

## Farm Service Agency

### Executive Summary for Collaboration Platform on Agriculture (CPA)

#### FPAC Supporting Producers in Crisis Meeting September 25, 2023

#### CPA Background

Secretary Vilsack and European Union (EU) Commissioner for Agriculture Wojciechowski signed a Memorandum of Understanding in 2021 for a mechanism titled Collaboration Platform on Agriculture (CPA), which is led by the Foreign Agricultural Service. This mechanism is to achieve an open dialogue between USDA and EU Directorate General for Agriculture and Rural Development (DG AGRI) incorporating US and EU stakeholders. For 2023 the CPA topics are:

Theme	Topics
Sustainability	<ul style="list-style-type: none"><li>• Defining Sustainable Markets</li><li>• Circular Agricultural Economy</li></ul>
Climate	<ul style="list-style-type: none"><li>• Rural Development and Economic Inclusion</li><li>• Innovations in Animal Husbandry</li></ul>
Agri-Food Exchanges	<ul style="list-style-type: none"><li>• Production Inputs &amp; Crop Management</li><li>• Inclusive Farming: Broadening the Conversation</li><li>• Supporting Producers in Crisis</li></ul>

Prior to this September 25, 2023 meeting, the CPA team held a number of meetings throughout 2022 which focused on discussions surrounding sustainability, greenhouse gas mitigation, and agri-food exchanges. One of them being in person to reflect on food security and nutrient management due to crisis surrounding fertilizer and Ukrainian export of grain. This in person meeting was invaluable to the CPA by building the initial foundation and opened the door to additional conversations and process improvement options.

#### Executive Summary

##### CPA meeting overview:

The September 2023 collaborative event brought together representatives from FSA, RMA, NRCS, and the EU, aiming to explore mechanisms supporting farmers amidst challenges. USDA Under Secretary for Farm Production and Conservation Robert Bonnie attended the meeting in person and all other USDA FPAC mission area representatives provided their presentations and discussions virtually. The dialogue concentrated on supporting producers in crisis with three pivotal themes, each addressed by respective agency representatives.

##### 1. Absorbing the Impact

This segment was dedicated to exploring measures aiding farmers in navigating through adverse situations while maintaining operational stability. This included short term responses to events implemented by USDA agencies and DG AGRI to assist producers in responding to events.

John Berge, Farm Programs (DAFP), Farm Service Agency presented an overview of how each USDA agency helps farmers in response to disaster events and COVID 19, emphasizing both ADHOC and permanent programs offered by FSA.

Fabien Santini, AGRI E.1, provided an overview of the European Food Security Crisis preparedness and response Mechanism (EFSCM) which was established to improve cooperation between the public and private sectors and evaluate risks when crises arise. The EFSCM adopted two recommendations on [crisis communication](#) and on [diversity of sources of supply](#), which are part of a number of actions to be carried out to improve the EU preparedness. The outcomes of the work of the forum also include the creation of the food supply and security dashboard.

Discussion included conservation, risk management, and direct assistance available to producers. Through the exchange of insights, it became evident that both EU and U.S. farmers share common challenges when a crisis hits, underscoring the importance of developing robust support mechanisms.

## 2. Medium-Term Adaptation

This session deliberated on strategies assisting farmers in aligning their operations with emerging requirements and market demands. With agriculture continuously evolving, supporting farmers through transitions is crucial. The discussions highlighted the shared responsibility of providing requisite support to facilitate these necessary adaptations.

Poul Hoffmann, AGRI B.1, provided an overview of the current risk management budget and strategy to have more EU member states prioritize an insurance type product. Direct payments (subsidies) will continue to be a portion of the CAP (Common Agricultural Policy) [cap-overview](#). Currently, risk management is allocated 1% of the fund from the European Agriculture Fund (EAGF) and provides producers with 20% coverage. The CAP includes a strategy to increase the risk management tools and increase farmer participation to 14% of EU farms. This is an area where USDA-RMA and FSA could transfer lessons learned and provide insight into effective coverage options.

Francie Tolle, Product Administration & Standards Division, Risk Management Agency provided an overview of FPAC programs that have an impact on the medium term, including NRCS conservation programs, FSA's CRP, and CREP. Francie mostly emphasized RMA's insurance products, the process to establish a new product, or the modification of a product to fit the more current needs of producers.

