

FARM TO FORK STRATEGY: CONNECTING SUSTAINABILITY AND SECURITY OF SUPPLY

INTERVIEW

"The Farm to Fork Strategy is turning the EU into a net importer of grain"

Ludwig Striewe

OUTSIDE VIEW

Only sustainable agriculture can ensure supplying a growing world population over the long term

Prof. Dr. Stephan
v. Cramon-Taubadel

REVIEW

Farm to Fork Discussion: Increasing Sustainability and Securing Supply

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Study: Impacts of the F2F-Strategy on the agricultural economy in the EU | Sources of growth in agricultural production | Global grain production and consumption

Editorial

Dear readers,

It has been almost three years since the president of the European Commission, Ursula von der Leyen, presented the European Green Deal that commits the EU to becoming climate-neutral by 2050. This was followed by a great number of regulations and directives to implement the goals of the Green Deal, which are without a doubt important and appropriate. For the agricultural and food sector, these goals are the 2030 Biodiversity Strategy and the Farm to Fork (F2F) Strategy. They provided us for the first time with a more concrete understanding of how the overarching objectives of climate neutrality, improved soil fertility, biodiversity and other objectives are to be achieved. Basically, through restrictions related to production technology, such as reducing the use of mineral fertilisers by 20%, reducing the use of pesticides by 50% and expanding organic farming to at least 25%.

In the scope of a study commissioned by the Grain Club together with other agricultural associations, it has become clear that the Farm to Fork and Biodiversity strategies will go hand in hand with a strong decline in grain and

beef production. This in turn will lead to a reversal of the EU's net export position into a net import position. The EU's level of self-sufficiency will thus decrease, hindering at least one of the goals of the Green Deal: namely food security. The terrible historical rupture and the frequently quoted paradigm shift in Germany's foreign and security policy as a consequence of Russia's war of aggression against Ukraine are currently showing that food production in fact cannot simply be covered by other countries. The grain balances are extremely tight, such that supplying the world with grain depends on stable production conditions and functioning supply chains.

The sum total of the corona pandemic and the events of war has long since developed into a genuine logistics crisis and thus into a serious disruption of these very supply chains. Grain exports from the Ukraine are still proceeding at an overly slow pace. After Russia's partial mobilisation and the Russian government's announcements, everyone involved would be well advised to secure and increase grain exports from Ukraine by land. Traffic congestions

and long waiting times are hampering an efficient export by truck and rail—it is urgent that this be improved in the short term.

To put it plainly in conclusion: claiming that the current crises may not lead to reconsidering the EU's agricultural policies is unrealistic. Let me repeat: **We agree with the goals of the Green Deal without compromise. But the measures that will get us there urgently need to be reconsidered!**



Martin Courbier, managing director
DER AGRARHANDEL – BVA and
VdG for the Grain Club

A conversation with Ludwig Striewe: "The Farm to Fork Strategy is turning the EU into a net importer of grain"

Mr Striewe, you are the managing director of BAT Agrar, a large private agricultural trade company, where you are responsible for the grain trade. What are the effects of the F2F strategy on the grain sector?

It has significant effects. All existing studies assume a tangible decline in production and a substantial price increase. In addition, the EU will no longer export grain and be able to be self-sufficient, but will instead be dependent on imports. This would be a dramatic development for both the agricultural markets and countries relying on imports.

What is your prognosis based on?

Our company is an active member of DER AGRARHANDEL association, which in turn is part of the Grain Club alliance of associations. We were interested in finding out what the F2F strategy means for our industry, which is why the Grain Club commissioned a study at the Christian Albrecht University's Institute for Agricultural Economics in Kiel to simulate the effects of the F2F strategy on production, trade, revenues and the environment. This simulation study analyses the different measures, such as a 20% reduction in fertiliser use, 50% reduction in the use of pesticides, 50% reduction in the nitrogen balance surplus, a minimum of 10% in priority areas for ecological purposes and at least 25% of agricultural land dedicated to organic farming. Implementing the measures will result in these effects.

What effects does the study show specifically?

