food production, processing, distribution and consumption chains and local territories, in order to promote a transition towards food and agricultural systems that are more sustainable, responsible and solidarity-based. Given that two-thirds of greenhouse gas (GHG) emissions are produced by urban territories, that two-thirds of people in France with low incomes live in these same territories and that two-thirds of humanity will be urban by 2050, these urban territories, in conjunction with the surrounding peri-urban and rural territories, when territorial alliances are formed and effective, are key actors in the transition of the food system towards a more resilient model.

This is why France urbaine, an association that brings together all the major French cities and inter-municipalities, has for several years been supporting its members working "For a solidarity-based, responsible, sustainable food transition¹", embodied by the signing of the eponymous declaration in 2018.

In a context of major crisis, the European Union is facing a historic task, that of acting as a powerful lever in the transformation of societies, and production and consumption models, including our food systems. This is why we would like to call on the EU to support entities involved in food transition that are already active in territories.

A European agricultural and food supply system that has shown its shortcomings and limitations

The multiple-level crisis caused by the coronavirus pandemic has hit a food system with a long history behind it; that of its globalization and agro-industrialization, a system whose development has been supported for almost sixty years by the Common Agricultural Policy, and which has been popular with consumers, who have benefited from low-cost, easy access to food, and, at least in the short term, a guarantee of safety in terms of health. It was thought that this system’s performance could not be improved, since it mobilizes the best and least expensive resources all over the world – low-cost labour, vast production areas, advantageous taxation – enabling previous agricultural performance to be exceeded through the use of chemical or mechanical inputs on farms (chemical and synthetic fertilizers, plant and animal health products, mechanization and motorization, etc.)

An increasing number of questions from all sides

Many countries, including France, have benefited from the CAP, and yet for the past two decades, warnings and questions have increased to the extent that the food system has become a central issue in public, scientific, and political debate. These issues concern various aspects of the food production and consumption chains, in particular:

- **Environmental impacts**: climate change (the agricultural and food system accounts for 30% of GHG emissions), biodiversity (poorer soil quality, declining insect populations resulting in the disappearance of 30% of birds in the last 15 years), water, soil and air pollution, and the well-being of animals that are victims of practices inherent to industrial livestock farming, etc.

- **In terms of human health**: poor nutrition (chronic obesity, cardiovascular diseases, type 2 diabetes), the effects of traces of herbicides and pesticides, highly processed food (which can contribute to deficiencies), too high a proportion of meat in the diet, over-consumption of sugar, the impact of endocrine disruptors on health and fertility, numerous diseases and occupational health issues among farmers linked to the use of chemical inputs, etc.

- **Social and economic impacts**: rising debt among farmers, volatility of agricultural markets and a downward trend in prices, repeated crises in various sectors, constraints on young farmers getting started, an ageing agricultural population, land consolidation operations that have favoured the growth of large farms and a highly mechanised agriculture that is dependent on pesticides and is focused on export, to the detriment of a nourishing, solidarity-based agriculture.
A pandemic environment has reshuffled the cards and highlighted the importance of the role of cities in the emergence of new food systems

In the long history of the food system, and in unforeseen crisis situations such as the current covid-19 pandemic, cities have taken a central role in maintaining the continuity of food supply. The health crisis has highlighted the need to avoid dependencies and vulnerabilities in food systems and hence to develop their resilience and sovereignty. Cities have shown their ability to develop food solidarity actions to help people exposed to food insecurity, and new categories of the population that have become vulnerable and impoverished due to the current economic and social crisis. This role is not limited to the management of a static system; when situations require it, they are at the heart of transitions and the emergence of multiple and diverse food systems.

In order for these transformations to be coordinated with initiatives by other actors in the food system, France urbaine calls on national and European public authorities to take a stand in favour of a real agricultural and food transition and to support all the actors working towards this transition.

1. Agriculture and the food supply are strategic sectors that need better protection

The globalization of the food system has created vulnerabilities and, for citizens, a danger of losing the capacity to control or have a say in how the food supply functions. There have been difficulties in obtaining supplies of medical equipment, including equipment that we should be able to produce, equivalent problems could occur in the food sector, which could then lead to shortages in production elements (e.g. energy, inputs, animal feed) or shortages of produce and sudden price rises. Wherever possible, priority should be given to re-establishing local production in the place of unnecessary imports, particularly for animal feed, such as plant proteins, and to stopping produce being exported when it could meet demand expressed by the population and finding local outlets, for example with arable crops and beet sugar.

The question of national sovereignty has now returned strongly to the debate in the context of the coronavirus crisis. The French President referred to this necessary debate by raising the possibility of giving sanctuary status to certain strategic sectors that would no longer be subject solely to market laws. Food, as an essential requirement, should come within the scope of these strategic sectors. This desire to relocate has to go hand in hand with a better recognition and revival of local production. The European Union must ensure this in the negotiation of trade agreements with countries outside the EU.

