

1. INTRODUCTION

1.1 What is the name of your organisation?

LIMAGRAIN Group

1.2 What stakeholder group does your organisation belong to?

Breeder of S&PM; Supplier of S&PM; Company operating on national level; International company

1.2.1 Please specify

1.3 Please write down the address (postal, e-mail, telephone, fax and web page if available) of your organisation

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2. PROBLEM IDENTIFICATION

2.1 Are the problems defined correctly in the context of S&PM marketing?

No

2.2 Have certain problems been overlooked?

Yes

2.2.1 Please state which one(s)

Sustainability: The Analysis Report can be read to mean that the current regulation is based on productivity, which "sustainability", a new topic, excludes. Sustainability must be understood as the need to supply sufficient food worldwide using fewer natural resources, including land. Productivity (/ m²) will still be needed and it is an essential component of a sustainable agriculture. The current regulation already allows for the implementation of environmental criteria. Moreover, independent studies have shown that newer varieties tend to perform better under limiting conditions than older ones. Genetic progress has resulted in gains not only in intensive agriculture, but also under low input conditions (see ref. list on 7.2) Complexity and fragmentation of legislation The complexity of the legislation is mainly due to differences between crops and their markets, including the requirements of end users. Therefore, segmentation according to species is necessary, but within a framework of overall harmonization. Level of administrative burden A reduction of the burden should not be the goal by itself as the regulation needs to achieve its objectives. However cost efficiency and optimization should be the target. For example, synergies between MS, automatic data recognition, the mobilization of private and public resources, could all help to optimize a new system. The system need to be restructured to allow possible transfer of competence to industry. Distortions on the internal market We think that it is not the system by itself which causes distortion, but its lack of harmonized implementation across MS, which is even amplified with the increasing number of MS

2.3 Are certain problems underestimated or overly emphasized?

Underestimated

2.3.1 Please indicate the problems that have not been estimated rightly

Inflexibility of scenario 2: We do not agree with the statement in the report that the current variety registration does not promote innovation towards sustainability. The examination of VCU, as defined in Annex III of directive 2003/90, deals with a package of traits (yield, diseases and pests resistance, physical environment behavior and quality characteristics) which are all important to maintain a sustainable agriculture. Moreover, we need to define what are the best additional criteria for sustainability.

2.4 Other suggestions or remarks

3. OBJECTIVES OF THE REVIEW

3.1 Are the objectives defined correctly in the context of S&PM marketing?

No

3.2 Have certain objectives been overlooked?

Yes

3.2.1 Please state which one(s)

As stated in the report, the current S&PM legislation has placed EU seed production and exports in a world leading position. Any changes will have global consequences. Therefore, the objective of the revision has to be to continue to foster support for the plant breeding, and seed industry competitiveness. The economic objective should be the valorization of innovation for the social and economic benefit of the whole downstream chain. Revised regulation should focus towards intensive agriculture, which is ecologically sustainable and uses new performing varieties rationally to ensure the food supply.

3.3 Are certain objectives inappropriate?

Yes

3.3.1 Please state which one(s)

The specific objective (3.2, bullet point 2) to improve farmer's choice and access to wide diversity of plant varieties is inappropriate : it is not a target per se; the objective should be to bring to the farmers the best varieties for their individual needs.

3.4 Is it possible to have a regime whereby a variety is considered as being automatically registered in an EU catalogue as soon as a variety protection title is granted by CPVO?

No

3.5 If there is a need to prioritise the objectives, which should be the most important ones? (Please rank 1 to 5, 1 being first priority)

Ensure availability of healthy high quality seed and propagating material

Secure the functioning of the internal market for seed and propagating material

Empower users by informing them about seed and propagating material

Contribute to improve biodiversity, sustainability and favour innovation

Promote plant health and support agriculture, horticulture and forestry

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3.6 Other suggestions and remarks

As stated in the report, all the general policy objectives contribute to the general goals of supporting agriculture and promoting plant health (§ 3.1 bullet point 4).

