

REVIEW OF ENVIRONMENTAL LEGISLATION IMPACTING AGRICULTURE AND THE AGRI-FOOD SECTOR

The EU has ambitious environmental objectives addressing key issues of importance for citizens and businesses, including farmers and the agri-food sector.

To achieve these ambitious objectives the EU has developed laws aimed at **protecting and improving air, water and biodiversity, tackling pollution, restoring natural habitats, managing waste and promoting a more sustainable circular economy.**

Some legislation impacting the farming sector is relatively new – for example, the **Nature Restoration Law and Deforestation Regulation**. Other laws are older, including **The Birds Directive** and **The Habitats Directive**, dating back to 1979 and 1992 respectively.

The EU's **Competitiveness Compass** calls for **unprecedented efforts** to simplify Union laws to make doing business easier and faster without undermining policy objectives. In the Communication of **10.12.2025**, the Commission stresses that **Competitiveness and Sustainability are two sides of the same coin.**

With these objectives in mind, the **Environment Omnibus** is to be welcomed as it addresses important areas of simplification.

This paper identifies other areas of environmental legislation impacting the agriculture and food sectors that need revision and/or clarification in line with the calls for “unprecedented efforts” to make doing business easier while at the same time maintaining the high level of environmental ambition.

KEY ISSUES

In an effort to assess the situation the following issues arise:

- A need for greater coherence between different pieces of environmental legislation and to take account of the cumulative impacts of legislation.

- A need in a limited number of cases to reopen legislation, especially older laws¹ that no longer reflect the realities of weather patterns and climate change and species developments
- A need to provide greater clarity by way of guidelines for some legislation – to address the reality of major differences in national implementation even between member states that border one another
- A need to ensure proportionate and cost-effective implementation of environmental legislation
- A need for a better balance between environment, social and economic objectives

There is a sense of urgency about this work, with reports from member states citing EU environmental legislation as **blocking and/or delaying important infrastructure projects**.

Speeding up the permitting process is a **high priority for the European Commission**. It is addressed in the **Environment Omnibus (Dec 2025)**, in particular:

- simplification of industrial emissions reporting
- reducing administrative burden under waste legislation
- extended producer responsibility (EPR).

Delays in getting major infrastructure projects through the permitting process across member states negatively impacts the public view of EU law with the criticism that the EU puts environment above social and economic consideration.

While the Commission's 4 March 2026 Industrial Accelerator Act (IAA) introduces important measures to streamline permitting for industrial and energy projects, it does not address permitting issues in the agriculture sector. This needs to be rectified.

Concerns are expressed about the **deadening effect of legislation**, with potentially viable projects not considered beyond the concept stage due to concerns that the permitting process will be long drawn out, is likely to fail and be very costly.

There is also concern about **"one size fits all"** with targets set at the EU level not designed to reflect regional differences.

That said, there is strong support for EU Environmental legislation which has resulted in improvements in environmental indicators and improved the health and well being of citizens.

The immediate challenge is to ensure that the legislation:

- is still fit for purpose
- does not have unintended consequences

¹ EU nature legislation such as the Birds Directive and the Habitats Directive, which were adopted under ecological, climatic, and land-use conditions that have since evolved, potentially creating challenges in their application to current environmental and agricultural realities.

- and that EU laws are compatible one with another.

Agriculture is a **key sector for the EU** as the bedrock of ensuring food security for citizens and export opportunities for farmers and agri-business.

POLICY AREAS:

1. Water Related Legislation

The Commission is undertaking a series of **Structured Water Dialogues in 2026** focusing on reporting burden and alignment of monitoring and reporting cycles for the water acquis.

A key concern for many stakeholders is the 'one out, all out' principle enshrined in the legislation, where if one quality element fails, the whole water body fails. This can result in no account being taken of where there is significant improvement in water quality. This should be addressed, including by a more balanced reporting of the status of water quality across the EU. In addition, there is a need for recognition that some elements can be extremely difficult to address due to historic pollution and bearing in mind that the objective of having high quality water is a shared one for our citizens and farmers.

The Commission will complete ongoing evaluations of the **Nitrates Directive** with the aim of ensuring that the objectives of the Directive could be achieved in the most effective and proportionate way.

