



## DG ENVIRONMENT

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### **Meeting with Syngenta to discuss the future of sustainable agriculture and farming**

**(Webex, 29/05/2020, 15h)**

### **BRIEFING NOTE**

**Scene setter / Context:**

*Syngenta, one of the world's leading companies for agrochemicals and seeds, has contacted you to 'explore how will agriculture and farming practices change in the European Union over the next decade'.*

*Syngenta has sent a number of questions on the future of agriculture in the light of the new CAP and the Green Deal, which shall steer the meeting.*

*Participants:*

[REDACTED]

Name of main contact person:

Telephone number:

Directorate/Unit:

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## Key messages

### Green Deal and agriculture specific targets

- The way we farm today is **not sustainable**, as biodiversity and ecosystem health on farmland has suffered a **dramatic decline**. Therefore, we need to radically transform our agricultural model towards full sustainability.
- The Green Deal **resets the Commission's commitment to tackle climate and environmental-related challenges on a much higher level of ambition**. The Commission has set specific targets and policy objectives in the new **Biodiversity Strategy and in the Farm to Fork Strategy**. As regards agriculture, we aim to address the key drivers of biodiversity decline, which are the loss of agricultural diversity and pesticide pollution. The new commitments are:
  - ✓ to increase EU land under organic farming to at least 25%;
  - ✓ to promote non-productive and non-rotational set-aside and/or under landscape features to reach at least 10% of utilised agricultural area;
  - ✓ to reduce the use and risk of chemical pesticides by 50%.
  - ✓ To reduce the loss of nutrients by 50%, resulting in the reduction of the use of fertilisers (both mineral and organic) by 20%
- Those targets are mutually supportive, landscape features improve biological pest control and facilitate organic farming, while organic farming reduces the use of chemical pesticides.

### CAP post 2020 in light of the Green Deal

- The Commission committed to carry out a **thorough analysis of the CAP proposals** adopted in 2018 to see to what extent the proposals are fit to meet the goals of the Green Deal, focussing in particular on how the proposal would enable to reduce the use and risk of pesticides, fertilisers and antibiotics, which was published together with the 2 Strategies on 20 May
- To support the needed transition of EU agriculture towards sustainability, the Commission proposal for CAP post 2020 includes a **strengthened 'green architecture'** compared to the current CAP, consisting in a higher baseline for support (including maintaining permanent grassland for carbon storage) and more incentives for environmental actions. There are new policy tools available (the **eco-schemes**) that allow Member States to commit a share of direct payments to schemes supporting farmers in their transition towards a more sustainable agriculture. Member States are also required to prove in their CAP Strategic Plans that the measures envisaged have a **higher environmental and climate ambition** than the current CAP.
- The 'Analysis of links between the CAP Reform and the Green Deal' (published on 20 May) concludes that the reform does indeed have the potential to drive forward the Green Deal, shown through concrete examples. Nonetheless, key elements of the proposals must be maintained in the negotiating process, and certain improvements and practical initiatives should be developed to facilitate the achievement of the ambitions of the Green Deal. The analysis includes some recommendations that could be implemented by the Commission to make the implementation more effective in

relation to the Green deal's ambitions (e.g. increased transparency during the approval of CAP strategic plans, structured dialogue with MS, pay special attention to Green Deal aspects in relation to market-specific support programmes and coupled income support).

### **Farm to Fork**

- It is widely understood that our present food system is not sustainable and that systemic change, involving all of the relevant stakeholders, is essential. We need to significantly **reduce the footprint of our food systems** (on land and soils, on water, on marine resources, on biodiversity, on the climate...) both within and outside the EU. Assessments undertaken at the Commission's Joint Research Center indicate that **we should reduce our footprint by 50% in order to return to a level of impact that is within planetary boundaries.**
- In fact, the long-term **viability of our food production system** itself depends on **healthy land and ecosystems**, the very resources that our present food system is damaging including through its massive CO2 emissions, soil degradation, water contamination and production of waste.
- The recently adopted ***Farm to Fork strategy*** shall catalyse a transformation of the entire food system including production, processing, packaging, marketing and consumption of food.
- It complements the targets of the Biodiversity Strategy on pesticides, fertilizers, organic farming and landscape features with a target on the reduction of use of antimicrobials for farmed animals and in aquaculture (50%).
- Shifting the EU food system towards sustainability will give the EU producers and companies competitive first-mover advantages in the global market.