4. OPTIONS FOR CHANGE

4.1 Are the scenarios defined correctly in the context of S&PM marketing?

No

4.2 Have certain scenarios been overlooked?

Yes

4.2.1 Please state which one(s)

In our opinion, none of the scenarios are aligned with the overall objective and, as such, none of them is acceptable ; Scenario 2 and scenario 5 have been overlooked

4.3 Are certain scenarios unrealistic?

Yes

4.3.1 Please state which one(s) and why

Scenario 1 Only answers an objective to reduce costs. It does not fulfill any other objective. Moreover, impact of transfer of cost to the private sector is not analyzed or quantified. Scenario 3 Risks of Introducing market distortions since VCU and certification are optional for a same group of crops. This could lead to varieties choice by processors and distributors being made with a very short view that is incompatible with the very long term process of plant breeding. Scenario 4 Goes against the general objective of maintaining competitiveness and innovation. It could lead to downward spiral with: - high risks for plant breeding and the seed industry - negative influence on plant health as low quality seeds could be marketed - introduction of market distortions from a confusing multi-level system - short termism by processors and distributors, incompatible with long term breeding - short term market drivers that would detract from quality requirements, and increase prices, to the detriment of consumers.

4.4 Do you agree with the reasoning leading to the discard of the "no-changes" and the "abolishment" scenarios?

Yes

4.5 Other suggestions and remarks

complement of argumentation to the Q4.2.1 Scenario 2 : Delegation to the private sector is a positive approach, which could provide opportunities to optimize costs. However, this scenario does not proposed sufficient revision of registration process, where there is a lack of harmonization. : This will create a market distortion, leading to the lack of information for users and it will not foster innovation. Scenario 5: Some centralization is appropriate. For example, of DUS, where one report per variety should be sufficient in any Member State and for variety protection. However, VCU should take into account the needs of each agricultural sector and therefore needs to be more flexible. VCU for Vegetables is technically inapplicable and irrelevant.

5. ASSESSMENT OF OPTIONS**5.1 Are the impacts correctly analysed in the context of S&PM marketing?**

No

5.2 Have certain impacts been overlooked?

Yes

5.2.1 Please state which one(s)

Impact on users (farmers, processors and consumers): It is surprising that the impact, in the individual assessments ,on users have not been assessed whilst both general and specific goals insist on better information to users. Therefore, our answer below this take into consideration this additional aspect.

5.3 Are certain impacts underestimated or overly emphasized?

Overestimated

5.3.1 Please provide evidence or data to support your assessment:

Comments are made on the corresponding lines only when we believe impact need to be rated differently. Comments are made on the corresponding lines only when we believe impact need to

be rated differently. SYNTHESIS OF IMPACT ANALYSIS Areas Impacts 1 2 3 4 5

Impact on plant health and quality of S&PM - - X XX ? Impact on employment and jobs in the public sector - X XX XX X Impact on administrative burden and costs for authorities ?? ?? ?? ?? ?? Impact on administrative burden and costs for private sector operators XX - ?? - X Impact on competitiveness, markets, trade and investment flows X ? x XX ? Impact on innovation and research X ? X X - Environnemental impact - - X X - Impact on consumer protection - - XX XX ?

Scenario 1: General comment This scenario only addresses the issue of reducing the cost and administration burden of the public authorities, without solving the question of cost optimization. The increase of burden on private industry would have negative consequences on their capacity to invest - as was pointed out in the report. Although this scenario has the advantage of preserving the ACQUIS, it fails to solve questions such as better harmonization between MS.

