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NOTE

From: General Secretariat of the Council
To: Council

Subject: Transforming the food supply chain towards sustainability – lessons learned from the EU Code of Conduct
- Information from the Slovak delegation supported by Bulgaria, Czechia, Greece, Hungary, Poland and Spain

Delegations will find in the [Annex](#) an information note from the Slovak delegation, supported by the Bulgarian, Czech, Greek, Hungarian, Polish and Spanish delegations, to be presented by the Slovak delegation under "Any other business" at the "Agriculture and Fisheries" Council on 12-13 December 2021.

Transforming the food supply chain towards sustainability – lessons learned from the EU Code of Conduct

Information from the Slovak delegation supported by Bulgaria, Czechia, Greece, Hungary, Poland and Spain

Bulgaria, Czechia, Greece, Hungary, Poland, Slovakia and Spain would like to bring the Council's attention to the issues of continuing imbalances of the food supply chain. The Commission published on 20th May 2020 its Communication on the Farm to Fork Strategy (F2F) with an aim of achieving a fair, healthy and environmentally friendly food system. The strategy is at the heart of the EU's green ambition detailed in the European Green Deal, which sets Europe for a course of achieving climate neutrality by 2050. One of the main aims of the strategy is transforming our food systems into sustainable ones in order for European food to “*become the global standard for sustainability*”. However, in order to be able to achieve this transition, **the entire food supply chain has to be transformed and this can only be achieved if we have a well-functioning and balanced food supply chain with all actors contributing equally.**

The strategy sets out 27 actions, which should contribute to the sustainable transition, with one of the first deliverables of the strategy in the form of the **EU Code of Conduct on Responsible Food Business and Marketing Practices** published on 5th July 2021. It has to be stated, that even though the Code of Conduct is a voluntary measure, **it is a welcomed first step towards an inclusive transformation of the food supply chain.** The Code sets out **seven aspirational objectives**, which are in line with the F2F strategy and it already has over 90 signatories, which demonstrates the willingness of the sector to partake. However, even though we welcome the ambition of these objectives, **the fact, that it is sufficient for individual companies signing the Code to set only at least a single objective, radically lowers the level of ambition** of the Code itself and also contributes to further division of priorities within the middle part of the chain.

On the other hand, the F2F strategy foresees around 16 legislative proposals based on the actions set out, all of which will affect mainly farmers and primary producers. As it has been pointed out by Member States on numerous occasions, **farmers and primary producers are the weakest links of the food supply chain** and in order for it to function properly, **this power divide needs to be addressed and rebalanced**. The Commission also did **not present an official impact assessment** of the F2F Strategy based on which the aims and targets set out could be thoroughly evaluated. Nevertheless, the JRC study published in late July 2021 on “modelling environmental and climate ambition in the agricultural sector with the CAPRI model” gives a glimpse into the **potential loss of competitiveness and increase in food prices**, which can be expected as a result of the strategy. This impact will be felt by the entire food supply chain, with the **greatest knock-on effect being expected on farmers and primary producers**, and can lead to an **increase of imbalances and disruptions**. The strategy might also result in lower EU production, which will **lead to an increased demand for cheaper imports** that do not comply with high EU standards.

Based on this Bulgaria, Czechia, Greece, Hungary, Poland, Slovakia and Spain would like to receive more information from the Commission on the EU Code of Conduct and the expectations behind it. We would also like to know how the Commission aims to **maintain a level playing field for actors in the food supply chain**. Some are subject to mandatory legislation, whereas others can “opt-in” to contribute to sustainability with only a single action and even that is based on the principles of **maintaining their competitiveness and profitability**. **These are key principles that should be taken into account in relation to every part of the chain**. Member States have repeatedly called on the Commission to help strengthen the position of farmers in the food supply chain and even though some first steps were taken, the F2F strategy might lead to an even greater divide of powers. **One of the main goals of the European Green Deal was to leave no one behind, which also means that proportionality and burden distribution should be kept in mind**.

Based on the above mentioned, Bulgaria, Czechia, Greece, Hungary, Poland, Slovakia and Spain would like to appeal on the Commission to re-evaluate the possibility of better including all parts of the food supply chain into the sustainable transition in order to speed it up.