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Delegations will find attached document SWD(2021) 318 final.

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COMMISSION STAFF WORKING DOCUMENT

STAKEHOLDER CONSULTATION - SYNOPSIS REPORT

Accompanying the document

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions

Contingency plan for ensuring food supply and food security in times of crisis

{COM(2021) 689 final} - {SWD(2021) 317 final}

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RESULTS OF THE TARGETED STAKEHOLDER CONSULTATION INCLUDING OPEN REPLIES

The consultation of stakeholders[1] is an essential part of the consultation strategy set up for the establishment of a contingency plan for food supply and food security in the EU. A targeted questionnaire was made available between 1 March and 3 May 2021 in all official EU languages. The present report summarises the answers received.

1. Overview of respondents

The targeted consultation received 253 replies. Individuals provided the highest number of contributions (45% of all respondents), followed by companies and trade/business associations (38% of respondents) and other users (17% of respondents). Half of the contributions from the category companies and trade/business associations came from primary producers (agriculture and fishery/aquaculture) and input providers taken together, the others from other stages of the food supply chain.

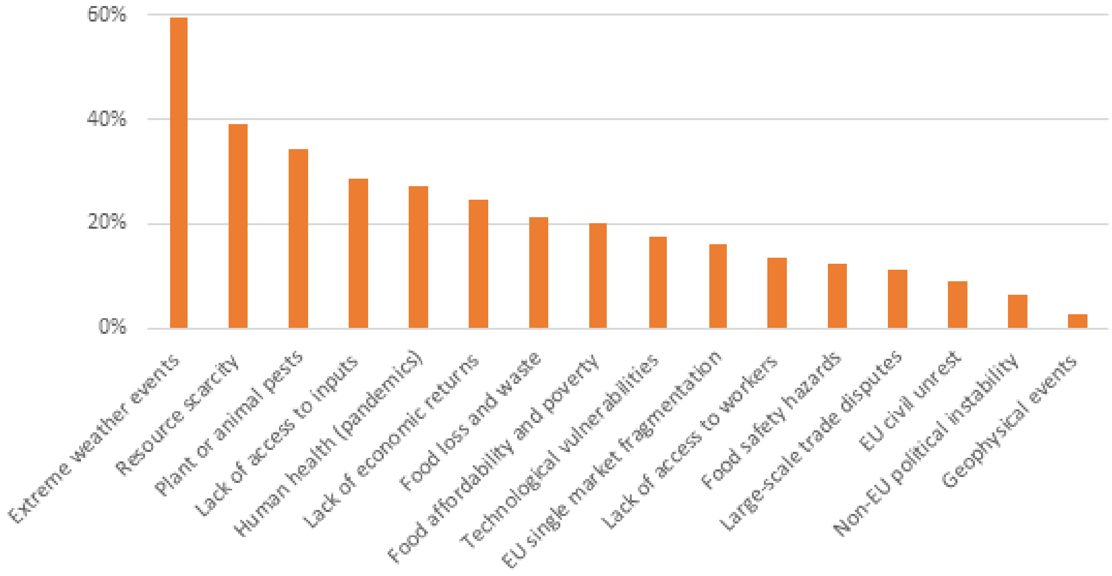
2. Questions related to resilience of EU food systems, risks, threats and vulnerabilities

Asked about the overall resilience of the EU food system, many respondents (34%) ranked the level of resilience between four and five on a scale from one to five (five being highly resilient). This percentage was even higher (59%) among companies' and trade associations' respondents, thus showing a relative high degree of confidence in the ability of the EU food systems to cope with crises. Only 28% of respondents perceive the EU food system as being not resilient and even less as not resilient at all (5% of companies and trade associations).

Close to 60% of respondents identified climate change and its consequences (extreme events) as one of the five main threats to the EU food system. Beyond environmental and climate risks, health (human, plant and animal) related risks and dependencies on imports for inputs and agricultural commodities rank high. This is followed by risks related to access to food and technological vulnerabilities. Disruption to the freedom of movement of goods and people, political and geopolitical aspects as well as geophysical catastrophes are less perceived as threats. In addition, threats not identified in the questionnaire were mentioned under the category 'others', i.e. the shrinking of areas devoted to agriculture, increasing environmental standards hampering production capacity, increased ageing leading to a reduction in the number of farmers, in particular family farmers.

