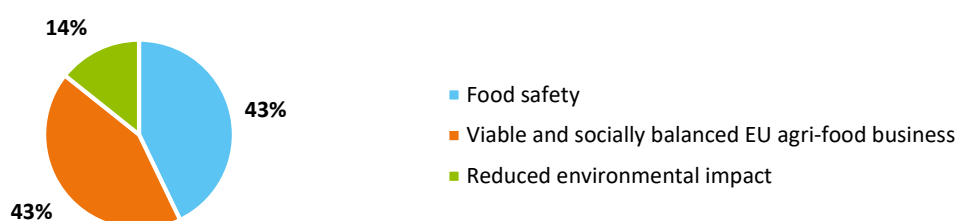


### A3.9 Policy actor: Input suppliers

What characterises the first stages of the food chain are the inputs that agricultural production uses in farming operations, namely **seeds and planting material, feed, energy, fertilisers and plant protection agents**. Among these, feed comprises the largest share of inputs in agricultural production and the biggest increase in prices in recent years. All considered input categories belong to markets that have witnessed changes in **concentration, mergers and acquisitions**. However, the consolidation process that has occurred at supply chain level in recent decades has not played out at production level and, therefore, input suppliers are generally larger and more concentrated than agricultural producers, which occupy a rather weak position with little bargaining power in negotiations.

#### Proportion of input suppliers-targeted mapped policies by GOAL



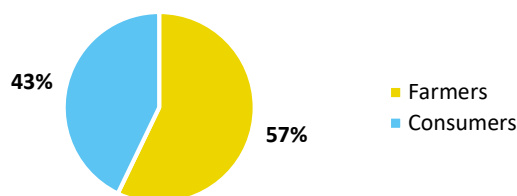
The agricultural input-related mapped food policies insist on three policy goals:

- o **Food safety**, with the view of protecting human and animal health by investigating potential undesirable substances in feed and regulating feed additives (43%);
- o **A viable and socially balanced agri-food business**, by setting packaging and labelling requirements for the commercialization of seeds and other vegetable propagating and planting material (43%);
- o **Reduced environmental impact**, aiming at minimizing plant protection products' repercussions on human health and nature by setting rules on pesticides and promoting the use of non-chemical alternatives (14%).

A great number of **farmers' traditional inputs**, especially seed varieties, are extremely **heterogeneous** by their nature as they adjusted to the diverse and peculiar features of the area where they originated. *Which kind of policy may allow small farmers' inputs to enter EU seed market? Is it viable to adjust the strict requirements underlying seeds' commercialisation in favour of all farming realities and resources?*

None of the mapped input-related food policies addresses the '**equitable outcomes and conditions**' goal. *Is **access to agricultural inputs** equal in all EU regions? Are the existing food policies targeting input suppliers taking the diverse characteristics and needs of EU farmers into account?*

## Proportion of input suppliers-targeted mapped policies by ULTIMATE BENEFICIARY



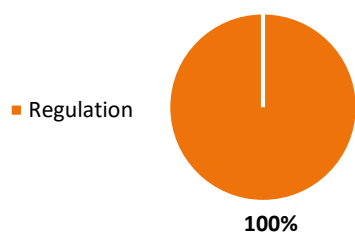
As depicted in the goals' pie, the largest proportion of mapped policies that are directly concerned with the marketing of agricultural inputs and their impact on the environment are designed to ultimately benefit **farmers** (57%), while feed-related policies are meant for **consumers'** health protection (43%).

Consumers are increasingly concerned about environmental issues and, accordingly, are often willing to pay more for food products that comply with sustainability principles.

*Are food companies taking advantage of the **transition to less input-intensive production methods**?*

*Can the **food industry** be considered as a hidden beneficiary of those food policies promoting a more sustainable input usage?*

## Proportion of input suppliers-targeted mapped policies by INSTRUMENT



Almost all mapped policies addressed to input suppliers have been enforced through **regulations** designed at **EU level** by DG SANTE.

*Do **Member States** have decision-making power in this policy area? Should agricultural input policies be only implemented at EU level, or be tailored to specific national or subnational realities?*

*Are the formulators of EU regulations on these matters dialoguing enough with the **research sector**? How could **R&I instrument** fit into such policy making process?*

*Do **income support** measures represent an effective incentive for farmers to switch to a more sustainable use of pesticides? Are farmers belonging to smaller realities adequately aware of alternative plant protection practices? Could **education measures** enable knowledge transfers and strengthen farmers and food companies' commitment to sustainable alternatives?*

*Are enough **fiscal policies** in place to prevent agricultural producers from being negatively affected by increases in input costs?*