Unfortunately, a decline of more than 20% in the EU's grain production must be expected. This means we will be 50 to 60 million tonnes of grain short. Even if consumption within the EU were to decrease due to the ongoing decline in meat and dairy production, the EU would no longer be self-sufficient. Many observers believed until recently that the Black Sea region would be able to close that gap. This analysis was already wrong even before Russia's terrible war of aggression against Ukraine, because the prices had reached an all-time high in November 2021, even before the war began. We therefore assume

that in the short and medium term there is no alternative source for the grain the EU will be lacking due to the measures under the Farm to Fork strategy. I would not want to imagine what could happen to global market prices once the EU is no longer one of the large exporters in the global market but may even need to import grain.

What do you expect from political decision makers?

Political decision makers must finally acknowledge the existing conflict of interest. Climate action and the protection of water bodies and biodiversity are core responsibilities of the EU and humankind as such. Without implementing them, we will not be able to live on planet Earth with 10 billion people. But we cannot and must not give reaching these goals priority over food security: without sufficient food we would not survive either. It would therefore be the task of policy to specify how we can produce high-quality and affordable food in sufficient quantities in an economically viable and climate-friendly manner. We must start first with the consumers, because with their behaviour they determine the type of foodstuffs that are in demand, how much is produced and in what way.

Why do you assess the role of consumers as so significant?

Consumers' influence is decisive due to their buying behaviour. At the same time, however, it is clear that the consumers cannot keep in perspective how their consumer baskets influence, for example, greenhouse gas emissions or biodiversity. This is why science-based, easily communicated information about foodstuffs is needed. We know from many studies that we need to intensify food production in favourable locations, rather than a blanket extensification. This will create the scope to designate areas of great ecological value as nature reserves.

Will the strategy ultimately mitigate climate change?

Our study was able to demonstrate that for greenhouse gas emissions the net impact on the global balance is almost zero. The emissions would indeed



Ludwig Striewe, managing director, BAT Agrar

decrease significantly in the EU, but the need for land would increase tremendously, meaning we would need to cut down forests. And if we then factor in higher production emissions in non-EU countries, this will completely exhaust the savings. The effects are considerably better in terms of other ecosystem services.

What are your demands for a better strategy?

Firstly, the conflict of interest needs to be addressed. Climate, biodiversity and water protection is important. But so is food security. Secondly, there needs to be a ban on relocating production. **The EU must continue to be an exporter of those products for which it has an economic and ecological advantage.** Thirdly, food production in the EU must remain competitive. For this to happen, farmers need to have access to the same technologies their counterparts in other regions of the world have. This is why so many renowned researchers call for an intensification of production at favourable locations and access to all technologies, especially to new plant-breeding techniques and crop protection. Only then will we have the scope to designate nature reserves.

Only sustainable agriculture can ensure supplying a growing world population over the long term

The escalation of the Russia-Ukraine war since 24 February 2022 has increased the uncertainties in the already strained agricultural markets even further. At least in the short and medium term, we need to assume that the Black Sea region as a granary will contribute less and less reliably to global food supply than expected before Russia's attack. This is a disastrous prospect against the backdrop of the number of people affected by famine across the globe, which has been on the rise again since 2018.

It is often claimed that global famine is primarily a problem of distribution. This is only true in purely arithmetic terms; referring to re-distribution is of little help to people starving when not accompanied by pertinent implementable measures. A reduction in the consumption of meat has been proposed, for example, as a particularly effective measure. About 40% of global agricultural land is used to produce animal feed; if the demand for feed were to go down, some of this land could be used for human foodstuffs. But meat consumption in the EU is declining anyway because of the recent hike in prices. In addition, it is intended to implement further measures to restrain meat consumption in the EU.

Globally speaking, however, it is likely that the per-capita demand for meat will increase in the future. At a global scale, the average per-capita meat consumption per year (ca. 40 kg) is only half that in the EU (ca. 80 kg), and the EU does not have any instrument available to influence the expected increase in the demand for meat, particularly in many countries of the Global South, in any meaningful way. Lower meat consumption in industrial countries would considerably relieve the global food system, but the system will nonetheless have to produce more in the future.

This is why in the future innovation and increased productivity will play the most important role in global food systems. An increase in productivity means increasing the output-input ratio. External effects such as the loss of biodiversity and greenhouse gas emissions need to be taken into account as well when measuring productivity.