[1] Already initiated with the publication of a roadmap setting out the issues under consideration (which was available December 2020 – January 2021): https://europa.eu/!kX77kj.

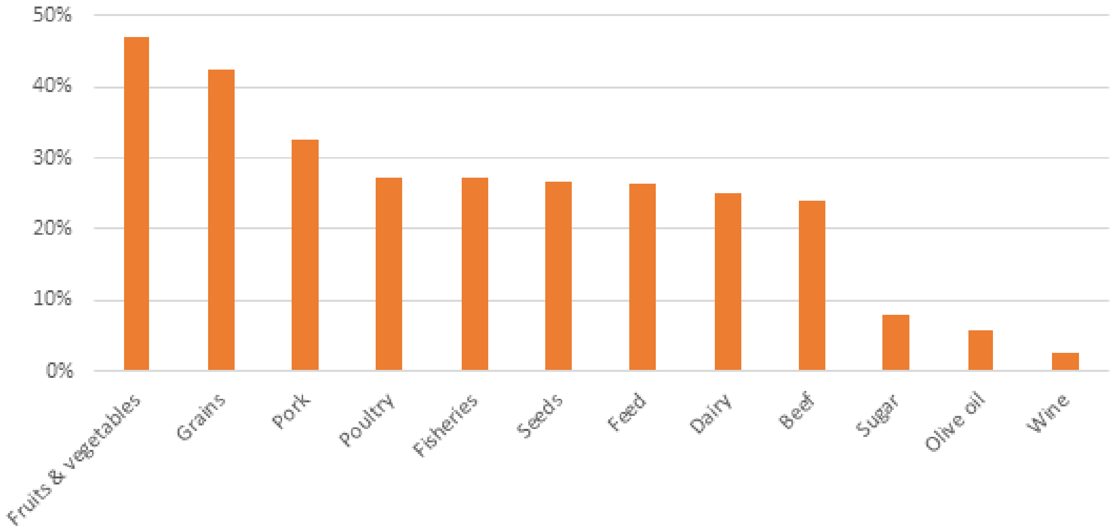
Figure 1: Main threats to the EU food system selected by respondents (multiple answers)



Asked about the vulnerability of the stages of the food supply chain, over 60% of respondents indicated primary production is a vulnerable stage. While input providing activities are also considered vulnerable by half of the respondents, this seems true to a lesser extent (25 - 40% of respondents) for trade, transport, logistics and processing. The end points (retail, food services) of the food supply chains are not perceived to be vulnerable (less than 10% of respondents).

The sectors perceived as most exposed to risks are the fruit and vegetables and the grains ones, with over 40% of respondents indicting them as among the most vulnerable. Meat, fisheries and inputs (feed and seeds) follow with 25 to 30% of respondents, while sugar, olive oil and wine are not perceived amongst the most vulnerable sectorsby many (less than 10% of respondents).

