The CRCF framework: Current policy direction and the climate transition needs of EU agriculture

As the European Commission prepares the legislative proposals that will underpin the framework for the EU's 2040 climate target, the current direction of travel indicates that the Carbon Removals and Carbon Farming (CRCF) framework – supported by demand-mobilising mechanisms such as a Buyers' Club and a public-private CRCF Facility – will serve as the primary instrument for steering economic actors in the agricultural sector to engage in climate mitigation. This paper examines whether the mechanisms under consideration can drive a transition in the sector at the scale and pace the 2040 target requires. Since their viability depends on the properties of a credit-based system, the analysis focuses on the components of that architecture: the accounting for CRCF units in greenhouse gas reporting, the nature and integrity of the resulting claims, and how these in turn shape the demand on which the whole approach depends.

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The European Commission is currently preparing legislative proposals to deliver the European Union's 2040 climate target – a 90% net reduction in greenhouse gas emissions relative to 1990 levels, as enshrined in the amended European Climate Law that entered into force in April 2026. While the headline target is now legally settled, the sectoral legislation required to operationalise it is expected to emerge from late 2026 onward. Although meeting an objective of this scale requires a collective effort across all sectors of the economy, agriculture stands out for the

degree to which individual economic operators remain outside the scope of EU climate compliance policy. Although meeting an objective of this scale requires a collective effort across all sectors of the economy, **agriculture stands out for the degree to which individual economic operators remain outside the scope of EU climate compliance policy**. The sector is not entirely unregulated: the Effort Sharing Regulation (ESR) establishes binding targets for each Member State across a portfolio spanning agriculture, transport, buildings, small industry, and waste. However, those obligations stop at the level of the Member State – as a result, agriculture is the only major sector for which no climate compliance measure bears on the economic operator directly, whether in force or in preparation.

In practice the **EU climate mitigation levers acting directly on those operators are almost exclusively those of the Common Agricultural Policy** (CAP), in the form of subsidy, **and their mitigating effect is modest**. An assessment of the 2023–2027 CAP Strategic Plans prepared for the Commission puts the potential reduction in agricultural non-CO_2 emissions at approximately 5 Mt CO_2e per year, about 1.4% of the sector's reported non-CO_2 emissions averaged across the 2018-2022 period, Whether this modest potential is realised depends on the final uptake of the measures by farmers, on whether the supported practices deliver additional reductions each year, and on whether they were already financed under the previous CAP programming period (European Commission, 2025). The assessment is moreover confined to the targeted measures with mitigation potential; it does not weigh the effect of the wider subsidy system on the sector's emissions, including the direct support it channels to more emissions-intensive activities such as livestock production (see, e.g., European Court of Auditors, 2021; Kortleve et al., 2024). The proposal for the post-2027 CAP (2028–2034) devolves further flexibility to Member States, replacing the existing system of environmental conditionalities with a less prescriptive framework and removing the ring-fencing of funding for environmental and climate purposes (see e.g., Hart & Baldock, 2026).

This regulatory context is the current **starting point both for the sector's potential contribution to the 2040 climate target and for any further development of the legislative package**. While no concrete regulatory proposals have yet been formally presented to the co-legislators, the Commission's exploration of options indicates that its **primary instrument for steering agricultural actors will likely be the Carbon Removals and Carbon Farming (CRCF) framework**, combined with a set of demand-mobilising mechanisms – the Buyers' Club and a prospective public-private CRCF Facility – intended to mobilise private and public purchasing of certified units, and so to generate, through a voluntary market, the mitigation incentives that a compliance policy would otherwise provide.

