



Has the crisis been averted?

As EU regulations banning key pesticides move from proposals to reality, Michael Barker assesses the latest thinking on how much damage it could cause to the industry



Potatoes are particularly vulnerable if pesticides are lost

Things have moved on a little since the day when it was first revealed the EU was planning swingeing cuts to permitted crop protection products.

In the initial analysis, there were apocalyptic predictions of up to 80 per cent of currently approved crop protection products being banned, projections which it was believed could even lead to the elimination of many specialist crops.

But now there has been time for the industry to digest and react to the news, as well as achieve several crucial tweaks to the regulation, growers are re-evaluating their position. So were the predictions over-exaggerated or is the industry still facing a serious threat?

Experts still differ on the extent to which the new regulations will affect the industry, but the general consensus of opinion is that some 15 to 20 per cent of crop protection products could be lost, according to National Farmers' Union (NFU) pesticide adviser Paul

Chambers. That is still a major worry for growers of certain crops, in particular root and speciality lines that have to combat the vagaries of weather and disease.

Although there is now no preventing the regulations from coming into law from July 2012, there are still efforts underway to get further changes introduced. "There have been a lot of changes made as it went through, as at certain stages it was a total disaster," says Chambers. "Most growers will only be affected once the products are no longer available, which could be from 2016 or 2018."

The Crop Protection Association (CPA) is still hopeful that EC member states can be persuaded to agree to a derogation that would allow countries more time to adapt to the new rules. Currently, all states would have to vote unanimously for such a derogation to be allowed, but CPA chief executive Dominic Dyer hopes that can be renegotiated so a majority vote is considered acceptable.

The CPA is working on a crop protection crunch scenario in association with Cranfield University which examines the possibility of the industry losing more crop protection products than it can replace. Carrots, peas and potatoes are believed to be particularly vulnerable to losing key products.

Similarly, the Horticultural Development Company is identifying and funding research into alternative crop protection techniques that would allow growers to work within the regulations.

Manufacturers' view

Amid all the uncertainty, manufacturers of crop protection products face the conundrum of whether to push ahead with new product development and risk components being banned by the EC later on, or to wait and see what the full permitted list is but then find they are several years behind with their development.

Stephen Humphreys, food industry manager at Bayer CropScience, says his company is maintaining its R&D spend of 11 per cent of turnover despite the uncertainty. "Certainly, the move from risk- to hazard-based criteria makes things more difficult," he says. "The big thing is we don't know how they will determine what is allowed. If you don't know the final criteria it makes it tough to know what will be accepted."

It is widely accepted that it takes at least 10 years and as much as



Dominic Dyer, chief executive, CPA

£200 million to bring a new product to market, and in this economic environment it would be understandable if manufacturers opted to hold off on NPD until they can be sure of the full approvals list.

Humphreys insists Bayer will continue to work with growers and the wider supply chain to find solutions to their crop protection needs, but he does admit the new regulations look likely to mean higher costs. "I think it will cost more if the hurdles are raised

higher and higher. We will have to screen more and more actives, and that builds more time and cost into the system."

Further confusion surrounds the issue of endocrine disruption, a subject upon which the EC is still crystallising its thoughts and which could potentially lead to a further swathe of chemicals barred from use.

Level playing field

Domestic growers say the thing they would like more than anything else is a level playing field on which to compete with international rivals, and nowhere is the spectre of an uneven comparison looming larger than with the new regulations.

Although the EC has not fully clarified its thoughts on the matter, there are substantial concerns that, in order not to contravene World Trade Organisation directives and be seen as anti-competitive, the rules would not be able to be applied to products from outside the EU.

A two-tier system could subsequently develop, critics argue, in which domestic producers end up paying more to grow their fruit and veg under more stringent EU law, while produce imported from outside the bloc can be grown cheaply using chemicals banned in the union. >>

CARROTS IN LIMBO OVER FUTURE SURVIVAL

When news of the EU pesticide proposals first broke, some of the loudest cries of dissent came from domestic carrot producers. In the initial analysis there were even dire predications it could bring "the end of the UK carrot industry", according to British Carrot Growers' Association chairman Martin Evans.

As the proposals were revised, that fear was replaced with confusion. "At present, there's a great deal of uncertainty," he says. There will be a British carrot industry but it could be a question of asking what the consumer will pay. "Production will cost more and the consumer or retailers will have to pay more," says Evans. "It's not feasible to convert all UK production to organic. We are in limbo at the moment."

The other fear is that of an uneven playing field. If UK and EU production declines as a result of the new regulations, will that mean an influx of non-EU crops that do not have to adhere to the same strict rules? ■



WHERE'S THE RISK?

The switch from risk-based to hazard-based criteria for crop protection products has brought consternation among both growers and manufacturers and led to accusations that the EC has bowed to the pressures of the eco-lobby. "This doesn't really protect public health," says CPA chief executive Dominic Dyer. "This is an area of emerging science, and quite a complex one at that."

The industry has spent the last decade doing all it can to minimise the risk of pesticides on bystanders and the environment in any case, points out the NFU's Paul Chambers. The Voluntary Initiative has achieved a great deal and growers are already doing all they can to reduce the use of chemicals wherever possible.

But with vociferous campaigners such as Georgina Downs continuing to fight a very public struggle against the use of pesticides, it is a PR battle that quite simply will not go away. ■

And that would then throw the ball firmly into the supermarkets' court. Would retailers continue to source domestic produce at a time of financial hardship for consumers if it meant higher prices on shelf, or would they turn to growers who can ship it in cheaper? "The quality and variety could decrease while the costs go up," says Dyer. "It's the uncertainty. We all understand the need to supply safe, affordable food, but we are asking

Growers are already scaling back on how much they spray

farmers to produce more food without letting them have the tools to do the job."

But you could just as easily argue there are no winners at all. Dyer claims that if the retailers take the approach of extending the new regulations to the specifications for all the products they source, third world suppliers may just consider it too expensive and troublesome to supply the UK market.

The world is moving into a time when demand for agricultural products is starting to outstrip supply. The UK and European retail market is no longer the holy grail for producers the world over and with attractive alternative markets in Russia and the east, the EC will have to be careful it doesn't stymie its own food security by making its own market too expensive or complicated to supply. International producers in a number of fresh produce categories have been becoming more and more vociferous in recent times that the low margins and hassle associated with supplying the UK retail market is making them seriously consider switching their supply elsewhere.

As Dyer points out, "you could count on one hand the number of people claiming to have fallen ill as a result of pesticide use", but the EC continues to be driven by an

environmental agenda backed by passionate individuals rather than science. Government maximum residue limit (MRL) testing continually reveals that levels of pesticide residues in food remain under safe limits, and the downturn in fortunes of the organic category in the last two years suggests consumers are not yet ready for a mass

We all understand the need to supply safe, affordable food, but we are asking farmers to produce more food without letting them have the tools to do the job

switch-over to the more expensive pesticide-free way of food production.

Nothing is yet decided, and nothing is yet resolved. One way or another, the new rules will be introduced in a year's time, and although the apocalyptic scenarios presented two years ago are now unlikely to materialise, there is still considerable concern that at the very least there will be a noticeable increase in the cost of certain fruit and veg lines in consumers' baskets. ■