To that end, a number of specific issues arise:

- harnessing the value of livestock manure
- the **170kg N/ha limit in Nitrogen Vulnerable Zones**
- derogation and reporting periods
- flexibility in implementation.

Livestock manure must be seen as a resource, not as a waste product. In this regard, changes may be required to Waste legislation to facilitate greater use of manure based on best practice and scientific evidence.

The **170kg N/ha nitrogen limit** is in line with the nitrates pollution limit in the **Water Framework Directive (WFD)** of **50mg**. It applies regardless of major differences in soils and crop growing patterns across the EU. The limit also applies even where the presence in water of nitrates is below the 50mg.

The Commission's evaluation of the Directive should consider how the objectives can be achieved in a **more proportionate way**, taking account of:

- soil types
- farming systems
- innovation
- environmental/climate conditions across the EU.

One issue is consideration of a **longer reporting period** than the four years that currently apply. Increasing to **six years** would be consistent with the WFD reporting cycle.

A review of the **derogation process** to provide more clearly defined criteria and links to other EU legislation is encouraged.

Greater flexibility for nitrogen management by making **calendar-based measures and closed periods more flexible and efficient**, linked to:

- weather/climate conditions
- soil types
- cropping conditions.

In line with the **Circular Economy**, major efforts are needed to maximise the value of nutrients in livestock manure.

This would:

- reduce costs for farmers forced to buy increasingly expensive synthetic fertilisers²
- improve resilience of the sector by reducing reliance on imported fertilisers where price and availability fluctuate depending on geopolitical conditions.

Harnessing the full value of manure can be achieved with the use of **RENURE** and further simplification to facilitate large-scale nutrient re-use.

A balanced assessment of the merits of the **170kg/ha nitrogen limit** could be undertaken, consistent with the importance of flexibility.

2. Birds and Habitats Legislation

The **stress-testing of the Birds Directive and the Habitats Directive in 2026** taking account of climate change, food security, competitiveness, resilience, evolving case-law and the need for legal certainty is welcome.

The implementation of the **Habitats Directive** has given rise to a complex system in terms of permitting.

Stakeholders point to the **“absolute” nature of the Directive** which does not take into consideration other objectives and interests, including economic and social.

² *Rising fertiliser prices are driven in part by geopolitical disruptions, notably Russia’s war against Ukraine and the war in the Middle East.*

The existing law fails to take account of where objectives cannot be achieved because of:

- force majeure (natural disasters)
- climate change
- increasing or declining development in populations based on reporting by Member states
- other developments.

In particular **normal farming activity** like livestock farming and applying fertiliser are designated as “**project(s)**”, making them subject to individual assessments under **Article 6(3)**.

This and evolving case law:

- makes farming very challenging
- imposes significant administrative burden
- increases uncertainty as permits are regularly challenged.

At a time when **generational renewal in farming** is a major priority, this pressure and uncertainty is damaging.

A review of **Article 6 of the Habitats Directive** would be timely.

A review of **Article 9 of the Directive**, allowing member states to re-evaluate and update the size, boundaries and location of the **Natura 2000 areas** to take account of changing circumstances (including climate change impacts on species), is also needed.

Birds Directive: articles **5 and 9** need attention. The term “**deliberate**” in Article 5 (prohibition of deliberate disturbance/killing/destruction of nests) needs to be defined in a way that does not prohibit **ALL agriculture activity and forest management**.

Some activities, such as extensive grazing and organic agriculture could automatically be considered to be in line with the obligations under Article 5.

When it comes to obtaining a **derogation under Article 9**, efforts should be made to **speed up and rationalise the process**.

The **annexes of both Directives** should be reviewed automatically every six years following reporting by Member States to reflect changes in species populations. This will require a change to how the annexes are amended.

Some species may **no longer need strict protection** as their numbers have increased significantly. This is the case with species of migrating birds where there is evidence of a rapid increase in numbers causing significant impacts on farmland where they graze. ³

³ *Increasing populations of great cormorants (Phalacrocorax carbo) are a concern in several Member States, including Sweden, Denmark, Germany, Poland, the Netherlands, France and Italy, due to impacts on fisheries and aquaculture. In*

It may also be appropriate to **add species to the annex** where there is evidence of declining populations.

