



24 March 2021

Response to the consultation on the Farm to Fork contingency plan for food supply and food security

The ongoing covid-19 pandemic has reminded us of the importance of a robust and resilient food system. Permanent access to safe and nutritious food in abundant quantities should never be taken for granted. The fears around the availability of food experienced during the first weeks of lockdown in spring 2020, as demonstrated by widespread hoarding and consumer bulk buying, taught us to better appreciate the crucial role played by actors all along through the food supply chain, from farm to fork. Dairy as well as other sectors of the food supply chain have operated efficiently since the beginning of the pandemic and there was never a real threat to food security in the EU.

Nevertheless, there is certainly room for improvement and we fully support the initiative arising out of the Farm to Fork strategy to introduce a food crisis response mechanism. Overall, trade responded well to issues created by the pandemic, such as partial border closures, sharp drops in demand for certain products due to the collapse of food service consumption, or logistical problems caused by port congestion. Some of these challenges could be avoided in similar scenarios in the future with the help of a solid contingency plan of which trade should be a crucial component. Food security is achieved through a combination of local, national, European and international supplies and in that spirit, we need to 'keep the milk moving'.

Contribution of trade to food security

Trade is a vital component in ensuring accessibility, affordability and availability of high-quality food and should in no way be sidelined in pursuit of self-sufficiency. Due to multiple cultural, historical, culinary, environmental, geographical and economic reasons, production of a given food product tends to be more prevalent in some regions than others. When it comes to dairy, the EU is a large net exporter but there are huge differences across the continent when it comes to the amount and kind of products produced. The single market ensures that the largest possible variety of foods can be enjoyed all over Europe and indeed about 1 out of every 3 liters of European milk is consumed in a Member State other than the country of production. In this respect, care must be taken in the drafting of a contingency plan to ensure that the distinction between 'food security' and 'self-sufficiency' is recognized and well understood by all stakeholders. Ensuring free movement of food products in a crisis should therefore be one of the main priorities of the response mechanism.

A harmonized approach protecting the single market

The first key pre-requisite for food security is a well-functioning single market. The unprecedented events of the last year have proven that a harmonized EU-wide approach is the best way to ensure that food and ingredients can continue moving across national borders in a crisis.



Unilateral actions by Member States created disruption and problems, particularly during the early days of the pandemic until the creation of green lanes and other recommendation and coordination measures taken by the Commission. In addition to consignments being delayed at borders between Member States, labour shortages were faced in cases where workers were not allowed to get to their place of work in another Member State or were forced to observe a lengthy quarantine when returning to their home country. Such actions limiting free movement need to be necessary, proportionate, and co-ordinated to avoid fragmentation of the single market during crises. Scope should also be there for the sharing of best practices, so that Member States' can benefit from each other's experiences and lessons.

The global dimension

Given the global nature of trade and of the present crisis, the EU should also strive to co-ordinate on a multilateral level with third country partners and organisations such as the WTO, to ensure the best possible outcome in the event of similar incidents in the future.

For global value chains to be a source of resilience, they must be open and fair. This in turn depends on transparent, predictable rules and trust in the multilateral trading system. Resilience to crises globally can be enhanced through further diversification of supply chains. As the largest exporter and importer of agri-food products globally, Europe must remain open for business with the rest of the world in all circumstances. As far as dairy is concerned, the EU with its considerably surplus also has a duty to contribute to food security in other parts of the world.

Logistics

One of the global trade-related problems created by the pandemic has been port congestion and container shortages. This has led to delays in shipments and considerable increases in transport costs. It is a complex issue caused by several factors (including different epidemiological situations among countries, void sailings, changes to import procedures and shortage of workers) and which cannot be solved by the EU alone. However, food transport and haulage (road, rail and sea) logistics should be closely examined under the contingency plan in view of ensuring that movements of goods can continue uninhibited and that product shortages do not result in certain regions.

Towards increased digitalisation

The EU food safety system has proven itself to be fit for purpose with key components such as the official controls regulation and the TRACES system appearing to be functioning well. Nevertheless, increased resources to enable a further move towards e-certification and digitalisation in general will create a more efficient environment for operators going forward. A solid framework in which critical information can be shared across borders in a timely manner should be a core element in any future contingency plan.



Security stocks

One of the potential components of the contingency plan are security stocks. Building and maintaining large stocks on food security grounds is a controversial practice from an international trade law perspective and WTO members have been trying since 2013 to negotiate an agreement on this issue. Any EU approach to such stocks should obviously be fully compatible with WTO provisions. In the dairy sector, the experience with large public intervention stocks is not very positive. Maintaining public stocks is a costly exercise and they tend to weigh heavily on the market and cause disruption when released. Many dairy products such as (frozen) butter or milk powders can be stored for several years but a renewal of the stocks would be due at some point. A starting point would be to assess what would be desirable stock levels from an EU food security perspective and to compare these with the estimated average stocks of various dairy products held by operators.

Next steps

Eucolait supports the objective to develop a comprehensive contingency plan for food supply and food security and looks forward to discussing its scope and specifics in further detail with the Commission and other stakeholders.