

## ANALYSIS OF THE CONSEQUENCES OF THE F2F AND BDS STRATEGIES, PROPOSALS FOR ACTION

Farm Europe - October 2021

The F2F and BDS strategies, proposed by the EC, have been developed in the framework of the European Green Deal. They aim to reduce the negative environmental impacts of European agriculture and the food system, with the objective of reducing GHG emissions in this sector. These environmental objectives are accompanied by socio-economic challenges. Both strategies aim to promote "*sustainable and socially responsible production methods*", "*access to sufficient, nutritious and sustainable food*" and a transition to "*healthy and sustainable food consumption*". To this end, the EC has proposed various actions in its strategies, some with quantified objectives. The consequences of the application of 4 of these objectives, considered to be those whose impacts are the most apprehensible, have been studied. These objectives are :



The achievement of **10%** of agricultural areas converted into **landscape elements of high environmental value**.



A **-50%** reduction in the overall use and risk of chemical **pesticides**, and a **50%** reduction in the use of the most hazardous pesticides by 2030.



A **25%** increase in agricultural land devoted to **organic farming** by 2030.



A reduction in **nutrient losses** of at least **-50%** while ensuring that there is no deterioration of soil fertility, which will reduce fertilizer use by at least **20%** in 2030.

The EC study, carried out by the JRC, its research department, shows **results that do not correspond to the expectations of the F2F and BDS strategies**. Indeed, the results indicate that the application of the quantified objectives of these two strategies would lead to :

**A drop in production** of more than **10%** in all agricultural sectors

**A deterioration of the trade balance** with an increase in imports and a decrease in exports.

**A decrease in farmers' income** in almost all agricultural sectors. In the sectors where an increase in income is recorded, it is subject to a disproportionate increase in prices for consumers (up to +43% for pork) and therefore unrealistic.

**A generalized price increase** for consumers.

**A 20% reduction of agricultural GHG emissions in the EU, half of which (66% non-CO2) is re-emitted outside the EU and the other half is offset by land use changes within the EU**. This reduction is more related to shifts in production types than to changes in the means of production.

If we integrate the impacts of **deforestation in third countries, the environmental balance for the planet** could be **negative: less EU agricultural production, more global GHG emissions**.

**The application of the F2F and BDS strategies could therefore lead to the opposite of what they were created for.** Several arguments are put forward to put these negative impacts into perspective. In particular, the JRC indicates that the negative effects of the F2F and BDS strategies observed in its study are exaggerated because its model does not allow for mitigating factors. However, **all the impact studies** carried out by different research organizations (Kiel, USDA, Coceral, HFFA, Wageningen), using different modeling methods, **show similar results.** In addition, some points in the JRC modelling minimise the negative impacts that F2F and BDS strategies could have.

**The socio-economic impacts of the study are underestimated:**

**Modelling choices in the study minimise the costs to farmers (of implementing EC policy objectives), and prices to consumers.** The exclusively monetary approach to modelling farm decisions facilitates the maximisation of farmers' profits. Decreases in the use of plant protection products (PPs), which are translated into reduced expenditure for farmers, are questionable, since these decreases in PP use would most likely be the result of a policy of overtaxing these products. The budgets used in the study are outdated and unrelated to the budgets finally adopted by the EC. Also, the adoption rates of mitigation technologies are totally theoretical (60% of farmers use precision agriculture in Europe in 2030 in the study).

**Only four objectives are taken into account in the study,** the negative effects on production costs of measures such as the reduction of antimicrobial use, animal welfare regulations, planting of 3 million trees (etc....), are not taken into account. While, as the JRC mentions, there are potential synergistic effects within the F2F and BDS strategies, the antagonistic effects of the measures are not mentioned.

