

Agricultural Industries Confederation (AIC) - Written evidence (EGD0004)

About AIC

The Agricultural Industries Confederation (AIC) is the UK agrisupply industry's leading trade association. Formed in October 2003 by a merger of three trade associations, AIC has over 230 Members in the agrisupply trade and represents £8 billion turnover at farmgate.

The trade association represents several sectors within the agrisupply industry including: animal feed; crop protection and agronomy; fertilisers; grain and oilseed and seed.

The sectors and % representation is shown below:

- Animal Feed 90 %
- Crops Protection and Agronomy 90 %
- Distributors Fertilisers 95 %
- Grain and Oilseeds 90 %
- Seed 80 %

AIC promotes the benefits of modern commercial agriculture in the UK and supports collaboration throughout the foodchain.

1. Which agriculture-related measures in the Green Deal have the biggest potential implications for the UK and why?

The target for net zero carbon emissions by 2050 is an ambitious target and will alter many aspects of UK and EU agriculture. AIC has developed a '[Roadmap for a sustainable food chain](#)'. The roadmap considers not just our part in the transition to net zero carbon, but all aspects of sustainability from AIC members business impacts to their influence on farming and land use. We identify opportunities, listen to members ambitions and explain where AIC members need help to overcome barriers to progress.

The ambition to produce organic food on 25% of the cultivated land mass of the EU may not be compatible with a renewed interest in increasing food security in the UK (or the EU). Whilst AIC agronomists advise organic growers, the area of organic land in the UK in 2019 was 2.8% of which 82.5% was temporary and permanent grassland¹. Organic farming remains low due to the lower demand for organic produce coupled with higher risk for growers.

The geographical and climatic advantage of the UK (and the EU) for sustainable food production and the potential for integrated land management systems, based on an ideal mix of land use based on land capability and suitability for purpose, far outweighs an arbitrary target for organic land area².

It is also important to appreciate the net carbon leakage implications of any shortfalls in UK/EU food supply associated with increasing organic farming.

¹ [Organic farming statistics United Kingdom 2019](#)

² See [Land Use: Policies for a Net Zero UK](#) report by the Committee on Climate Change to indicate a general direction of travel and '[The greenhouse gas impacts of converting food production in England and Wales to organic methods](#)'.

Carbon lost from cultivating new land overseas and potentially lower resource efficiencies need to be factored into future policy considerations.

AIC advises that the Commission that the market should determine the demand for organic levels of production rather than the arbitrary use of a policy lever to set a level without evidence of what the impact would be on market returns.

The proposed targets for reducing the use of chemical and more hazardous pesticides by 50% and reducing fertiliser use by at least 20% do not consider how EU farmers and growers can continue to produce healthy, affordable and sustainable food and feed without adequate plant nutrition and technologies to control crop weeds, pests and diseases, which impact both crop quality and yield.

The arbitrary targets for reductions in inputs, will negatively impact EU crop yields, quality and hence productivity resulting in higher reliance on imported foods. This could increase UK exports to the EU but also reduce the availability of imported foods from the EU. If a similar measure were followed in the UK this would decrease the opportunity to supply UK grown foods to third countries, including the EU with the resultant impact on the balance of trade deficit.

With respect to the aim to reduce the sale of antimicrobials for farmed animals and in aquaculture by 50%, UK is already ahead of the EU. Figures collated by the Veterinary Medicines Directorate (VMD) show that UK sales of antibiotics for use in food-producing animals have reduced by 53% in just four years between 2014 – 2018 (VARSS Report 2019). Future activity is focussed on new numerical targets and, importantly, non-numerical target-based actions. EU policy may be informed by looking at UK achievements in this area as opposed to the other way round.

