

ECPA TURNS TEN YEARS OLD

Friedhelm Schmider, Director General of the European Crop Protection Association (ECPA), describes how the past has shaped the future challenges for ECPA

Introduction

The European Crop Protection Association was set up in 1992, due in part to the increasing influence of the EU institutions in decision making for crop protection products – in particular following the adoption of the EU framework legislation for the sector, Directive 91/414/EEC. Over the past ten years the industry has consistently developed innovative products and kept pace with changing regulatory, political and societal trends. Today, ours is a forward-looking industry, demonstrating the many benefits that crop protection brings to farming, the food chain, the environment and society as a whole. On the occasion of ECPA's tenth anniversary, I'll guide you through a brief history of our industry.

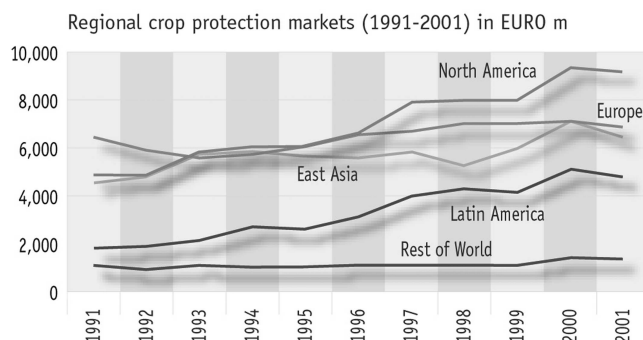
Market forces

Since 1992, the European crop protection market has been affected by highly volatile economic and political conditions. Despite the pressures that the agricultural sector has been subject to, the market for crop protection products in the EU continues to be very important to the overall economy.

The European sector has lost market share over the past decade as a result of several factors. The rising cost of agricultural subsidies led to reform of the CAP and the introduction of set-aside in 1993. However, since 1996 there has been a continuing improvement in the market for crop protection products in Central and Eastern Europe, particularly in the first five accession countries. This has been the



Friedhelm Schmider, Director General of the European Crop Protection Association (ECPA)



result of greater product availability in a more liberalised economic climate, as well as increasing EU aid since 1999.

The relatively poor performance of the global market has resulted in considerable consolidation, with a number of companies exiting the market. Several internal developments have also impacted the European market – most notably the move to a single market in the EU and the ongoing Review Programme.

Evolution in Agriculture

The past ten years have seen considerable changes in agricultural practice, with a renewed focus on the environmental impact of farming and the need to safeguard the countryside as a whole. The crop protection industry has been at the forefront of this shift in thinking, responding to the new expectations of consumers and policy makers alike.

The most significant trends in the evolution of agricultural practice over the past decade have been driven by the environmental consciousness of the European consumer, who has become increasingly concerned about the effects of food production. Historically, the primary concern in Europe was to produce enough food to feed everyone. With our food supply assured, we were able to turn our attention from the amount of food produced to the way in which we produce it.

The concept of Integrated Crop Management (ICM) – based on agricultural practice that is economically viable, environmentally sound and socially responsible – began to emerge in the late 1980s. Integrated farming was not a revolution – instead, it was a logical evolution. The crop protection industry carefully assessed both existing and emerging technologies to determine how they could be intelligently combined in the new integrated approach. The result was the realisation that farmers could maintain

DECENNIAL MILESTONES

1992–1993

- ECPA formally founded in Brussels to represent industry interests in EU
- CAP reform introduced, based on lowering institutional prices for key produce and offsetting impact on farmers' incomes through direct payments.

1993–1994

- Directive 91/414/EEC enters into force.
- Results of 1992 CAP reform take effect, with price support for production of cereals, oilseed and protein crops reduced and offset by subsidies in return for compulsory set-aside.

1994–1995

- Drinking Water Directive adopted.
- First Uniform Principles Directive adopted.
- Commission conducts research into use and impact of crop protection products as part of Fifth Environmental Action Programme.
- Market for crop protection products in EU increases by 3.4%.

1995–1996

- Work on data requirements for product registration completed.
- Industry recovers from 1992 CAP reform, with sales of crop protection products up by 10.1%.
- Volumes of crop protection products used in the EU continue falling, owing to innovative products with low application rates.

1996–1997

- ECPA issues declaration on water safety.
- Second Uniform Principles Directive adopted.
- BSE crisis leads to food-chain anxiety and consumer-focused policies.
- Discussions on further CAP reform and impending WTO negotiations lead to increasing pressure for market liberalisation.

1997–1998

- ECPA takes on Review Programme as top priority.
- ECPA launches container management strategy.

- New thinking on sustainable use of crop protection products emerges as Commission recognises role of integrated farming systems in risk reduction.
- Demand for crop protection products in EU rises for fourth consecutive year.

1998–1999

- European debate on introduction of green biotechnology emerges.
- ECPA collaborates with EUROSTAT on delivery of industry statistics.
- First sharp downturn in market for crop protection products in EU owing to low crop prices.