3. Nature Restoration Regulation

The more recently adopted **Nature Restoration Law** is giving rise to major concerns in member states as the deadline for implementation draws near.⁴

The following issues present challenges:

- costs of implementation
- proportionality of required actions
- the current timeline.

The implications for **food security** and **who carries the burden of the costs** (estimated at between **€11 and €13 billion annually**)⁵ require attention.

Key considerations

- A review of the timelines to reflect the member states concerns.
- A review of the **non-deterioration requirement of habitat types**.
- A review of monitoring requirements and removing those deemed unnecessary.
- Further clarity for member states regarding the **effort-based nature of the regulation**, allowing proportionate implementation at national pace.

Account must be taken of the **lack of clarity on future funding of nature restoration** as **MFF discussions evolve**.

4. National Emission Ceilings (NEC) Directive

Directive (EU) 2016/2284

There is concern that the **technical feasibility** of achieving ammonia reduction targets is extremely difficult due to the need for **process change**.

One option is to **maintain the 2030 target while providing flexibility in the trajectory towards 2030**.

Finland, the growing populations of certain migratory goose species, particularly the barnacle goose (Branta leucopsis), cause significant grazing damage to farmland, resulting in negative economic impact.

⁴ Member States are required to submit their National Restoration Plans within two years of the Regulation's entry into force (August 2024), implying a deadline in mid-2026.

⁵ Based on the European Commission's impact assessment, the total cost of implementing the Nature Restoration Law is estimated at approximately €154 billion by 2050, with annual investment needs of around €11–13 billion across the EU in the initial years.

Recommendations: The proposals in this paper are in line with the call for “**unprecedented efforts**” to ease the business climate, in particular in the **agriculture sector**.

5. EU Deforestation regulation – EUDR

The review of the EU Deforestation Regulation (EUDR), due by the end of April 2026, should be used to introduce additional simplifications to reduce administrative burdens, particularly for agriculture, forestry, small operators and authorities, while maintaining the regulation’s core objective. Implementation deadlines were amended to address some of the concerns.⁶ A more **targeted, risk-based, centrally supported, and less duplicative EUDR system**, with special relief for **small producers**⁷, **low-risk-country trade**, and **national control authorities is required**.

Requirements for imports from low-risk countries should be streamlined, considering supply-chain realities and to avoid disproportionate obligations. Legal requirements should be clearer and more targeted, ensuring companies understand what is expected. The European Commission must **deliver robust, user-friendly and timely IT tools to support** the implementation of the EUDR, ensuring a consistent and workable system across the EU. **Harmonised controls** across Member States are also essential to guarantee uniform application.⁸

The current EUDR approach places disproportionate pressure on individual farms, including in countries where forest areas are expanding. A limited flexibility mechanism could allow farmers from low-risk countries to convert small areas of forest land for essential agricultural uses, without undermining deforestation objectives.

Finally, the burden on **enforcement authorities** should be reduced by replacing fixed downstream control quotas with event-driven, risk-based controls where there is justified concern.

⁶ The EUDR deadline has been postponed from 30 December 2024 to 30 December 2025 for large and medium-sized operators, and to 30 June 2026 for micro and small enterprises. The Commission will review the Regulation by 30 April 2026, including its functioning and potential simplification measures.

⁷ In this context, small operators should be exempted from submitting individual due-diligence declarations, which could instead be carried out at regional level by public agencies, forestry associations, producer groups, service providers, purchasers or other designated entities on their behalf.

⁸ This includes stable and interoperable interfaces for external systems; automated land-use and geodata analysis tools; clear, country-specific information on deforestation and legality risks; standardised assessment templates; reliable methods and reference data for origin verification; and a clear, binding timetable for the development and deployment of these tools.

SUMMARY

EPP is aware of the challenges involved in addressing the genuine concerns of farmers about how environmental legislation impacts their day-to-day activities.

As custodians of the countryside, our farmers support efforts to achieve high environmental standards.

However, a balance must be struck between environmental, social and economic considerations. The EPP emphasises that environmental sustainability must go hand in hand with competitiveness and is committed to promoting balanced solutions that safeguard food security.

Member state authorities are also calling for clarifications and reforms to specific pieces of legislation identified in this report.

The EPP stands ready to assist and respond to proposals from the Commission.

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