

EUROMONTANA'S RESPONSE TO THE PUBLIC CONSULTATION ON THE REVIEW OF POLICY ON PROMOTION INSIDE AND OUTSIDE THE EU JUNE 2021

Foreword

Mountain agriculture accounts for 18% of agricultural holdings, 15% of Utilised Agricultural Area and 18% of agricultural workforce in the EU. The total output of mountain farming is estimated as €23.4 billion, around 8% of the total EU agricultural output¹. Mountain farming is at the crossroads of time, both rooted in the traditions of pastoral practices and quality products, and future-oriented to tackle major challenges such as climate change mitigation and adaptation.

Mountain agriculture is characterised by **extensive low input and low output farming systems**, oriented towards specific productions of high quality. These farming systems are dominated by livestock production, based on grazing, and by permanent crops.

Around a third of 3,207 GIs and TSG protected across the 28 EU Member States at the end of 2017 are located in mountain areas. These quality foods produced are mainly meat and dairy products, wines, fruits and vegetables, cereals, herbal plants and honey. Mountain products are shaped by the unique natural conditions and traditional methods of European mountain territories.

In addition, to protect the use of the term "mountain product", the European Union adopted in 2012 the <u>regulation (EU) No 1151/2012</u>, followed in 2014 by the <u>delegated act (EU) No 665/2014</u>. Since the establishment of the **EU Optional Quality Term "mountain product"**, eight Member States have actively implemented the regulation, allowing farmers to use the term, to guarantee the origin of the product to consumers and create added value in mountains areas².

Mountain foods are products that are **socially, economically, and environmentally sustainable** and they should be further promoted in the future Agricultural Promotion Policy.

Recommendations to improve the promotion of sustainable food

In the context of the European Green Deal, the EU Agricultural Promotion Policy must promote sustainable productions, including extensive animal products. The COVID-19 crisis has also demonstrated how important it is to strengthen the resilience of regional food value chains and to encourage local consumption — as also outlined by the European Commission in the Farm to Fork Strategy.

The 2021 calls have placed great emphasis on environmental sustainability. Euromontana welcomes the new general award criteria, including the one regarding the relevance of the project, "respect for the environment and sustainability", which we had already called for in September 2020 in our contribution to the European Commission's evaluation of the Promotion Policy.

Yet, Euromontana is concerned about how sustainability will be defined and assessed in the future Promotion Policy. Euromontana rejects the option raised by the European Commission to set up eligibility rules aimed at excluding certain products from the Promotion Policy calls, such as meat products.

¹ JRC Scientific and Policy Reports. <u>Labelling of agricultural and food products of mountain farming</u>, JRC, 2013

² Euromontana. "Implementation of the EU Optional Quality Term "mountain product": where do we stand in the different Member States?", June 2020

Instead, Euromontana proposes to valorise the sustainability of products which benefits for the environment but also for the society and economy were recognised, taking into account the three dimensions of sustainability.

1. Ensure the promotion of all sustainable products towards European consumers

Euromontana calls on the European Commission to differentiate between the different methods of livestock farming and to recognise the types of livestock farming that not only provide **sustainably produced meat** but also deliver many **ecosystem services to the whole society**. In particular, livestock grazing in mountain areas brings many benefits at the scales of plot, farm, territory and at global level. These services range from the provision of quality to foods and land management (nutrient cycle, soil preservation) to regulation services (water quality, carbon storage, soil erosion, prevention against forest fires) and cultural services (maintenance of landscapes and traditional know-hows)³. In the Alps for instance, mountain areas sequestrate greater carbon amounts (22% of the demand within mountain municipalities) than lowland areas (6% of the demand in lowland municipalities)⁴. Likewise, in the Lake Constance, supplied by rainwater and meltwater from the Alps, 125 million cubic meters of water are per year are abstracted for drinking water. The water supplier distributes the water to approximately 4 million people in Baden-Württemberg living in 320 cities and municipalities⁵. Moreover, in terms of **carbon sequestration**, grasslands store between 60.5 and 82.8 billion metric tonnes of CO2 globally (98% of which in the top metre of soil), which is approximately three times the capacity of ocean and coastal ecosystems⁶.