## **Speaking points or Speech**

Note: The speaking points reflect the questions sent by Syngenta.

### *Objectives of agriculture and farming in the EU from a policy and/or societal perspective*

- We need a transition to a sustainable agriculture that is successful in all three dimensions of sustainability: economic, social and environmental. On the other side, the environmental sustainability is the basis on which the other two pillars rely on, as without fertile, soil, clean water or pollinators, much of agriculture production becomes impossible.
- The CAP proposal adopted by the Commission reflects this ambition and is based on nine objectives aiming to increase the contribution of EU agriculture to climate change action, improve the management of natural resources, ensure a fair economic return for farmers, and reinforce the protection of biodiversity, among others.
- Our present food production system is not sustainable either environmentally, nor economically since agriculture depends on healthy soils and ecosystem services. We must ensure that the transition is achieved in an economically and socially feasible manner and that the farming community is fully involved in the transition.
- The Farm to Fork Strategy sets out a transformation towards an equitable, sustainable food system, which will ensure the availability of healthy, safe food. It will take a systemic approach including promoting the fair distribution of value across the supply chain. The Farm

to Fork Strategy shall contribute to recovery in a way that builds resilience for the future.

- The Biodiversity Strategy contains ambitious and realistic commitments for greater protection for nature and a plan to restore ecosystems. Unless we protect and restore our natural ecosystems, we will not be able to deliver on our climate change goals, and nor will we be able to ensure a sustainable food system fit for future generations.
- Both strategies will have an impact on the farming systems in the EU to enable a transformative change: they include targets aiming to provide space for nature, promote organic farming and reduce inputs of pesticides and fertilizers.
- We count on your support to help us embrace this transition and make sure the win-win potential (economic and environmental gains) is fully tapped.

### *Evolution of farming and agriculture in the next decade*

- One of the trends will be the growing importance of knowledge, data and technology in farming. Expansion of precision farming will allow reducing inputs while improving harvests. But also the knowledge about nature based solutions will be key.
- At the same time, driven by the new CAP and the Green Deal, but also by societal demand, we will experience a more fundamental change: the move towards environmentally friendly farming with expansion of agro-ecology and organic farming, and also animal welfare will become more important. Consumers are increasingly interested in quality products, and many of them are willing to pay a premium for better quality.

- This means that farmers will have greater incentives to produce quality food, adapted to more local markets and supported by quality labels.
- Short circuits are also developing everywhere, allowing to consumers more affordable quality or organic products and farmers higher benefits and direct link with the consumers.

*Impact of the new CAP and the Green Deal on farmers during the next decade*

- Generally speaking, this is an opportunity for farmers to rethink their business, moving away from conventional high input farming with many negative impacts on the natural capital. They should embrace a more holistic and long-term approach instead, applying new farming practices, such as agro-ecology or organic farming.
- The CAP reform shall support greener farming practices. Some changes will stem directly from legislation (e.g. enhanced conditionality), some changes will result from voluntary commitments supported by the CAP. In any case, however, much will depend on the choices of Member States as the new CAP provides much more leverage for MS to set up national priorities and targets and programme the measures they consider most appropriate. I hope they will be ambitious and provide significant added value sustainability for every euro invested.
- The Farm to Fork Strategy and the Biodiversity Strategy include high-level targets (such as space for nature on agricultural land, area under organic farming, reduction of use and risk of pesticides and the reduction of nutrients). Member States will have to take into account

these targets in their CAP strategic plans and design policies to implement them on the ground

- I will give you some examples of implications for farmers:
  - In the new CAP, crop rotation will be required. This means that farmers will diversify their production, but also that they will have to find more diversified markets for their products.
  - Another example: agro-ecology systems have high productivity and climate change resilience, but they also lead to new types of production (e.g. non-food biomass), which requires adapted harvesting, and also new markets.
- It is important to ensure that Member States accompany farmers in the transition towards sustainable practices, providing them advice and incentives e.g. to apply Integrated Pest Management to reduce the use and the risk of pesticides. The same applies to environmentally friendly techniques like nutrient reduction, agro-ecology and organic farming,
- The changes we expect from agriculture in the next years require knowledge and data, including on ecosystems and nature-based solutions. It is essential to improve the knowledge and skills of farmers and ensure they have access to the internet even in remote areas to reap the benefits of new technologies. This will enable farmers to embrace low impact techniques and effective nature-based solutions, building on agroecological principles.

