copa cogeca
european farmers european agri-cooperatives

EN(13)5261:2 –AA/sd Brussels, 2nd July 2013

COPA-COGECA'S CONTRIBUTION TO THE PUBLIC CONSULTATION ON A 2030 FRAMEWORK FOR CLIMATE AND ENERGY POLICIES

INTRODUCTION

Copa-Cogeca welcomes the consultation launched by the Commission on the Green Paper "A 2030 framework for climate and energy policies" (COM(2013)169 final).

In order to meet future challenges, Copa-Cogeca believes that it is indispensable for society and for the economy to become more sustainable and more low-carbon. In many ways, the agricultural and forestry sectors are clear potential examples of contributing to a circular economy, because their increasingly sustainably managed production systems provide renewable energy and raw materials. These sectors are ideally suited to achieving a bio-based and low-carbon economy and can therefore contribute to climate change adaptation and mitigation.

Therefore, this consultation is of the highest relevance for farmers and forest producers. We concentrate our contribution on a series of specific aspects related to security of supply, targets and instruments.

Overview

The question of appropriateness and effectiveness of targets for 2030 strongly connects with the current design of an international agreement on climate change due by 2015. However, at EU level, the overall 2020 framework with its three headline targets sent a clear message about EU climate and energy policy and set an international example. It will be important to capture the same simplicity and clarity of ambition in designing policies for 2030, most likely by maintaining headline targets for the same three subjects: GHG emissions, renewable energy and energy efficiency.

In particular, the adoption of the 2009 Renewable Energy Directive and its legally binding renewable energy targets have resulted in significant growth in renewables deployment in most Member States. Strong signals that post-2020 renewables targets will be ambitious and challenging are needed now, to ensure success not only in the following decade, but also in the present one.

At global level, the 2015 agreement must be extensive and cover the vast majority of global emissions and all major emitters. All parties have to contribute to the reduction target in a fair and accountable manner, so that the EU does not make unilateral ambitious steps forward in a 2030 framework for energy and climate policies which may jeopardise competitiveness and green growth.

We are convinced that a non-binding agricultural sector ambition could help to realize the potential of multiple land-based renewable energy technologies to both mitigate climate change and diversify EU energy supply. We can not accept the introduction of legally binding targets for agriculture due to a series of reasons:

- First, the agri-food sector is one of the few growing markets and there are national efforts put in place to increase agri-food output in an 'environmentally sustainable model' over the next decade. The EU farming sector's focus is firmly on creating greater efficiency on farms and lowering the greenhouse gas emissions of production. To introduce a sectoral target could potentially reduce farm competitiveness and have a significant knock-on effect on agri-output. There is a possibility that this would export sections (e.g. red meat) of the EU sector to other countries where climate change legislation is less of a concern.
- Secondly, uncertainties surrounding agricultural and forestry emissions make a commitment to absolute reduction target/targets unfeasible. When designing EU objectives and policy instruments the real emissions reduction potential of these sectors must be considered. Restrictive measures implementing absolute emission reduction targets will undoubtedly reduce productive potential of these sectors and lead to carbon leakage that would not help climate mitigation.
- Thirdly, the provision of renewable raw materials and energy are the strongest assets of the agriculture and forestry sectors. Therefore, it should be stressed in the EU 2030 framework that energy is essential to kick-starting the bioeconomy and thus a low carbon society. A 2030 target needs to send consistent investment signals about the desired balance of renewable resources without curtailing development of the processing infrastructure, leading to stranded investments.

Finally, we believe that the main goal of the EU 2030 framework should be to guarantee that energy policy is incorporated in a broader context and seen as a stepping stone to better resource utilization, the bio-economy and thus a fossil-free society. Farmers and forest producers can produce more biomass on existing agricultural surface area without affecting the environment, soil fertility or food production. In the longer term, it will represent a significant source of revenue for the farming sector along with food production. However, such development requires the right incentives for buyers of biomass.

Security of supply

The EU should do its best to support renewable energy instead of hindering its use through various requirements such as the planned sustainability criteria for solid biomass. EU wood production is already sustainable and will continue to be so. Numerous sustainability mechanisms are in place at MS level. In addition, several EU regulations have already been published and some are being drafted. Therefore, there is no need for additional sustainability criteria for biomass at all.