Mountain agriculture helps to **protect certain habitats and species**. Some of them, such as mountain hay meadows or species rich Nardus grasslands in continental Europe, are for instance identified as habitats being fully dependent on agricultural management. Likewise, wild mountain goat, Appenine Chamois, Golden and Imperial Eagles are species listed in the Habitats Directive and the Birds Directive for whose conservation relates to grassland and/or heath/scrub ecosystems as preferred habitat⁷. Mountain farming has also recently been reported as a beneficial practice for the **preservation of water resources**. In particular, practices such as permanent grasslands, diversification, crop-livestock farming systems, extensive management system – used in mountain agriculture – were recognised as more profitable to water management than some practices implemented in areas favourable to intensive farming⁸.

In particular, **pastoralism** is recognised in the literature as the type of livestock farming that brings the most services to ecosystems. Examples and studies from France have for example demonstrated that pastoralism in mountain areas is the type of livestock breeding that generates the most ecosystems

³ Pascal Carrère, Anne Farruggia, Bertrand Dumont, Sophie Hulin, Jean Pierre Theau. Valoriser les services rendus par la prairie. Une voie pour assurer la durabilité des systèmes d'élevage herbagers ?. Les services écosystémiques dans les espaces agricoles. Paroles de chercheur(e)s, pp.39-50, 2020

⁴ Schirpke, U., Tappeiner, U. & Tasser, E. <u>A transnational perspective of global and regional ecosystem service flows from and to mountain regions</u>. *Sci Rep* 9, 6678 (2019).

⁵ Schirpke, U., Tappeiner, U. & Tasser, E. *Op.cit*.

⁶ Ward, A., Dargusch, P., Thomas, S., et al. (2014). A global estimate of carbon stored in the world's mountain grasslands and shrublands, and the implications for climate policy. Global Environmental Change, 28, 14–24.

⁷ European Commission, Alliance Environnement. <u>Evaluation of the impact of the CAP on habitats, landscapes, biodiversity</u>. 2019

⁸ European Commission, Alliance Environnement. <u>Evaluation of the impact of the CAP on water</u>. 2019

services while at the same time also providing quality products, with a high environmental and cultural value⁹.

Apart from ecosystem services, mountain farming practices such as pastoralism are key to **mitigate climate change**, as recently **recognised by the European Commission** which reported that "mitigation can mainly be achieved by extensive livestock grazing systems and protecting existing carbon stocks, thanks to the maintenance of permanent grasslands"¹⁰. In coherence with this, products provided by pastoralism should therefore be promoted as quality and climate-friendly foods.

Pastoralism developed over the centuries as specific agricultural practices adapted to mountain's natural constraints. Due to the steep slopes and the difficult climate, livestock farming has developed more significantly here than in other regions - with emblematic breeds and products. Consequently, meat and dairy products, in particular cured meat and cheeses, are the main agricultural outputs in mountain farms (respectively 22% and 29% of the total output)¹¹.

Mountains are therefore huge providers of sustainably produced meat and dairy products – in respect of the environment and animal welfare and with benefits for ecosystems thanks to extensive grazing.

Therefore, Euromontana calls upon the European Commission to promote all sustainable foods by:

- Continuing to adopt a comprehensive understanding of environmental sustainability, with criteria that reflect agricultural practices' environmental benefits. As for the 2021 calls, Euromontana welcomes the mandatory criteria proving "respect for the environment and sustainability" and recognises the relevance of the 8 sustainability criteria available for candidates to choose from. Criteria such as animal welfare, biodiversity conservation, and sustainable, carbon-efficient methods of livestock production are real opportunities to promote sustainable farming, including in the mountains. Euromontana encourages their continuation for the future Promotion Policy.
- Capitalising on the existence of sustainable meat products on the market, produced by European farmers including in mountain areas, to valorise the sustainability of these practices. Meat products should not be excluded from promotion programmes. On the contrary, Promotional Policy calls should raise awareness on products that respect animal welfare and environmental sustainability in order to increase consumers' awareness in their food choices. Communication around the European standards of foods, including meat products, and promotion of sustainable practices for the environment, animals and farmers is essential to inform consumers of costs / benefits balance on competitive markets.

⁹ Dumont B et al., 2019. Impacts et services issus des élevages européens. Expertise scientifique collective, Éditions Quæ, 182 pages

¹⁰ European Commission. <u>Commission staff working document executive summary of the evaluation of the impact of the Common Agricultural Policy on climate change and greenhouse gas emissions. SWD(2021) 115 final.</u>

¹¹ JRC Scientific and Policy Reports. <u>Labelling of agricultural and food products of mountain farming</u>, JRC, 2013

2. Consider the socio-economic sustainability of food products

The 2021 calls of the Promotion Policy placed greater emphasis on product sustainability, which Euromontana had encouraged and welcomed. Yet, in addition to the environmental sustainability of food products, Euromontana calls upon the European Commission to take into account all components of sustainability, including the socio-economic benefits of agricultural production.

