

EUROCROP conference summary

(extract from the EUROCROP final report)

Conference programme

9:30 – 9:40 Welcome by Mr Martin WESTLAKE, General Secretary of EESC

9:40 – 9:55 Opening address by Mr Anastassios HANIOTIS, DG Agriculture, Directorate L: Economic analysis, perspectives and evaluations: Vision of the Commission on the EU Arable crops and agriculture worldwide stakes.

9:55 – 10:35 EuroCrop scenarios and priority challenges for arable crops, by Mr Etienne PILORGÉ, EuroCrop coordinator, CETIOM, France

10:55 – 11:25 How research will meet challenges: conclusions of scientific experts groups, by Mr Davide VIAGGI, WP3 coordinator, DEIAGRA, Alma Mater university of Bologna, Italy

11:25 – 11:45 Vision from European crop chains specific challenges and needs, by Mr Ryszard KOZŁOWSKI, WP2 coordinator, Institute of Natural Fibres, Poznan, Poland

11:45 – 12:25 Debates and questions of the participants

14:00 – 15:30 Round table discussion with stakeholders.

Moderator: Mr Xavier BEULIN, chairman of the EuroCrop project, President of the French Oil and Protein Seeds farmers, President of CETIOM, with participation of:

- Mrs Anamarija SLABE, Vice-President of European Environmental Bureau (EEB), Institute for Sustainable Development, Slovenia

- Mr József KAPUVARI, President of Trade Union Federation of Food Industry Workers (EDOSZ), Hungary, member of EESC

- M. Povilas KUPRYS, Brussels Representative of the Association of Local Authorities in Lithuania (ALAL), member of EESC NAT

- Mr Henri RIEUX, President of FEDIOL, the EU Oil and Protein meal Industry

- Mr Klaus SCHUMACHER, member of the COCERAL presidium, Head of the Economics Department in Toepfer International, Germany

- Mr Paul TEMPLE, member of COPA-COGECA, President of the British National Farmers Union

15:30 – 15:55 Synthesis lecture: arable crops sector in the EU economy and research challenges, by Mr Henri NALLET, former French Minister of Agriculture

15:55 – 16:15 Conclusion session: agriculture and arable crops in the European Research Area, by Mr Timothy Hall, DG Research, head of Directorate E, Biotechnologies, agriculture, food

16:30 - 17:30 End of the conference

The EUROCROP conference issues

The EUROCROP conference has been organised in collaboration with the European Economic and Social Committee, and was held in Brussels on 17th October, 2008. It gathered stakeholders of the AC crops sector and actors of the crop chains in a public debate around the outputs of the project. This chapter intends giving the key ideas emerging from the debates.

The conference programme is given in annex 6

The questions and remarks after the presentation of the project results and the debates during the round table turned around several issues and are summarized hereunder. Our comments are given in italics characters.

The food crisis and the future trends in world demand, prices volatility and production costs.

The EUROCROP thinking process has been achieved before the 2008 food crisis really developed and prices rose up to exceptional levels before getting down again to rather low levels. The future trends in prices and prices volatility were examined during the conference.

According to Mr Schumacher, from COCERAL, and Mr Rieu from FEDHIOL, the trade and industry sectors clearly expects a period of very high prices in the long term perspective, specially in grains markets, since the general trend in demand for food, feed and fuel is a continuous increase over the next 20 years, according to OECD and FAO. The supply and demand situation has been and will be the key driver on prices levels and volatility, speculation playing as an amplifier on short term only, when outside actors see opportunities to bargain too, but has no effect on long term tendencies. New elements will also increase price volatility, notably the heavy link between the agricultural commodities prices and the mineral oil prices, because of bioenergy demand. This link became very obvious with the higher objectives of biofuels incorporation in EU fuels . Furthermore, Mr Rieu recalled that prices variations could be stronger and more abrupt, in a context of low stocks, sensible to climate events.

Nevertheless, the role of speculation, hedge funds and index funds, has to be examined and these funds should be submitted to the same rules that the classical economic actors have to follow. One of the instruments to limit volatility would be to give commodities exchanges back the role they had in the past and limit the influence of hedge funds (keeping in mind that speculation brings liquidity, which is needed)

Another way would consist in developing stronger relationship among the different actors along the food and feed chains, through contracts, improved market knowledge along the chains and increased partnership.

For Mr Beulin, risks management and crises management are key concerns for farmers.

These elements globally agree on the EUROCROP scenarios hypotheses, which considered prices of food commodities to be high to very high in future, with increase volatility.

