



All-Party Parliamentary Group on Science and Technology in Agriculture

The Effect of the Loss of Crop Protection Technologies on UK Agriculture and the Wider Economy

Notes of a meeting held on Wednesday 26 November 2014

Jubilee Room, House of Commons

Present:

Members

Mark Spencer MP (chair)
Roger Williams MP
Huw Irranca-Davies MP
Angela Smith MP
Julian Sturdy MP
Lord Rooker
Lord Boswell of Aynho
Lord Marlesford
Lord Chidgey

Keynote speaker

Richard King, Partner and Head of Business Research, The Andersons Centre

Guest panellists

Guy Smith, Essex farmer & NFU Vice-President
David Caffall, Chief Executive, Agricultural Industries Confederation
Nick von Westenholz, Chief Executive, Crop Protection Association

Stakeholders

Keith Norman, Velcourt; Ed Moorhouse, G's; Martin Collison, Collison Associates; Andrew Burgess, Produce World; Graham Jellis; Rob Gladwin, BASF; Peter Gadd, NFU/HGCA; Susan Gadd; Sean Ryan, Defra; Damian Testa, CLA; Hazel Doonan, AIC; Rob Simpson, BASIS; Oliver Savory, NFU; Ellie Owen, RSPB; Henry Hill, De Havilland; George Rothschild, CRD; Jon Knight, HDC; Prof Brendan Noble, Suffolk University; Caroline Nicholls, HGCA; Nus Ghani, Conservative PPC, Wealden; Daniel Pearsall, Group Co-ordinator.

Welcome and introduction

Mark Spencer MP welcomed attendees to the meeting, which was an important opportunity for Members and stakeholders of the All-Party Group to consider and discuss a recent report examining the impact of EU and UK regulatory changes on the future availability of crop protection products, and the predicted effects on UK agriculture and the food chain. MS introduced the report's author, Richard King.

Keynote speaker

Richard King, Partner and Head of Business Research, The Andersons Centre

[Please note that a full copy of Richard King's presentation is available to download via the Meetings section of the All-Party Group web-site at www.appg-agscience.org.uk]

Richard King (RK) described the background to the report, which had been commissioned jointly by the NFU, Crop Protection Association and Agricultural Industries Confederation.

The report's objective was to consider the cumulative effect of the crop protection policy environment, and included the impact of legislation implemented at both EU and UK level.

The most significant policy area was the EU pesticide authorisation process, which was moving from a risk-based to a hazard-based approach, focusing on the inherent properties of chemicals rather than their use. Through this shift in policy, RK suggested that the crop protection sector was being expected to operate to a higher standard than many aspects of modern life, eg caffeine in coffee is a carcinogen but the risk is accepted by society. RK also noted that EU guidance on the implementation of the authorisation process was proliferating, with 19 separate guidance documents now developed or in draft, opening up further scope to change the rules of the game mid-process.

The EU Water Framework Directive and related legislation on drinking water and groundwater was another policy area with potential implications for pesticide use, although RK suggested that the impact of this nationally-implemented piece of EU legislation was likely be "patchwork" and difficult to measure in terms of economic impact.

RK also cited the effects of the current EU moratorium on neonicotinoid seed treatments and UK-specific actions and guidance in areas such as the extension of authorisations for minor use as further policy areas covered in the report.

Overall, RK considered that the crop protection policy environment was so vague and still developing that it was difficult to establish precisely which products would be lost, although it was possible to categorise them according to likelihood of loss or restriction. RK indicated that the report had not opted for a worst case scenario, but represented a realistic assessment based on the substances most at risk of withdrawal.

Of some 250 UK-approved active ingredients, the report predicted that roughly a third were at 'medium' or 'high' risk of loss or restriction. The high-risk category included 10 insecticides, 16 herbicides, 12 fungicides and two molluscicides – these latter two products comprising a significant proportion of all available substances.

Assessment of the impact of these restrictions showed reduced yields across all crops, including very significant yield reductions in speciality crops (eg 25% for

carrots and 50% for onions) which only had access to a small pool of active substances.

End-use quality in crops such as milling wheat, malting barley and fresh fruit and vegetables would also be adversely affected, causing further reductions in marketable yield for growers, reducing supply and driving up prices for consumers.

According to RK, these reductions in crop yields and quality would impact negatively on the UK farming economy, with Gross Value Added (GVA) down by 20% and farming profit down by 36%, based on a five-year average.

RK projected that the main area of winter crop production would shrink, although this would be partially offset by an increase in spring cropping and fallowing.

Due to the challenges of controlling pests in certain crops combined with consumer demand for perfect produce, RK forecast a substantial decline (5-50%) in the area of roots and vegetables and a 30% reduction in the area of apples, while vining peas and other high-value specialist products could no longer be commercially produced in the UK and would have to be imported.

Meanwhile producers in non-EU countries with less restrictive regulatory regimes would be able to compete more effectively in the UK market, he suggested. .

In terms of wider socio-economic effects, RK noted that farming provided the feedstock for the food and drink sector, which comprised 7% of the UK economy and 13% of employment. The forecast reduction in home-grown raw material supply (and/or higher costs) would lead to an off-shoring of activity by food and drink manufacturers, at a cost to the economy of £2.5bn and the loss of 35,000 – 40,000 jobs. The agricultural supply industry would also suffer a £0.28bn reduction in GVA and 3,500 – 4,000 job losses due the lower output and reduced demand for inputs.

Increased dependence on imports would also lead to an increase in food prices, and although such increases would be marginal this could impact severely on many UK households, with recent research by Tesco suggesting that up to 18% of the UK population already suffered from some form of food poverty.