Recent strategic frameworks, including the EU Vision for Agriculture and Food (European Commission, 2025a), emphasise that robust alignment, risk-sharing, and collaboration along the agri-food value chain are a prerequisite for a future-proof sector capable of contributing to the EU's climate ambitions. Against that premise, this paper evaluates whether the CRCF-based mechanisms currently under consideration can drive the agricultural sector toward those objectives at the scale and pace the 2040 target demands. Since carbon credits form the basis of those mechanisms, the evaluation turns on the characteristics of a credit-based system: how the reductions it certifies are accounted for in corporate inventories, how the integrity of the

resulting claims is evidenced, and how these in turn shape the demand on which the whole approach depends.

The current policy direction – emerging framework

The Carbon Removal and Carbon Farming framework was developed to establish an EU-wide standard for the harmonisation of carbon certification methods for carbon removal and emission reduction projects. Since the regulation's entry into force, alongside the development of several certification methodologies the regulatory timeline has advanced toward the upcoming revision of the CRCF – an update that coincides with the broader 2040 climate policy package. Over this same period, the Commission has been consulting stakeholders on demand-side mechanisms designed to stimulate market interest and facilitate demand for CRCF credits.

The most fully developed of these is the **Buyers' Club**, announced in the new EU Bioeconomy Strategy (European Commission, 2025b). Its purpose is to aggregate demand: to bring together buyers who would otherwise act separately and so create a more credible demand signal and contribute to the development of a liquid and trustworthy CRCF market. As currently conceived[1], the Buyers' Club is a voluntary, industry-led coalition of beyond-value-chain buyers, agri-food and forest-based industries, financial institutions and public authorities (European Commission, 2026). The Commission convenes it and provides some supporting infrastructure but does not contribute any finance to support its credit procurement activities. Long-term instruments such as pre-purchases, forward agreements and offtake contracts are said to be prioritised, although no specific design features that would enforce this preference have so far been presented.

The Commission has also outlined a possible successor mechanism to follow the launch of the Buyers' Club: the **public-private CRCF Facility**, which would expand the Commission's role in two respects. The first is administrative: EU-wide calls for CRCF projects – held as separate rounds per methodology – and a pipeline of vetted projects that the Commission would develop and maintain. The second is financial: public funding contributed by the Commission and Member States, deployed alongside the Club's predominantly private purchases to lower transaction risk for buyers and to support partnerships along the value chain (idem.).

[1] As presented by the Commission during the CRCF Days stakeholder event on May 21st 2026.

Fig.1 CRCF demand mechanisms: blueprint design options as presented during the CRCF Days (May 2026).

EU Buyers' Club *Voluntary coalition steered by purchasing actors*	**CRCF Facility** *Public-private market infrastructure*
Expected volume Unspecified. No explicit overall ambition target, and no obligation on any individual actor to purchase a minimum volume of credits	**Expected volume** Unspecified. A possible contribution from the future European Competitiveness Fund is envisaged
Selection of projects Left to individual buyers. The Commission may host a platform listing available projects and propose an assessment grid	**Selection of projects** EU-wide calls for CRCF projects, with the Commission developing and maintaining a pipeline of vetted projects
Financing Provided exclusively by Club members – predominantly private actors, although municipalities and other public bodies may also join	**Financing** Draws on Commission and Member State funding to support value-chain partnerships and to implement a risk-sharing mechanism lowering transaction risk for buyers (details to be specified in the final blueprint (Q3 2026))
Use of credits Transparency on intended use is mandatory; the Commission may issue recommendations on claims, but these will be non-binding.	

Source: Own elaboration based on European Commission (2026)

Throughout the co-legislation process, the Commission emphasised that the CRCF regulation was not intended to define the use cases for credits; these were to be set out separately in dedicated legislation, notably the proposed Green Claims Directive (European Commission, 2023). This directive has since stalled, and the legislative process remains suspended – creating a level of uncertainty around the permissible uses of credits. Presently, environmental claims more broadly are governed chiefly by the Empowering Consumers for the Green Transition Directive, which applies from September 2026 and prohibits, amongst others, offset-based "climate neutral" product claims.