The internal relations between the actors of the crop chains appear as a factor that could help in controlling prices volatility adverse effects (through more contracts

between production and transformation. This idea, which could refer to EUROCCROP challenge 5.1, was not really developed in the debates)

About the role of Europe in the production of agricultural goods

In the perspective of the growing international demand for agricultural products in the coming years (up to 60-70% more than the present situation), Mr Schumacher, speaking for the trade sector, warned the floor about the role Europe has to play in the production of agricultural goods: it would be a mistake if Europe just concentrate its activities and its way of thinking on the EU market, going on with self centred policies approaches. It is regrettable that Europe does not completely acknowledge the role that EU farming and EU agricultural sector would have to play as a major supplier of commodities and food supplies to the world market. The policy issue is the role of EU in the worldwide food policy.

For Mr Schumacher, it would be a mistake if research activities would concentrate on how to improve the perceived value and the perceived interest of European consumer only, and be based on perceived wishes of consumers on how farming and agriculture should look like. The research has a key role to play in increasing the efficiency of farming, and contribute to productivity and quality gains in a sustainable way, and not only in the EU but worldwide.

Mrs Anamarija Slabe, speaking for Environmental organisations, noted that if there is raising demands of commodities on the world market, natural resources are limited and even scarcer, and induce severe limiting factors. On this basis, the EU production should feed primarily the European market in a self sufficiency perspective, and the priority should be given to the development of a sustainable model rather than to the world market.

Mr Rieu, as representative of processing industries, underlined that the first priority for industries is to have at one's disposal a local production quantity, with quality and safety, to meet the European consumers' needs. The food safety is also a priority for industries, and consumers will certainly put pressure on pesticides residues in food.

Mr Temple, as farmers' representative, underlined the fact that, the supports being decoupled from the production, farmers have to live increasingly on the marketplace, but to maintain and increase their competitiveness, the regulation frameworks must remain coherent with this objective. A first example was taken of new pesticides regulations which could cause real problems to the European farmers' competitiveness. The second example was the situation of GMO where Europe imports huge amounts of protein material, whose majority is GMO, consumers being poorly informed.

These discussions make appear the difficulty in choosing between C1 economic competitiveness and C2 sustainability. In fact, all speakers accept the fact that economic competitiveness cannot be obtained at the expense of sustainability, and the real challenge lies in combining these objectives. On a second level, the identification of research priorities aiming to increase the efficiency of AC systems should consider also potential valorisations outside Europe and contribute to world food supply.

Arable crops and society

The case of GMOs

As mentioned by Mr Haniotis, from DG Agri, in his introductory presentation, it seems that the specificity of the European market is being driven predominantly by demand when in the USA, the market is driven by the offer.

In the vision of economic stakeholders, Europe needs to continue to have very efficient farming and agricultural systems, and to acknowledge that all available technologies are used and contribute to efficiency and productivity gains, provided that agricultural production is achieved in a sustainable way and that environment and quality are respected.

Mrs Slabe pointed out it should be kept in mind that GMO technologies are only one of the fields of innovation, and that other possibilities exist with quick and cheap results.

From the food industries point of view, innovation to improve the nutritional quality and safety of arable crops products is very important, and biotechnologies could contribute to this result. A new debate is needed on GMOs, and consumers must be informed and must be given advantages: when the consumer finds his direct interest, it will be possible again to develop research in biotechnologies.

Mr Kuprys, from the consumers representative point of view, seen from Lithuania situation and wider, more and more people in Europe do not believe that GMO is part of their future, and give their preference to “ecologically grown” crops, but would probably accept GMO as an alternative in case of crisis.

GMOs and biotechnologies (which have to be considered separately) could contribute to efficiency, productivity and quality gains. They constitute only a field of innovation among others, and their advantages and disadvantages have to be assessed (as for any innovation). Communication towards consumers could contribute to finding the conditions of a renewed debate on GMO on less impassioned bases.

Consumers aspects

Mr Kuprys said consumers will face several other challenges:

- The traceability of crops products: it was observed that the information was very precise in the case of wine, and very poor in the case of arable crops products: the consumer must know the origin of the products he buys, the processing place, packaging place...
- the moral aspects of choice between uses for food and feed versus biofuels: the many hesitations in communication and policies does not offer a clear perspective to allow consumers to choose “in the right way”,
- the impacts of consumers choices: on economic situation of farmers, on products quality evolution, on land abandonment, on environment...with the specific aspect of the geographical distance between production and consumption places.

Ultimately, consumers’ behaviour leads the other actors’ strategies. It is the case on quality and GMOs aspects. For Mr Rieu, consumers want quality, and price and traceability, but are not ready to pay for that. It will be necessary to find solutions to meet all these needs and reach again consumers’ confidence, which requires playing on quality, price and information.

