



COLLABORATION PLATFORM ON AGRICULTURE

USDA-DG AGRI Collaboration Platform on Agriculture Food Security Webinar

On July 13, 2022, the Collaboration Platform on Agriculture (CPA) of the European Commission Directorate-General for Agriculture and Rural Development (DG AGRI) and the U.S. Department of Agriculture (USDA) hosted a webinar for the free exchange of views.

The CPA was launched in November 2021 at the direction of European Commissioner for Agriculture Janusz Wojciechowski and USDA Secretary Thomas Vilsack. The CPA's objectives are to a) collaborate and deepen communication, b) exchange knowledge and information, and c) promote mutual understanding and trust between the United States and European Union on agricultural challenges. Secretary Vilsack and Commissioner Wojciechowski agreed it would be necessary to incorporate important unforeseen issues into the CPA. The sub-topic of Food Security and this webinar serve as an example.

The webinar focused on unstructured discussion of three discussion topics with Silke Boger, First Counsellor – Agriculture, Delegation of the European Union to the United States serving as the master of ceremony.

Introduction

DG AGRI Deputy Director-General Michael Scannell provided an overview for the discussion. While the EU and U.S. have adequate supplies of food, it is their responsibility and interest to act on global food security. The EU and U.S. are cooperating to improve grain exports from Ukraine. The EU and the U.S. are among the main suppliers on world markets. New restrictions on exports of food are to be avoided, as it would only lead to additional disruption. Regarding inputs, fertiliser importing and manufacturing is a growing European issue. Balancing food, fuel and feed production remains a legitimate discussion.

Discussion 1: Maintaining open and transparent markets to ensure food availability and security

Sharon Sydow, Senior Economist, Office of the Chief Economist, USDA, opened the exchange by presenting data and analysis available on international markets, provided by the U.S. with input from the EU (Joint Research Centre, JRC). The U.S. World Agriculture Supply and Demand (WASDE) reports are distributed widely –



even on YouTube. The Food and Agricultural Organization Agricultural Market Information System (AMIS) is a useful tool and where international cooperation takes place.

Oliver Sitar, Head of Unit, Governance of the Agri-Food Markets, DG AGRI highlighted EU market transparency policy. Data previously collected for policy information is used to inform the market. In addition to farm gate prices, where possible, processor prices are now also reported. However, more information is needed on input processes and prices, and sharing U.S. and EU experiences can be useful here.

USDA emphasised the need to work on the processes and noted interest in exploring the links between input prices and their use. Discussion turned to the importance of open markets in context of climate change and global food insecurity. While data is crucial for analysis, citizens are often more persuaded by emotional rather than data driven arguments when it comes to trade. Future research products – perhaps cooperative – WTO/multilateral obligations, and public communication focused on short, medium, and long-term goals – perhaps through the CPA – were further discussed.

- Short: working on data
- Medium: re-orientate discussion in international institutions to take more into account a sustainability and conservation
- Long: emphasising the importance of innovation, productivity and trade – role as agricultural facilitators.

Discussion 2: Increasing availability of nitrogen and mineral-based fertilisers, efficient nutrient management, and alternatives

Pierre Bascou, Director, Sustainability, DG AGRI introduced the discussion with a focus on three objectives 1) improving production efficiency, 2) efficiency in the farming sector and 3) the reduction of climate impact. The war in Ukraine is having an impact on fertilisers worldwide – the need to be prepared for shortages and push farmers to alternatives. The EU toolbox is to reduce the use, production and climate impact of fertilisers, like recycling; reducing fertiliser dependency is an EU objective. Research is necessary, and farmers should be encouraged to move in this direction. High prices could accelerate the adoption of new methods.

William Hohenstein, Director, Office of Energy and Environmental Policy, Office of the Chief Economist, USDA mentioned that nutrient management plans are important; although, the timing on N application is as important as the quantity. A \$500 million USDA investment will look at new techniques for innovation, including needed next generation fertilisers.

In discussion, the EU side emphasised the contribution of organic fertilisers and co/by-products of other process. USDA expressed that we should not overpromise, but increased prices would lead to more sources, efficiency, and domestic production. The EU cited examples where production had been maintained even when use had been reduced by as much as 25%. Different production practices, use of data and precision application will help.

On high prices, the EU side responded that the Common Agricultural Policy Strategic Plans had several initiatives and allowed for such flexibility. The U.S. side offered that more extension services may be needed in developing countries. Some



farmers use an over application of nitrogen as an insurance process as the costs of not applying sufficient nitrogen were disproportionately large.

Discussion 3: Balancing food security, sustainability, and consumer demands

Elise Golan, Director, Sustainable Development, Office of the Chief Economist postulated that the U.S. focuses mainly on sustainable productivity growth, for which innovation is key. Brigitte Misonne, Head of Unit, Agricultural Markets - Animal Products, DG AGRI emphasised the drive for more sustainability but also acceptability by society. The EU's main focus is to use fewer inputs, with the view of adjusting production systems and introducing alternatives, e.g. for hazardous pesticides.

In discussion, opinions were forwarded that biofuel production, overall performance of biofuel/biodiesel have been improving (e.g. reduction of gasoline, less carbon intensive). Additional carbon storage opportunities can be identified. One expanding area is the linkage of ethanol and biofuel production for industrial use. The EU side highlighted the potential competition of biofuels and food crops for agricultural land.

Other topics for possible future discussion were set aside schemes; crop rotation for soils; digital innovation direction to lower investment costs (particularly for smaller farms); new genomic techniques impact assessments; and vertical farming innovation and technologies. USDA highlighted transatlantic cultural differences, especially concerning attitudes towards agricultural technology and sustainability. Another U.S. intervention raised the topic of labelling. The EU insisted that the discussion could be framed in other ways because EU citizens are not "anti-technology" but attach particular importance to food and the way it is produced. Environmental concerns are high on the agenda of consumers and influential EU interest groups wish to see a reduction in meat and possibly biofuels. In response to a question whether certain policy decisions restrict innovation and, therefore, investment, the EU responded that innovative companies need clear information on policy direction and can then find innovative workarounds. A U.S. intervention suggested this is indeed possible, but compliance was costly (time or efficiency).

Summary & Closing Remarks

Jason Hafemeister, Acting Deputy Under Secretary, Trade and Foreign Agricultural Affairs, USDA suggested the two sides could continue discussing at length. The CPA should help promote trade and innovation. On fertiliser, work could continue on efficiency and helping farmers with improved use. Both sides recognised ongoing supply chain issues, and more cooperation, more research, more data sharing with other countries. On the topic of **food security, sustainability, and consumer demands**, there is common culture; however, there are huge policy differences. Nevertheless, we can move forward cooperatively.

Deputy Director-General Scannell pointed out that we should not take our food systems for granted. They are vulnerable and shocks occur. These shocks spill over to other policy areas. A reconciliation of sustainability and production growth is centre stage. Russia makes us think about short-term actions, but we cannot lose sight of how to organize our agri-food production systems in the longer term.