## 3. Transformation for Sustainability

The final segment of the meeting dove deep into the crucial aspects of initiating and sustaining long-term changes in farming businesses or models. Transformation, as discussed, is not merely about survival but thriving in the ever-changing agricultural landscape by adopting sustainable and forward-looking practices. While conservation practices appeared to dominate the conversation for the long-term solution to managing the climate crisis and mitigating losses, the need for a better risk management strategy is also necessary

Deputy Director General Mihail Dumitru and Gijs Schilthuis, AGRI A., provided an overview of Eco Schemes and how they are established by the Common Agricultural Policy to support farmers in the long term. (These eco schemes are the same as NRCS practices). Three focus areas shared were reducing the need for inputs, increasing renewable energy, and agro-forestry. Other transformative policies mentioned were the Green Deal [The Green Deal](#) and [Horizon-Europe](#).

Under Secretary for Farm Production and Conservation Robert Bonnie discussed the role agriculture has in maintaining sustainable productivity growth for the climate strategy, and the struggle to keep up with technological innovation, emphasizing that NRCS is updating its practices (similar to Eco schemes) as it tries to keep up with the innovation. Julie Hawkins, Acting Associate Deputy Chief for Programs, NRCS provided an overview of FPAC's programs that focus on the long-term, emphasizing the climate adaptation plans, and NRCS's role in addressing climate change and weather.

### **Key Takeaways:**

- Shared Challenges: The dialogue underscored shared challenges faced by farmers in both the United States and EU member states, especially during crises.
- Risk Management Deficiencies in the EU: The EU representatives acknowledged a need to fortify their risk management framework for agriculture, identifying this as a new area that is needing attention and development. In both the United States and the EU, affordability continues to be a concern when it comes to crop insurance and risk management.
- Minimizing Dependence on Subsidies: A mutual goal that emerged was the reduction of reliance on farm subsidies. For the EU, this means expanding and strengthening risk management programs across member states, aiming to provide more direct and effective support to farmers. USDA has also seen the same shift, as ADHOC disaster programs now include a requirement to obtain either crop insurance or NAP for two years.
- As stressed by the EU, it is important to measure our response and our programs to understand their effectiveness. Changes to farm business models and technologies require additional tools, new conservation practices or innovative approaches such as dashboards to monitor food supply and agricultural production.

### **Conclusion:**

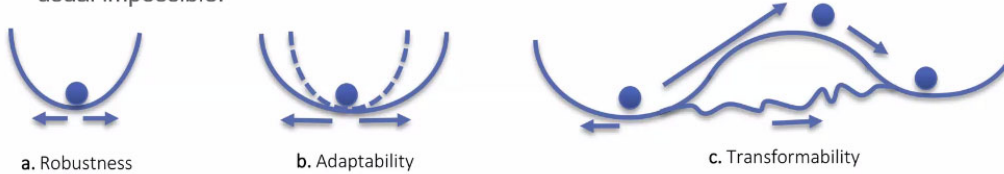
The event provided a valuable platform for knowledge exchange and collaborative thinking between the EU and U.S. agencies. Moving forward, leveraging the insights gained during this event will be crucial in fostering a supportive environment for farmers, facilitating necessary adaptations, and encouraging sustainable transformation in the agriculture.

The benefit to the U.S. and EU agencies and producers because of this CPA and associated meeting is immeasurable. Through CPA discussions, the EU and USDA not only forge a pathway for mutual learning but also create a framework for cooperation that directly benefits producers by improving risk management, fostering innovation, enhancing economic efficiency, and promoting sustainability in agriculture. This collaboration ultimately leads to stronger and more resilient agricultural sectors in both regions.

**Follow-up Plans** – The U.S. CPA team will work with EU counterparts to determine 2024 work program activities.

# Resilience capacities of farming systems

- **Robustness:** capacity to withstand stress and (un)anticipated shocks
- **Adaptability:** capacity to change the composition of inputs, production, marketing and risk management
- **Transformability:** capacity to significantly change the internal structure and feedback mechanisms in response to severe shocks or enduring stress that make business and usual impossible.



Source: A framework to assess the resilience of farming systems, M. Meeuwissen, et al, 2019. (SURE-Farm project)



Under Secretary Robert Bonnie and Mihail Dumitru, Deputy Director-General, Agriculture and Eural Development