



## Inspiration note for the development of EU's Common Agricultural Policy: What changes are needed to make risk management tools a suitable rural development measure?

*“The more I learned about the use of pesticides, the more appalled I became... What I discovered was that everything that meant most to me as a naturalist was being threatened, and that nothing I could do would be more important.”*

Rachel Carson, 1962

**This reflection paper aims to investigate to what extent risk management tools offered within the current rural development policy can encourage farmers to combine economic and environmental sustainability, inspired by the Fondo Risemina Mais - a risk management tool assisting adoption of Integrated Pest Management (IPM).**

Within the current Common Agricultural Policy (CAP) it is mainly the rural development policy, which compensates farmers economically for the adoption of integrated pest management (IPM)<sup>1</sup>. One of the key arguments against IPM is the higher level of risk taken by the farmer during the transition towards more sustainable systems. While the rural development policy does allow Member States to offer farmers financial support to assist farmers in the move towards real IPM, this potential is not being exploited to the full in the CAP.

The subsidiary principle applied to EU's Rural Development Policy (RDP) means that it is, within certain limits, for the Member States to decide which measures of the rural development policy to apply. Member States can offer risk insurances of crop, animal and plants; and can also establish mutual funds - by using up to 3.5% of the national direct payment envelopes - to compensate farmers for *'losses due to adverse climatic events, the outbreak of animal or plant diseases, pest infestation or environmental incidents or to eradicate or contain a plant disease or pest'*.

The European Union has been slow in developing joint risk-management tools, crisis and disaster management and some Member States have developed national schemes financed by state aid. In the current CAP, 13 Member States have decided to offer risk-management tools to farmers, and a spending of 1.7% of the total RDP is reserved for this measure. However, very few Member States, if any, seem to consider that risk-management tools could be used to assist the farmers financially helping them to confront potential risks when moving towards IPM.

So far, PAN Europe has only identified **one interesting crop risk-management model, Fondo Risemina Mais**, developed in 2014 by a group of maize farmers in Veneto Italy, covering 53.000 hectares able to ensure both environment and economic sustainability.

In the Fondo Risemina Mais

**The farmer must** comply with good agricultural practice and integrated pest management (including crop rotation), follow the recommendations of the arable crop protection bulletins from the Veneto Agriculture institute, and report any claims within the specified time periods.

**The crop insurance** will cover pest damage to maize (as well as damage due to adverse weather conditions), covering pest losses mainly caused by wireworms (Elateridae), black cutworms (*Agrotis ipsilon*) and fungal diseases of the seed and seedling. Also the fund covers significant *Diabrotica* corn rootworm damage and damage from silk feeding.

<sup>1</sup> See page 24 of <http://www.pan-europe.info/sites/pan-europe.info/files/public/resources/reports/integrated-pest-management-working-with-nature.pdf>

**PAN Europe believes this is a good example of a support mechanism encouraging farms to adopt IPM principles. This model assists transitioning farmers by supporting them financially against economic losses caused by possible plant diseases and pest infestation while assisting the farmers technically in the adoption of IPM. Bulletins inform farmers to undertake specific agronomic practices to prevent pests from establishing. Independent technicians are making their research results into alternatives available to farmers<sup>2</sup> and in this way alternatives are promoted while pesticides are only used as a last resort.**

**The model developed is fully in line with a number of EU policy tools including:**

The **EU Directive 128/2009 on Sustainable Use of Pesticide** which in article 14 says:

- Member States **shall establish** or support the establishment of necessary conditions for the implementation of integrated pest management. In particular, they **shall ensure** that professional users have at their disposal **information and tools** for pest monitoring and decision making, as well as **advisory services** on integrated pest management.
- Member States **shall establish** appropriate **incentives to encourage professional users to implement crop or sector-specific guidelines** for integrated pest management (IPM) on a voluntary basis.

The **Common Agricultural Policy (CAP) regarding the Farm Advisory Service (FAS)** where:

- Member States now **must** inform about IPM; meaning that all farmers across the EU territory has a right to be advised on environmental friendly agricultural practices and alternatives to pesticides, and
- Member States **may** inform about “risk management and the introduction of appropriate preventive actions to address natural disasters, catastrophic events and animal and plant diseases”.

However, the Fondo Risemina Mais has neither applied for EU funding nor national funding to cover running and/or compensation costs. First, because the rural development program of the region of Veneto does not foresee this kind of risk management; second, because the members of Fondo Risemina Mais did not accept that financial losses can only be compensated when production loss exceeds 30 per cent of the average of production in the preceding three-year period, which is a set by the World Trade Organisation (article 8, annex 2 of the Uruguay Round Agreement on Agriculture) for green box domestic support of international trade standards, and which the European Commission has decided to apply to all measures of EU’s Rural Development Policy.

**Risk management tools within the RDP could become a tool to accompany farmers in reducing pesticide use. The European Commission should consider removing the ‘natural disaster support’ out of the green box support measure allowing farmers to be compensated below 30% production loss. This would make sense if accompanied by developing of real independent farm advisory services, giving room for organic farmers to share knowledge with conventional farmers.**

**In the following reflection papers on which CAP for the future we will reflect on how to get more systemic thinking in RDP.**

**RDP must move away from offering single measures to, instead, start offering packages of measures assisting farmers financially and technically in the transition towards sustainable farming systems.**

Pesticide Action Network Europe (PAN Europe) was founded in 1987 and brings together consumer, public health, environmental organisations, and women’s groups from across Europe. PAN Europe is part of the global network PAN International working to minimise the negative effects and replace the use of harmful pesticides with ecologically sound alternatives.

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<sup>2</sup> <http://www.vallevecchia.it/> in the idea of open farms open protocols