



Euroopa Maaelu Arengu
Põllumajandusfond:
Euroopa investeringud
maapiirkondadesse

4th Brussels Communication briefing

1 hour to understand COPA-COGECA's
advocacy strategy around Farm to Fork

Daniel Azevedo
COPA-COGECA
01/03/2022

copa***cogeca**
european farmers european agri-cooperatives

Farming Community committed to EU common policies

- * Green Deal – how to implement it?
 - Access to cutting edge technologies as one of enablers
- * Common Agricultural policy
 - Climate Change
 - Committed to the implementation of Paris agreement
 - Limit the world's temperature increase to 1.5°C while not endangering food security;
- * Digital Single Market

**The EU farming community is committed and proud of the EU model of production!
Ambitious targets require continues investment from farmers and agri-cooperatives**



I. A Policy Perspective on F2F – What is Copa-Cogeca's strategy around F2F ?

Copa-Cogeca position:

yes to principle!

Question: how to implement the farm to fork?

+ask for impact assessment for targets



CC comm. Approach before the release of the first F2F studies (2/3)



20/05/2020

Press Release

European farmers and agri-cooperatives warn against endangering strategic EU interests in food security, agricultural competitiveness and farming income

Today, the European Commission presented two highly ambitious strategies. Their success will depend on the actors on the ground: farmers, forest owners, their cooperatives and other land users. A comprehensive independent inception impact assessment must be conducted before any legislative action is taken. European farmers, forest owners and their cooperatives need alternatives to enable them to reach the ambitious targets without destroying their livelihoods and the European rural economy. A blindfolded approach will jeopardise food security, European agricultural competitiveness and farming income, which have already been heavily impacted by the COVID-19 crisis.

20/05/21



JOINT DECLARATION

Without a comprehensive impact assessment, we will not be celebrating the one-year anniversary of the Farm to Fork strategy.

CC comm. Approach before the release of the first F2F studies (3/3)



The 9 Paradoxes of the EU Farm to Fork Strategy

8 591 vues · 25 mars 2021

👍 147 🗨️ 11 ➦ PARTAGER ➕ ENREGISTRER ...