Euromontana welcomes the modifications made to the 2021 calls in order to take into account these socio-economic benefits and stresses the need to continue to promote them in the next Promotion Policy, in line with the UN Sustainable Development Goals 8 (decent work and economic growth) and 11 (sustainable cities and communities).

Mountain products are strongly linked to their territory. The Promotion Policy valorises the different terroirs, which provide European food products with particular taste and organoleptic quality thanks to specific know-hows and land specificities. The strong links between a product and its territory are not one-way. Mountain products are specific to their terroir, but agricultural production also brings many social and economic benefits to these regions.

As mentioned above, among the identified services provided by pastoralism are the preservation of traditional know-hows and regional cultures and traditions, like transhumance — which is now recognised as intangible cultural heritage by UNESCO¹². Such **socio-cultural practices** highly contribute to social life and cohesion in some mountain areas. Moreover, agricultural production remains a **key economic sector** in European mountains — in particular in less attractive regions without strong economic diversification. The production, marketing and consumption of mountain products is therefore essential for the **maintenance and competitiveness of mountain farms** and the **vitality of mountain villages**. In fact, this is an aspect that consumers value and demand; as demonstrated by the EuroMARC project¹³ and confirmed by a recent Spanish study¹⁴, consumers associate mountain products especially with the preservation of rural vitality (among other elements such as quality, and the maintenance of mountain landscapes).

Therefore, Euromontana calls for the recognition and valorisation of the socio-economic benefits of agricultural production by:

Adopting a holistic approach of sustainability by creating a socio-economic criterion in addition of the environmental one in future Promotion Policy calls. Such approach would enable to take into account the environmental, social and economic benefits of farming. It would also contribute to stress the importance to provide fair incomes to farmers and further promote the links between a product and its territory. The new EU Taxonomy Regulation's "do not harm principle" would ensure that economic elements do not affect environmental aspects. Euromontana proposes a criterion like "Actions should address how the product(s) promoted and its/their production method(s) contribute to the socio-economic sustainability of the farm and rural resilience".

¹² OREKA MENDIAN (LIFE), <u>Sustainable management of mountain grasslands</u>, p.46, April 2021

¹³ EuroMARC, Perception of mountain quality erception of mountain quality-food products by consumers, 2010

¹⁴ Ramo Barrena Figueroa, Teresa García López de Meneses, Emilio Pindado Tapia, Mercedes Sánchez García. Los consumidores navarros ante la alimentación: situación actual y tendencias de future, 2018, 143 pages.

Enhancing the visibility of the Optional Quality Term "mountain products" in the Promotion Policy

Mountain products, either labelled under the Optional Quality Term "mountain products" or under other quality schemes play a crucial role in promoting sustainable and quality foods, protecting mountains' unique biodiversity, in creating value in regions and in preserving rural traditions and cultural heritage.

So far, that Optional Quality Term for mountain products is actively being used in 8 Member States within the European Union. Yet, the **awareness of consumers** on the term could be further supported thanks to promotional campaigns and an enhanced visibility in the promotion calls.

To address the challenges of healthy and sustainable diets, Euromontana calls on the European Commission to give a more significant place to the OQT in the promotion programmes by:

- Setting objectives for the OQT visibility in the future Annual Work Programmes, as done for other schemes, to impulse the promotion of the term at EU level and increase the awareness on the characteristics of "mountain products".
- ► Clearly referring to the OQT "mountain product" in the list of eligible schemes to the promotion calls as well as on CHAFEA's website and communication, including during the annual Info Day. So far, the eligibility of the term remains too unclear compared to other schemes. The OQT "mountain product" should also be clearly mentioned in the budget line dedicated to quality schemes, as it is the case for the OQT "outermost regions", in order to make it more visible to applicants.
- Allocating more budget to calls dedicated to all quality schemes. Euromontana welcomes the two budget lines currently dedicated to quality schemes for simple and multi programmes. However, between the 2020 and 2021 calls, there have been severe budget cuts for these products. Within the simple programme, the budget dedicated to the promotion of quality schemes in the internal market was reduced by more than 50%, from 12 million euros to only 5 million. As detailed by AREPO the Association of European Regions for Products of Origin (AREPO), the recognition of PDO, PGI and TSG labels is still low in some EU countries (particularly in Eastern and Northern Europe, but also some in Central Europe), such a low budget for quality schemes is therefore not acceptable.