Transport sector and sub-targets

We believe that the food versus fuel debate is far too simplistic. Competition between food and conventional biofuels is a misconception. There are many reasons for hunger around the world, particularly political instability, natural disasters, a lack of infrastructure, poor storage techniques, the low productivity of agricultural inputs, trade restrictions, etc. It is therefore wrong to accuse conventional biofuel production of being responsible for this problem.

Copa-Cogeca maintains that the existing targets of 10% renewable energy sources in the transport sector (Directive 2009/28/EC) and reducing greenhouse gas emissions from fuel by 6% by 2020 (Directive 2009/30/CE) remain realistic, due to productivity gains and increases in agricultural yields, but only if conventional biofuels produced in a way that does not prejudice food production are used. Today's conventional biofuels ensure that food and fuel are complementary. In particular, co-products produced from conventional biofuels play an important role in the plant protein market where the EU is facing shortages.
It is an analytical error to assume that removing the demand for conventional biofuels would provide more raw materials for food production. Indeed, farmers can only produce agricultural raw materials

if there is a viable economic demand. If this is not the case, then the land is taken out of production. According to the World Bank, 400 million hectares are available worldwide to produce agricultural raw materials in a sustainable manner which can be used for food and bioenergy.

Removing the sub-targets to promote renewable sources in the transport sector and to reduce greenhouse gas emissions from fuels would wipe out the demand for suppliers of fuel made from conventional biofuels. This would have negative repercussions for agriculture and the development of rural areas in the EU:

- New outlets in third countries would have to be found for vegetable oil produced from crushing rapeseed and sunflower seeds grown in the EU, provided that they are competitive.
- The EU's plant protein deficit and supply insecurity would worsen in the livestock sector because co-products such as rapeseed meal and dried distillers grains would no longer be available, meaning that there would be an increased risk of outsourcing these activities to third countries.
- Instability on agricultural markets where biofuels play a stabilising role would rise, as would price volatility, which would cause greater insecurity for consumers and farmers alike.
- The sustainability of agricultural systems would be threatened.
- The lack of outlets for conventional biofuels would limit the possibilities for decentralised processing of agricultural raw materials in rural areas.
- The loss of alternative outlets for agricultural raw materials would lead to job losses, thus causing rural decline.

Since conventional biofuels respect all sustainability criteria and contribute to reducing greenhouse gas emissions from fuels, there is no reason to reduce the post 2020 sub-targets set by Directives 2009/28/EC and 2009/30/EC.

For this reason, Copa-Cogeca requests that the EU's sub-targets for the climate and energy in the transport sector be increased, so as not to exclude conventional biofuels from the energy mix in the transport sector after 2020, considering the fact that the development of renewable electricity sources must also be taken into account for this sector in particular. Farmers and their cooperatives will contribute to achieving the sub-targets in the transport sector, as long as the political framework is stable and reliable.

Agriculture and forestry: a specific sector

Because the 2015 international agreement on the horizon will determine the EU's energy and climate policies, the needs of global agriculture in 2050 and consequently the impact of estimated population growth during this period (ergo the necessity to guarantee increased food and renewable materials supply) must be examined when devising the 2030 framework. Additionally, the FAO's call to green the economy should be promoted in the agricultural sector through green growth measures, aiming to achieve the dual benefit of increasing food and renewables supply and improving resource efficiency and environmental benefits, underpinning the climate mitigation potential of the sector.

Therefore, as the future 2030 objectives must provide a clear framework to boost EU action to further mitigate climate change without undermining competitiveness, employment, and productivity, Copa-Cogeca firmly believes that sectoral targets for the agriculture and forestry sectors within the climate policy are unrealistic:

- The GHG emissions profile of agriculture is fundamentally different from that of other sectors such as industry, households and transport, as it is dominated by methane (CH_4) and nitrous oxide (N_2O). The inherently variable, biological nature of agricultural emissions must not be disregarded when selecting suitable mitigation options.

