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President of the European Commission

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Executive Vice-President in charge of Competition

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Farmers are taking to the streets across Europe. France, Belgium, Poland, Germany, Romania. This comes as no surprise to us. The root of the problem is clear: the majority of farmers simply cannot make a living from their work. They are trapped in a system that is crushing them. The liberalisation of our agricultural markets does not work. The Common Agricultural Policy does not work. It is high time to change course. Without farmers, we have no future.

Farmers know better than everybody else that they rely on nature and natural resources to carry out their work. No nature, no food; it is as simple as that. They are on the frontline of the environmental disruptions shaking all Europeans: climate change, biodiversity collapse, natural resource scarcity. Loosening environmental rules that exist to protect our medium- and long-term food sovereignty is a nonsense and misses the root of the problem: decent farmers' income.

Greens have long warned of the dangers posed by the chemical industry and industrial agriculture to the health of farmers and the environment. Sixty years after Rachel Carson's *Silent Spring*, 60% of farmland birds have disappeared. But today, the European countryside is facing another damning silent spring: one third of European farms have vanished over the last 15 years. We cannot pursue this path.

We call on the European Commission to take urgent action on the following points:

- **The Commission should put on the table a targeted revision of the Unfair Trading Practices Directive** to prohibit resale at loss. Member State ought to already ban these practices under national law, while ensuring proper controls. The Commission should also ensure that contracts between farmers and buyers set a price that covers production costs.
- **The Commission should launch an investigation on agri-food oligopolies**, including both downstream and upstream actors. A handful of companies set the prices of agricultural inputs and products. This unfair market power prevents a fairer redistribution of value in the agri-food sector, and the establishment of prices that cover production costs at the expense of public interest for food security, a strong rural economy and environmental protection.
- **The Commission should propose guidelines for an agri-food windfall tax**, on downstream and upstream companies. Research by Allianz¹ found that, since mid-2022, around 10% of food price hikes remain unexplained by producer and energy price rises, and attribute this difference to excess profit-taking, driving current inflationary pressures. These profits should be directed to support farmers' incomes as they take measures against climate change.
- **The Commission should stop the negotiations on the Mercosur FTA**. We oppose the use of agricultural sector as a bargaining chip in trade negotiations. We cannot accept this Mercosur agreement; trade deals need to be coherent with efforts towards the agro-ecological transition, as well as our commitments under the Paris Agreements, the Convention on Biological Diversity and International Labour conventions.

¹ https://www.allianz.com/en/press/news/studies/230503_Allianz-High-food-prices-Great-interest-in-Allianz-research-study.html

These short-term action should not overshadow the long-term systemic changes that are urgently needed. A thorough reform of the CAP, including the Common Market Organisation, is needed to ensure a fair distribution of subsidies, the reintroduction of market regulation tools to better stabilise prices, rural job creation, progress in ecological transition. The EU trade policy should also ensure reciprocal standards in imports, so that farmers' ecological efforts are not undermined. Last but not least, Member States have tools at their disposal to boost the demand for sustainable local food, such as using public procurements, thereby guaranteeing more stable revenues for farmers as well as local and healthy food for consumers.

Sincerely yours,

Terry Reintke, Co-President of the Greens/EFA group

Philippe Lambers, Co-President of the Greens/EFA group

Bas Eickhout, Vice-President of the Greens/EFA group

Benoît Biteau, Vice-President of the AGRI Committee

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