



Sustainable Food System Legislative Framework

ELO POSITION

The European Landowners' Organization (ELO) welcomes the publication of the public consultation on the Sustainable Food System legislative framework. It is important for landowners, farmers, producers and consumers alike to have a sustainable food system both in terms of products and operations, one that can resiliently face current and future challenges.

This paper offers the ELO view of the challenges and opportunities lying ahead. It is offered as constructive commentary on the development of the Sustainable Food System Law, which the European Commission will publish by the end of 2023.

The challenges of defining a sustainable food system

A pivotal element of the upcoming legislative initiative on sustainable food systems is the accuracy of common definitions, particularly “sustainable food system” and “sustainable diets”.

The official definition of “sustainable food systems” from the Food and Agriculture Organisation (FAO) of the United Nations is: “a sustainable food system (SFS) is a food system that delivers food security and nutrition for all in such a way that the economic, social and environmental bases to generate food security and nutrition for future generations are not compromised¹”. The same organisation defines “sustainable diets” as “those diets with low environmental impacts which contribute to food and nutrition security and to healthy life for present and future generations”². While the European Landowners’ Organization fully agrees with these definitions, it also points out that they can be open to interpretation.

The ELO calls on the European Commission to pay special attention to defining terms such as “sustainable food systems” and “sustainable diets”, in order to ensure an inclusive approach that recognizes all sustainable farming practices and ensures consumers’ rights to dietary choice.

Food systems transformation has the consumer at its core

It is of utmost importance to create an environment in which people are supported to make more sustainable food choices, however changing consumption behaviours is challenging and more empirical and theoretical understanding is needed. Purchase intention is now more than ever influenced by marketing activities aiming to convince the customer to purchase a certain product³. To assess the potential effectiveness of implementing sustainability labelling, the Commission should look at the impact of similar initiatives (such as Nutri-Score) on consumer purchase behaviour. For instance, studies on Belgium consumers showed the effect of implementing Nutri-Score on attitudes and purchase intentions were none⁴ or very

¹ Food and Agriculture Organization of the United Nations (2018). *Sustainable food systems. Concept and framework*. <https://www.fao.org/3/ca2079en/CA2079EN.pdf>

² Food and Agriculture Organization of the United Nations (2012). *Sustainable Diets and Biodiversity. Directions and solutions for policy, research and action*. <https://www.fao.org/3/i3004e/i3004e00.htm>

³ Lei Huang & Ji Lu (2016) The Impact of Package Color and the NutritionContent Labels on the Perception of Food Healthiness and Purchase Intention, *Journal of FoodProducts Marketing*, 22:2, 191-218;

⁴ Folkvord, F., Bergmans, N., & Pabian, S. (2021). The effect of the nutri-score label on consumer’s attitudes, taste perception and purchase intention: An experimental pilot study. *Food Quality and Preference*, 94;

limited⁵. Therefore, while considering a minimum requirement of sustainability for a product to reach the market, we need to also keep in mind that consumers, although asking for more sustainably produced products, are not always willing to pay more for them. Also, consumers' preferences shift over time.

The ELO calls on the Commission to make sure to introduce only those sustainability standards that consumers will pay for. For this to happen, detailed studies should be conducted to assess not only their stated preferences but also their acquisition behaviour.

Moreover, the EU has in place several official labels that recognize the high quality of European products, like the geographical indications (PDOs, PGIs, GIs), traditional specialties guaranteed and other quality schemes, and the EU organic logo, as the most popular. More recently, the Nutri-Score label, which attempts to rank food nutritional value, has been implemented in some Member States.

The European Commission has recently published a study on the feasibility of introducing an additional label, namely on animal welfare. The final report showed a paradox in consumer attitudes - while most Europeans are concerned about animal welfare, they are not well informed on farming conditions and are not willing to pay but a small premium for enhanced animal welfare production (the premium should be less than the one for organic products)⁶.

It has been demonstrated that using several labels on the same product can create confusion for the consumer and be anti-competitive (in the sense that additional effort to meet additional certification usually does not command the full effect on price)⁷. Furthermore, there is a risk of information overload when multiple labels are used on a single product.

