

## Full response to questions 12 and 33 of the consultation on Modernising and Simplifying the Common Agricultural Policy (CAP)

European Public Health Alliance, 28 April 2017

### **12. What are the main problems/obstacles preventing the current policy from successfully delivering on its objectives? What are the drivers behind these problems?**

The Common Agricultural Policy (CAP) has not kept up with changing societal imperatives and developments in the legal framework for EU policy action.

Article 168 of the Treaty on the Functioning of the European Union (TFEU) mandates that “*A high level of human health protection shall be ensured in the definition and implementation of all Union policies and activities.*” There is little indication that this obligation has been consistently and transparently mainstreamed into CAP policy-making. For instance, health considerations have not been included in policy impact assessments. A health impact assessment (HIA) of agricultural policy would be a significant step towards operationalising Article 168 within the CAP.

The lack of a comprehensive HIA of European agricultural policy could help explain why incentives under the CAP are not consistently aligned with the need to address various widespread public health concerns. Certain incentives even appear to be outright incoherent with health objectives. Several areas of concern are identified below.

More details can be found in EPHA’s 2016 report “A CAP for Healthy Living: Mainstreaming health into the EU Common Agricultural Policy” [<http://bit.ly/2m9fgOk>]

#### Tobacco use

Despite the widespread harm caused by smoking, tobacco cultivation is still not exempt from receiving subsidies through the CAP, both through direct payments and rural development measures.

#### Air pollution

Agriculture, in particular animal farming, continues to be an important driver of air pollution in Europe and is the sector in which emissions of air pollutants have decreased least. Air pollution kills more than 400.000 people in the EU annually, and increases the incidence of chronic diseases like respiratory diseases, including chronic obstructive pulmonary disease (COPD), cardiovascular diseases and cancers. [EEA, 2016, <http://bit.ly/2f67imh>]

Animal farming still benefits from a wide range of incentives under the CAP which do not appear to be consistently designed to help address the above-mentioned concerns. [IEEP, 2017, <http://bit.ly/2m7yQde>]



### Alcohol harm

Europe is the heaviest drinking region in the world. Harmful alcohol use is the fifth leading cause of death and disability worldwide, representing a monetary cost of €155.8 billion in 2010 in the EU.

The CAP has a special budget of more than €1 billion per year predominantly used to finance productivity enhancement of vineyards and wine promotion measures. The European Court of Auditors considers this measure unnecessary, warning that it leads to administrative burden and that the promotional element often constitutes a hidden operational subsidy to the wine sector. [European Court of Auditors, 2014, <http://bit.ly/2n1QSPP>]

### Unhealthy diet

Unhealthy diet is the single largest risk factor for the entire burden of diseases and premature death in Europe. Sufficient literature exists to suggest that a closer analysis of the interactions between agricultural policy and consumption patterns is necessary. Apart from the School schemes, the CAP policy process has steered away from reflecting on or addressing these links.

- Despite high levels of sugar consumption, beet sugar cultivation is eligible for voluntary coupled support. Approximately € 18 million annually is spent to directly support sugar production [Boerderij.nl, 2017, <http://bit.ly/2n1VO7h>]. In conjunction with the abolition of sugar quotas, which is expected to precipitate a drop in sugar prices, this instrument is clearly inconsistent with health policy.
- Promotional funding under the CAP aims to stimulate demand for EU agricultural products by influencing consumption preferences. The scheme, although essentially a consumption promotion policy with an annual budget of approximately € 200 million, is not linked to dietary considerations. [European Commission, <http://bit.ly/2mHnw4w>]
- Animal farming still enjoys a wide range of incentives under the CAP. Payments often remain partially linked to historical entitlements from the time that subsidies were tied to production levels. These incentives do not appear to be designed to help address concerns around the prevailing high consumption levels of animal products. [EPHA, 2017, <http://bit.ly/2mxiVGf>]

### Antimicrobial resistance (AMR)

AMR is currently responsible for some 700.000 deaths annually worldwide and could kill 10 million people per year by 2050. The spread of drug resistant bacteria implies that common infections and routine surgeries could become life-threatening, putting in peril the last century's great advances in healthcare. Evidence conclusively links high and persistent levels of antibiotic use in farming with the spread of drug resistant bacteria and human fatalities. [AMR Review, 2016, <http://bit.ly/2m3jc2E>]

There appears to be no substantial link between CAP support measures and efforts to reduce the use of antibiotics in farming.

### Agrochemicals use

The CAP should strengthen existing incentives that support the uptake of integrated pest- and nutrient management systems, as well as organic and other farming methods with lower inputs of agrochemicals to mitigate the (potential) health harms associated with the widespread use of such chemicals.



### Structure of subsidies

Direct payments, the predominant source of subsidies under the CAP which are payable per hectare, are generally not designed with the aim to selectively favour farms, production models or farming systems with higher performance in terms of producing public goods, like benefits to human and environmental health.

In the process of modernising and simplifying the CAP, the model of direct payments as the main source of benefits should be revisited, so that incentives are better adapted to serve public health and other sustainability objectives.

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## **33. Do you have more ideas for modernising the CAP?**

Modernising the CAP means updating its policy framework and starting a transition pathway towards an integrated EU common food and agricultural policy. This policy should focus on achieving the essential outcome of a well-functioning food system; namely the creation of food and drink environments that foster the uptake of sustainable, nutritionally healthy diets for the entire European population.

In terms of instruments, the CAP, both in its shorter-term future and as part of a wider food systems policy, should be far better at linking payments to desirable results, like the production of public goods. Better targeted incentives will be critical in securing continued public support, and budget, for the policy. Doing away with the various layers of incentives that have accumulated over the years and replacing it with a clearer, performance-oriented support structure will also help to simplify the policy.

This leads to the following recommendations.

### I. Remove health-harmful subsidies

- Tobacco cultivation should be excluded from receiving public support. Tobacco farmers currently under rural development measures should be eligible for assistance in transitioning away from tobacco cultivation.
- Specific support measures for sugar and wine, and promotional budgets which are not aligned with healthy eating and drinking guidelines, should be discontinued.
- Historical entitlements should be phased out entirely.
- Any support for livestock should be clearly targeted to farming systems producing value for rural communities, biodiversity and animal welfare.

### II. From hectare payments to performance incentives

The current incentive system in which payments are predominantly linked to the number of hectares owned is not designed to target payments to reward farms, production models or farming systems with higher performance in terms of producing public goods, like benefits to human and environmental health.



While the introduction of direct payments and their decoupling from production were important in the evolution of the CAP, they are not appropriate for a future-proof policy set to deliver on health, sustainability and equity dimensions [Buckwell et al., 2017, <http://bit.ly/2nWlqkF>].

- The CAP should phase out direct payments.
- Payments should be linked to participation in multi-annual contracts with targets to reduce the use of antibiotics and agrochemicals, and reduce climate and air pollutant emissions, while adopting agro-ecological farming methods.
- A special category of support for socially, or environmentally important marginal areas should be maintained, as well as for small-scale farmers to ensure the viability of different farming models and greater diversity in the farming system.

### III. Fostering sustainable healthy diets

Food and agricultural policy should be oriented towards supporting the uptake of sustainable healthy diets. This includes developing mechanisms for strategic investment support to sectors engaged in the sustainable production of foods lacking in the average European diet, like fruit, vegetables, pulses, nuts and fish, and linking these to demand-based incentives, including the creation of local market infrastructures.

The budget for the fruit and vegetables component of the School scheme should be increased and provide higher co-finance rates for schools in socially deprived areas.