*COVID-19 and the importance of self-sufficiency of food production in the EU*

- The pandemic has exposed and exacerbated the vulnerability of our globalised and interconnected world. Its impact on our health, societies and economies is profound and long-lasting. However, this difficult moment offers us an opportunity to lay the ground for a new normal with **resilience and sustainability** at its core. Also because the impact of climate change is stronger year by year.
- The European Green Deal is Europe's growth strategy. As we exit the immediate crisis at hand, it will have a central role to play in the EU's recovery efforts, and in achieving a just, sustainable and rapid recovery and ultimately a just and fair transition, which leaves no-one behind.
- The Green Deal is central to achieving the wider objectives of an EU recovery plan:
  - structural reform, which will be needed to accompany a successful transition to more sustainable economies;
  - strategic autonomy, as shorter, more diversified supply chains will be facilitated by keeping raw materials in the EU through circular economy projects, as well as through more sustainable and local food systems..
  - making the EU more resilient, in particular in a context where climate and environment risks remain major. Economic resilience also depends strongly on green investments as these reap better sustainability returns than brown ones, while providing similar growth and jobs creation than brown investment.
- Digital & Green: the green transition should also be a digital one, and there is huge potential to develop green



data clouds, and digital products which help fostering the protection of the environment, informing citizens, and fostering compliance from Member States to environmental legislation, to quote just a few examples.

- COVID-19 is leading to rethinking production and supply chains not only in Europe, but across the globe. The crisis has made us realise how dependent our agriculture and food production system is on long distance transport. Every year, 3 billion tonnes of agricultural and food produce are transported by road. This represents 540 trillion tonne-kilometres! One may question whether these transports make sense.
- The crisis is ongoing and it is not easy to anticipate the outcome of the current reflections nor whether possible short-term changes will be maintained over time.
- We believe that food security should not be an issue. The EU has a significant export surplus (20% of the production), and we cannot claim that food production is generally sinking (although some particular crops are suffering from border closure or shortage of labour force). However, the crisis could reinforce short supply chains.
- We do not expect the Green Deal to affect adversely food production in the EU. However, we may see some adjustments. For instance, domestic production of protein crops will be beneficial from a perspective to enhance crop rotation. It will replace some imports from regions, where deforestation is still on going. This will also be beneficial to reduce fertiliser use and GHG emissions.
- Finally we expect that the strong commitments in the Farm to Fork Strategy on food waste, would further

reduce the pressure on food production and increase food security in the EU.

*Farmers income from non-crop activities (carbon economy) in the future*

- We expect that crops will remain the main income source for most farmers. However, it depends very much on the type of farming, the region in which the farm is located and the policy of the MS. We are seeing a clear trend for the diversification of the activities of farmers, especially in certain EU countries, including in tourism and educational activities.
- The new CAP should pave the way for a transition towards sustainable models and Member States are best advised to support climate action from farmers. This will entail biomass from residues, but also other forms of renewable energy. Farmers can e.g. set up solar parks in combination with grazing, etc. This can also be beneficial from a biodiversity perspective.
- Utilisation of waste and residues offers interesting opportunities from a circular economy and alternative income perspective.
- In addition, eco-schemes and results-based payment schemes can reward farmers for keeping natural habitats or providing ecosystem services. e.g. restoration and maintenance of peatland and marshlands could be rewarded in view of their importance as carbon sinks, and for biodiversity.

*Impact of new technologies on crops grown by farmers. Impacts of the new CAP and the Green Deal on these technologies*

- Indeed, new techniques, as well as the new policies may have an impact on the types of crops chosen by farmers. Novel techniques, such as robotics for mechanical weeding will facilitate some crops over others, without causing soil or air pollution.
- Advanced cropping systems, such as multicropping (growing several crops at the same time on the field) have productivity advantages. These systems will be facilitated by breeding varieties such that they reach maturity at the same time. This will also increase the resilience, as if one crop is affected by a pest or by drought, the others might be spared.
- The policy targets to reduce inputs will make precision farming more popular. In addition, application of Integrated Pest Management will also increase significantly, promoting effective nature-based solutions.
- Expansion of organic farming and agro-ecology will be supported by additional research, which will contribute to further improve their yield.

