

ANNEX I

Fertilising products including organic-based fertilisers help keep the food chain producing

Covid-related issues could impact food supply and prices in several months if not resolved

Below, we summarise the issues facing producers of organic-based fertilisers. These issues interact with one another:

- The lack of personal protective equipment endangers operational continuity;
- Transport options are restricted and prohibitively expensive, causing bottlenecks;
- The closure of home & garden centres across Europe in peak season;
- Local issues which affect the functioning of the wider food supply chain;

Together, these issues could cause disruptions that prevent the industry from supplying farmers on time.

Issue summary	Healthcare workers are rightfully the priority recipients of personal protective equipment (PPE) such as masks and gloves. However, PPE is also crucial for the functioning of the agri-food chain . For instance, in Italy, enterprises deemed essential by the government can only continue to operate if they sign and adhere to strict safety and hygiene protocol. But it is impossible to meet the requirements of this protocol without PPE.
Impacts	Although deemed essential, many agri-food undertakings may be forced to shut down, creating ripple effects throughout the food chain, as described in the introduction.
Suggested solution(s) or stop-gap measure(s)	<ul style="list-style-type: none"> • If production stops or is severely curtailed in Europe, diverting products from extra-EU factories could relieve the problem. Many European producers manufacture the same products in countries outside the EU. However, since these products are normally destined for non-EU markets, they are not REACH-registered, although they are often made with raw materials originating in the EU and are identical to EU products that are REACH registered. There is not enough time to fulfill the REACH-registration procedures and ensure the timely delivery of these imported twin products to farmers. We, therefore, suggest a temporary REACH-exemption for fertilising products, including organic-based fertilisers, imported into the EU, provided that they are produced by a company that would normally produce an identical product in the EU. The REACH registration of the EU-manufactured product would temporarily apply to its imported twin to fulfill its REACH obligations. • EU authorities and governments are urged to increase their estimates of stocks of PPE required to cover all the essential sectors, not just healthcare. Furthermore, authorities could consider where standards for PPE in the essential sectors could be temporarily relaxed. For example, while operators in factories require dust masks and people handling food should be masked to avoid contaminating it, masks that may be insufficient for protecting against coronavirus could provide adequate short-term occupational safety protection until the situation normalises.

Issue summary	<p>Like many sectors, producers of organic-based fertilisers are being faced by the following transport issues:</p> <ul style="list-style-type: none"> • Lack of available transporters, affected by <ul style="list-style-type: none"> ○ Structural changes in recent years where most transporters are based outside of the affected regions ○ De facto transport bans on entering certain affected regions have been reported in Italy, for example one transporter refused to take anything to Emilia-Romagna; ○ Deteriorating working conditions for drivers such as lack of PPE or toilets and shower facilities; ○ Lack of understanding that agri-input products like refined organic-based fertilisers are essential (and time-sensitive goods, etc.) that should be prioritised; • Price-gouging by transporters. Concrete examples from members include: <ul style="list-style-type: none"> ○ <i>Price quote of EUR 1.590 for the coming two weeks compared to a standard rate of EUR 980 in Slovakia;</i> ○ <i>Offers for transport from Italy to France varying anywhere between 15% and 41% higher compared to the same trip before the crisis;</i> ○ <i>A tripling of some freight costs to the Far East, Vietnam in particular;</i> • Bottlenecks at Member State borders; • Avoidance of ports in affected countries/areas by maritime transporters for fear of contamination and lost days due to port slowdowns.
Impacts	<p>In some cases, production lines have been halted because raw materials are unavailable. In other cases, final products are piling up, waiting to reach distributors and end-users.</p>
Suggested solution(s) or stop-gap measure(s)	<ul style="list-style-type: none"> • ECOFI appreciates efforts (such as the Green Lane) already underway by the Commission and the Member States to address the transport issues, which are well-known and not unique to this sector. • The EU and Member States can communicate on the full range of sectors that make up the essential agri-food chain, so it is clear to transporters and other interlocutors that they are priority customers. • Also, measures could be put in place to reduce price-gouging, for example, by placing a cap on premiums being added to prices at this time. • The EU and Member States could also envisage short-term measures that would allow new drivers to enter the market temporarily and more efficiently, thus increasing supply and offering economic relief to workers on forced unemployment because they cannot work from home and do not work for an essential sector. For example, a one-stop national platform matching employers in the essential sectors with willing temporary labour from the pool of the temporarily unemployed could help both with the effort against covid and reduce negative impacts on the economy (including the need to compensate the temporarily unemployed). • The EU, Member States, and agri-food sectors could identify key corridors for reinforced transport and explore the possibility of mutualising road haulage between products from different sectors to ensure that farmers have access to the full range of inputs they