For Mrs Ribera, from COPA-COGECA, the positive perception of AC by public opinion is a key issue: it would need to explain to people why science and research are important for the agriculture in Europe, and try to rebuild the link with consumers. The same observation was made by Mr Temple: are farmers responsible for environmental impacts? The consumers' behaviour and choices are determining on environmental impacts of agriculture too.

It must be pointed out that all these aspects have relations with information towards the consumer about the products and crop chains: production, transformation and trade processes. In a certain way, information to consumers and "rebuilding the links with consumers" through a two ways interaction could appear as conditions of future sustainability. Several EUROCCROP challenges relate to consumers' perception and information.

Science and knowledge dissemination and use

Mr Chevalier, member of EUROCCROP PADCO for consumers' organisations, observed that the use of research results, and more generally the quality and existence of a dialogue with research depends on extension of knowledge, not only towards the crop chains but also towards the citizens and consumers. The ideological debate on GMO finds its origin in the lack of knowledge, of direct exchange and common debate between research, consumers and professionals of agriculture. Due to the absence of progress in this field, this kind of situation risks to develop again on new cases, for example applications of nano-technologies in packaging. The perception of research and technology by the public opinion is at present very negative. Mr Beulin observed that the fact to register patents on life (mostly by private companies) deeply modified the relation to research, and this dimension must be integrated in the reflection about science, agriculture and society.

Mr Chevalier insisted on the need for extensive interactions between the professional world (upstream of industries) and consumers to develop exchanges on subjects which will become tomorrow matter of public debate. It should turn around maintaining the European quality and food safety and security which makes the rest of the world jealous. It seems fundamental to make understand why science and technology are fundamental for the European agriculture, to develop a better perception of arable crops production systems.

Mr Temple, representative of farmers, insisted on the disastrous effect of anti-science messages for European research and development capacity and future competitiveness, discouraging young people from entering into the field of science and coming into farming research. When the main need for remaining competitive is about being efficient and having precision farming, based on research and technologies. Farmers are very conscious of the role of research and development for a competitive agriculture and of the importance to open a debate on the role of science in farming, food production and maintenance of the environment.

Funding research and driving research

The message from Mr Kapuvári (EESC) recalled that agricultural research is a constant preoccupation of the European Economic and Social Committee, and reported several opinions about agriculture, the most recent one being on climate change and agriculture. He reported that beyond the need to develop the competitiveness of the Community agriculture, the research projects relating to food,

agriculture, fisheries, farming and rural development taken together count for only around 3,5% of the budget of the Framework Programmes (3,8% for FP7)

Mr Fons Werrij, representing research sector in the EUROCCROP PADCO, said that 50 years ago, the agricultural production was considered as a public good and funding agricultural research for productivity was a priority. It is not the case presently and it will not be anymore. The question is “how to make the research institutions interested again in agricultural research. The AC sector, as any other industry has a role to play by itself and must take initiative.

D. Viaggi observed that agriculture has its own specificities compared to “other industries”: notably the number of private farmers, which prevents the sector to behave like a firm. The collaboration between research and agriculture needs a better understanding, which is not easy due to the number of stakeholders: it could be a subject for research in itself, but this aspect was not in EUROCCROP focus.

Fons Werrij explained that the Agrimapping programme has shown that Europe has all the needed scientific expertise to answer the needs, but the problem apparently leads in the functioning of Research and development for at least two reasons:

- insufficient funding, probably not the major reason,
- there is no demand for this knowledge and no initiative. The demand for research is not sufficiently and clearly expressed

The agricultural R&D system in Europe rests on two pillars: agricultural universities and faculties on one side, research institutes on the other side. The Universities are in good conditions, but looking for scientific excellence and innovation in scientific disciplines, and are not driven by the sector. The second pillar, the institutes, is fading out at EU level, with decreasing budgets, and not integrated into the agricultural sector anymore. The real problem being that the ministries and governments which used to finance them changed their policies from supporting farming community to developing and underpinning their policies: institutes are no longer helping farmers to produce, but explain the social, environmental and economic constraints they have. The matter now is: to who send the messages elaborated in EUROCCROP?

Paul Temple, as farmers’ representative, agreed that there is not such an effort on food production as for environmental aspects, and it should be a signal to send out. A challenge is to drag research back on areas that translate into applied uses.

Henri Nallet observed that, Universities and research institutes having withdrawn to fundamental research, the present situation is difficult, and the matter is not to try to get back to the previous situation, but to invent new ways to associate research to the problems that agriculture is facing not only in Europe, but at world scale.