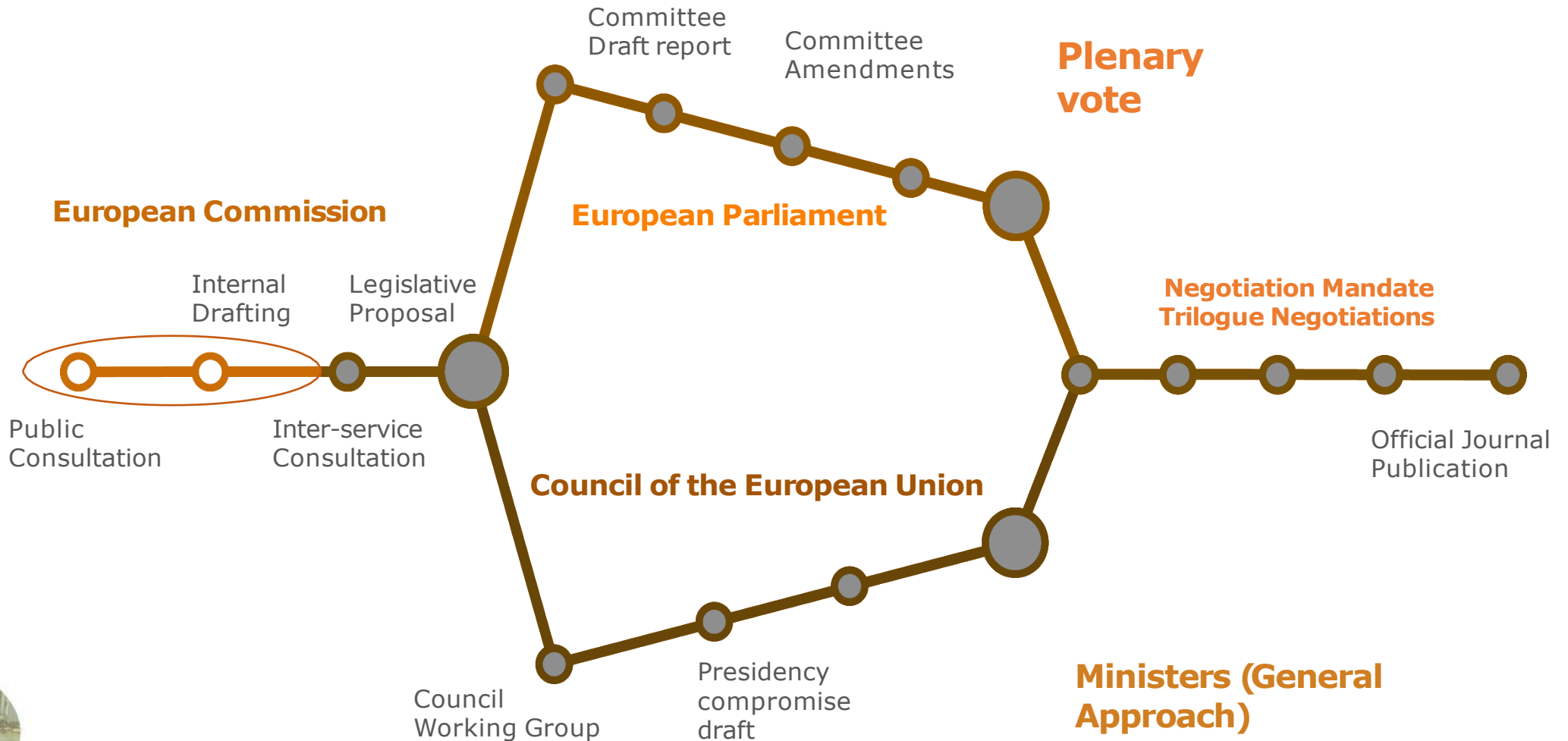
07/09/21

Joint Declaration

The European Parliament must not make the Farm to Fork strategy untenable for the agri-food sector

On Thursday, the ENVI and AGRI Committees of the European Parliament will vote on their draft report presenting their official reaction to the Farm to Fork strategy. While the first studies on the impact of the strategy launched by the Commission in 2020 show extremely worrisome trends, MEPs are planning to call for several additional objectives and targets for the Commission Strategy that would be simply untenable for the EU farming community.

F2F timeline - we are now in the stage where we are waiting of concrete legislative process



The game changer – The release of the JRC study (1/4)

- 
- 02.11.20** – FIRST ASSESSMENT - THE USDA REPORT
 - 12.05.21** – THE HFFA STUDY
 - 23.06.21** – THE COCERAL STUDY
 - 29.07.21** – THE JRC TECHNICAL REPORT
 - 09.09.21** – THE GRAIN CLUB STUDY
 - 20.01.22** – THE WUR STUDIES



The game changer – The release of the JRC study (2/4)



Farm to fork strategy

What are the first studies saying on its potential impact ?

The game changer – The release of the JRC study (3/4)



- * The most interesting point not yet studied before this report is the question of the GHG emissions reduction in the EU. The report is the first to point the fact that the reduction in agricultural CH₄ and N₂O emissions in the EU is estimated at -15%, two thirds of which would be offset by the increase in emissions in the rest of the world due to increased imports /decreased exports from Europe.



- * The most interesting learning of this study is related to the expected GHG reduction. Like the JRC study, this new report forecasts a GHG-emissions reduction in the range of -109 million t CO₂ eq (-29%). However, when it comes to the potential carbon leakage of the F2F strategy (54 million t CO₂ eq.) and its LULUCF effect in Europe (50 million t CO₂ eq.), the overall effect on the GHG-balance of (109 - 50 - 54 = +5 million t CO₂eq) would be negligible.

The F2F Strategy itself does not yet correspond to a consistent agricultural policy strategy. Individual F2F measures do rather correspond to specific production restrictions which are not yet providing a consistent agricultural policy framework designed to achieve an effective and efficient implementation of the Green Deal's goals in agriculture.