Figure 2: Sectors perceived as most exposed to threats



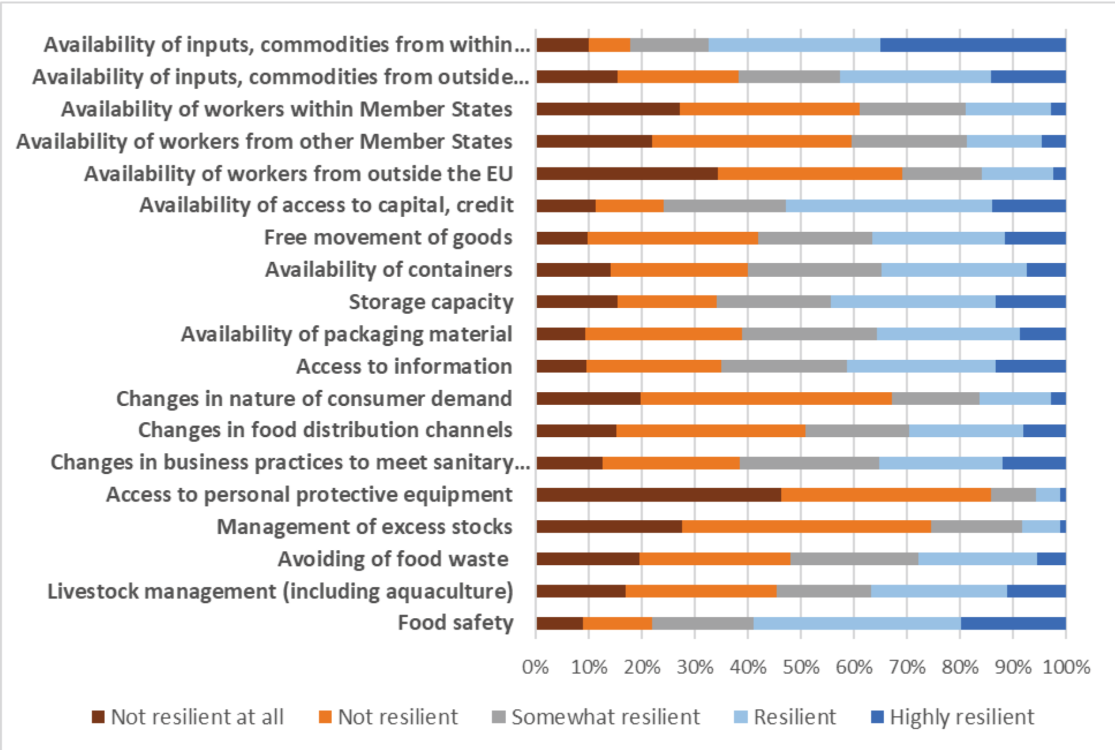
3. Questions related to lessons learned from COVID-19 crisis

The perception of the resilience of the EU food systems in the early phases of the COVID pandemic is not significantly different from the overall perception reported above, with 35% of respondents ranking it between four (resilient) to five (highly resilient) on a scale of one to five, and 25% not resilient or not resilient at all.

Looking closer at the different aspects of EU food systems, the access to personal protective equipment (85% of respondents), the management of excess stock (75% of respondents) and the availability of workers from outside the EU (69% of respondentswere perceived as the least resilient areas of the food sector (not resilient or not resilient at all).

The availability of inputs (seeds, feed, fertilisers, etc.), commodities and agri-food products from within the EU, overall food safety within the EU and availability of access to capital and credit, were perceived as predominantly resilient-highly resilient (with 67%, 59% and 53% of respondents respectively).

Figure 3: Assessment of the resilience of EU food systems during the COVID pandemic in different areas



The following three measures by public authorities were ranked highest with regard to their usefulness (useful or very useful) in the early stages of the COVID-19 pandemic:

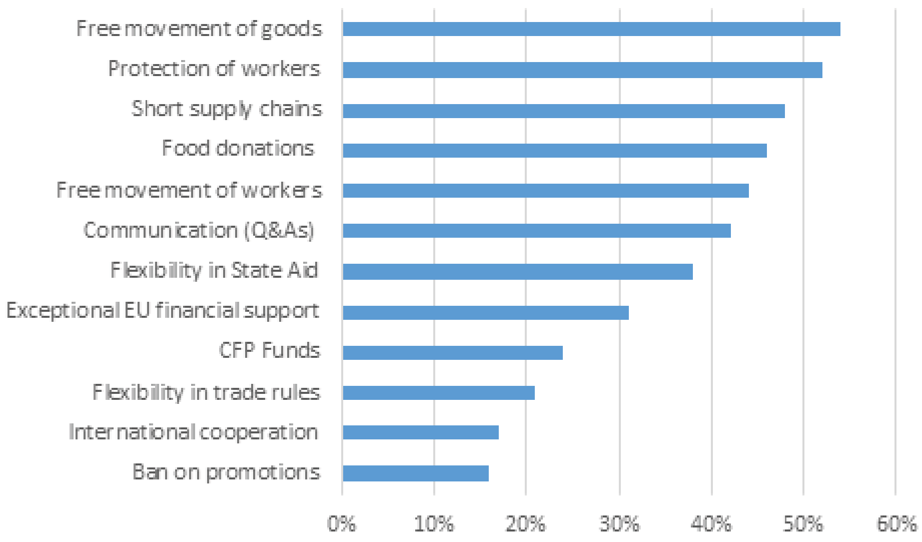
(i) measures to protect the single market: allowing the free movement of goods (Commission Communication on green lanes), with 54% of all respondents,

(ii) measures to protect workers in the supply chain (e.g. availability of protective equipment) with 52% of respondents,

(iii) measures to promote short supply chains and/or local or regional food with 48% of respondents.

