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The various causes of the agricultural crisis in Europe

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The farmers' revolt, which peaked in January and February 2024, has affected most EU Member States. It is motivated by rising production costs, foreign competition, falling incomes, environmental constraints and cumbersome administrative procedures.

However, certain causes are more specific to certain countries.

This is the case in the Netherlands, where the farmers' revolt began in June 2022, in opposition to the Dutch government's plan to reduce nitrogen emissions by cutting livestock numbers. Dutch farmers had taken advantage of the abolition of milk quotas in 2015 to increase their production, making massive use of cattle feed imported from North and South America, and consolidating the Netherlands' position as Europe's leading exporter of food products. This farmers' revolt led to the creation of a party, the "Farmer-Citizen Movement" (BBB), which made a strong entry into the Senate in the March 2023 elections.

In the countries of Central Europe - Poland, Slovakia, Hungary and Romania - it was the fall in cereal prices, due to the influx of products imported from Ukraine following the closure of the Black Sea shipping route and the suspension of customs duties in May 2022, that provoked farmers' anger. It even led to the resignation of the Polish Minister of Agriculture in April 2023.

In Germany, as in France, it was the governments' plans to reduce tax rebates on agricultural diesel that triggered farmers' protests and led to motorway blockades in January 2024. Farmers' discontent had already made itself felt quietly in France in the autumn with the turning over of road signs at the entrances to rural communities.

Other grievances have been added to the increase in taxes on diesel, notably the growing environmental obligations under the [Green Deal](#) of the European Union and hostility to the [free-trade agreements](#) under negotiation with Mercosur, Australia and New Zealand.

The first measures taken or announced by governments and the European Commission helped to calm farmers' anger, but the farm protests then spread to Italy and Spain. In response to the scale of the farmers' protests across Europe, on 25 January the President of the European Commission launched, [a Strategic Dialogue on the future of agriculture in the European Union](#), led by a German academic, Peter Strohschneider, whose conclusions are due before the end of the summer. The conclusions should inform the next Commission and prepare the programming of the Common Agricultural Policy (CAP) after 2027. Themes proposed to participants include farmers' incomes, the sustainability of their practices, technological innovation, and competitiveness.

Beyond the immediate measures taken to calm farmers' anger and with a view to analysing its causes, this agricultural crisis needs to be considered in the context of the long-term development of the CAP and European integration.

THE EUROPEAN UNION'S GREEN DEAL VERSUS THE COMMON AGRICULTURAL POLICY?

As I mentioned in the [presentation of the CAP](#) for the years 2023 to 2027, the environment has been taken into account in the development of this European policy, particularly in the previous financial programming (2014-2020), which reserved 30% of direct aid for a green payment. The greening of the CAP will continue in the current programming period (2023-2027), with the integration of green payment requirements into the conditions for granting direct aid and the compulsory inclusion of ecological programmes, referred to as "eco-regimes" by the Commission, in the national strategic plans that the Member States have had to draw up.

In 2020, the Commission presided over by Ursula von der Leyen, which has made environmental and climate issues a priority of its mandate, presented, as part of the Green Deal, two strategies interfering with the current CAP negotiations for the years 2023 to 2027: the so-called "[From Farm to Fork](#)" and the [Strategy for Biodiversity](#).

These two strategies were perceived, rightly or wrongly, as a victory for environmental movements, which have a strong influence on the Commission, over farmers. They were quickly challenged and criticised in the wake of converging expert reports, including one from the European Union's Joint Research Centre, showing that they could lead to sharp reductions in production (in excess of 10%) and, as a result, a decrease in exports and an increase in imports of agricultural products from the European Union.

Regarding the "*Farm to Fork Strategy*", it is the objective of reducing pesticide use by 50% by 2030 that has aroused the strongest hostility in the farming world. For example, the meagre results obtained in France by the first two plans "[Eco Phyto](#)" suggests that this objective will be difficult to achieve. Above all, it is poorly targeted, since it mixes products whose impacts on health and the environment are too different, and some of which currently have no alternative solution to help farmers protect their crops. The Commission therefore decided to [withdraw](#) its legislative proposal after it was rejected by the European Parliament.