Against this backdrop, the European Commission's Farm to Fork (F2F) strategy has both positive and negative facets. Positive aspects include measures aiming to promote research and innovation in the agricultural sector and digitalisation in rural areas. The following statement is commendable: "New innovative techniques, including biotechnology and the development of bio-based products, may play a role in increasing sustainability [...]. They can also accelerate the process of reducing dependency on pesticides."¹

The goals announced in the F2F strategy of increasing the EU's share of agricultural land under organic farming to 25% by 2030 and reducing the use of chemical pesticides by 50% are less effective. On the one hand, it is unclear how to achieve these ambitious goals by 2030, which is just seven years away. On the other, a number of studies show that attaining these goals would provoke international leakage effects.² More organic farming and reduced use of pesticides would result in a decline of production in the EU. In other countries, this in turn would lead to price increases and enhanced production incentives while global demand continues to rise. In the case of local environmental goods such as insect biodiversity, these measures would thus lead to a spatial shift in adverse effects; in the case of climate action as an environmental good, the global net effect could even turn out to be negative if greenhouse gas emissions rise at a greater extent outside the EU than they are reduced in the EU.



Prof. Dr. Stephan v. Cramon-Taubadel,
Department of Agricultural Economics and
Rural Development, University of Göttingen

Criticising some of the F2F measures is not the same as encouraging "business as usual" in agricultural policies. **Only sustainable agriculture can ensure supplying a growing world population over the long term.** Agriculture in the EU is a contributing cause of enormous environmental damages, which urgently need to be reduced. The industry is facing huge and urgent adaptations, which need to be shaped in Brussels while taking into account global interdependencies and in a dialogue with all the players involved.

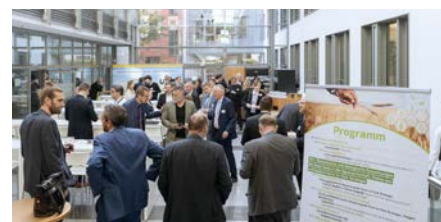
¹ European Commission (2020): A Farm to Fork Strategy - for a fair, healthy and environmentally-friendly food system COM(2020) 381 final. bit.ly/3XgXXsD

² f.ex. Joint Research Centre (2021): Modelling environmental and climate ambition in the agricultural sector with the CAPRI model. bit.ly/3h19Weg; Bremmer et al. (2021): Impact Assessment of EC 2030 Green Deal Targets for Sustainable Crop Production. bit.ly/3VI5Bva; Henning et al. (2021): Economic and Environmental impacts of the Green Deal on the Agricultural Economy: A Simulation Study of the Impact of the F2F-Strategy on Production, Trade, Welfare and the Environment based on the CAPRI-Model. Kiel. bit.ly/3JlyQYZ (Executive Summary)

Farm to Fork Discussion: Increasing Sustainability and Securing Supply



240 guests attended in person and online.



The "Farm to Fork Discussion: Increasing Sustainability and Securing Supply" took place on 20 October 2022 in Berlin and was streamed live. It was organised by the Grain Club alliance of associations together with other German and European agricultural and food industry associations. The panellists included representatives from the German Bundestag and the European Commission, as well as from the environmental protection organisation WWF, science and the business sector. Representatives from the fields of politics, embassies, non-governmental organisations, research, academia, media, companies and associations were among the 240 guests and livestream viewers from Germany and around the world.

The debate focused on the joint efforts by all players to achieve the sustainability goals of the EU Commission's F2F strategy while preventing a decline in production and yield losses. It was important to the agricultural industry to convey to political decision makers and the society that, firstly, our sector is willing to implement changes towards greater sustainability and that practical applications are already at hand. Secondly, increasing efficiency by means of innovations and technological progress such as digitalisation and precise application technology constitutes a real alternative to the Green Deal's sweeping reduction targets in, for example, the use of

Live survey among the participants:

What should policy makers focus on to achieve the sustainability goals of the Farm to Fork Strategy?



Rigorous implementation of the measures: 14 %



Adapting measures: 86 %

pesticides. The potential of methods such as area-specific fertilisation, robotics and new plant-breeding techniques were discussed. There was a broad consensus that more incentives needed to be created for farmers, the economy and the indus-

try sector to develop and apply new technologies in implementing the F2F strategy.



"We really need to jointly improve and optimise the entire package of measures in order to align sustainability with supply."

Prof. Dr. Stephan v. Cramon-Taubadel,
University of Göttingen



"We need to bridge the gap between digital technology that is out there and the farmers so they feel confident and supported in moving to use it."

Claire Bury, DG SANTE



"We simply must come together in support of science based data driven decision making."

Kimberly Sawatzki, US Embassy



"Our members are working on innovation in the fields of new active ingredients, risk mitigation, digital technology to contribute to reducing emissions."