In line with the recent European Parliament resolution on the EU action plan for organic agriculture⁸, the ELO stresses the need to ensure that new initiatives such as sustainable food labelling do not weaken other existing and trusted labels, such as the EU organic logo or geographical indications. The ELO, therefore, considers policy option 3, sub-option 3a (optional label applicable only to food products of higher sustainability performance) to best perform, given the trend of consumer needs and behaviour.

⁵ Vandevijvere, S., & Berger, N. (2021). The impact of shelf tags with Nutri-Score on consumer purchases: a difference-in-difference analysis of a natural experiment in supermarkets of a major retailer in Belgium. *International Journal of Behavioral Nutrition and Physical Activity*, 18(1), 1-20;

⁶ European Commissions (2022). *Stusy on animal welfare labelling. Final report*. <https://op.europa.eu/en/publication-detail/-/publication/49b6b125-b0a3-11ec-83e1-01aa75ed71a1/language-en>

⁷ Waldrop, M. E., McCluskey, J. J., & Mittelhammer, R. C. (2017). Products with multiple certifications: insights from the US wine market. *European Review of Agricultural Economics*, 44(4), 658-682.

⁸ European Parliament Resolution of 3 May 2022 on an EU action plan for organic agriculture (2021/2239(INI))

Sustainable food systems should not come at the cost of rural areas and farmers' livelihoods

In terms of production sustainability, the ELO points out that the future legislative proposal should consider that there is no single farming model that fits all Member States and regions and therefore call for the Commission to take into account the benefits of the different sustainable farming models when assessing sustainability at the grow-produce-harvest level.

The ELO underlines that European farmers are already complying with several sustainability criteria. Agricultural activity is already subject to cross-compliance in the areas such as environment, climate change and good agricultural condition of land; public, animal and plant health; animal welfare. The new Common Agricultural Policy set overall higher green ambitions, with enhanced conditionality. Good Agricultural and Environmental Conditions (GAECs), for instance, ensure that land is maintained in good agricultural and environmental conditions and these requirements will become even more ambitious with the start of the new CAP in 2023. The sustainability baseline has increased with sequent reforms of CAP, which remains globally ambitious.

Economic viability is also a relevant indicator of sustainability across the supply chain. To support the shift to even more resilient production, the Commission should look into how to incentivise producers to modernise and continue to adopt better agricultural practices. Measures within the CAP that encourage more sustainable farming practices should continue to be supported and the new delivery model must guarantee the positive trend of its performance.

To accelerate food system transformation it is not enough to look at farm production only. The ELO points out that the supply chains and consumer preferences are key in ensuring greater resilience and an overall smaller carbon footprint of our food systems. While we have been focusing on data at the farm level, little attention has been paid to the rest of the food chain.

Sustainability procedures should take into account its effects on food price rises.

To cut out the least sustainable food and operations, the European Commission has announced the implementation of mandatory minimum requirements under the new legislative initiative.

The ELO highlights that food accessibility should also be thoroughly analysed when proposing push measures such as setting mandatory minimum sustainability requirements for a product to enter the market. In the context of dangerously rising food prices and an increase in food insecurity globally, the ELO calls on the Commission to conduct an extensive impact assessment of this initiative on food affordability in the European Union. Food affordability is a key element of the Common Agricultural Policy, as stated in the Treaty of Rome.

Should the elimination from the Union market of the least sustainable food systems operations and products be uptaken, the ELO underlines the need for the “no harm” principle to apply to both EU and non-EU operators, in order to ensure a level-playing field and fair competition.

Leading transformation by the power of example

Finally, the ELO believes in the development of more sustainable food and operations across the supply chain and therefore welcomes such pull measures as the uptake of sustainable public procurement. Healthier, more traceable and environmentally friendly food should be served in hospitals, schools, retirement homes and other public institutions.

National and regional authorities will be key in developing sustainable food systems and raising public awareness and bridging the gap from Farm to Fork, from producers to consumers.

The ELO welcomes the prioritisation of public procurement, thus supporting new requirements for Sustainable Public Procurement (SPP) of food.

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