1999–2000

- ECPA develops contacts with MEPs as European Parliament gains new powers.
- Commission's White Paper on Food Safety aims to boost consumer confidence in EU.
- Low crop prices and poor farm profitability continue affecting market for crop protection products in EU.

2000–2001

- European Water Framework Directive adopted. ECPA contributes to ongoing stakeholder consultation on implementation.
- ECPA hosts major regulatory conference to mark tenth anniversary of Directive 91/414/EEC.
- ECPA formally granted observer status under OSPAR (Convention for the Protection of the Marine Environment of the North-East Atlantic).
- European crop protection market down by 5.7%.

2001–2002

- European Water Framework Priority list of substances for EU-level control adopted.
- European Council agrees legislation establishing EFSA.
- European Parliament supports Review Programme extension to 2008.
- European Commission adopts CAP Mid-Term Review.
- Value of market for crop protection products in EU declines by 5.3%.

profitable farms while at the same time protecting the environment and acting responsibly towards their local communities.

Regulatory framework

The focus of public policy and regulation shifted noticeably from crop protection products themselves to the way in which they are used by the farmer and perceived by the consumer. The 1992 reform of the CAP signalled a growing trend towards the greening of agricultural policy and the introduction of agri-environmental measures.

In 1992 Directive 91/414/EEC, the main legal instrument governing the crop protection industry, had been adopted but had not yet entered into force. In the preceding years the focus was on building the framework for the

legislation that would govern the marketing of crop protection products and the harmonisation of product authorisations in the EU.

The ten years following 1992 to today were largely devoted to implementation of the directive. By the mid-1990s it had become clear that the crop protection industry would need to move beyond science to tackle the political realities increasingly driven by changing public perception of food and its production. Interest groups representing consumers and environmentalists began to take a keen interest in crop protection products, steering legislation beyond hard science and into a softer social realm.

This contributed to the emergence of secondary legislation – over and above Directive 91/414/EEC – covering water protection, baby food, dangerous preparations and endocrine disruptors to name but a few.

Public image

The past ten years have also been a time for outreach. The audiences who take an interest in what we do have expanded considerably, from regulators and policy makers to food chain representatives and increasingly discerning consumers.

When ECPA was founded in 1992, food safety had not yet registered in the public imagination as an issue of concern. By the late 1990s, the picture was altogether different. A wave of food scares had radically changed the way European consumers think about food and its production.

While there can be no doubt that food crises have had negative effects on the perception of the crop protection industry, they have also brought positive change and a renewed focus on dialogue. The crop protection industry is an important link in the food chain and has learned to accept and welcome the scrutiny it is subject to. The industry has become a much more engaged participant in the food safety debate, working in partnership with policy makers and stakeholders as never before.

Current debates

Our industry actively participated in last month's Commission Consultation on the Sustainable Use of Pesticides and has already made a significant start on the pan-European level to help farmers meet the goals of sustainable agriculture.

Moreover, our industry's partnership with the EU regulatory authorities and other stakeholders throughout the Revision of Directive 91/414/EEC will remain a crucial element in safeguarding industry's operative well-being for the decades to come.

Further market growth is expected in Central Europe as accession to the EU gathers pace. At the same time, other Eastern European markets appear to be recovering from the stagnation of the 1990s. Although the market dynamics appear to be improving, much will depend on how the accession countries are integrated into the reformed CAP. In the near future the EU market, like all mature markets, is expected to remain very competitive.

Future outlook

Looking further afield, there are major challenges facing the European market over the next ten years. The industry will need to take account of farm economics in the face of continuing low commodity prices, further reform of the CAP, and the long-term effects of EU enlargement. The availability of certain products as a consequence of the re-registration process will also pose challenges, as will increasing consolidation in an already highly consolidated industry.

The future of the industry depends largely on a regulatory environment that is predictable and workable enough to encourage investment in scientific innovation. Without a supportive regulatory environment, we could begin to see a regressive trend in product development, reversing the innovative strides that led to the invention of products with improved environmental profiles.

Provided that the dialogue with European consumers makes good progress, green biotechnology may also gain acceptance in Europe. It will continue to offer new solutions to old problems. As an additional and highly beneficial tool that complements the farmer's use of conventional crop protection products and methods, green biotechnology will play an important role in sustainable agriculture.

Future regulatory support will no doubt depend on the crop protection industry's ability to sustain a meaningful dialogue with its most important audience: the consumer. It will become even more vital that the industry be reconciled with society and that the dire consequences of a world without crop protection be fully understood. The industry has come a long way since ECPA was founded and has realised that science alone will not suffice. Over and above the science-based rationale that justifies the role of the industry in the agricultural sector, there is a pressing need to connect with consumers in ways that meet their fundamental concerns. This may well be the most significant challenge of all.

For more information on ECPA see <http://www.ecpa.be>

IN THE NEXT ISSUE

It is hoped that the next issue will include articles on such diverse topics as:

- Control of gypsy moths
- Integrated pest management
- The Biocides Directive 98/8 EC
- Pesticide lead generation
- Pesticide toxification of art treasures
- Combinatorial chemistry