The game changer – The release of the WUR studies (3/4)



Impact of the EU's Green Deal on the livestock sector

Executive summary

Authors: Roel Jongeneel, Hub Silvis, Ana Gonzalez Martinez, Jakob Jager
Commissioned by Copa, Cogeca, EFFAB, Animal Health Europe, EVAC, FEFAC and EDA

Introduction

The EU's Green Deal will have a major impact on European food value chains and define how the food system will be reshaped. At the same time, several specific elements and implications of the underlying policy documents are unknown (policy measures, targets and national implementation), as well as their impacts on many parts of the European (and also global) food value chains. In this policy paper, the expected effects and trade-offs of the Green Deal are discussed for the EU livestock sector, with a view to the possibilities and challenges to reach the targets. In terms of methodology, the paper is based on a literature review and consultations with sector and theme experts. It also integrates the relevant results of the Green Deal study commissioned by CropLife Europe, while the market impacts are largely based on a recent study by JRC. In addition, this paper includes a number of farm type and case-specific income assessments. The stylized calculations take into account the heterogeneity in farming and Member State conditions and rely on information from the FADN data.

Main results

- Achieving the EU's Green Deal objectives may lead to a reduction of livestock production in the order of 10 to 15 percent. This is mainly driven by the objective to halve nutrient losses (e.g. reducing Gross Nitrogen Balance (GNB) surpluses). Part of this has to be realized by lowering manure production and herd size. In some cases the decrease in production volume would lead to more than proportional price increases.
- Agricultural product market conditions are of key importance in determining the impacts on revenues and farm income. Costs (notably related to feed) are likely to increase, although it is difficult to quantify this (partly due to uncertainties with regard to world market responses and partly due to the incomplete coverage of F2F and BD measures in the impact assessments; e.g. unknown impact of reductions in food waste and shifts in diets).
- The (short-term) impacts on farm net income are diverse and influenced by various factors such as prices, region-specific impact of environmental constraints, changes in CAP direct payments, development of costs (e.g. purchased feed, fertilizer, etc.), and subsidies compensating for costs associated with the adoption of specific measures. In some cases, i.e. beef and pigs, the projected price increases play a strong role in making the estimated income impacts strongly positive. However, these projected price increases may be overstated.
- Without incentive payments there are serious extra negative impacts on net farm income foreseeable due to the increase in costs associated with the set of different measures that farmers would need to take. Under a voluntary policy regime this would lead probably to low

- * The policy paper on the Impact of the EU' Green Deal on the livestock sector integrates the relevant results of the Green Deal study commissioned by CropLife Europe (Bremmer et al., 2021), while the market impacts are largely based on a recent study by JRC (Barreiro-Hurle et al., 2021). Note that the focus of this research is on potential impacts of the F2F and BD strategies on primary agriculture and does not provide information on impacts for the sectors related to animal farming (e.g. feed compounders, meat processors), while it also excludes impacts on demand (e.g. changes in diets, reduction in food waste).



Impact Assessment Study on EC 2030 Green Deal Targets for Sustainable Food Production

Effects of Farm to Fork and Biodiversity Strategy 2030 at farm, national and EU level

Authors: Johan Bremmer, Ana Gonzalez-Martinez, Roel Jongeneel, Hifred Huting, Rob Stokkers

Executive summary

1. Introduction

As part of its Green Deal Roadmap, the EU Commission has launched the Farm to Fork (F2F) and Biodiversity (BD) Strategies to cope with the environmental and climate challenges. Currently it is still uncertain what the implications of the proposed targets could be for EU agriculture and the food system. However, explorations into the potential consequences are vital for both policymakers and stakeholders to have an informed debate on the future food production in the EU.

CropLife Europe, along with CropLife International as well as several agri-food chain stakeholders commissioned a study executed by Wageningen Economic Research to assess the potential impacts of five key targets of the F2F and BD strategies. The study focuses on the impacts on a selected number of annual crops (wheat, rapeseed, maize, sugar beet and tomatoes) and perennial crops (apples, olives, grapes, citrus and hops).

In the study four scenarios have been developed in which the following objectives of the Green Deal are combined:

Scenario 1: 50% reduction in the overall use and risks of pesticides and a 50% reduction in the use of more hazardous pesticides

Scenario 2: 50% reduction in nutrient losses and a 20% reduction in the use of fertilizers

Scenario 3: at least 25% of the agricultural land under organic production

- * The impact Assessment study on EC 2030 Green Deal targets for Sustainable Production In the first phase of the study, WUR investigated the potential consequences of each of the scenarios at farm level. This is truly the unique feature of this study when compared with the previous one (eg. JRC, USA, Kiel). For the 7 case countries and 10 case crops selected, they were combined into 25 case studies, consisting of a crop – country combination. Each case study was executed by local experts filling in a detailed questionnaire capturing the responses of farmers to cope with the proposed reduction targets. The impacts at farm level for each of the four scenarios was assessed as a 'typical' farm in the region and was measured relative to a baseline situation.