The forthcoming Commission proposal on national targets and flexibilities (expected in Q4 2026) is also set to examine in greater detail how a voluntary EU CRCF market might be developed further as a key enabler for Member States in meeting their climate targets (European Commission, 2026), although detail available on this publicly is scant.

The CRCF, corporate scope 3 reporting, and mitigation claims

Credits and scope 3 inventories: a conceptual and a practical gap

The effectiveness of any instrument based on a carbon crediting framework depends fundamentally on demand – specifically, on whether downstream companies have a clear and compelling business case to pay for certified CRCF units. One of the most frequently cited bottlenecks to demand growth is the ongoing lack of definitive guidance regarding the corporate claims buyers can make when using these credits (Carbon Management Europe & Carbon Gap, 2026).

The **persistent uncertainty about how carbon credits should be treated in the scope 3 GHG inventories of agri-food companies** reflects an inherent mismatch between two different kinds of accounting. A Scope 3 inventory represents a static state – a snapshot of the actual aggregate emissions and removals tied to physical inputs across a company's supply base. In contrast, a carbon credit is a product of project-based accounting. It does not record a physical flow, but rather a quantified difference against a counterfactual baseline – certifying how much less a specific project site emitted than it would have otherwise, packaged as a discrete, tradable unit. A credit is not a line in an inventory, and funding one does not automatically move the other. This distinction is foundational to the SBTi and GHG Protocol frameworks, and translates directly into the EU's reporting requirements under the Corporate Sustainability Reporting Directive, all of which mandate that physical inventory data remain separate from issued or retired credits.

This conceptual gap is compounded by a practical one: **corporate scope 3 inventories are generally too coarse to register site-specific emission reductions or removals**. They are typically built from average emission factors applied to low-resolution activity data, because traceability to individual supplier farms tends to be poor (Hansen et al., 2022; Hettler and Graf-Vlachy, 2024). A company can only reflect the localised impact of a farm-level mitigation project in its inventory if it holds primary data at the farm or plot level. Resolving this constraint is especially complex, as it requires not only physical traceability of a product back to a specific holding, but also a way to track interventions where an individual supplier produces multiple agricultural commodities that are pooled together and delivered to a fragmented base of downstream customers.

The double-claiming concern

A separate yet closely related concern is whether a supplier's sale of credits to a third-party bars the downstream company from counting the underlying reduction at all.

Faced with an unclear framework, some agri-food companies and cooperatives have discouraged their suppliers from joining third-party certification schemes or have inserted exclusivity clauses into supply contracts that bar farmers from accessing carbon finance, so as

to retain notional "ownership" of the reductions (Tronquet et al., 2026). The trajectory of the French *Label bas carbone* is instructive: after seven years, its principal agricultural aggregator suspended new project calls for want of buyers, with the fear of double claiming among the reasons agri-food firms cited for keeping their distance (Martel et al., 2025, Tronquet et al., 2026). These developments suggest that **without clear guidance the prospective demand that the CRCF and the Buyers' Club are meant to mobilise could be suppressed at source**.

As a recent I4CE analysis sets out (Tronquet et al., 2026), **the fear of "double claiming" stems from a failure to distinguish between two different contexts**. The first is the *active* claim of an entity that funds a mitigation action, e.g., through the purchase of a carbon credit, and thereby asserts to have brought a reduction about. The second is the *passive* claim – or as the paper describes it elsewhere, the passive observation – of an entity that inventories the emissions of its supply chain as part of its scope 3 reporting and so presents a snapshot of physical GHG flows. The second entity does not assert that it caused the reduction but observes the lower footprint in its inventory and records it.

As the I4CE analysis points out, the remedy that the dominant frameworks propose for this fear only compounds the confusion. **To preserve exclusivity, a value-chain company is expected to adjust its inventory upward, re-adding the emissions** corresponding to any credits sold outside the chain. The **effect of this adjustment is to make the reported inventory diverge from the physical emissions of the supply base**, reporting emissions the supply base did not produce.