Other measures were deemed useful like channelling surplus food to donations to avoid food waste, ensuring freedom of movement of workers or clear communication as was the case on food safety with the Q&As released[2]. Financial support from Member States and the EU, thanks to temporary more flexible rules on State aid, was also considered very useful by 38% (MS) and 31% (EU) of respondents, respectively. A small minority of respondents found the ban on promotions at retail level useful.

Figure 4: Assessment of the usefulness of measures by public authorities during COVID (% of respondents assessing these as very useful)



Measures implemented by the private sector were also perceived to be useful (by 40% and more of respondents), such as communication and information sharing through business associations, engaging with public authorities on critical supply chain issues, cooperation between stakeholders at different stages of the food supply chain and within the same stage, use of information technology for trading (for example, direct sales online, or platforms to connect suppliers with excess food with food banks or other organisations).

Respondents pertaining to the categories of companies and trade associations were also asked to evaluate the difficulties they faced during the COVID pandemic. Companies and trade associations found that both intra-EU and extra-EU trade flows were significantly disturbed, with over one fourth of respondents finding that moving goods cross-border, intra EU or Extra EU was much more difficult than usually. A larger share of respondents found however that moving goods outside the EU (exports and imports) was less affected than trade flows within the EU. They identified as other major difficulties the cross border movement of workers (particularly with regard to

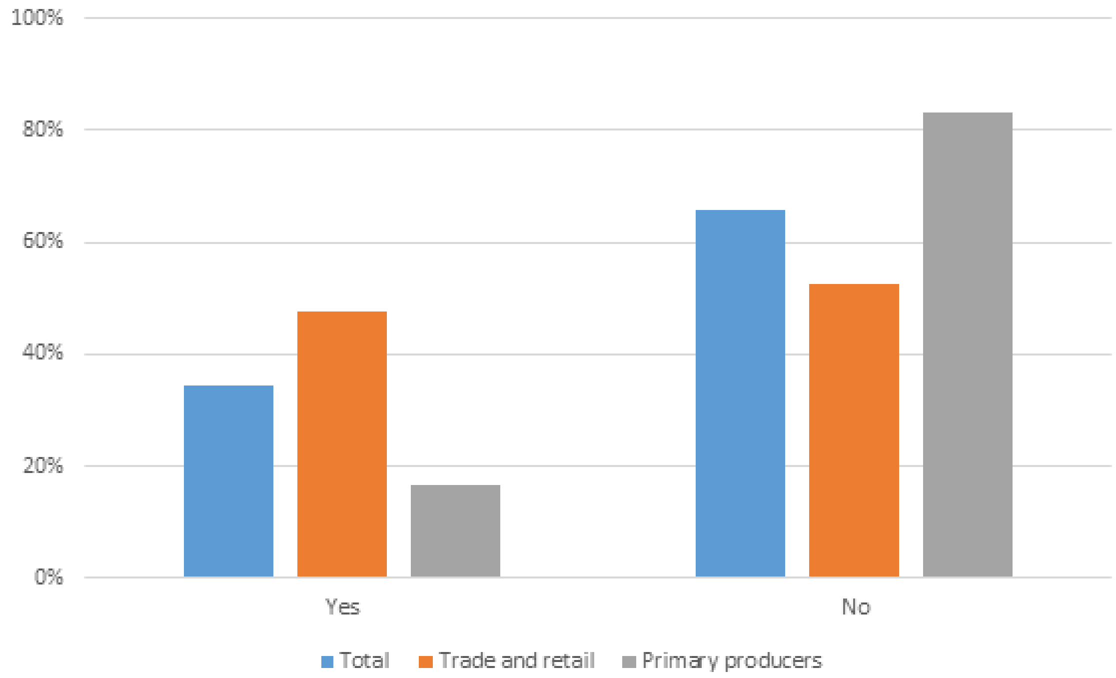
[2] https://ec.europa.eu/food/system/files/2020-04/biosafety_crisis_covid19_qandas_en.pdf.

third country workers, such as seasonal workers in the agricultural sector), the unexpected costs generated by the sanitary crisis, in particular the access to protective material and the disturbance generated by the closure of Horeca activities and related markets. Logistical difficulties (transport) and the need for information from public authorities were also mentioned by respondents as having represented a significant difficulty but to a lesser extent. Access to inputs and services (including information) as well as finding new outlets such as e-commerce, valorisation as non-food or donations to food banks were less considered as difficulties. Lack of harmonisation between Member State was not seen as a major issue.