The F2F Strategy itself does not yet correspond to a consistent agricultural policy strategy. Individual F2F measures do rather correspond to specific production restrictions which are not yet providing a consistent agricultural policy framework designed to achieve an effective and efficient implementation of the Green Deal's goals in agriculture.

A zoom of the release of the WUR impact assessments

| | Finland | France | Germany | Italy | Poland | Romania | Spain | Average |
|------------|---------|--------|---------|---------|--------|---------|---------|---------|
| Wheat | 10 | 11 | 15 | | | 25 | | 15 |
| Rapeseed | 10 | | 15 | | 18 | | | 14 |
| Sugar beet | | 10 | 15 | | 23 | | | 16 |
| Maize | | 7 | | | | 23 | | 15 |
| Apples | | | | 20 | 50 | | | 30 |
| Tomatoes | | | | 20 | | | 26 | 23 |
| Grapes | | 28 | | 24 / 17 | | | 13 / 18 | 21 |
| Olives | | | | 40 | | | 20 | 30 |
| Citrus | | | | 12 | | | 31 | 22 |
| Hops | | | 26 | | 16 | | | 21 |

Table Estimated yield losses per crop per country in Scenario 4 (%)

| | | Baseline | Scenario | Diff |
|------------|---------------------|----------|----------|-------|
| Product | Net trade indicator | 1000 t | 1001 t | % |
| Maize | Net imports | 5,090.5 | 15,707.7 | 208.6 |
| Rapeseed | Net imports | 3,050.9 | 6,041.3 | 98.0 |
| Sugar beet | Net imports | 2,419.8 | 2,419.8 | 0.0 |
| Wheat | Net exports | 33,934.1 | 11,110.5 | -67.3 |
| Olives | Net exports | 519.0 | 161.2 | -68.9 |
| Wine* | Net exports | 123 | 2.2 | -82.0 |
| Citrus | Net imports | 1,090.0 | 2,094.3 | 92.1 |
| Hops | Net exports | 4,000.0 | 1,983.5 | -50.4 |

Table Scenario 4 - Net trade impacts, EU-27

Source: AGMEMOD based on input from the analysis presented in Chapter 3.

Note: * means 1000 hl.

- The implementation of the objectives of the Farm to Fork and Biodiversity Strategies will result in a decrease of the produced volumes per crop in the entire EU on average ranging from 10 to 20% (see figure 4.7 below based on scenario 4).
- that the impacts of F2F-objectives for permanent crops (grapes, apples, olives, citrus fruits) are found to be higher than for annual crops (oilseed, rapeseed, wheat, maize and sugar beets).
- In terms of price impacts, significant price increases could be expected for olives, wine, and hops (increases in the range of 26-42%)
- for scenario 4 the EU is expected to face to a strong increase in net imports of maize, rapeseed, and citrus, with increases by almost 209%, 98% and 92% respectively.
- WUR considers that the implementation of the objective to increase the area under organic production to 25% will result in a production decline of less than 10% and go together with a price increase of just under 13%.

A zoom of the release of the WUR impact assessments

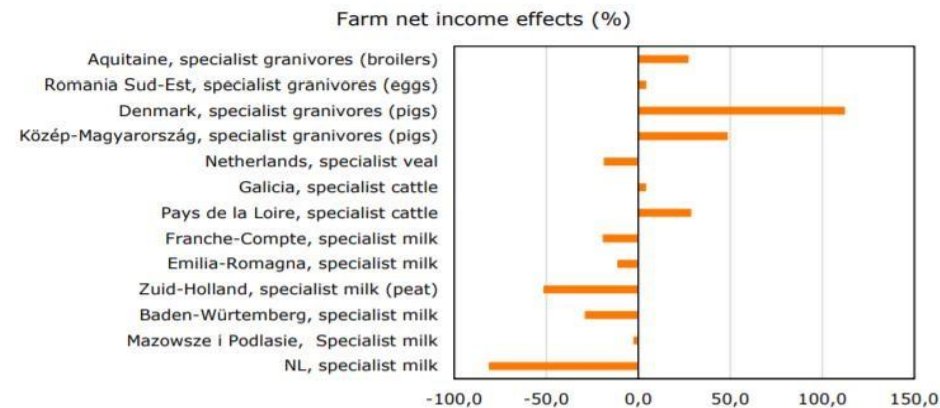


Figure 4.2 Potential impacts of F2F and BD strategies on farm income (percentage changes) for selected farm cases
Source: Authors.