It also contradicts the **fundamental logic of scope 3 accounting**, which **inherently involves non-exclusivity of claims along an individual value chain**: a reduction achieved by one farmer appears simultaneously in the inventories of every downstream customer – the processor, the distributor, the retailer – because each accounts for the same physical flows.

From a practical perspective, it presupposes that the reduction was visible in the inventory to begin with; for inventories built on averages there is nothing to subtract, so re-adding the credited tonnes does not necessarily restore accuracy as it may be pushing the reported footprint above the true – already averaged – figure.

As noted by I4CE, the practical reach of this requirement is relatively limited. The GHG Protocol's Land Sector and Removals Standard requires an inventory adjustment for credits issued within a company's value chain only where two cumulative conditions are met: a sufficiently fine spatial boundary (the sourcing region or below) and data that actually reflect the reduction or removal in question (GHG Protocol, 2026). As discussed above, for the great majority of agri-food companies, whose inventories are too aggregated to capture change at farm level, neither condition is satisfied and no adjustment is required.

Beyond reporting: compensation claims

The reporting question, however, is only one dimension of a broader challenge concerning corporate progress toward decarbonisation targets. Whether a downstream company may legitimately record a reduction whose credit has been sold to a third party is not, in itself, the central problem. The **more consequential issue arises when that same credit is simultaneously used by an entity outside the value chain to offset its own emissions** – a situation that, in certain regulatory or consumer-facing contexts, becomes a question of system-wide environmental integrity rather than of any single company's books.

Whether two entities reflecting the same reduction or removal in their reporting is a cause for concern depends on the nature of each claim, the rules governing claims in the relevant jurisdiction, and the specific climate policy regime governing the sectors concerned. However, in general terms, where the buyer treats the credit as a contribution – funding mitigation without asserting that its own footprint has thereby been erased – the co-existence of claims raises no integrity concerns. Where a buyer treats it as an offset – a compensation claim under which a tonne of its own emissions is treated as cancelled because a tonne was reduced or removed elsewhere – the integrity of the claim is undermined. Where that reduction is also captured, in parallel, within an agri-food company's scope 3 inventory, it may obscure a shortfall in system-wide mitigation ambition.

The dilution of mitigation ambition is precisely the outcome that the prohibition on double-claiming exists to prevent, even if the rule itself remains operationally crude. Crucially, the issue is not that the value-chain company's reporting is dishonest; its inventory accurately describes a physical state. Rather, the problem lies with a potential offset claim resting on that same metric ton of CO_2e, which asserts cancellation of ongoing emissions. The I4CE analysis concedes this underlying difficulty, acknowledging that using a Scope 3 inventory to track target progress is a "borderline case" – a practice the authors defend on grounds of operational viability, despite its imperfection in attributional terms (Tronquet et al., 2026).

Ultimately, the critical policy question is not whether double-claiming occurs in a narrow, arithmetic reporting sense, but whether it results in a net relaxation of mitigation effort across the system. The **priority is to channel finance into the sector's transition while ensuring it does not also indirectly confer an implicit licence to emit on actors elsewhere**. This is fundamentally a matter of governance: **clear rules on the use of corporate claims would ease the integrity concerns that currently hold private finance back**.

A credit-based instrument for a problem that calls for non-CO_2 emission reductions

Stepping back to consider broader policy coherence, this tension points to a broader question of how the CRCF can best support different types of mitigation activity and policy objectives. The **CRCF is, at its core, a unit-generating framework**: **activities that satisfy its quality criteria** – quantification, additionality, long-term storage and sustainability – **produce**

tradable certified units, which buyers may sell or use for different purposes. **This architecture may be well-suited to some activities in the land sector, while its application to others may require different methodological approaches and complementary policy measures**.