Concerning the governance of science, it was considered that science is largely self-governing and that recovering a party of esteem for the scientists who deliver applied and “blue skies” research largely depends on the scientific community itself.

Davide Viaggi stressed on the fact that, having focussed to other policy driven issues for 20 years (such as public policies, environmental concerns, perception of consumers...), research teams virtually lack people specialized in production agriculture, and cannot expect to respond as a scientific community in one year to the lack of expertise missed in 20 years.

These debates lead to identify a specific challenge for agricultural professional organisations and crops chains, which was not identified in EUROCCROP works, which more focussed on scientific and technical issues. Furthermore, EUROCCROP project itself was built to organise a dialogue between crop chains actors and

researchers. But a specific challenge could be expressed as: **“involving research in arable crops: building a new relationship with scientific institutions and research”**, to associate research to the multiple stakes agriculture and arable crops are facing.

The importance of human factor (availability of both skills and motivation) for the possibility to mobilize research would plead for a special involvement of higher education and research institutions.

Research and transfer

But a difficulty comes also from the disengagement in R&D facilities that can contribute to transfer: as mentioned by Mr Temple, many demonstration farms in UK have been closed. It is important to send the signal to reverse this trend to allow information coming from research to be transferred into the farming area. Stable government facilities which are not risk averse are needed, to test innovations, such as GMO typically.

New efforts on extension of research results, involving researchers and farmers, have to be undertaken too. Recent examples were very successful in UK, on the blue tongue disease case, and demonstrate the interest of such contacts to explain science and disseminate.

These considerations are somehow out of the field of investigation of EUROCCROP, in the sense they concern the organisation and the lack of facilities for applied research and transfer in agriculture in some countries. Many debates turned around the transfer process itself (motivating researchers, involving farmers, dissemination from farmers to farmers...), which is both a field of research and a field of action. This aspect, which is not specific to arable crops, was mentioned but not really treated in EUROCCROP. Nevertheless, the actors are very conscious of its importance.

EUROCCROP working process and results

The time limit of EUROCCROP, driven by the CAP reform timing has been considered to be rather short span (2015 / 7years) for setting up priorities for agricultural research. A similar idea has been expressed under a different angle, saying that on one hand EUROCCROP identified the tremendous challenges lying ahead in research, but that on the other hand the attention has been captured into the agriculture funding policies: advice was given to get rid of those aspects and face the challenges EU has to face on a worldwide scale.

Nevertheless, Mr Fons Werrij pointed out that the identified challenges do not really differ from those identified 15 years ago, even if new disciplines, such as genomics are now involved. This point is not an inconvenient but confirms a certain stability of research needs for agriculture. The fact to know (and confirm) these basic “back office” needs and priorities must be considered as a strength.

Concerning the EUROCCROP group, Mr Chevalier observed that representatives of supermarket distribution were missing in the EUROCCROP stakeholders panel, whose interests differ from transformers’ and consumers’.

Considering the scenarios, several participants mentioned a preference or an interest to specific scenarios (notably 3 and 4), but all agree that the future will be a mixture of the ideas raised in these scenarios. This judgement fits very well the role given to the scenarios in EUROCCROP thinking process (see chapter 5.1)

The representative of Environment pointed out the differences of EUROCCROP thinking compared to the Organics Technology Platform (wider approach more strongly related to social issues and rural development, focus to complex agro-ecosystems including crops and animal productions...), but nevertheless identified several fields of synergies between the recommendations of Organics and EUROCCROP, especially:

- subjects related to cycling of nutrients in agriculture
- topics dealing with sustainability and environment
- soil compaction and innovation in machinery
- valorisation of organic agriculture experience for integrated crop protection
- biodiversity, with the specific question of keeping the advantages of set-aside on biodiversity, in spite of the abandonment of set-aside.

Mr Murphy insisted on the fact that progressing towards users demand led research is a challenge, and turning various demands into coherent research investments as well.

The interest and the coherence of the EUROCCROP results in this regard have been recognized, their strength being reinforced by its original methodology.

Mr Timothy Hall, head of Directorate E, Biotechnologies, Agriculture and Food in DG Research mentioned that the very large consultation process which was used leads to a high added value to the reliability of the conclusion of EUROCCROP, and that these issues would be another element to add to the priority setting process for the 4 coming years. He notice that these conclusions are very complementary to the SRA of technology platforms, which are primarily industry based.