- Agriculture and forestry cannot be penalised for emissions arising from natural processes which are unrelated to management practices. Increasing temperatures and the greater likelihood of drought and water shortages will result in additional carbon being released from the soil. Differentiating between natural effects and anthropogenic effects, e.g. tillage, is extremely complex and depends heavily on micro-climate and local hydro-geological conditions.
- The increased use of agricultural commodities in the production of industrial materials such as polymers, lubricants, surface active agents, solvents and fibres can also help to reduce the need for petrochemical products. These needs do not jeopardize food production but become markets, thus offering opportunities to diversify agri-production systems and agri-ecosystems. The important carbon substitution effect provided by harvested wood products replacing energy-intensive industrial materials, and the use of fibres for packaging is essential.

However, several factors hamper the contribution agriculture and forestry can make to combat climate change:

- The European agricultural sector today faces many global challenges in addition to climate change: producing food for a growing population, increasing price volatility and market turbulence, higher energy prices, rising demand for bioenergy and speculation in agricultural commodities as well as increasing expectations to protect the environment and mitigate global climate change. These factors prevent agriculture and forestry's full adaptation and mitigation potential from being achieved. The impact of climate change on world food production must be taken into account when devising EU climate change measures, additional requirements and action to fight climate change. All of this requires a strong farming community in rural areas.
- Great uncertainties remain in the measurement and assessment of greenhouse gas emissions from agriculture and forestry sectors, and currently there are no harmonised methodologies. This requires sound and coordinated research activities informing appropriate policy instruments in order to make the right political decisions.
- There are great knowledge gaps in the mitigation potential of management practices, their acceptance and their cost. This requires investment into research to enable farmers to choose the most cost-effective options at farm level.
- The risk that measures put in place to reduce the sector's greenhouse gas emissions will result in a shift in EU production. This would simply 'export' these emissions by shifting agricultural and forestry production to countries outside the EU with all the related impacts into the EU's agri-food sector.
- The synergies between climate adaptation and mitigation measures are not sufficiently fostered today. Synergies also need to be further assessed and encouraged through the mainstreaming of adaptation into EU policies and better alignment with other EU legislation. Today impediments remain in legislative requirements, which need to be revised as part of the agenda for climate mainstreaming set out in the recent EU Adaptation strategy. In particular some requirements arising from Common Agricultural Policy cross compliance, the Water Framework Directive, the Nitrates Directive and the Habitats Directive do not allow the necessary flexibility, which hampers the agricultural sector's potential to adapt to and mitigate climate change.
- There is a lack of advice and vocational training available to improve farmers' and forest producers' adaptive capacity and to facilitate access to tools to foster the mitigation potential of their activities.

Instruments

Reaching the EU's energy and climate commitments requires a variety of coherent policy measures. Policy instruments need to be simple and effective in the long term, as well as robust in order to prevent carbon leakage and exporting harmful effects. Thus, specific impact assessments are required to determine whether sectoral targets are feasible and these impact assessments must inform the definition of policy instruments which guarantee the feasibility and advisability of the targets. It is also important and useful to show how dependent we are on the rest of the world and that commitments are made at roughly the same pace globally. Therefore, it is of the utmost importance to consider exports of environmental and climate impacts.

Changing agricultural practices can take time and investment, and requires sound scientific evidence to prove why new production methods are needed. In addition, the global recession has had a detrimental effect on the progress made in tackling climate change, which has further limited the necessary long-term, significant investments that are available.

Currently, both global and EU agriculture and forestry are suffering from serious economic hardship, due to changing weather patterns, high-cost inputs and the desire for cheap food. All of these factors have significantly affected farm profitability, which is driving young people out of the industry as their returns cannot match the needs of a 21st century lifestyle. This slows down progress, efficiency, gains and investment.

Copa-Cogeca believes that agriculture and forestry have a crucial role to play in climate change adaption and mitigation beyond 2020. Therefore, in order to encourage these sectors, it is imperative that policy makers support profitable farming and forestry, which will allow farmers and forest producers to invest in more efficient technology and best practices, to meet the challenges ahead.

Finally, general EU objectives cannot be achieved through a guiding policy framework alone, but also requires concrete financial tools to pave the way. The new EU Framework Programme for Research and Innovation (Horizon 2020) should foresee adequate funding for energy and climate-related research and innovation projects. This should also have a significant focus on assessing the capabilities of agriculture and forest management to sequester carbon, which is largely unknown and unacknowledged at this stage.