The European Union's unpredictable and highly politicised regulatory environment could also affect investment in research and development, with the major manufacturers likely to focus their R&D activities and resources on global growth markets outside the EU. It currently took 10 years and £170m to get a new active ingredient through the EU regulatory process - it would take a brave company to go down that route if the rules of the game were likely to change half way through.

RK also highlighted the moral dimension of the production-limiting effects of EU pesticide policy, when 842 million people globally were without enough to eat.

RK accepted that alternative farming systems were available which helped limit their use, eg Integrated Pest Management, precision farming, bio-pesticides and even organic production, but such approaches could not entirely substitute for pesticides in the short to medium term.

In summary, RK concluded that the current direction of EU pesticide policy would lead to significant economic and social costs with the benefits at best uncertain or negligible.

Questions and discussion

The following key points arose during questions and discussion:

Guy Smith (GS) pointed out that if the same high standards expected of UK farmers were not required of imported products (including the use of pesticide products banned in the EU), the result would be to export Britain's agricultural industry, with damaging environmental effects as more rainforest or savannah is converted for food production.

Nick von Westenholz (NvW) noted that the major political and regulatory challenges facing agri-tech were at an EU level, exemplified by the recent decision taken by new Commission President Jean-Claude Juncker to axe the position of EU chief scientific adviser, held for the past three years by British microbiologist Professor Anne Glover. By contrast the UK Government tended to support a science-based approach.

NvW agreed with Lord Boswell that the UK should be forging stronger alliances with other EU member states and their agricultural sectors, noting that farmers right across the EU would feel the effects of pesticide restrictions highlighted in the Andersons report. Indeed the findings of the Andersons report would be presented in Brussels at a meeting of key opinion formers in early December.

David Caffall (AIC) added that 11 European agri-food organisations had recently joined forces to launch a 'Food for Thought' campaign, pushing for more innovation-focused policies to unlock the potential of agriculture and the food industry in the EU.

Lord Marlesford blamed inappropriate use of the "precautionary principle" as the basis for anti-innovation EU policies, while Mark Spencer pointed out the inconsistencies in not applying the same principle to the production of imported goods.

Ellie Owen (RSPB) noted that in addition to 842 million hungry people there were also 1 billion obese people in the world, suggesting the problem lay elsewhere than simply producing more food. She asked whether enough was being done to help farmers adopt alternative practices which made them less dependent on pesticides.

NvW accepted that there were important global food policy challenges of reducing waste, improving distribution and changing diets to be addressed, but with 200,000 additional mouths to feed every day, it would be irresponsible not to consider the vital contribution of modern pesticides in maintaining agricultural productivity. He said farmers were adopting alternative practices and control methods, but also pointed out that reducing the number of pesticide products available could actually lead to an increase in the amount sprayed by driving farmers to use higher volumes

of less effective products, or by increasing problems of resistance through reliance on fewer active ingredients.

DC added that a great deal of advice was available to farmers on the responsible use of pesticides, as well as alternative pest control methods, through the Campaign for the Farmed Environment, of which the RSPB was a member.

GS also noted that the foodstuffs most likely to be severely impacted by EU pesticide restrictions were precisely the fresh fruit and vegetables which obese people should be encouraged to eat more of.

Asked about the impact of losing medium-risk products, RK considered that the negative effects would be at least double, while the cumulative effect could be even greater as some sectors could potentially lose access to all crop protection tools while others would be left dependent on single products, leading to increased resistance problems. Current challenges of septoria resistance to triazoles and herbicide resistant blackgrass would become commonplace, highlighting the need for a diverse range of products to manage resistance.

There was general agreement among panellists on the need to shift public opinion on the use of pesticides as well as technology in agriculture generally, both to maintain EU-focused R&D investment in tackling challenges such as resistant blackgrass, and to prevent the export of Europe's farming industry.

NvW noted that the EU's share of global expenditure on crop protection R&D had fallen from over 30% to just 7% in recent decades as Europe's anti-science policies deterred research investment and innovation.

Lord Rooker asked about the role of the WTO in setting international standards - GS responded that double standards and hypocrisy were rife, eg importing hormone-treated meat when such products were banned in the EU.

Martin Collison pointed out that the economic impacts highlighted in the Andersons report would be even more severe in some parts of the country, eg Lincolnshire, where the food and agriculture sector accounted for 24% of jobs and 21% of economic output.

Asked whether the new European Commission presented a fresh opportunity to change the debate at EU level, NvW was not optimistic, particularly given the increasing powers of the European Parliament, although the renewed policy focus on jobs, economic growth and food security presented a strong platform to inject some sense into the debate.

Asked why farmers in other EU countries did not appear as concerned about this issue as the UK, GS suggested that in some Member States the policies of their own national Governments were even more extreme, eg France, which was in the process of banning daytime crop spraying. But GS added that the situation was not perfect in the UK, which had banned some products still permitted elsewhere in Europe, eg IPU. The issue of Defra's contribution to the European Commission's

minor uses database was raised as a further area in which the UK could support access to specialist crop protection tools.

DC noted that similar challenges applied in the UK pharmaceutical sector, which again highlighted the case for forging cross-sector alliances to push for a pro-innovation policy agenda.

GS agreed with the RSPB representative that while the UK should not seek any lowering in its own high standards, there should be a greater focus on raising competitors' standards to the same level.

Concluding the meeting, MS considered that it was a morally bankrupt position for the EU to allow imports of products which had been produced using pesticides or other treatments banned by the EU. This was an issue which Members of the All-Party Group might consider taking further with counterparts in Brussels and in other EU Member States.