Mr Henri Nallet, former Minister of Agriculture in France, gave his analysis of the whole debate. He noticed that the assembly was able to build a kind of agreement on common points of view, in spite of different experiences and nationalities, better than politicians. Recalling the CAP historical phases, Mr Nallet observed that the first period, in the '60ies, was aiming at a single objective: increase all agricultural productions. The second phase in the '80ies was aiming to controle the offer of products because of a structural overproduction. The main objective of the 3rd phase in the '90ies was to deregulate the agriculture under the pressure of GATT and then WTO. In each period, there was one major constraint organizing everything. The things are much more complex now: the EUROCCROP works and conference pointed out at least five constraints which must be considered simultaneously:

- the European agriculture has to remain competitive, for its consumers and towards the outside
- the European agriculture has to remain competitive with increasing quality standards
- it has to ensure the food security. This point is a result of the recent food crisis.

- the relation between agriculture and environment will be a key subject in the PAC negotiations
- The amplitude of the volatility is a threat for agriculture, which needs stability and visibility to run and invest.

At the difference of the previous periods, all these constraints are present simultaneously and must be answered simultaneously. It is not possible to partition: there is not, on one side, an agriculture devoted to commodities, which could be productive and competitive whatever the consequences, and at the opposite, an organic agriculture, with controlled origins and small markets. The whole European agriculture must be concerned by this set of constraints, by quality, economic competitiveness, environment, stability...

The original point of this conference is that the specialists of Arable Crops said that. It is the reason why, for the coming debates on CAP, a framework is needed to think the European agriculture, the question being not simply "what should be European agriculture," but "what should be European agriculture in relation to the rest of the world?" Europe is in good conditions to make converging its capacities, its knowledge and its agricultural power. These works and conference have shown that what is necessary to do is known, but it is necessary to focus again the choices: what are the major subjects where progress is needed?

About the status of research in the society, the debate is probably not on private versus public research, but on the suspicion of the society regarding science. It is necessary to wonder how to get the interest of the civil society in debates on science advances in a less impassioned way.

Concerning research and transfer aspects, the organisational model totally changed; better than saying that the State withdrawn, it is necessary to tell it what is needed - and the Commission has certainly a great role to play in helping to organise a common scientific basis, in organizing networks - and open this work that has been begun with EUROCCROP.

In a conclusion speech, Mr Timothy Hall said that the recognition of the extreme diversity of the agriculture and farming systems in Europe is extremely important: the more conventional approach, the other extreme going towards the low input and organic, with a broad range of ages of farmers and an enormous range of regional conditions, broader because Europe includes now 27 countries. Each of these has different research agendas. On top of that, the demand on agriculture is becoming much more multifunctional and the need to accommodate also on the longer term, alternative crops (other crops than traditional ones), has to be added. The development of crops to feed industries, raw materials for the chemical industries in particular, which is a very small part of the agricultural production at the moment, will increase the competitive use of land in the coming years quite substantially, especially as will supplies start to become scarcer. Then, climate change is a very important issue which more or less governs everything to adapt agriculture to various changes in conditions. Specific working groups have been initiated by the Member States and the Commission on these issues. Research has to respond all these needs and try to anticipate.

Mr Hall recalled the diversity of the ERA mechanisms, and the thematic links of EUROCCROP issues with other on going projects and platforms. He gave an optimistic touch to the end of the conference, remembering that a recent debate in the Agricultural Council on looking at research issues in the context of climate change. In a June Council of Ministers, there was in the Presidency conclusion the

clear statement that research on increasing agricultural production should take place particularly in the context of energy prices and climate change. So it was clearly stated that there was an interest in increasing agricultural production. Again in July, Ministers met in an informal competitiveness council, and among the 4 topics which were debated in a round table configuration, agriculture and food, with water, was one of these 4 topics; the other were energy and health, and new technologies. Agriculture and related issues were dealt with at quite a high level in those meetings. But messages have still to be enforced concerning the rural debate and macro economic issues.

Considering these debates:

The relations between agriculture/Arable crops and society have been discussed under several angles (perception of science and technology in agriculture, traceability, ethical aspects of consumers' choices...), which converge to reinforce the importance of the EUROCRIP challenge 5.6 "Achieving a positive public perception of arable crops systems" and actions (research or other) aiming at developing interactions between professionals and consumers/citizens. This would need to develop a specific topic.

Many debates turned around risk management aspects, several speakers mentioning that higher priority should be given to this subject. It could be not only a matter of research but of policies and regulations too. The EUROCRIP topic 1.15/2.8 "Risk management of arable farming under price volatility and climate change" would contribute at farm scale, but according to the conference contents, a wider approach could be developed in relation with challenge 5.1, at crop chains scale, with topics 6.10 and 6.11 on value chain and networking.

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