

EUROPEAN COMMISSION

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Mr László KÖVÉR President of the Orzsággyülés Kossuth Lajos tér 1-3 HU – 1357 BUDAPEST

Dear President,

The Commission would like to thank the Országgyűlés for its Opinion on the proposal for a Regulation of the European Parliament and of the Council on the sustainable use of plant protection products and amending Regulation (EU) 2021/2115 {COM(2022) 305 final}.

The proposal contains measures which are key to delivering on pesticide-related aspects of the Farm to Fork Strategy, which is at the heart of the European Green Deal. This ultimately aims to ensure a transition to a fair, healthy and environmentally friendly food system and also stresses the importance of strengthening the position of farmers in the food supply chain. In this respect, the Commission welcomes that the Országgyűlés agrees with the goals of the proposal and the wider need to ensure safe and affordable production of food, respecting sustainability principles and safeguarding ecosystems.

The Commission takes seriously the concerns raised by the Országgyűlés regarding the proposal to establish legally binding targets for reductions in the use and consequently of the risk of plant protection products, in line with the targets of the Farm to Fork Strategy, and its position that the proposed approach has not been subject to an impact assessment and does not respect the principle of subsidiarity. Furthermore, the Commission recognises the importance given by the Országgyűlés to allowing Member States greater flexibility in establishing their own targets, taking into account factors such as historical progress, differences in intensity of use of plant protection products and environmental burden.

The Commission wishes to reassure the Országgyűlés that a comprehensive impact assessment has been performed, fully in line with the Commission's Better Regulation principles. During this process, all Member States and stakeholders had multiple opportunities to provide input, including relevant data, and all the supporting documents have been published on our website.¹ The European Parliamentary Research Service has

¹ <u>https://food.ec.europa.eu/plants/pesticides/sustainable-use-pesticides/evaluation-and-impact-assessment_en</u>

published an initial appraisal of the Commission's impact assessment². More specifically, the impacts of achieving the 2030 Farm to Fork targets for a 50% reduction in the use and risk of chemical pesticides and in the use of more hazardous pesticides are discussed in detail in the impact assessment³. In addition, the external study supporting the impact assessment⁴ assessed binding Farm to Fork pesticide reduction targets for their potential impacts on human health/social, macro- and micro-economics and the environment. A summary of the impact assessment is given in the Annex to this reply.

The Commission understands the concern of the Országgyűlés in relation to the importance of assessing the impacts of the proposal in the context of the different starting positions and individual circumstances of Member States. In practice, the ability to assess these aspects in the impact assessment was constrained by limitations in the data available and the complex combination of different means by which Member States could reduce the use and risk of pesticides and achieve the Farm to Fork targets.

The Commission has taken into account the information available to it on the different situations in Member States in designing the formula included in the proposal to differentiate between the targets to be set in each Member State. This allows the progress of each Member State to be determined by reference to that Member State's baseline, using a similar methodology to that already established in relation to the calculation of progress towards the political pesticide reduction targets in the Farm to Fork Strategy. Of particular relevance to the concerns raised by the Országgyűlés is that, in the proposal, the Commission has opted for an approach which enables Member States to take into account historical progress in reducing pesticide use and the intensity of pesticide use (environmental burden) when setting national targets. Member States that have achieved significant past reductions or that have less intensity of pesticide use than the EU average will get credit for their efforts, by having flexibility to establish less demanding targets. On the other hand, Member States that have not made sufficient progress up to this point or that have higher intensity of pesticide use than the EU average will be obliged to establish more ambitious targets. The Commission believes that the formula for setting national targets represents a fair and equitable approach that provides the necessary flexibility to Member States when setting their own binding national 2030 reduction targets, while still ensuring that the overall EU targets are met. The determination of upper and lower limits to the targets ensures that the overall ambition is maintained while avoiding extremes whereby some Member States might be asked to contribute a great deal more than others, in line with generally accepted effort-sharing principles.

The Commission believes that if the national targets are to be set in a manner that ensures that the overall EU targets will be met and is fair and equitable, this needs to be

² <u>Sustainable use of plant protection products (europa.eu)</u>

³ See Commission Staff Working Document Impact Assessment report accompanying the document Proposal for a Regulation of the European Parliament and of the Council on the sustainable use of plant protection products and amending Regulation (EU) 2021/2115, sections 6.3.1, 6.3.2, Annex 5.