Finally, should be noted that the EU **ambition to promote shorter supply chains** suggests a potentially protectionist approach which would not sit well with UK ambitions to strike trade deals globally. The focus on the length of supply chains in terms of distance is not necessarily the best measure of the strength or weakness of a supply chain – the number of hands a commodity or food passes through prior to reaching the consumer is perhaps a better measure.

a. Are there particular policies from the EU's Farm to Fork that you'd like to see in the UK's upcoming National Food Strategy?

The following are all welcome policies:

- Priority given to a robust and resilient food system that functions in all circumstances.
- The food chain, covering food production, transport, distribution, marketing and consumption, should have an improved environmental impact (*A joined-up production and consumption policy is required*).

- A transition to sustainable food systems presents an economic opportunity, new green business models of carbon storage in rural landscapes and value in the circular economy linked to bioenergy.
- UK policies are now needed to reflect developments in, for example, fertiliser materials and to reframe feed additive legislation to realise the benefits for feed efficiencies, potential animal health and welfare and methane reduction. In particular, policies which place a greater weight of emphasis on the role of accredited Continuing Professional Development schemes are required.
- The commitment to look at the potential of new genomic techniques to improve sustainability along the food supply chain, recognising that sustainable food systems also rely on seed security and diversity and that farmers need to have access to a range of quality seeds for plant varieties adapted to the pressures of climate change.
- The need to consider the dependency on and broader sustainability issues around raw material sourcing for animal feeds. Encouraging the research, development and adoption of new, home grown/produced, protein streams for UK animal feed sector should be considered (alongside those global supply chains which are sustainable) for a wider range of benefits to UK cropping systems and new market opportunities.
- We support a strategy which encourages efficient use of inputs whilst considering the need for food production and the environment.

2. How do you expect the EU to reduce the use and risks of pesticides, and which of these policies will impact on UK farmers exporting to the EU?

Use Reduction

The EU has not specified how it will reduce the use of 'chemical and more hazardous pesticides by 50%'. What is meant by 'chemical pesticides' is also unclear as in theory this includes pesticides used in organic farming, and some biopesticides and so appears incompatible with the aim of increasing organic production.

Some Member States have implemented ad valorem pesticide taxes to reduce pesticide use. Pesticide use is generally inelastic of price and is influenced by many factors including end market requirements for quantity and quality, risk adversity of the farmer and weather. The imposition of taxes on pesticides would decrease the competitiveness of EU agriculture in terms of the global picture of trade.

France introduced use reduction targets 2008, the aim being to reduce pesticide use by 50% by 2018. However, pesticide use rose by 5% between 2009 and 2013. Revised targets were issued in 2015 and include many measures³ to reduce pesticide use by 25% by 2020 and 50% by 2025.

³ agro-ecological systems, trialling certificates for low PPP use, restrictions on the use of non-

Notably, one measure being introduced in France, to decouple the supply of pesticides from provision of advice on pesticides, is not applicable to the UK as it does not consider the relationship of trust developed over many years between farmers and their BASIS qualified advisers supplying pesticides, who are bound by the BASIS Professional Register Code of Ethics. (page 16).

See also 'Status of Agricultural Knowledge: Development and Advice' (attached).

If pesticide use reduction is sought it must be based on robust evidence of what is appropriate, accompanied by an impact assessment and supported by effective alternative methods to pesticides. If these measures are not undertaken a reduction in food self-sufficiency and sustainability could ensue.

Risk Reduction

Use reduction does not equate to risk reduction. It is how pesticides are used which has the greatest influence on risks to human health and the environment. The Sustainable Use Directive (SUD) aims to reduce the risks and impacts of pesticide use on human health and the environment and encourages integrated pest management and alternative approaches to reduce pesticides use. This is achieved by requiring all users of professional pesticides and those who sell and supply pesticides to undertake training and hold a certificate of competence. (In the UK, a BASIS certificate of competence).