For example, the CRCF's additionality criterion requires a credited activity to go beyond the operator's existing legal obligations (regulatory additionality), to depend on the certification incentive for its viability (financial additionality), it requires the resulting GHG outcome to depart from a baseline representing what would otherwise have occurred. Each relies on a counterfactual claim: that the activity would not have happened in an existing legislative environment, that it would not have paid for itself, and that the GHG reduction would not have materialised.

For discrete land-use change interventions, such as e.g., peatland rewetting or afforestation, the application of these criteria may be relatively straightforward. The baseline rests on a physical fact (e.g., drained peat would have continued to emit) so the departure from business as usual is observed rather than inferred, and the same discreteness makes the benefit measurable and, with appropriate permanence safeguards, durably attributable to the credited action.

However, **the non-CO_2 reductions tied to ongoing production** – such as enteric fermentation and nitrous oxide from fertilised soils – do not have a comparable anchor. The reduction is a marginal **change within a continuous system whose emissions move with weather, yields and herd dynamics, so the baseline is a projection of management rather than a fixed physical counterfactual**, and the **relevant practices are typically driven by input efficiency, regulation and value-chain pressure at once**, advancing to some degree whether or not certification is available.

The **financial additionality** requirement can also be problematic, especially in the case of livestock emission reductions. A practice that pays for itself is, almost by definition, unable to show that it depended on the credit-related payment, so the **no-regret measures that make up much of the sector's near-term potential are the hardest to certify** even as they are the cheapest to deliver (Moran et al., 2011). A related difficulty runs also in the opposite direction. A **practice may go unadopted** even where it appears to pay for itself, **held back by hidden costs – risk aversion, information gaps or transaction costs – which sustain a persistent gap between cost-saving potential and observed adoption** (Eory et al., 2018). Where that is the case, the credit, or the programme around it, can drive real uptake, which means a measure can look non-additional from a financial perspective while being additional in practice.

Separately, the **regulatory additionality** requirement creates an important interaction between the certification mechanism and the wider regulatory environment. Because an activity ceases to be certifiable the moment it is required by law, a crediting market gives Member States reason not to legislate – as to mandate e.g., a manure-management practice would mean removing farmers' ability to certify it and receive a payment on the carbon market. The regulatory additionality principle is sound in itself, as paying for what the law already requires would not be defensible. However, as crediting requiring regulatory additionality

becomes a key mitigation lever, it **risks rewarding lower regulatory baseline** and strengthening the motivation of agricultural stakeholders that stand to benefit from a voluntary market to resist regulation. If certification is indeed expected to play a significant role in mobilising finance, **addressing the unintended disincentives will be important to ensure that voluntary support does not substitute for the progressive development of a regulatory framework**.

Amendments were introduced into the CRCF regulation during the co-legislation process to ease additionality assessment through **standardised baselines** – regional benchmarks representative of the standard performance of comparable practices against which any farm performing better is credited, partly to enable recognition and access to finance for early movers. However, while this approach may appear attractive to those operators, it stretches the concept of additionality and raises integrity concerns in practice, in particular in the context of non-CO_2 emission reductions. If additionality cannot be demonstrated with the use of a farm-specific baseline and the mitigation benefit is only visible against a regional standardised baseline, it is likely that the resulting credit is based on the certification of non-additional mitigation. In these cases, the concept of standardised baselines and the integrity of carbon credits as defined through the QU.A.L.ITY criteria can pull against one another. **The objective of recognising early movers can be pursued with less complexity through other instruments instead**, e.g., the Common Agricultural Policy funding which can reward the same operators directly. Early movers would also be in a strong position to secure a market advantage under a hypothetical regime requiring downstream companies to reduce their scope 3 emissions. **Easing the additionality requirement to reward those operators under the CRCF therefore carries an integrity cost in pursuit of an objective that other instruments are better placed to meet**.