4. Questions related to preparedness and the contingency plan for EU food supply and food security

Companies and trade/business associations (hereunder ‘operators’, 38% of the overall number of respondents) were asked whether they had risk management or contingency plans in place before the pandemic. Only a third of operators had contingency plans in place before the pandemic. This share was even lower for primary producers (agriculture, fisheries), down to 17%. Almost half (45%) of those who had such plans found them useful to very useful, while only less than 10% of them found them not useful.

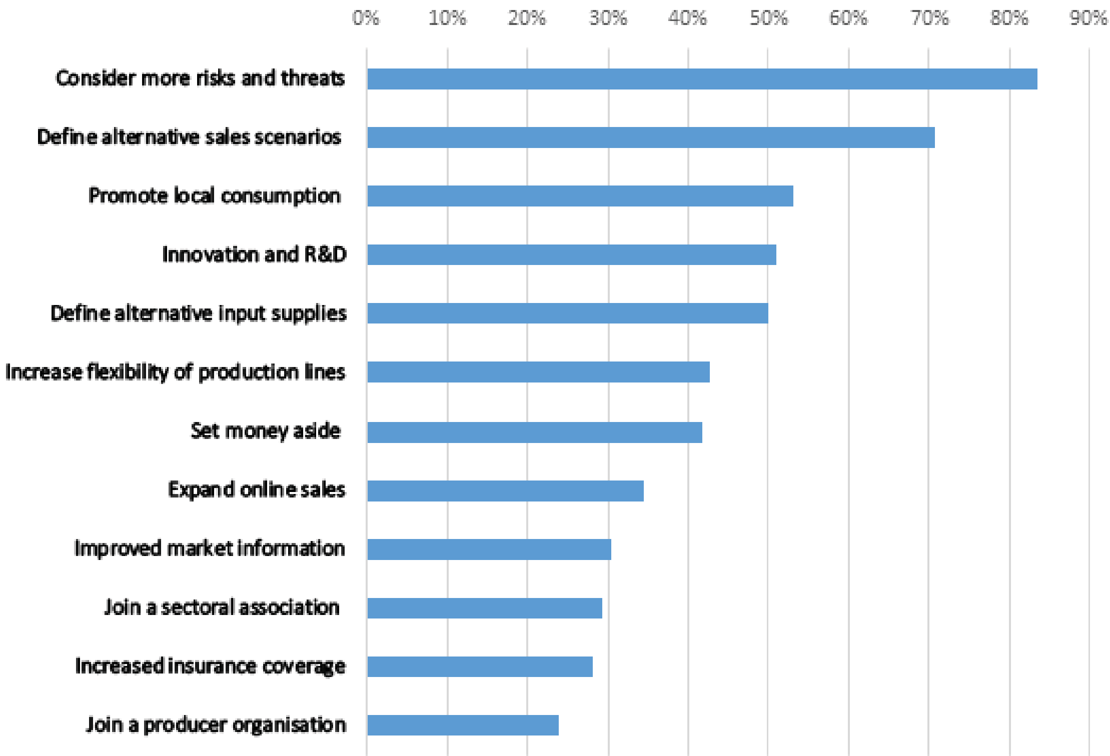
Figure 5: Share of operators with risk management / contingency plans before the COVID pandemic



A small majority of companies and trade organisations (53%) who answered to the questionnaire consider they are well to very well prepared for possible disruptions in case of crisis. However, there is a difference between trade and retail operators combined feeling confident about their level of prepared ness for 57% of them, while only a small share of operators in the primary production (agriculture, fisheries) feel prepared (26%).