In addition, member states are required to publish a National Action Plan (NAP). The plan aims to ensure that pesticides are used sustainably. A recent review of NAPs by the Commission identified that Member States have made progress in implementing the SUD. The majority of Member States have established comprehensive systems for the training and certification of operators, and a range of measures for water protection and the safe handling and storage of pesticides. However, there is limited evidence that IPM principles are systematically applied. It would seem logical for the EU to encourage Member States to further reduce risks associated with pesticide use within the scope of the NAPs.

The Commission plans to promote effective Agricultural Knowledge and Innovation Systems (AKIS), involving all of the food chain, as knowledge and advice are key to enabling all actors in the food system to become sustainable. In particular, the need for objective, tailored advisory services on sustainable management choices for primary producers is seen as key. The UK has a well-developed body of BASIS, (FACTS and FAR) qualified advisers on farm day to day advising farmers and growers. This is a key route to advise farmers and growers on integrated crop management, livestock nutrition and efficient input use.

Impact

The target for reducing the use of chemical and more hazardous pesticides by 50% does not consider how EU farmers and growers can continue to produce healthy, affordable and sustainable food and feed without technologies to control crop weeds, pests and diseases, which impact both crop quality and yield.

Restricting the use of specific pesticides without consideration of alternatives could reduce EU's ability to produce some niche crops (there are generally less pesticides available for crops grown on a lesser area due to the high cost of pesticide development versus the smaller market). The impact could also extend to major crops, dependent on the policy followed. Reduced EU production will lead to reduced productivity resulting in a higher reliance on imported food and feed.

Whilst UK exports to the EU could increase to fill this deficit, it could impact the UK by reducing the availability of imported food and feed for which the UK is not self-sufficient.

EU trade policy may seek to obtain commitments from third countries relating to the use of pesticides, for example requirements for produce imported from the UK to be produced to similar standards to those in the EU. Currently the UK has equivalent standards to the EU. Should the EU require additional standards which do not align with UK agricultural or food policy, then the UK must consider the cost to businesses and the feasibility and tractability of the requirement. Otherwise UK growers wishing to export to the EU could find the range of pesticides they can use on produce to be exported is restricted, leading to reduced yield and quality in addition to requirements for segregation from production to export.

Whilst AIC members have invested and recommend non-chemical alternatives to conventional plant protection products, consumers have zero tolerance of pests in food. Therefore requirements to reduce pesticide use in the UK as a result of EU trade policy requirements must also consider the impacts on food waste both in the field and in storage through the supply chain, if there are no reliable methods to control weeds, pests and diseases and storage pests.

3. How closely should the UK's approvals process for pesticides follow the EU's after the transition period? For instance, once the EU has decided on whether or not to re-approve glyphosate, should the UK follow suit?

The EU process has become increasingly over precautionary and politicised, so that decisions on active substances do not reflect real life scenarios or allow the use of mitigation measures that could be used to reduce any hazards identified in the pesticide assessment process.

A process based on sound scientific evidence would give more predictable outcomes for farmers, advisers and the food and feed supply chain, allowing for better planning around pesticide availability and use and hence food and feed availability.

The implications of divergent systems on trade is problematic, and could give rise to situations where the authorisation for use of a pesticide in the UK, regardless of compliance with the Maximum Residue Level (MRL) means that the importing country refuses to import produce treated with that pesticide from the UK, based say on environmental impacts of the use of the PPP.

Should the EU require additional standards which do not fit with UK agricultural or food policy then the UK must balance trade with the EU against trade with other third countries and the freedom to set UK pesticide policy and the consequences for UK food production.

It would be disappointing if the UK did not follow a scientifically sound assessment process where an active substance is approved based on the scientific data presented, not on the willingness of a third country to accept imports. Based on this assessment process, the UK should present a robust defence to the production methods of exported produce treated with pesticide which the UK competent authority has authorised and approved for use in the UK.

4. How much should the EU's policy direction dictate how new genomic techniques are regulated in the UK after the transition period?

UK should develop its own policy and carry out economic risk assessments for certain sectors where it is anticipated that any divergence from EU policy might have negative trade implications.