⁴ See Ramboll and Arcadia International, Study supporting the evaluation of Directive 2009/128/EC on the Sustainable Use of Pesticides and Impact Assessment of Its Possible Revision – Final Impact Assessment Report, page 64.

discussed and agreed at EU level. Therefore, the test of subsidiarity is met in that it is more appropriate for this policy to be determined at EU than at national level. The Commission notes that subsidiarity is also recognised in the fact that each Member State can choose different policy means to achieve the targets. Indeed, subsidiarity is central to the Commission's approach to the development of crop-specific rules, which will be determined by each Member State, based on their own situations. The Commission further notes that, as evidenced in the subsidiarity grid that was adopted together with the proposal, the subsidiarity and proportionality of all policies were considered and justified in detail prior to the adoption of the proposal.

The Commission is actively engaged in discussing alternative methodologies proposed by Member States in the Council and has provided technical support by modelling a number of those proposals. Furthermore, the Commission wishes to reassure the Országgyűlés that it is listening carefully to the many comments Member States have made on the proposed methodology and is committed to ensuring a fair and equitable approach towards achieving the targets.

The Commission understands the Országgyűlés' concern about the use of plant protection products to be a suggestion that Farm to Fork targets should be set at EU level only. Although this was considered as part of the policy options explored in the impact assessment, it was not preferred due to the risks identified that binding targets set at EU level would not be achieved. Therefore, the current proposal, according to which Member States set their own legally binding national targets, with some degree of flexibility, was considered more effective and appropriate.

The Commission notes the progress already made by Member States in reducing the use and risk of chemical pesticides⁵ which, if maintained, will go a considerable way to achieving the pesticide-related targets of the Farm to Fork Strategy by 2030. It is also important to bear in mind that achieving the targets does not necessarily entail a uniform reduction in the use of all pesticides, as a weighting factor has been applied to each, so the use of lower risk pesticides instead of the riskiest ones will be reflected in greater progress made towards achieving the Farm to Fork target of reducing the use and risk of chemical pesticides. This, combined with the development of low-risk alternatives and precision agricultural technologies and the availability of common agricultural policy funding for a transitional period, will support Member States in achieving these targets.

The Commission takes seriously the concerns of the Országgyűlés that the proposal may lead to a possible disproportionate increase of administrative burden both for authorities and farmers. The Commission believes that the measures are proportionate and do not go beyond what is necessary to achieve the objectives set out in Article 191 of the Treaty on the Functioning of the European Union. The data proposed to be gathered under the proposal is highly targeted to specific purposes that are essential for Member States and the Commission to have effective oversight on the implementation of key elements of the

⁵ The latest available data for 2020 show that from the baseline period of 2015-2017 at EU level reductions of 14% for the first target and 26% for the second target have already been achieved.

proposal. The Commission is listening to the concerns of Member States in this regard and is open to finding potential compromises and workable solutions.

Finally, the Commission understands the concerns of the Országgyűlés that the proposal would result in production cuts and competitiveness constraints. The Commission proposal aims at a balanced approach to the need to ensure food security and sustainable agriculture in the coming decades. The impact assessment considered the economic impacts of pesticide reduction in detail as well as potential mitigating factors. The proposal aims at a gradual transition towards more sustainable agriculture, with the support of exceptional funding under the common agricultural policy during a five-year transitional period. Furthermore, if agreed by the co-legislators, the proposal will only come into effect some years from now and its effects will be progressive. The Commission believes that the costs of inaction in relation to protection of biodiversity and environmental, economic and social protection, would be much more severe and that a biodiversity crisis in the future would have devastating effects for food security.

The points made above are based on the initial proposal presented by the Commission, which is currently in the legislative process involving both the European Parliament and the Council. The Országgyűlés' Opinion has been made available to the Commission's representatives in the ongoing negotiations of the co-legislators and will inform these discussions.

At the same time, the Commission has recently adopted new rules to facilitate the approval of micro-organisms for use as active substances in plant protection products and the authorisation of products containing them and is investing in development of new crop protection methods through Horizon Europe and supporting farmers in implementing less harmful crop protection methods through the Common Agricultural Policy.

Moreover, the Commission is preparing a factual analysis on the drivers of food security, including long-term and short-term ones, against the backdrop of supply disruptions that have arisen due to the Russia's war of aggression against Ukraine and the COVID 19 pandemic. This analysis will be made public in the beginning of 2023.

The Commission hopes that the clarifications provided in this reply address the issues raised by the Országgyűlés and looks forward to continuing the political dialogue in the future.