The approaches to risk management and contingency planning of operators are likely to change after the pandemics, in particular by considering a wider range of risks and threats (83% of responding operators), and defining alternative scenarios to sell in case of market closures or disruption (71% of responding operators). Promotion of local sales and of on-line sales are also mentioned as alternative sales channels to develop. Plans B for the purchase of inputs or investment in research and development also attract a majority of respondents. Other less favoured approaches with fewer than 30% of responding operators concern purchasing increased insurance coverage or joining collective structures. Accessing to more information is also not evoked by many respondents, but the access to market information is considered to be good already.

Figure 6: Changed risk management approaches of operators post COVID pandemic

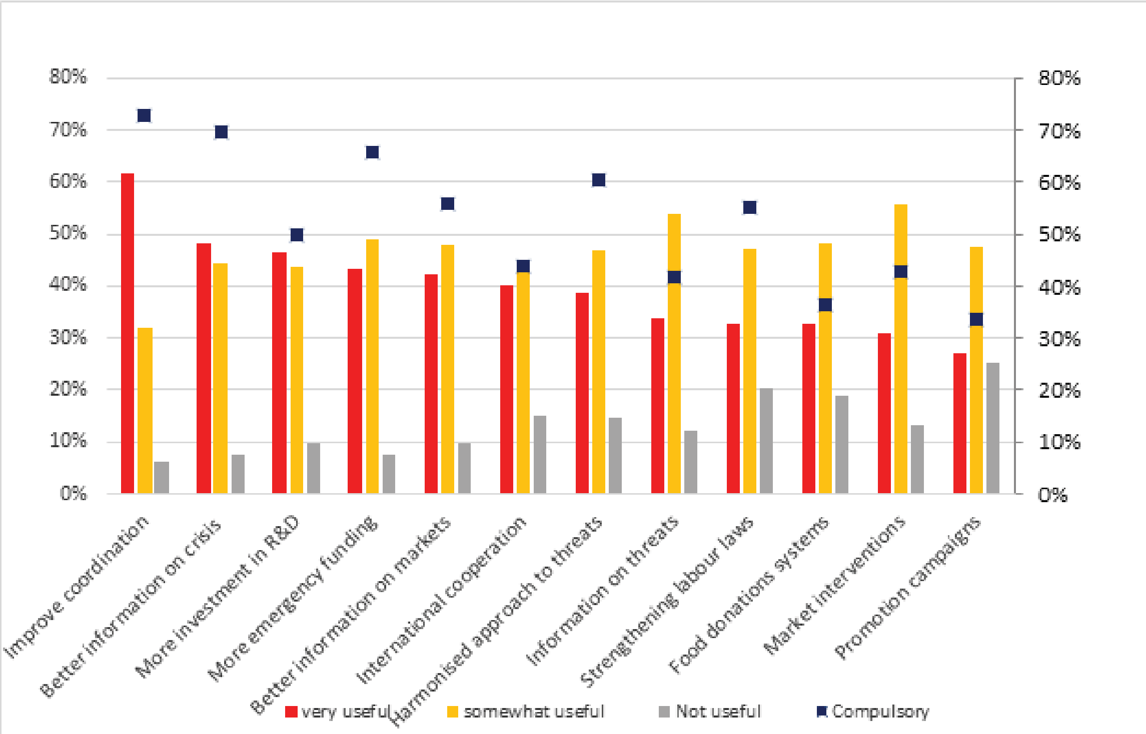


When asked where they think further action by the EU would be most useful to be better prepared, a majority of all respondents (over 60%) found it very useful to "Improve coordination and communication". The other proposals considered very useful by operators include information, on crisis developments (48%), on market developments (42%) and threats (34%). This call for more information is felt even higher among primary producers. Both enhanced cooperation and coordination and better information on crises developments are the areas in which respondents see the strongest need for compulsory measures adopted at EU level (over 70% of respondents). Funding and investments are also found quite useful, for emergency purpose or for research and development.

Enhanced cooperation with the international community and the harmonisation of the approaches to threats within the EU are also supported. The latter harmonisation is particularly praised by 60% of operators of the food trade and retail sector (60% assessed it very useful).

Market intervention, promotion campaigns, strengthening labour laws and maintaining food donations were found to be relatively less useful by respondents.