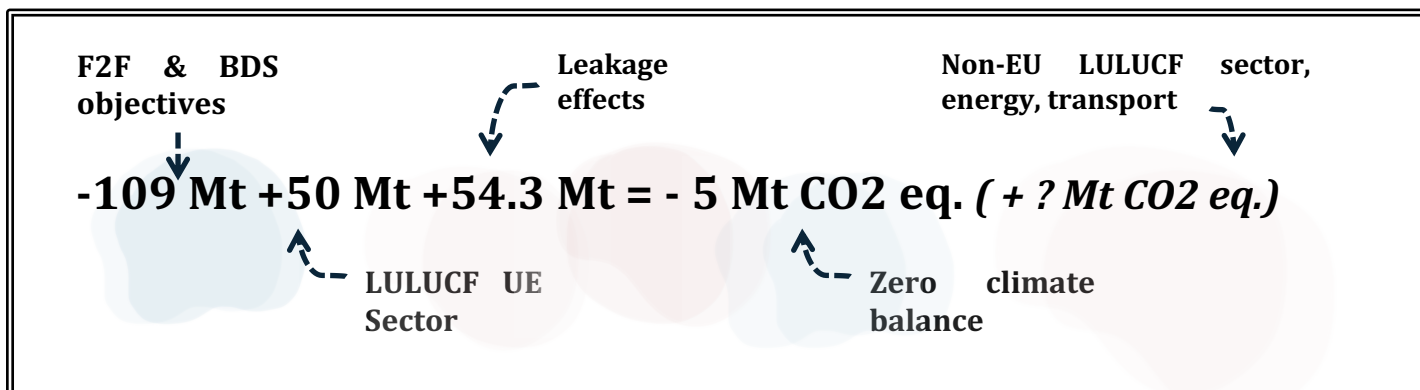
**The EC relies on R&D and changes in dietary behavior to offset the negative impacts of F2F and BDS.** However, the time frame for observing changes in dietary behaviour, or significant advances in R&D, is much longer than the time frame of the F2F and BDS strategies (2030). While such changes are undeniably necessary, the objectives of the F2F and BDS strategies, focusing on constraints and associated costs, would not allow to encourage them, creating a negative spiral where a positive policy of encouragement would be necessary.

**The JRC study does not take into account the impacts of the strategies on the rest of the world.** Other studies have done so, and show negative impacts outside the EU, if the F2F and BDS strategies are applied. They could lead to an increase in global food insecurity. The JRC indicates that the participation of the rest of the world would minimise the negative impacts. This hypothesis has been studied, and it could limit the effects within the EU, but the impacts for countries outside the EU - especially Africa - would be even greater.

**The positive effects on the climate are overestimated:**

**The JRC does not detail the emissions related to the LULUCF sector** in the EU (land use). However, other studies show that 45% of the GHG emission reductions in Europe would be cancelled out by this sector (KIEL). Moreover, the measurement of leakage effects does not include the energy sector, the transport sector, nor LULUCF outside the EU (thus the effects on deforestation). **Leakage effects are largely minimized in the JRC study.**

Moreover, the study **only takes into account** GHG emissions in these leakage calculations, **other types of pollution** are not considered. By integrating the LULUCF sector outside the EU and more important leakage effects, the balance is that **the European Union would be responsible for an increase of GHG emissions at the global level by the implementation of the F2F and BDS strategies as proposed.**



Climate balance (Kiel study)

## PROPOSALS

There is no debate about the objective of a transition of the European economy and its agriculture to a GHG-neutral economy. It must take place without any loopholes.

The ways and means proposed to achieve this must be rooted in reality. Demagogic positions and sleeve effects must be avoided. The effectiveness of actions must dictate the path to be traced.

Most of the GHG reduction losses identified are related to leakage effects and LULUCF. To limit them, it is thus necessary to avoid EU production drops, to avoid that countries of the rest of the world have to compensate these drops at all costs, and emit more GHG.

For this, it is necessary to promote changes in the means of production, without impacting on the quantities and/or qualities of production in the European Union.

To really achieve these changes, the negative socio-economic impacts must be limited. The path to achieve this must be recalibrated.

Rather than starting with new constraints, we need to start by supporting, encouraging and promoting initiatives taken by the sector itself. For all sectors, there are now solutions that offer substantial environmental gains without compromising economic imperatives. These solutions can be put into practice without delay if the right incentives are given. The main ones are presented in the annex to this report.

In order to reap the benefits on a large scale, the European Union must plan a shock of investment and diffusion of innovation.

Precision farming is a powerful lever for maintaining or increasing yields while reducing emissions. However, it must be made accessible to a larger number of farmers.

It is also necessary to invest in genetic selection and to develop the potential of renewable energy sources offered by agriculture.

These are all sources of solutions - and income - that can accelerate the transition and European sovereignty. There is today an inconsistency to be corrected between the stated ambitions and the means put in front of them which are not up to the task.