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PRESS RELEASE: Growing the Future: Sustainable Agriculture in Europe

*On Tuesday, 13 May 2025, SME Connect co-organised together with the Union of Entrepreneurs and Employers (ZPP) a working breakfast titled "**Growing the Future: Sustainable Agriculture in Europe**", hosted by Herbert Dorfmann MEP, in the European Parliament, in Brussels.*

*The discussion brought together experts including **HERBERT DORFMANN MEP**, Committee on Agriculture and Rural Development; SME Connect Board Member; **CARMEN CRESPO DIAZ MEP**, Committee on Agriculture and Rural Development; **GIJS SCHILTHUIS**, Deputy Director-General, in charge of Directorates B, C, and D, Sustainability (AGRI.B) at the European Commission; **CHRISTIAN HOLZLEITNER**, Head of Unit, Land Economy and Carbon Removals, DG CLIMA at the European Commission; **MARCIN SOKOŁOWSKI**, Quality Assurance & Sustainability Raw Material Manager, OSI Food Solutions Poland; **HUGO JANSEN**, Sustainability Director at Cargill; **ANNA BORYS**, Senior Director of Government Relations Europe at McDonald's; **JAKUB BINKOWSKI**, Board Member at Union of Entrepreneurs and Employers (ZPP); **SEYIDE DIREK**, Policy Analyst at the European Enterprise Alliance (EEA); **PAUL RÜBIG**, President of SME Connect, Member of the European Economic and Social Committee, Member of the European Parliament 1996-2019; and **HORST HEITZ**, Chair of the Steering Committee of SME Connect.*

The discussion was moderated by AGATA BOUTANOS, Director of the Union of Entrepreneurs and Employers Brussels Office.

In his opening words, **HERBERT DORFMANN MEP** highlighted the renewed political importance of agriculture in Europe, driven by the growing recognition that food security cannot be taken for granted. He noted that Europe has become a global leader in agri-food exports, contrasting this success with outdated protectionist views. Dorfmann stressed the need to address sustainability realistically, acknowledging that challenges like climate change and resource scarcity persist and must be tackled with smarter approaches rather than denial. He warned against overproduction, advocating instead for balanced markets and a stronger focus on farm profitability. Many farmers, he argued, are unable to invest in their future, which threatens the sector's viability. He also pointed to the unfair distribution of profits along the food value chain, where farmers receive a disproportionately small share. Finally, he

underlined the urgent need to attract younger generations to farming by making the sector more innovative, profitable, and future-oriented.

CARMEN CRESPO DÍAZ MEP emphasised that agriculture is more than just an economic activity—it is a way of life and a pillar of Europe's identity. She called for the agricultural sector to be fully integrated into EU security and financial policies, with a growing and adequate budget in the upcoming Multiannual Financial Framework. Reflecting on the rapid rollout of the Green Deal, she acknowledged its necessity but criticised its rushed implementation, which left farmers with little time or resources to adapt. Crespo stressed the importance of simplifying policies and promoting sustainability through circular economy initiatives, such as reusing agricultural waste to generate revenue. She advocated for stronger investment—particularly through the second CAP pillar and the European Investment Bank—in innovation, bio-solutions, water technologies, and cohesion funds to boost rural employment and attract youth to the sector. Finally, she urged for fair trade based on reciprocity and called for certainty, modernisation, and a comprehensive approach to preserve agriculture as the economic and social backbone of rural Europe.

Moving on to the strategic perspectives, **GIJS SCHILTHUIS** outlined the European Commission's current vision for agriculture and food, highlighting the need to strike a balance between social, economic, and environmental sustainability—ultimately a political endeavor requiring ongoing dialogue with stakeholders. He described the vision as intentionally “vague” to allow space for input and consensus-building among farmers, NGOs, agribusinesses, and member states. He stressed the urgent need to make the agricultural sector more attractive, especially for younger generations, noting that efforts on generational renewal have not yet delivered results. Improving profitability, market functioning, and access to training and finance are essential. Competitiveness must also be strengthened through investment, particularly with support from the European Investment Bank and financial instruments under the CAP. Schilthuis highlighted the importance of reducing administrative burdens through the upcoming CAP simplification package, aiming for pragmatic adjustments without derailing the policy. Environmental sustainability remains central to the Commission's approach, with ongoing work on climate resilience and water strategies. Lastly, he emphasised the need for a robust rural policy to support economic activity and farming across all regions of the EU, recognizing the strategic role of agriculture not just in food security but in maintaining vibrant rural communities.

CHRISTIAN HOLZLEITNER stated that the core goal of EU climate policy is to achieve climate neutrality by 2050, which means drastically reducing emissions while also removing CO₂ from the atmosphere. While agriculture will always produce some emissions due to food production, it also has the unique ability to capture and store carbon in soils, forests, and bio-based products. This dual role positions the bioeconomy as central to a climate-neutral future. He highlighted the potential of biogas, precision farming, agro-photovoltaics, and bio-based materials in contributing to this transition. By developing climate-smart farming

practices and sustainable land use, agriculture can deliver both climate benefits and economic opportunities. To support this, the Commission is developing a certification framework to quantify the climate benefits of practices like rewetting peatlands, planting trees, and agroforestry. This will help attract investment and make it easier for farmers to secure financing. Holzleitner stressed the need to build a functioning carbon market for ecosystem services, where value chains, financial institutions, and other sectors can invest in carbon credits. This would both support farmers and promote climate resilience, creating a strong economic incentive for sustainable land use. The ultimate aim is to make the bioeconomy a growth sector that boosts competitiveness while strengthening the role of farmers in the value chain.