Figure 7: Usefulness of further action for food supply and food security and of compulsory EU action



Finally, participants to the targeted questionnaire answered a question on possible items that an EU contingency plan to ensure food supply and food security in the EU could integrate. Respondents ranked the degree of relevance of a list of proposals on a scale from one (not relevant) to five (very relevant). Figure 8 below shows the average note for each proposal ranging between 3.2 and 4.3.

Three topics feature high in the answers. They concern:

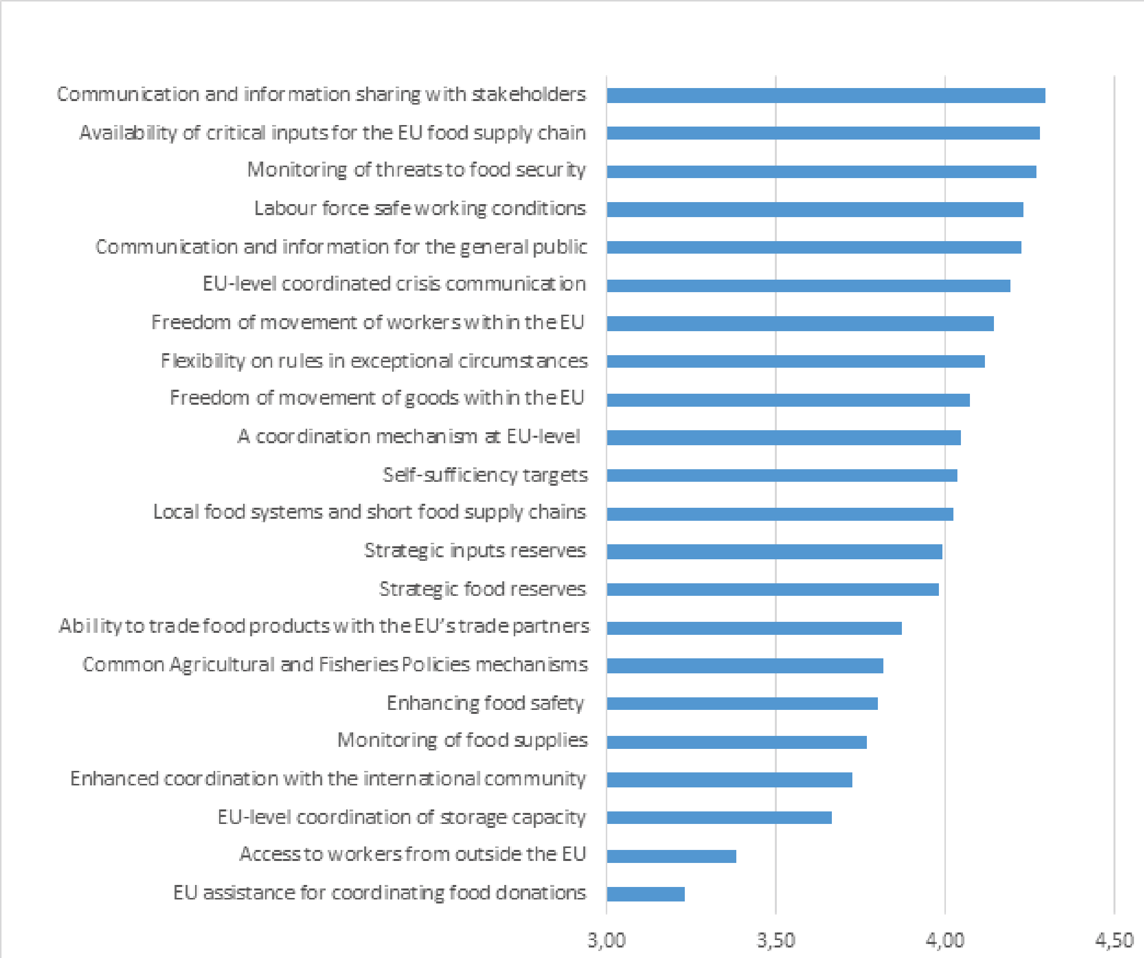
(a) the need for coordinated communication and information for actors of the supply chain and for the general public;

(b) the mapping of vulnerabilities and in particular for the availability of key inputs;

(c) the availability and protection of workers.