This is also an important lever for building territorial resilience (urban - peri-urban - rural). Furthermore, it is becoming necessary to take into account the negative externalities of imported products, particularly in relation to health and environmental issues. This is therefore an aspect that needs to be fully integrated into the reflection on imported carbon emissions.
2. Towards a Common Agricultural and Food Policy (CAFP)

The importance given to agriculture in the European budget should not be challenged. Nevertheless, there is an urgent need to introduce European intervention into the framework of the entire food system, taking into account the necessary transition of this system. New European initiatives are underway - the European Green Deal, the “From Farm to Fork” initiative, the Biodiversity Strategy and the “Climate Law” regulation - which show awareness and willingness to act by the European authorities, but it is important this does not consist of an accumulation of silo approaches with no concern for overall coherence.

The CAP, which accounts for a considerable share of the European budget, cannot remain on the sidelines of a dynamic affecting the entire food system. This is why we propose a shift from a CAP to a Common Agricultural and Food Policy (CAFP). The major cities and their inter-municipalities are ready to integrate their food initiatives into an approach that links agriculture and the food supply. At the very least, we call for a rebalancing of the CAP, which would involve strengthening the second pillar of the former CAP, an essential tool for the development of territories and their resilience, and in which cities are stakeholders. To reflect the systemic nature of the entire Agricultural-Food system, we call for an effective coherence of all strategies and intervention tools that concern the food system. This necessary coherence concerns European policies as well as national, regional, departmental and local policies.

The annual CAP budget in France amounts to about € 9 billion and France allocates 85% of the CAP budget to direct income support for farmers. While 77% of French farmers receive CAP aid in this way (340,000 farms), these subsidies, which represent an average of 29,000 euros per year, per farm, mainly benefit cereal and cattle farmers.

One farmer in five lives below the poverty line in France and their number has continued to decrease (14% fewer farmers in 10 years), land prices are rising, and the issue of passing on farms is becoming increasingly pressing, with nearly a third of French farmers over 55 years-old. We therefore want to add more value to the farming profession, guaranteeing a fair, decent level of remuneration, and supporting agricultural production in favour of healthy, high-quality food:

- by creating coupled support for fresh fruit and vegetables and pulses produced using agro-ecological methods,
- by making projects for the development of territorial production or processing sectors and Projets Alimentaires Territoriaux (PAT) (Territorial Food Projects) eligible under the second pillar,
- by allocating significant funding for the maintenance and development of organic farming,
- by allocating a significant part of the CAP budget to agri-environmental and climate measures as well as to aid for diversification and farm self-sufficiency,
- by remunerating practices that are particularly environmentally friendly and by allocating at least 40% of the first pillar’s budget to payments for environmental services, while maintaining the budget for coupled aid,
- by stimulating agricultural employment rather than the expansion of farms and by capping aid at € 100,000 per farm and by increasing allocations based on hectares and number of animals for small farms,
- by raising the age limit for receiving set-up assistance and adapting the support offered in the pre-set-up process to each project,
- by putting an end to imports and exports that destabilize agriculture in both southern and northern countries, and by setting up a system for reimbursing CAP aid for raw materials exported outside the EU,
- by supporting research to promote agricultural transition.

3. Mobilising European structural funds and investment in cohesion policy relating to the food supply

It should be noted that urban and peri-urban territories do not have access to the EAFRD (European Agricultural Fund for Rural Development), among the European Structural and Investment Funds (ESIFs) of the Cohesion Policy, whose 2021-2027 programme period is currently under discussion at national level with the preparation of the Partnership Agreement for France with the European Commission; as well as at European level (determination of the overall European financial envelope, distribution for each member state, and funding priorities).

Invited to take part in the consultation on the drafting of the future Partnership Agreement for France, which will specify the priorities for the allocation of ESIFs for the next seven years, France urbaine expressed its satisfaction with the first version of the agreement, with the opening of the ERDF, whose strategic objective 2, "A Greener Europe", mentions, in the part dealing with the circular economy, taking into account the "Development and structuring of short supply chains, local consumption, and territorial food projects".

However, the health crisis has shown the extent to which cities play an essential role in creating an urban-peri-urban-rural dynamic to ensure the supply, safety and quality of food while responding to the consequences of the crisis for the most vulnerable and the increase in food insecurity. It is therefore necessary to ensure co-financing of such ecosystems through the mobilisation of ESIFs, reflecting "territorial alliances", including in the intervention areas of strategic objective 5, "A Europe Closer to Citizens", which promotes integrated and participatory (multi-actor) territorial approaches to sustainable development, and which would also allow inter-territorial cooperation in relation to food.

This access to ESIFs for urban territories is all the more essential since the French Prime Minister has announced contracts for ecological revival and transition to be implemented by the end of 2021 which will concern inter-municipalities and their various structures, with quantified objectives and concrete action plans. It will then be necessary to ensure the allocation of available and mobilizable funding in order to reach the latter and to activate the process of national, regional and local, and also European, co-financing, including via the ESIFs of the Cohesion Policy.
4. A necessary evolution of European public procurement rules

The major cities and their inter-municipalities are calling for a change in the European rules on public procurement, so that food can benefit more from an exceptional regime allowing the development of the new food economies that are being established in territories, and which contribute to building and strengthening territorial resilience.