Dr. Jörg Müller,
Agricultural Industry Association



"Online methods such as the Smart Sprayer, which uses a camera to directly detect weeds, enable a reduction in pesticides by about two thirds."

Frank Gemmer,
Agricultural Industry Association



"We need measures that we can actually implement, that are pragmatic."

Björn Meyer, Grofor – German Association of Wholesale Traders in Oils, Fats and Oil Raw Materials / Grain Club



"The agricultural industry is ready for changes and is showing it with very concrete examples."

Franz-Josef Holzenkamp, German Raiffeisen Association / Grain Club



"The CRISPR/Cas gene scissors are an innovation creating unbelievable possibilities."

Carina Konrad, Member of the German Bundestag (FDP)



"Area-specific fertilisation radically reduces nitrate leaching in most soil conditions. Using this technology will enable yield optimisation in "red" areas even with a lower dosage of fertilisers."

Jörg Migende, BayWa AG



"Environmental measures in agriculture need to fulfil three criteria: they need to be easy for farmers to implement, they need to be visibly linked to an added value for consumers, and they need to be part of the pricing."

Detlef Kurreck, German Farmers' Federation (DBV); Union for the Promotion of Oil and Protein Plants



Video recording of the discussion:

bit.ly/3GhTMXW

Video summary (16 Min.):

bit.ly/304vbrL

Video summary (2 Min.):

bit.ly/3UNTEUi

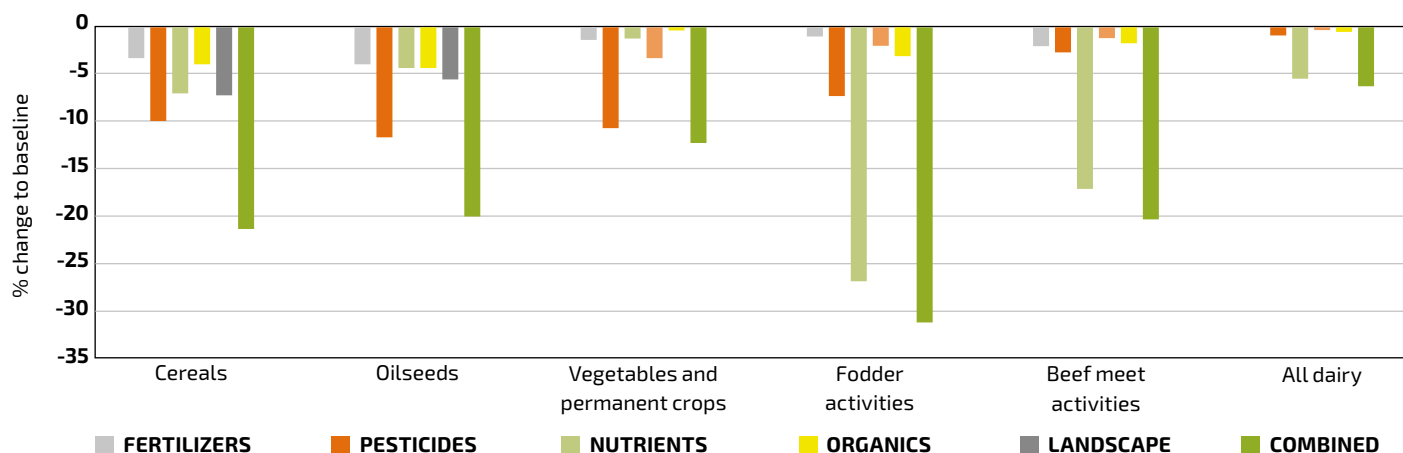
Review (DE) and more photos:

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Review (EN):