### *Most needed innovation in agriculture*

- The focus should be innovation that contributes to ensuring the sustainability of agriculture. In the past most of the research has been focused on technological innovation, but it is becoming evident that the challenges related to biodiversity and climate change in agriculture can be better addressed through knowledge-intensive nature-based solution, recreating effective and self-regulating ecosystems.
- As a first step, we have to dramatically increase knowledge of farmers. There are many Horizon 2020 or CIP projects showing that innovative farming options

such as organic farming and agro-ecology can lead to win-win solutions. However, the farming community is not sufficiently aware of them or does not know how to implement them. Improving the educational background of farmers (supported also by the generational renewal), as well as the quality of training and advice, especially as regards environmental issues is key.

- We also expect a lot of progress in alternative pest control and replacement of chemical pesticides. Switching from preventive treatments to systems where pests are monitored and pest control is applied when needed requires changes in farming practices.
- The breeding of resistant varieties that require less treatments will be facilitated. Productivity will remain an important breeding goal, but it will be accompanied by the development of trends that facilitate low impact farming.
- Overall, we want to see a change from supplying plant protection products towards providing pest control services. Companies like Syngenta could offer innovative solutions to farmers, including decision-support systems, and services.

## **Background information**

### **Common Agricultural Policy**

There is clear evidence that the way in which we farm today is not sustainable. Biodiversity on farmland has suffered a dramatic decline. We lost 80% of insect populations and 60% of farmland birds. Agriculture is responsible for 10% of Europe's GHG and we have sustained emissions of air pollutants, nutrient pollution and soil degradation. We need to start transforming the agricultural model. The CAP will be instrumental to achieving this goal.

#### **A. Key environment requirements as regards the CAP post 2020**

The CAP proposal includes elements allowing Member States to fund farmers in their transition to a sustainable agriculture, while delivering in terms of climate, biodiversity, water, air and soil protection. An article of the proposal states an increased ambition as regards environmental and climate-related objectives for the CAP Strategic Plans (CAP SP). According to the Commission proposal, an increased level of environmental ambition would be mainly achieved by:

- *an enhanced conditionality* (basic conditions for receiving payments such as maintenance of permanent pastures, crop rotation, soil cover, maintenance of landscape features);
- *eco-schemes* (environmental measures financed under direct payments);
- *enhanced funding for environment-climate* measures under rural development;
- *reinforced alignment with the environmental legislation.*

Direct payments and market measures: Direct payments will be conditional on environment and climate requirements. The new conditionality is reinforced as includes both current cross-compliance and greening and elements of the WFD and the Directive on the use of pesticides, new conditions for Natura 2000 and for soil.

- Eco-schemes: MS can offer eco-schemes to support farmers in going beyond conditionality. Eco-schemes are environmental measures, voluntary for farmers. Member States will have to offer such eco-schemes to all farmers. There is no ring-fencing for the eco-schemes compared to the previous 30% for greening.
- Operational Programme for fruit and vegetables sector: At least 20% of expenditure under the Operational Programme (OP) must be for methods of production respectful of the environment and for mitigation and adaptation to climate change (compared to the current 10%).

Rural development: At least 30% of each rural development allocation has to be dedicated to environment and climate actions. This percentage is the same as for the current Rural Development Programmes, but the basis for the calculation changed as Areas under Natural Constraints (ANC) having an economic dimension will not count against the environmental and climate objectives any longer.

### **The European Green Deal, the EU 2030 Biodiversity Strategy**

The European Green Deal resets the Commission's commitment to tackling climate change and curtailing biodiversity loss in a broad agenda to tackle environment-related challenges. It recognizes the global nature of these challenges and that the EU can use its

influence, expertise and resources to mobilize efforts and lead the world on a path to sustainability.

To ensure that the EU plays a key role in the global biodiversity negotiations, the European Green Deal announces a Biodiversity Strategy to be presented by the Commission in Spring 2020, and to be followed up by specific action in 2021. The strategy will outline the EU's position for the Conference of the Parties, with global targets to protect biodiversity, as well as commitments to address the main causes of biodiversity loss in the EU, underpinned by measurable objectives that address the main causes of biodiversity loss. The biodiversity strategy is to identify specific measures to meet these objectives, including legislation.

The European Green Deal reiterates that all EU policies should contribute to preserving and restoring Europe's natural capital, including key initiatives announced in its framework such as the Farm to Fork Strategy, work towards zero pollution and the Circular Economy strategy. It further emphasizes the need to address biodiversity and climate change in a coherent manner.