Other proposals such as a general coordination mechanism, the need to keep the freedom of movement of goods and to be flexible in the implementation of rules and policies in times of crisis score high. The maintenance of strategic reserves or the monitoring of self-sufficiency levels come only after the above mentioned elements. Proposals less supported (although still with an average score of three or above, i.e. somewhat relevant) refer to international cooperation, coordination of storage capacities or food donations.

Figure 8: Average score for items to include in a contingency plan (from 1 not relevant to 5 very relevant)



5. Summary of written contributions by respondents

Twenty-three respondents (NGOs, civil society groups, government institutions, industry representatives from the EU countries and beyond (CH)) accompanied their answers to the questionnaire by papers.

Most contributors support the Commission's initiative and believe that all active players of the food supply chain have an important role to play during times of crisis.

As regards the **process**, several replies underline the importance of good **coordination**, among Member States and EU institutions:

- create a permanent crisis management forum which could serve as a platform for the delegates representing the Commission, Member States and all food sector actors;
- set up a central contact point to ensure food crisis reporting, including in global markets;
- develop specific protocols, for example to identify a food incident versus a food crises, on how/when to report for early warning, etc;
- establish an open digital platform where risk management best practice existing at national and EU level can be shared;
- engage all feed and food chain stakeholders;

- ensure that the capacity of early detection and management of food crises is sufficiently developed;
- identify and build a network of crisis management expertise at sector level, including at international level and in food organisations.

Some stakeholders put an emphasis on the crucial role of **communication** in crisis management:

- need for improved science-based communication from Member States and the EU;
- need for communication support helpdesk.

The responses from stakeholders mention many issues that could be considered, the main ones being:

- **Functioning of the single market**.
  - Border controls within the Single Market and in ports are seen as a threat to food security.
  - Green Lanes for transport of both food and feed products are seen as essential to avoid a food crisis.
  - Food and feed industry must fall under the category of 'critical or essential' activities and be subject to exemptions from restrictions to free circulation.
  - Focus should be given to the transport and logistics stages: food transport and haulage has led to delays and increases in transport costs.
  - More use of digital tools may help border procedures to run more smoothly, for example, by allowing electronic copies of certificates.
- **Food supply and inputs issues.**
  - Supporting manufacturers to increase essential supplies of critical feed additives.
  - Assuring seed security and seed supply in times of crises.
  - Substantially increase aquaculture production in the European Union.
  - Support the shift to more plant-based production for human consumption and the development of alternative sources of protein.
  - Strengthening of some of the animal welfare provisions (ensure the continuation of the veterinary care during crises, etc).
- **CAP and other legislative instruments**.
  - Well designed and targeted CAP instruments, a sufficient budget preserved from budget, clear triggering mechanism based on objective criteria to be defined and flexibility are the key elements highlighted by several contributions.
  - Framework for state aid and the derogations from competition rules, should remain temporary.

- **Labour issues**.
    - Seasonal workers and cross-border workers shall be qualified as 'critical workers' (ensuring that workers can reach their workplace)[3].
    - Opportunities shall be created to facilitate farmers' access to an alternative workforce, including attracting workers made redundant in other sectors
    - Provide protective equipment to workers in the supply chain.
- **Transparency**.
    - Ensure market transparency by providing timely market information to prevent panic buying and build up trust in markets.
    - Reliable public health information should be provided in a timely manner by public authorities such as EFSA, the WHO and ECDC.
    - Further develop analytical tools capable of identifying potential shortages of critical raw materials and perform a vulnerability assessment.
- The role of **international trade**, has predominantly been categorized as part of the solution to food security rather than a part of the problem, and not only concerning food but also providing necessary inputs.
    - Need for the implementation of the WTO Trade Facilitation Agreement and WTO compatible food security stocks.
    - Importance of bilateral and multilateral trade agreements in order to limit trade restrictions (e.g. export restrictions) on food.

Several entities engaged in **food packaging** have replied and underlined the essential role of food packaging.

Stakeholders are inclined to think that the Contingency Plan must be **continually updated** and it should be **adaptable to evolving crises** while post-crisis evaluation will be crucial.

[3] Which is already foreseen by the Communication from the Commission Guidelines concerning the exercise of the free movement of workers during COVID-19 outbreak.