Better targeting small producer organisations

Current and past calls are mostly designed for large organisations, in particular export-oriented ones. The budget and structure of the **promotion calls do not reflect the reality of smaller organisations**, including OQT producer organisations, which have a greater need to raise awareness on their products but limited resources and project engineering capacity to develop proposals.

Moreover, smaller producers' organisations from mountain areas mainly target regional, national, and European markets. Therefore, limiting the eligibility of quality schemes for calls targeting third countries, as suggested by the European Commission, cannot be an option. Such a structure would only reduce the chances for small producers of quality products to make their products known to

European consumers. Moreover, it would be in contradiction with the expectations of consumers who are increasingly looking for **regional and quality products**, especially since the COVID-19 outbreak.

To achieve the objectives of the Promotion Policy and to further promote quality foods, the EU must reach out to small producers by:

- ► Allocating more budget to promotion calls targeting the internal market, as small organisations rather target European markets. This would also be more consistent with the European Green Deal and the Farm to Fork strategy objectives for more local value chains.
- ➤ Simplifying the application process of the calls: smaller organisations have more limited resources and therefore have more difficulties to build a successful proposal under the complex administrative process of the current calls, information in all 24 EU official languages, a simplification of the administrative requirements, such as a two-steps procedure could encourage the participation of smaller organisations.
- Further assisting producers in the preparation of project proposals. Euromontana recognises the efforts made since 2014 to make more background information available for applicants, including market trend analyses and countries briefs. Yet, smaller producer organisations have limited resources to conduct market analysis prior to the submission of the application. To better assist them, and in line with the EU sustainability objectives, CHAFEA could for instance produce analyses of strategies for regional markets penetration and analyses of markets trends for each scheme, including the OQT "mountain product".

Mountain products are sustainable foods to promote

Because of the geographical constraints, work productivity is on average lower by 28% in mountain areas compared to less favoured areas and by 40% compared to lowlands (European Commission, New Insights into Mountain Farming in the European Union, 2009). In areas of low agronomic value, difficult to access or non-mechanizable, the OQT "mountain product" encourages the creation of non-relocatable added value in mountain territories and contributes to maintain economic activity, including traditional farming practices such as pastoralism, and preserve rural life. As other EU measures, such as the CAP Payments to Areas facing Natural Constraints, the OQT plays an important role in the continuation of extensive agriculture and quality production in mountain areas.

These extensive practices are also environmentally sustainable as they help combat soil erosion and contribute to carbon sequestration. Practices used in the mountains such as permanent grasslands, crop-livestock farming systems and extensive management systems support better water and soil management. In mountain areas, pig farming for example brings to grasslands organic inputs which are more valuable for soils and biodiversity than mineral ones. Moreover, practices like mixed infra-livestock breeding are real environmental opportunities in our regions; for instance combining the uses of pig and cattle breedings produces different natural resources (different feeds, organic manures and nutrients) that helps to decrease the pressure on the local environment.

Pastoralism is a key traditional extensive livestock farming practice in mountain areas. Pastoral activities are crucial to protect mountains' unique biodiversity. According to 2019 report commissioned by the European Commission "Evaluation of the impact of the CAP on habitats, landscapes, biodiversity", the protection of 25 habitats listed on Annex I of the Habitats Directive is fully connected to agriculture, including specific mountain habitats such as mountain hay meadows, mountain Cytisus purgans formations and alpine heaths. Likewise, mountain agriculture plays a key role for the preservation of some species listed in the Habitats Directive and the Birds Directive, as wild mountain goat, Appenine Chamois, Golden and Imperial Eagles. Apart from sustainable grasslands and forests managements, pastoralism also helps to protect mountains' habitats and species by preventing natural disasters, including forest fires.

Euromontana - the European Association for mountain areas

Euromontana is the European Association for mountain areas. Founded in 1996, it assembles around 65 organisations (regions, universities, chambers of commerce, of agriculture, development and environmental agencies) from 15 European countries in and out of the EU. Dedicated to the improvement of the quality of life of mountain people, Euromontana is working on different themes of crucial importance for mountain areas, such as cohesion policy, rural development, climate change, innovation, mountain products, tourism, agriculture and forestry, transport, youth among others. Euromontana is also officially supporting the RUMRA (Rural, Mountainous and Remote Areas) & Smart Villages intergroup of the European Parliament.

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