	<p>need. Having access to only some inputs and not others will negatively impact yields, quality and the efficient use of the available inputs.</p> <ul style="list-style-type: none"> Rules could be passed to make it illegal to discriminate against companies based in affected regions.
Issue summary	<ul style="list-style-type: none"> Garden centres are closed in many Member States because amateur gardening is considered a “hobby.” However, gardening can allow families to grow some of their own fruits and vegetables, thus complementing the food supply. During the economic downturn expected after the pandemic, this could help some families, especially in rural areas to cope with reduced purchasing power.
Impacts	<ul style="list-style-type: none"> With retail garden centres closed in many countries, small and medium suppliers of gardening inputs have lost a primary sales channel. Larger companies are more likely to already have internet sales.
Suggested solution(s) or stop-gap measure(s)	<ul style="list-style-type: none"> Just as hardware stores are allowed to have a drive-in pick-up service for materials needed to make immediate repairs (i.e. broken toilets), Member States could consider allowing garden centres to have a similar service for food crops and materials to grow them. As well as allowing families to lighten their food bills, this would provide some relief to garden centres, which are likely to lose the most important season’s sales of ornamental plants.

Local issues in Member States that impact the functioning of the wider food chain

Issue summary	<ul style="list-style-type: none"> In Italy, the collection of bio-waste (organic kitchen waste and green waste) by some local municipalities has stopped. The industry uses bio-waste to manufacture compost.
Impacts	<ul style="list-style-type: none"> The lack of bio-waste collection will lead to a shortage of compost for farmers. This will impact their production capacity now and over the summer, leading to reduced food supply and increased food prices post-pandemic. Bio-waste will be left untreated, potentially leading to the development of pathogens in homes and gardens, close to citizens in lockdown.
Suggested solution(s) or stop-gap measure(s)	<ul style="list-style-type: none"> Public collections of bio-waste should continue, just as other municipal waste collections continue to avoid these negative impacts. Those activities feeding into essential production activities such as compost for food production should be safeguarded, ensuring they can continue throughout the crisis and after it.

Issue summary	<ul style="list-style-type: none"> Organic-based fertiliser producers in Italy are finding it difficult to source the raw materials they require to manufacture their products. Some source industries (which are not classified as essential) have stopped production, leading to fewer raw materials to process into organic-based fertilisers.
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	<ul style="list-style-type: none"> • There is a shortage of workers willing to deal with local raw materials.
Impacts	<ul style="list-style-type: none"> • A lack of access to the necessary raw materials for organic-based fertilisers will lead to a shortage of organic-based fertilising products available to farmers when they need to apply them. • When secondary raw materials are still available but not accessible, this will lead to unnecessary waste as the by-products from other value chains will need to be discarded, instead of used for organic-based fertilisers.
Suggested solution(s) or stop-gap measure(s)	<ul style="list-style-type: none"> • Measures should be taken to ensure the availability of transport for local secondary raw materials (see transport point). • The EU could introduce a REACH exemption (see REACH exemption point above) so that identical products can be produced outside the Union, using value chains that are still in operation.