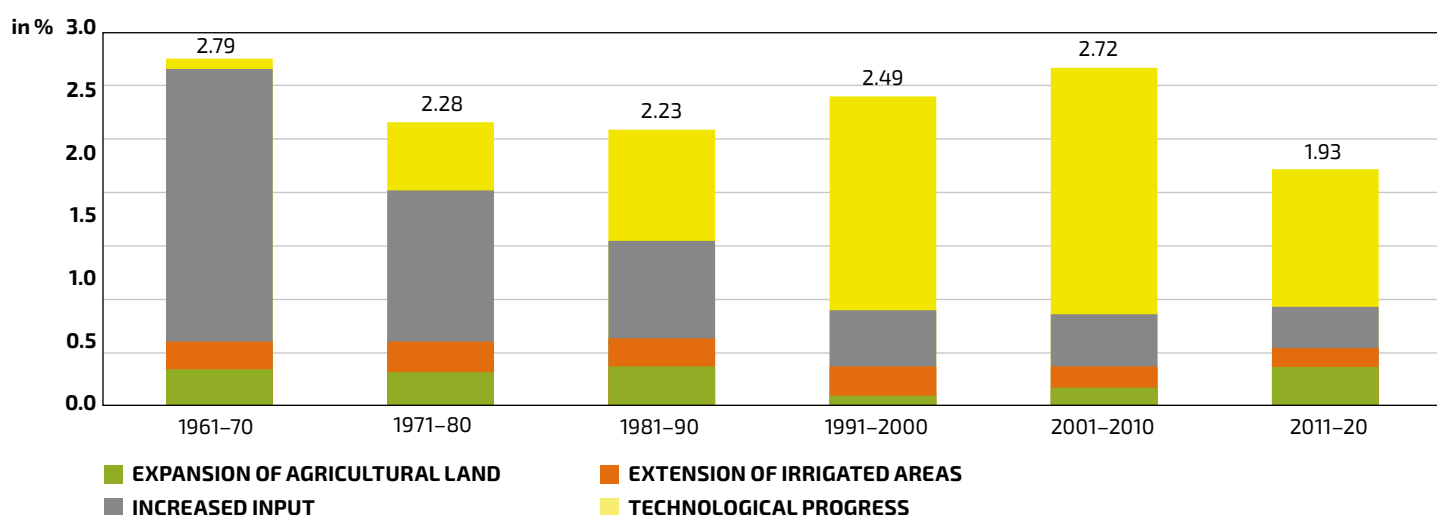
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Changes in the production volumes of crop and animal products in the EU as a consequence of fully implementing the F2F strategy



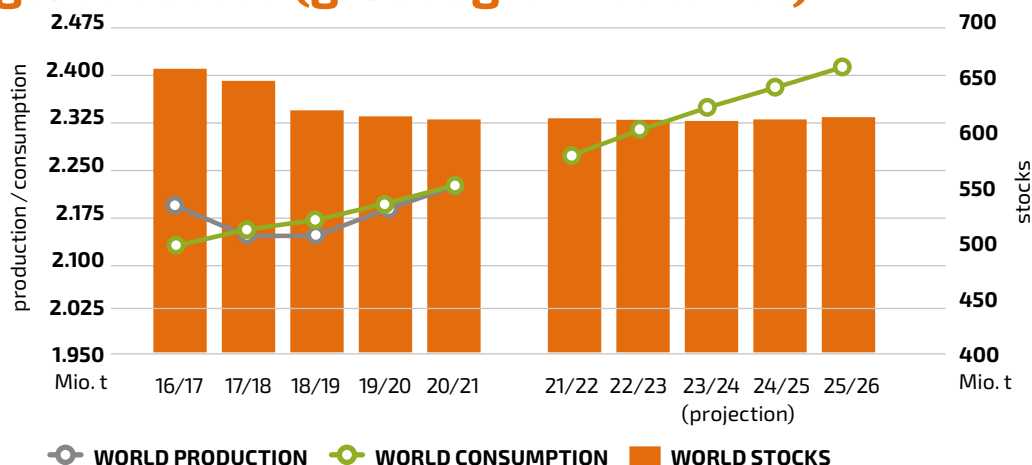
Source: Henning et al. (2021): Economic and environmental impacts of the Green Deal on the agricultural economy. A simulation study of the impact of the F2F strategy on production, trade, welfare and the environment based on the CAPRI model. Kiel. bit.ly/3VtyAmy

Sources of growth in agricultural production



Source: USDA Economic Research Service (2022). bit.ly/3B44X3f

Production and consumption of grain at a global scale (global grain balance)



Source: International Grains Council (2021): Five-year baseline projections of supply and demand. bit.ly/3UBKMk2

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Grain Club Office
c/o OVID Association of the Oilseed
Crushing and Oil Refining Industry in
Germany
Am Weidendamm 1 A
D-10117 Berlin

Dr. Illya Kolba
Phone: +49 30 726259-31
E-Mail: info@grainclub.de
[Twitter.com/grainclub](https://twitter.com/grainclub)

www.grain-club.de