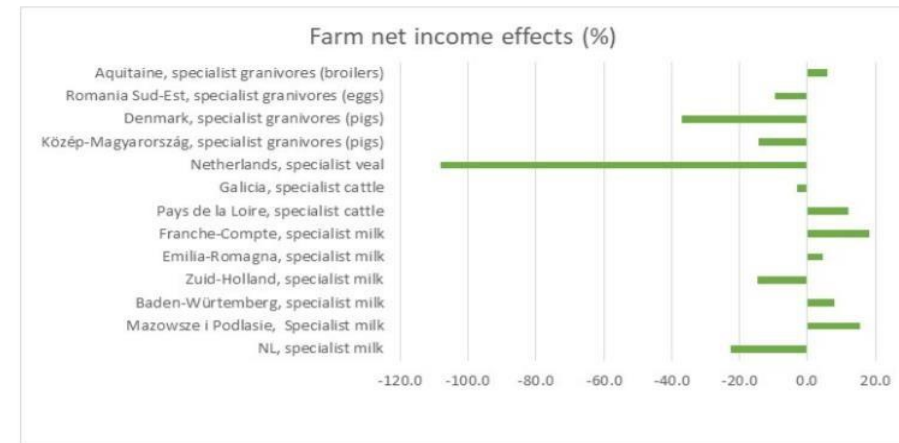


Figure 4.3 Sensitivity analysis of potential impacts of F2F and BD strategies on farm income (percentage changes) for selected farm cases, assuming a 15% price increase for dairy, beef and pork
Source: Authors.

- the EU's Green Deal objectives may lead to a reduction of livestock production in the order of 10 to 15. Part of this has to be realised by lowering manure production and herd size. In some cases the decrease in production volume would lead to more than proportional price increases.
- The fertiliser (sales -20%) and nutrient loss reduction (-50%) objectives are the most restrictive ones. Alongside the need to apply a set of technical measures, it also leads to herd reduction, necessary to achieve the nutrient loss reduction objective. In addition, these measures contribute to a reduction of crop production and feed supply, with an expected negative impact on the cost structure (competitiveness) of EU livestock farmers.
- The pesticides reduction objective negatively affects EU feed production (volume) and quality (mycotoxins), which may induce some feed price increase, with a negative impact on the margins of livestock farmers.
- More generally the competitive position of EU farmers relative to those outside the EU is likely to worsen. Here the degree to which border measures (e.g. existing TRQ and import tariff structure) will protect EU farmers (thereby sustaining price increases as a response to a decline in EU domestic production) will be important. As regards the climate objective, adjustments in trade may also negatively affect the effective realisation of the objective (leakage).
- Costs (notably related to feed) as well as product prices are likely to increase;

Some Conclusions

* Several studies show severe consequences for EU agriculture, in a period where costs of production are going up:

- Farmer's income and margins
 - Competitiveness of EU agriculture,
 - Food security,
 - Carbon leakage,
- * etc.



Some Conclusions

*There is no clear commitment from the Commission on:

- Comprehensive impact assessment on Green Deal
- Provide the necessary tools to achieve ambitious targets (e.g. Carbon markets, CBAM, Technologies, such as NGTs, digital, etc)
- How to enable our investment on modernization and sustainability of EU agriculture
- Ensure consistency between trade policy and Green Deal – fair competition
- How to ensure that all sectors contribute to sustainability



Some reflections

- We support the overall objectives of the Green Deal and its strategies.
- Key question?
- How are we going to implement it, taking in account the impact on EU agri-foodchain?
- How are we going to take in the current geopolitical events, increase of costs of production (e.g. energy) and its impact on food security (EU and World) and strategic autonomy?





Thank you for your attention !

Bruno Menne

bruno.menne@copa-cogeca.eu



www.copa-cogeca.eu