The other two reduction targets for synthetic fertilisers (-20%) and antibiotics (-50%) in livestock farming seem more realistic. It should be possible to reduce the use of synthetic nitrogen fertilisers by developing precision farming and nitrogen-fixing crops such as legumes. The reduction in the use of antibiotics in livestock farming, which is necessary to prevent the spread of antimicrobial resistance, must be vigorous and be supported by veterinarians. It will also be necessary to ban imports into the European Union of products from third countries that continue to allow the use of antibiotics as growth promoters for animals.

As for the objective of increasing the area devoted to organic farming from the current 10% to 25% by 2030, this is all the more unrealistic given that the rise

in food prices since the war in Ukraine has led to a decrease in sales of organically produced food.

The biodiversity strategy, which plans to withdraw 10% of agricultural land from production, is not consistent with the need to reduce the European Union's over-dependence on imports of animal feed from third countries. Moreover, its application is likely to meet with hostility from the farmers concerned.

The objectives of the Green Deal for Agriculture will therefore have to be reviewed, and a change of method is needed to give priority to incentives rather than constraints, with substantial funding, because the agro-ecological transition will not happen without the support of farmers and without giving them the means to make it a success.

AGRICULTURE AND CLIMATE CHANGE

While agriculture must play its part in efforts to reduce greenhouse gas emissions (methane and nitrous oxide), it is particularly hard hit by climate change: rising summer temperatures, droughts in the south, floods in the north, spring frosts in orchards and vineyards, and so on.

Methane emissions can only be reduced gradually. The reduction in ruminant livestock, mainly cattle, is likely to lead to a reduction in grassland, because grasslands play a major role in preserving biodiversity and landscapes, as well as absorbing carbon from agricultural soils. The reduction in beef consumption recommended by nutritionists is already causing problems for livestock farmers, especially the main European producers, who will have to face increased competition from Brazil and Argentina if the free trade agreement with Mercosur is implemented without corrections concerning agricultural products.

The priority for agriculture is to adapt to climate change. To cope with increasingly severe droughts, some Member States notably France need to speed up the construction of water reserves, while developing water-efficient farming practices. The

recent overhaul of agricultural insurance should provide farmers with greater financial protection against climatic hazards.

Plant and animal breeding, which has been a key factor in agricultural progress, must regain its place in adapting to climate change. In this respect, the new genomic techniques (NGT) developed based on the research of Emmanuelle Charpentier and Jennifer Doudna, who were awarded the Nobel Prize for Chemistry in 2018, offer promising prospects. Unlike GMOs obtained by transgenesis, i.e. by introducing foreign genes, the modifications produced by the [new genomic techniques](#) rely on mutagenesis (genetic scissors) to accelerate natural mutations.

While the European Commission had a very restrictive position on GMOs, in July 2023 it presented a [proposal](#) to enable the development of new genomic techniques, which has just been approved by the European Parliament and must now be submitted to the Council. This is encouraging for the seed industry and for the competitiveness of agriculture.

FREE TRADE AGREEMENTS AND INTRA-EUROPEAN COMPETITION

The paralysis of the WTO has led the European Commission to multiply its free trade agreements with third countries. While some of these agreements are fairly balanced in the agricultural sector, such as the one concluded with Canada, others are more unfavourable to agriculture. The free trade agreement with Mercosur falls into this second category. The agricultural power of Brazil, described as the "*farm of the world*", and that of Argentina explain the hostility expressed in agricultural demonstrations. The agreement with Mercosur reflects the divergent interests of the Member States: Germany and Spain are very much in favour, while France is opposed because its cattle farmers, who already have the lowest incomes of any agricultural producers, stand to lose out even more.

Before being implemented, this agreement should be subject to rigorous scrutiny to ensure that imports of products from Mercosur countries are subject to the same requirements as those imposed on European products, known as mirror clauses, so as to ban those that do not comply with them, in particular soya crops and cattle farms on deforested land in the Amazon. The [border carbon adjustment mechanism](#) should therefore be extended to agricultural and food products imported into the European Union and applied in all free trade agreements currently being prepared or negotiated, particularly the one with Mercosur.

In addition, the Commission must include in these agreements the recognition and protection of designations of origin and geographical indications, which are important for food exports.