Similar design considerations arise for the **prospective CRCF Facility**, particularly because it would **involve the use of public resources and would therefore need to demonstrate cost-effective delivery**. The assurances that are required to ensure the credibility of a carbon credit – additionality, accounting for leakage, specific verification requirements, liability mechanisms – entail administrative and transaction costs. The policy design question is therefore how these costs compare with the specific benefits of pursuing a credit-based approach and degree of mobilisation of additional finance. Where practices may be supported directly through other instruments, such as the Common Agricultural Policy, it will be important to clarify the additional role of CRCF-based public expenditure.

While very limited detail is currently available in the public domain regarding the Commission's forthcoming proposal on national targets and flexibilities, **the package is expected to elaborate on mechanisms allowing Member States to leverage the CRCF to meet their climate targets**. A key concern in this context is how mitigation from these funded projects will be reflected within national GHG inventories. Because **a national inventory is a statistical estimate constructed from regional emission factors and representative activity data – rather than a bottom-up aggregation of data from individual landholdings** – a specific project only registers at the national level once the funded practice becomes widespread enough to shift those aggregate statistics. Until that threshold of adoption is reached, **the**

same visibility problem that keeps farm-level reductions out of corporate Scope 3 accounts **recurs at the national scale**.

An alternative: certificates of performance

A Scope 3 inventory is built on total quantities of absolute GHG emissions, whereas a credit represents a delta measured against a counterfactual scenario. This delta does not integrate cleanly into a corporate ledger; the underlying reduction only becomes visible when a company can replace industry-wide averages with audited, farm-specific primary data. An instrument designed to certify that data – providing a verified, independently audited statement of a specific landholding's actual emissions intensity – could supply inventories with the exact data inputs they currently lack. Because no compensation claim is being made, this approach avoids generating a tradable unit entirely, thereby eliminating the transaction costs associated with establishing counterfactual baselines, demonstrating additionality, and assessing market leakage.

This is the core concept behind the "**certificate of performance**" currently being explored in early, informal discussions within the European Commission. Under this model, livestock emission reductions would be brought within the CRCF's monitoring and certification architecture – meaning **parcel-level emissions and removals would still be verified by independent auditors under CRCF rules – but no certified units would be issued**, and no regulatory additionality would need to be proven. The certified output would be the environmental performance itself: verifiable evidence, suitable for a corporate Scope 3 inventory or deriving a product-level carbon intensity claim, demonstrating that emissions at the farm level are genuinely lower. This architecture is structurally optimised for scenarios where market demand originates within the value chain rather than from external offsetting entities.

The merits of this approach are considerable. Decoupling verification from unit issuance fundamentally dissolves the integrity dilemmas outlined previously. Without a tradable asset to use for compensation claims, systemic offsetting tensions cannot materialize. Similarly**, in the absence of an offset claim, the systemic hurdles of additionality testing and standardized baseline calibration fall away**, since a verified operational level requires no hypothetical counterfactual. By furnishing audited, farm-specific primary data, this model addresses the core visibility problem, providing Scope 3 accounts with the empirical foundation required for genuine operational reductions to register. Furthermore, it leverages administrative machinery already embedded within the CRCF structure – which conceptually distinguishes between an auditing body's certificate of compliance and the tradable units.

Nevertheless, the model would also involve trade-offs that merit consideration. A certificate that does not generate an asset fully aligned with an established voluntary carbon market understanding may, at least initially, appear to offer land managers a less direct, upfront financial incentive than a traditional carbon credit. It would therefore, initially, predominantly provide the basis for rewards delivered via the value chain, for example through mechanisms

like price premiums, preferential procurement frameworks, or longer-term purchasing commitments.

The effectiveness of the performance-certification approach would rest on the strength and durability of downstream demand, the same rationale that underpins the Buyers' Club and the prospective Facility options. Its success would depend on the mobilisation of demand among value-chain actors for certificates from their suppliers, a possible role for public funding in meeting residual transaction costs, and complementary legislative measures directing those actors to reward verified improvements in farm-level performance.