Taking into account environmental externalities is a lever that, on paper, helps to encourage local production. However, it is a tool that is still little used by buyers and is difficult for many operators to integrate, especially smaller structures that are unfamiliar with invitations to tender and public procurement law.

Public authorities should also be able to target local producers more simply and directly, by making the geographical location of crops or production an element of the specifications or, at the very least, a criterion for selecting tenders, whenever this is in line with the objective of improving the territory’s resilience and food self-sufficiency. Such provisions, together with requirements on farming methods (organic farming or significantly reducing the use of inputs), would also make it possible to take effective action against the pollution of rivers and water tables, given the volume of purchases made by cities, urban areas and metropolises relating to collective catering and food aid.

We therefore need to make the principles of non-discrimination and free competition set out in the European Union treaties compatible with the competences of local and regional authorities and their structures with regard to the development of their territories, and also with citizens’ wishes (a healthier diet, with better quality, local, seasonal food, at affordable prices).

The health crisis and its economic and social consequences call for the implementation of rapid measures to enable the inclusion of proximity criteria in the awarding of public contracts by awarding authorities. Strategic food self-sufficiency and territorial resilience are at stake, as are the preservation and creation of local jobs, and the implementation of actions to achieve sustainable development objectives, but above all a response to new demands from citizens for a different approach to consumption.
5. **The European Union should encourage "Territories Alliances"**

Food and agricultural supply chains, which make up the food system, necessarily link centres of agricultural production with centres of food consumption. This duality makes alliances between rural areas of agricultural production and urban areas of food consumption essential. Peri-urban areas have a special role to play, in that they can also have agricultural zones, even if they are the subject of debate and sometimes conflict, regarding the recognition of their status as urban or agricultural land. Urban agriculture, which has real educational and social value, while also bringing nature into the city, remains of minor value in terms of supply.

The crisis and lockdowns have demonstrated the importance of building these long-term alliances with nearby territories. The health crisis has obliged their adoption for logistical reasons, and in doing so confirms other pre-existing reasoning with regard to the planning and development of urban, peri-urban and rural areas, particularly with regard to the preservation of the environment and resources (e.g. the creation of local circular food chains).

6. **The introduction of conditionalities to accelerate the transition of the European agricultural and food system**

France urbaine advocates a strengthening of the conditions for European aid in the agricultural and food sector, in order to encourage the transition towards a more virtuous system. In this way, taking into account the sustainability of resources, health impacts, animal welfare, animal health and nutrition, fair remuneration for farmers, payment for the provision of environmental services, and the economic viability of farms, should make it possible to improve the allocation of European public aid and encourage deep and lasting change in the food system.
7. **Strong European commitments in the fight against food insecurity**

Because solidarity remains at the heart of the European project, France urbaine advocates a strengthening of the Fund for European Aid to the Most Deprived (FEAD). The economic and social consequences of the health crisis are plunging new categories of populations into food insecurity. Even if public authorities, charities and citizens are strongly mobilised within member states, the European Union should respond to this major challenge by providing long-term support for solidarity policies in the food sector. From an ethical point of view, we cannot accept that the richest political and economic zone in the world does not provide more support for families and individuals who suffer from food insecurity or even malnutrition. It is a moral imperative that calls for the unwavering commitment of all stakeholders, and hence the respect of sustainable development objectives.

Since 2014, the European Union has supported food aid through the FEAD. By providing food and material aid to 16 million people in Europe, this fund constitutes the main European tool in the fight against poverty. It finances one third of the meals distributed in France.

However, in the context of the negotiations relating to the multi-year European financial framework for the period 2021-2027, it appears that the resources allocated to European food aid will be greatly reduced. It is has been proposed that the FEAD, which had a budget of €3.8 billion for the period 2014-2020, be merged with the European Social Fund Plus (ESF+) and allocated a budget of between €2 and €3 billion for the seven-year period. If this proposal is confirmed, European food aid would suffer a significant reduction in its resources.

Food aid is an essential foundation for combating poverty and its consequences. The provision of food is often accompanied by other support measures ranging from assistance in finding employment to access to cultural and leisure activities. It is an irreplaceable and often unique response to the vital needs of the millions of people living in France and throughout Europe, in situations of lasting or temporary insecurity.

The current context makes it imperative to support poor and vulnerable populations, which usually involves collaboration between public action and charitable/community associations. The current crisis will inevitably increase poverty and the vulnerability of millions of people. More than ever, we need mechanisms to meet, in terms of quantity and quality, the essential needs of a growing proportion of our populations.
CONTACTS

France urbaine
Kader MAKHLOUF, Conseiller en charge des stratégies alimentaires territoriales
k.makhloff@franceurbaine.org
Delphine BOURDIN, Conseillère en charge du Développement durable, de l'ESS et de l'Europe
d.bourdin@franceurbaine.org

France urbaine
22 rue Joubert 75009 PARIS
01 44 39 34 56
franceurbaine@franceurbaine.org