A paradox in the EU agri-food trade, for example of France: while it has a surplus in its trade with third countries, it has an increasing deficit within the European Union. Half of all poultry and fruit and vegetables consumed are currently imported. This reflects a loss of competitiveness in several agri-food sectors.

The causes of this loss of competitiveness are manifold and cannot be confined to the over-transposition of European standards, which has been highlighted in agricultural protests, even though this point is not in dispute. Labour costs, delays in modernising equipment, insufficient organisation of producers and a failure to adapt to changes in consumer demand are also part of the problem.

What's more, French agriculture and the food industry, which excel in top-of-the-range products, have suffered from consumers switching to low-price products, often imported, since the rise in food prices as a result of the war in Ukraine.

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THE CHALLENGES FACING RUSSIAN AND UKRAINIAN AGRICULTURE

European agriculture has doubly suffered as a result of the conflict between Ukraine and Russia from the moment Russia annexed Crimea in 2014. It was first affected by the Russian embargo on agricultural and food products from the European Union in retaliation for the sanctions imposed by the EU. The closure of the Russian market was a major cause of the dairy crisis in 2015 and 2016, especially as it came after the abolition of milk quotas had led to an excessive increase in production in certain Member States such as the Netherlands. It was also disrupted by competition from Russia, which became the world's leading wheat exporter in 2017, on markets in North and Sub-Saharan Africa and the Middle East, to the detriment of France in particular.

As for Ukraine, since 2017, under its association agreement with the European Union, it has taken advantage of the great potential of its agriculture and its low production costs, which are less than half those in Europe, to increase its exports of maize and sunflowers to the European market. Before Russia's aggression, Ukraine was a major exporter of cereals to African and Middle Eastern markets. Its exports, which were shipped from Black Sea ports via the Bosphorus Strait, were reduced after the outbreak of war on 24 February 2022. Ukraine then turned to land (trains and lorries) and river routes via Central Europe, especially Poland and Romania, to transport some of its cereals to the countries of the South, with the European Union having created "solidarity corridors" for this purpose. The suspension of customs duties on all products imported from Ukraine, decided in May 2022, has led to the accumulation of many of these products in Ukraine's European neighbours, competing with their own production: this is the main cause of the recent demonstrations in these countries.

The prospect of Ukraine joining the European Union as a major agricultural country also raises the question of the future of the CAP and its funding, since three quarters of agricultural subsidies are currently made up of uncapped direct payments per hectare.

A document from the General Secretariat of the Council has estimated that, if Ukraine were a member of the European Union, it would be eligible for €96.5 billion in CAP funds over the period 2023-2027. This is a theoretical calculation. However, it shows just how high the financial cost of Ukraine's integration would be for the agricultural budget if this European policy undergoes no substantial transformation, especially as farms are much larger in Ukraine than in Europe. While the average farm size is barely 70 hectares in France, many Ukrainian farms are over 1,000 hectares or even 10,000 hectares in size. The degression and capping of CAP direct aid, which the Commission had proposed, and which Germany has always refused since the integration of the large farms of the six Eastern Länder at the time of its reunification, should therefore become compulsory for all Member States in the next CAP programming period after 2027. This could also put the brakes on the race to expand, which is an obstacle to young people starting up in agriculture.

The current agricultural crisis has a European and national dimension. The trade and environmental policies applied to agriculture must be revised.

The European Union's trade policy must be brought into line with its ambitious environmental and climate policy by better controlling its openness to imports of low-cost products that do not comply with the stricter environmental, health and social rules imposed on farmers in Europe. As far as the environment and climate change are concerned, the European Union needs to change its approach to agriculture, relying less on regulatory constraints and taking greater account of the complexity of agricultural activity

and the diversity of national, regional, and local situations. These are the conditions needed to support the necessary agroecological transition, which involves the participation of farmers, and thus reconcile agriculture and the environment.

For France, the challenge is: to redress the balance of agri-food trade in a highly competitive

European market, while facilitating the necessary ecological transition of agriculture. They must work to improve the competitiveness of their agriculture and their many small and medium-sized food businesses, by giving priority to the sectors with the biggest deficits and by ceasing to over-transpose European rules.

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