Recommendations

The European Union is **set to make the CRCF its principal instrument for steering agriculture towards the 2040 target**. It does so in a sector where climate obligations do not generally bind the individual operator and where the main lever acting on farms, the Common Agricultural Policy, has so far delivered modest mitigation. **The scale of the role envisaged therefore raises a question about what a voluntary certification framework can reasonably be expected to carry, and about where complementary regulatory, funding and value-chain measures will be needed alongside it**. The preceding discussion points to several considerations that will shape the framework's effectiveness in this role: the need for clearer guidance on claims and scope 3 reporting, the limits of a credit-based approach for certain agricultural activities, the framework's wider effect on the regulatory environment, and the potential of a performance-based route to certification. These considerations bear directly on what the framework can be asked to do, and on where other measures must take over.

First, the **definitional uncertainty around the reporting of emission reductions and carbon removals used for credit generation which risks depressing demand should be addressed**. The Commission should define how a supplier's certified reduction may be reflected in a downstream company's scope 3 inventory, distinguishing the two kinds of claim: the active claim of an entity that funds a mitigation action and thereby asserts to have brought a reduction about, and the passive claim of an entity that inventories the emissions of its supply chain and so presents a snapshot of physical GHG flows. A scope 3 inventory is a passive claim, and as such inherently non-exclusive – **once a farmer cuts emissions, the lower footprint appears at once in the inventories of every downstream customer, because each is accounting for the same physical reality**. **Guidance that recognises this would allow a reduction to be recorded without reviving the double-claiming fear** that now drives exclusivity clauses and deters certification.

Second, **the certificate-of-performance route should be developed within the CRCF's existing monitoring and verification architecture to provide for a better fit with the reporting and demand that originates inside the value chain** rather than among external offsetters. By certifying a verified level rather than issuing a discrete unit, it supplies the audited farm-level data that a scope 3 inventory requires without recourse to a counterfactual, and so it **recognises early movers directly**, rather than through the standardised baseline by which

a crediting system must deem their activity additional in order to reward it. Because no compensation claim is made, neither regulatory nor financial additionality applies: **a Member State that legislates a practice into a requirement does not thereby remove the farmer's ability to certify it**, and the reward for measured performance may be delivered through the instruments already available to the sector – Common Agricultural Policy support, price premia, or preferential procurement.

Third, the **corporate transparency on which effective demand should be expanded**. Mandatory scope 3 disclosure improves the accuracy and completeness with which companies account for supply-chain emissions, and in doing so creates **both the obligation and the commercial reason to seek out verified, farm-level reductions** rather than industry averages. The recent **narrowing of CSRD obligations removes that visibility from many of the very firms whose demand the CRCF framework relies upon**, weakening the willingness to pay on which value-chain action depends.

Fourth, and most consequentially, these foundations should be complemented by an appropriate **regulatory framework that strengthens the responsibility of downstream actors for the emissions embedded in their supply chains by requiring them to account for those emissions, reduce them progressively, and to support their suppliers in doing so.** This would help **create the more durable demand signal that voluntary mechanisms alone may not be able to sustain**, while giving practical effect to the emphasis placed by the Strategic Dialogue on the Future of EU Agriculture and the Vision for Agriculture and Food on greater alignment and risk-sharing across the value chain.

Finally, such **regulation must be designed with its distributional consequences in view**. Obligations on processors, manufacturers and retailers will shape the terms on which they buy from farmers, and in a value chain where bargaining power is concentrated downstream, the resulting cost and risk may, without deliberate safeguards, settle on the producers least able to bear them. A **fair transition for the farmer** – delivered through the price premiums, preferential procurement and long-term offtake that a certificate-of-performance model can support, and through public instruments such as the Common Agricultural Policy redirected to that end – **is a condition of the policy's legitimacy and durability**.

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