UK government ministers have repeatedly voiced support for new genomic techniques in agriculture and disagreed with the July 2018 decision of the European Court of Justice that all gene edited products should be regulated as Genetically Modified Organisms (GMOs), regarding the decision as unscientific.

It is therefore recognised that this is a policy area where the UK could diverge from the EU early on, although the Farm to Fork communication does make an encouraging reference to looking at the potential for new genomic techniques in the future⁴. However the pace of sustainable agricultural development in the UK should not be held back by the pace of the consideration and discussion of the subject by the EU.

In July 2020 Lord Gardiner of Kimble, during debate of the Agriculture Bill, stated the government undertook to hold a public consultation in late 2020, on proposals to change the definition of gene-editing so that it is no longer subject to regulations applied to genetic modification. Depending on the consultation outcome, there is an expectation the UK would potentially be in the position to advance work in this area and develop and cultivate crops and livestock ahead of the EU, and thus reap the economic and environmental benefits.

Also in July 2020 Minister Prentis indicated that 'UK Government view remains that genetically modified (GM) regulations should not apply to organisms produced by modern mutagenesis techniques, such as gene editing, where the changes to the DNA could have occurred naturally or through traditional breeding methods. We need primary legislation in order to move away from the current approach. We will carry out a public consultation before making any

⁴ The Green Deal communication states "The EU needs to develop innovative ways to protect harvests from pests and diseases and to consider the potential role of new innovative techniques to improve the sustainability of the food system, while ensuring that they are safe." The Commission have therefore indicated new genomic techniques may play a role, and are currently running a consultation on new genomic techniques.

changes. We remain committed to taking a more scientific approach with respect to precision breeding techniques’.

Whilst the implications for exporting UK produce to the EU need to be borne in mind, the majority of production is consumed domestically, and the market will decide the levels of demand for such products. Therefore, EU policy direction and decisions should not be a reason to limit UK policy decisions on this matter.

5. How is the UK positioned, compared to the EU, on developing innovative and sustainable food and feed products (including new feed additives), such as algae and insects? Should the UK be moving more quickly here, or proceeding with caution?

UK is trying to move quickly but legislative hurdles remain the biggest barrier. UK authorities and industry partners need to map out priorities across these areas and develop a detailed plan on what legislative changes are required and how these might be delivered in order to secure the benefits for all parties. Decisions should be based on delivering safe innovation, with sustainability benefits, by providing scientific evidence. A system that verifies innovations alongside the legal framework could be considered as mentioned above *(The Vera Protocol).

6. What access, if any, have you had to discussions about the European Green Deal, and how can Government support you in engagement with European partners?

AIC has had strong engagement through AICs membership of various European trade associations e.g. FEFAC (EU feed industry federation), Fertilisers Europe, COCERAL (representing the trade in cereals, rice, feedstuffs, oilseeds, olive oil, oils and fats and agrosupply). Also, AIC has had some contact with the UK Mission to EU office in Brussels and ECPA.

We would be interested to hear how UK Government could support our engagement with other European bodies.

7. Should the EU’s ‘Farm to Fork’ policies affect the UK’s negotiating position for agriculture in the UK-EU future relationship negotiations?

The Green Deal communications indicate sustainable agricultural practices and sustainable food system principles will be included in trade agreements. High UK standards of production will continue to be very important domestically, and for UK export opportunities. However, where future EU requirements around production are not in the interests of sustainable levels of UK production then these will need careful consideration.

a. Should the Government follow the EU’s policy approach if it meant tariff-free access to the EU Single Market?

There are concerns about the prospect of tariff barriers to the single market and the consequences for exports, in particular of livestock products. However if regulatory equivalence is taken as the basis for agreement, this ‘equivalent’

policy approach would find many areas of common ground and highlight a few areas where divergence will result in some creative thinking about how to deal with differences without compromising trade.