***The EU Biodiversity Strategy contains the following elements:***

EU 2050 vision: by 2050, biodiversity and the benefits it provides to people will be protected, valued and restored.

EU 2030 mission: to put nature on a path by 2030 for the benefit of people, climate and the planet.

EU commitments to:

- Expand the area and improve the management of protected sites
- Restore protected habitats and species and healthy ecosystems across land (including agroecosystems, forests, freshwater and wetlands, as well as urban environments), and marine ecosystems, both within and outside protected areas.
- Alongside active restoration, reduce the constant pressure on nature from the main drivers of biodiversity loss across ecosystems. These drivers include land use change; overexploitation of natural resources; climate change; pollution; and invasive alien species.
- Deliver nature-based solutions for climate mitigation and adaptation
- Reconcile biodiversity protection and the need for biomass
- Enable transformative change through ensuring sufficient financing, a conducive economy, a solid scientific underpinning and enhanced awareness, education and skills. It will be essential to ensure better implementation, enforcement and governance for biodiversity, as well as to mobilise ownership and responsibility across the economy and society to address the drivers of loss.

***Agricultural aspects of the Biodiversity Strategy and synergies with Farm to Fork***

As part of the European Green Deal, the Commission plans to publish the new Biodiversity Strategy in Spring 2020, together with the Farm to Fork Strategy.

The Farm to Fork Strategy and the Biodiversity Strategy jointly set out targets addressing: pollution from pesticides and nutrients, loss of structural diversity and too high levels of intensification of production. The targets to be reached by 2030 will include:

- An increase in the share of organic farming and other agro-ecological practices to reach 25%;

- a reduction by 50% of the use and risk of chemical pesticides and a reduction by 50% of the risk entailed use by of high-risk pesticides;
- a reduction of nutrient pollution resulting from excess fertilisation. The Commission will promote the goal of zero pollution from nitrogen and phosphorus flows from fertilisers through reducing nutrient losses by at least 50%. This target will also result in the reduction of use of fertilisers by at least 20%. ;
- bringing back to nature at least 10% of utilised agricultural area under high-diversity landscapes, like buffer strips, rotational or non-rotational fallow land, or landscape features.

Member States are expected to take these new targets into account in their national CAP Strategic Plans.

Additional crucial action will be the full implementation and the review of the EU pollinators' initiative by the end of 2020. On the basis of the review, the Commission will propose additional measures if and where necessary.

### **Farm to Fork:**

The F2F strategy was developed over the past year in a collaborative effort between the various Commission services.

During the public consultation period from 17 February 2020 to 20 March 2020, **654** contributions were received in total. The main points of interest were:

- the overall framework of the Farm to Fork strategy, especially the strategy's methodology, its coherence with other EU policies, and the necessary focus on R&I
- international aspects, in particular preserving the competitiveness of the EU food sector compared with third countries ;
- production aspects, such as farmers' position in the food chain and pesticides and fertiliser use ;
- processing and distribution issues ;
- consumption and food labelling, especially origin and nutritional labelling ;
- food waste and the circular economy.

The F2F strategy also takes into account the report of the Commission's Group of Chief Scientific Advisors (*Towards a sustainable food system*, March 2020)

The Communication can be found at <https://ec.europa.eu/info/files/communication-farm-fork-strategy-fair-healthy-and-environmentally-friendly-food-system>. It announces that the Commission will:

- take additional action to reduce the overall use and risk of chemical pesticides by 50% and the use of more hazardous pesticides<sup>13</sup> by 50% by 2030.
- act to reduce nutrient losses by at least 50%, while ensuring that there is no deterioration in soil fertility. This will reduce the use of fertilisers by at least 20% by 2030.

- take action to reduce overall EU sales of antimicrobials for farmed animals and in aquaculture by 50% by 2030

The action plan in annex includes (inter alia) commitments to:

- revise the relevant implementing Regulations under the Plant Protection Products framework to facilitate placing on the market of plant protection products containing biological active substances in 2021
- propose a revision of the Sustainable Use of Pesticides Directive to significantly reduce use and risk and dependency on pesticides and enhance Integrated Pest Management in 2022.
- propose a revision of the pesticides statistics Regulation to overcome data gaps and reinforce evidence-based policy making in 2023
- present a proposal for a legislative framework for sustainable food systems in 2023