Yours faithfully,

Maroš Šefčovič Vice-President Stella Kyriakides Member of the Commission

Annex

Summary of the impact assessment of the Farm to Fork pesticide reduction targets

The impact assessment accompanying the proposal contains a detailed analysis⁶ of several recent publications that attempt to provide estimates of the economic impacts of achieving the Farm to Fork Strategy targets, including the pesticide reductions targets. These studies concluded that the impact of reducing pesticide use is that of reducing food production in the EU, with a consequent increase in imports. The impact assessment demonstrated that these effects might be mitigated by additional actions on the demand side, such as food waste reduction or added value chains for sustainable food. It further examined how support actions, such as breeding of resistant cultivars and biopesticides, could limit the negative productivity impacts of achieving the targets.

The impact assessment noted that Farm to Fork targets in related policy areas such as increasing organic farming would also contribute to achieving a reduction in the use and risk of pesticides. It also took account of how, even without additional efforts by Member States, increases in the availability of alternatives to chemical pesticides and precision farming techniques could reduce dependence on pesticides, thus limiting the negative productivity impacts.

The impact assessment analysed shortcomings in estimates to date of the impacts of achieving the Farm to Fork Strategy targets, as they were limited to economic modelling and did not assess either qualitatively or quantifiably the significant positive environmental impact expected from a more sustainable agriculture. Using the methodology of the Joint Research Centre study that presented a model of an ambitious implementation of common agricultural policy reform proposals to measure effects on EU agriculture⁷, the impact assessment demonstrated that the economic impact would be significantly less considering the current trend in pesticide reduction and when considering the contribution that organic farming and improved precision agriculture can make.

The impact assessment assumed that the application of existing precision agriculture methods can provide on average a reduction of pesticide use of around 20%. The adoption of precision farming techniques on 35% more land by 2030 (as presumed in the Joint Research Centre model) would deliver an additional 7% reduction of pesticide use without impacts on yields. An increase in organic farming area to 25% could achieve a further 13% in pesticide reduction. When incorporated into the Joint Research Centre model this would equate to a 6% rather than a 10% yield loss.

The impact assessment also found that a 50% reduction in the use of more hazardous pesticides (Farm to Fork target 2) is expected to lead to a reduction of approximately 8-10% in the use and risk of chemical pesticides (Farm to Fork target 1). This was based on assumptions concerning changes in grower practices and whether the higher risk

⁶ See in particular section 6.3.1 and Annex 5.

⁷ Joint Research Centre, Modelling environmental and climate ambition in the agricultural sector with the CAPRI model, 2021.

substances would be substituted with less hazardous chemical pesticides or with nonpesticide controls. The impact assessment acknowledged that alternatives are not yet available for some more hazardous pesticides and noted that a 50% reduction target would still allow more hazardous pesticides to be used when necessary.

There were certain limitations in relation to how the impacts in terms of risks to the environment could be measured given the lack of availability of robust, disaggregated statistics on the use of pesticides in the EU. As noted in the external study supporting the impact assessment⁸, pesticide statistics are too aggregated to effectively inform environmental risk assessment. A robust analysis of the impacts of pesticide application on ecosystems would require data on which specific active substances in pesticides are applied to which crops, as well as information on the types of ecosystems in which those crops are sited. In addition, cumulative and 'cocktail' risk assessment methods, would need to be applied to provide an understanding of how the mixtures of active substances, safeners and synergists interact to generate combined effects in pesticides. This was not possible given the current limitation on availability of pesticide use data, which will be improved with the Regulation on Statistics on Agricultural Inputs and Outputs which will shortly be adopted.

The Impact Assessment also explored a range of interconnected variables and external drivers that might affect changes in farm income driven by a reduction in pesticide use and noted the trade-offs between competitiveness and other social and economic considerations. It took account of projected farm intermediate input costs and projected increases in availability of alternatives, precision agriculture technologies and increases in organic farming. It also took account of the possible detrimental effect on food security and nutrition of continued reduction in the number of pollinators and the environmental impacts of land use changes and biodiversity degradation⁹.

⁸ See Ramboll and Arcadia International, Study supporting the evaluation of Directive 2009/128/EC on the Sustainable Use of Pesticides and Impact Assessment of Its Possible Revision – Final Impact Assessment Report, page 124.

⁹ See Commission Staff Working Document Impact Assessment report accompanying the document Proposal for a Regulation of the European Parliament and of the Council on the sustainable use of plant protection products and amending Regulation (EU) 2021/2115, section 6.3.2.