MARCIN SOKOŁOWSKI, representing OSI Food Solutions Poland, shared practical insights from the beef industry on advancing sustainability in agriculture. He highlighted the company's long-standing commitment to sustainable farming, including the development of its own certification system since 2015, which now includes 35,000 farmers—mostly small, family-run cattle farms. Based on this experience, he emphasised the urgent need for better education and knowledge sharing about sustainable agriculture, both among farmers and the wider public, many of whom are unaware of where food comes from or the importance of local production. He also underlined the value of aligning agricultural subsidies with concrete environmental outcomes. Poland has already introduced payments for carbon farming under the CAP, rewarding farmers for implementing practices that reduce or sequester emissions—an approach he believes should become standard EU-wide. Finally, Sokołowski raised serious concerns about the looming implementation of the EU Deforestation Regulation (EUDR). He warned that the beef sector across Europe is unprepared for the new requirements, risking severe disruption to supply chains and economic hardship for farmers if they cannot sell their livestock.

HUGO JANSEN highlighted that long-term partnerships are central to building resilient and sustainable poultry supply chains. His company has worked with most of its chicken suppliers for over 30 years, offering farmers stability, visibility, and confidence to invest and innovate. This collaborative model, based on contracts, best practices, and continuous improvement, supports both economic and environmental goals. He highlighted two key areas of focus: animal welfare and regenerative agriculture. On welfare, his company collects data on 15 indicators for every flock and is now sharing insights with the European Partnership for Animal Health and Welfare to help identify what drives good outcomes. In regenerative agriculture, farmers supplying feed grains have been trained in sustainable practices like cover cropping and no-till farming, which enhance soil health and water retention—crucial in regions like central Poland facing water scarcity. Jansen called for policymakers to support data-driven, farmer-led innovation rather than impose rigid rules, stressing that successful, sustainable farming benefits both the sector and society at large.

ANNA BORYS pointed out McDonald's strong commitment to resilient and profitable supply chains in Europe, driven by the scale of its operations—6,500 restaurants serving 11 million customers daily, with 95% of key products sourced within the EU. She underlined the importance of fast, stable, and climate-adapted supply chains, built through close collaboration with suppliers and farmers. She shared examples of McDonald's support for regenerative agriculture across several countries, including agroforestry in France, a €4.4 million sustainability program in Ireland, and data-driven farming practices in Finland. McDonald's role, she noted, is to bring scale and a platform for collaboration, but highlighted that innovation also needs strong consistent policy support to succeed. She concluded by stressing the importance of continued dialogue and the inclusion of real-world data and expertise in shaping effective agricultural policy.

JAKUB BINKOWSKI spoke about three key objectives crucial for the future of the agri-food industry in Europe. Firstly, he highlighted the demographic challenge, noting the aging population in both the sector and society at large, which presents a significant barrier to growth and development. Secondly, he stressed the need to balance sustainability with economic viability, arguing that these two goals need not be mutually exclusive. Cooperation with large companies, he suggested, can provide farmers with valuable knowledge and stable long-term contracts, enabling more sustainable production. Lastly, Binkowski addressed the development of rural areas, pointing out that many people in Poland and across Europe rely on agri-food production for their livelihoods. He concluded by underscoring the importance of integrating these objectives into EU policy to foster social cohesion and strengthen rural economies, while creating new opportunities for the sector.

SEYIDE DIREK highlighted the strategic importance of Europe's agri-food sector, which supports over 30 million jobs and contributes more than €450 billion annually. However, the sector faces significant pressures, including market volatility, rising costs, regulatory challenges, and climate disruptions, particularly impacting SMEs and family farms. Direk emphasized the need for a rebalancing of policies to align sustainability goals with economic feasibility, ensuring adequate investment and fair competition. She called for modernisation of rural infrastructure and a focus on addressing labour shortages. Using Poland as a case study, she pointed out the challenges posed by small farms, limited resources, and administrative burdens. To enable Europe to lead in sustainable food systems, she stressed the need for better support, tools, and investment to strengthen resilience and ensure long-term success.

In his closing remarks, **HORST HEITZ** emphasised the complexity of the challenges facing farmers, who must balance economic viability, sustainability, and food security, all while remaining affordable. He stressed the importance of supporting farmers, as they are vital to regional culture and food security. He pointed out the need for reforms, investments, and societal contributions to help farmers modernise and thrive. He also highlighted the global dimension of food security, noting the impact of the war in Ukraine. While acknowledging the

difficulties, he underscored the need for political solutions and collaboration, recognising that food and agriculture are highly political and central to daily life.