Areas Impacts rating Impacts/ LIMAGRAIN Comments Impact on plant health - /x - Typing error in the report? Impact on employment and jobs - - Impact on administrative burden and costs for authorities ?? ?? Impact on administrative burden and costs for private sector operators xx xx Impact on competitiveness, markets, trade and investments flows x X Impact on innovation and research x x Environnemental impact - - Impact on users information and protection - Scenario 2: Areas Impacts rating Impacts/ LIMAGRAIN Comments Impact on plant health X - The report states that the transfer of responsibilities under official supervision to industry for testing and certification is not considered to raise any concerns Impact on employment and jobs xx X Officials will still be needed to accredit, train and supervise private industry when tasks are transferred, either provide some official testing services. Impact on administrative burden and costs for authorities ??? ?? Same as above: There will be a need of official for accreditation, training and supervision Impact on administrative burden and costs for private sector operators x - In this scenario, there should be full optimization of the resources. Moreover, if already existing data are taken into account in listing decisions- under harmonized protocols the scenario will reduce overall costs Impact on competitiveness, markets, trade and investments flows ? ? Impact on innovation and research - ? It can be expected that overall cost savings in the registration system will generate a shift of investment to R&D Environnemental impact x - Impact on sustainability can still be positive under this scenario because VCU is compulsory for agricultural crops, the various components of value of a variety, including its environmental value, can be taken into account. This is already the case for some agricultural crops in some MS. For example, wheat in France, where listing decisions are based on the performance of the varieties under different input regimes. For vegetable crops, these types of criteria can be taken into account in the DUS tests, as it is already the case. Therefore, while some amendment of the proposal is required, we evaluate the overall impact of this scenario as positive rather than negative. Impact on consumer protection - Scenario 3: Areas Impact rating Impacts/ LIMAGRAIN Comments Impact on plant health x x Impact on employment and jobs xx xx Impact on administrative burden and costs for authorities ??? ?? Even if optional, it may be that some testing will be conducted voluntarily and that some level of official supervision will be needed Impact on administrative burden and costs for private sector operators ?? ?? Impact on competitiveness, markets, trade and investments flows ?? X This scenario introduces competitive distortions between breeders (and MS) depending on their capacity to finance VCU testing. The positive impact for farmers, due to an increased choice of varieties, stated in the analysis remains very uncertain. There will a lack of reliable information on the performance on some varieties. Farmers will have more choice but no means with which to choose sensibly. Impact on innovation and research ? X The analysis pointed out that this scenario implies that lower performing varieties would be placed on the market, which is contradictory with the objectives. It will results in short term market drivers, incompatible with the long term process of breeding. Environnemental impact - X There will be more medium performing varieties Impact on consumer protection X In this scenario, the objective of better regulation to improve the provision of information to users is not fulfilled. For example, farmers will have no reliable data from which to choose a varieties Scenario 4: Areas Impacts rating Impacts/ LIMAGRAIN Comments Impact on plant health X xx Because of lack of testing and control, the scenario is expected to increase plant health risk, especially that other third countries will soon give up certification if EU does not requires it any more Impact on employment and jobs XX XX Impact on administrative burden and costs for authorities ??? ?? Still needed for the tested part Impact on administrative burden and costs for private sector

operators ??? - There will, be a greater burden if vegetables are to be tested Impact on competitiveness, markets, trade and investments flows ?? XX In this scenario, we expect varieties of lower quality to be introduced into the market, leading to a negative spiral on quality and value. Impact on innovation and research ? x Within a market of decreasing value, there will be less incentive for innovation and plant breeding. The short term market drivers are not compatible with long term breeding processes. Environmental impact ? X The positive rating is explained by the fact that environmental criteria will be mandatory. However, with optional VCU, it can be expected that there will be less progress on this objective. Impact on consumer protection XX In the impact assessment, scenario 4 is given a neutral score on information to farmers. It is expected from the analysis that increased flexibility should allow more rapid access to market. However, if untested varieties are used we expect a negative impact on farmers as no reliable information on the performance of the varieties will be available. Scenario 5: Areas Impact rating Impacts LIMAGRAIN Comments Impact on plant health ? ? Impact on employment and jobs x x Impact on administrative burden an costs for authorities ?? ?? Impact on administrative burden and costs for private sector operators ? X VCU on vegetables is inapplicable and invalid. Considering the very high level of segmentation, it would induce a additional heavy burden Impact on competitiveness, markets, trade and investments flows ?? ? Harmonization is beneficial. However, registration decision must take into account some of the specific needs of MS. Impact on innovation and research ? - There should be no impact on the capacity to innovate compared to the current situation, especially if listing decisions do not take into account specific needs Environmental impact - - There should be no impact on sustainability compared to the current situation, which already allows for implementation of this type of criteria Impact on consumer protection ? There will improved overall transparency of information, but key criteria may be missing, depending of the content of the 'light' VCU

5.4 How do you rate the proportionality of a generalised traceability/labelling and fit-for-purpose requirement (as set out in scenario 4)?

5 = not proportional at all

5.5 How do you assess the possible impact of the various scenarios on your organisation or on the stakeholders that your organisation represents?

Scenario 1

Rather negative

Scenario 2

Fairly beneficial

Scenario 3

Very negative

Scenario 4

Very negative

Scenario 5

Fairly beneficial

5.5.1 Please state your reasons for your answers above, where possible providing evidence or data to support your assessment:

see previous question where answer is given on each line of the various scenario

6. ASSESSMENT OF SCENARIOS

6.1 Which scenario or combination of scenarios would best meet the objectives of the review of the legislation?

A combination of scenarios

6.1.1 What are your views with regards to combining elements from the various scenarios

into a new scenario?

The LIMAGRAIN scenario integrates the following elements : A EUROPEAN CATALOGUE, registering decisions taken by the public authorities and based on: - national application - a unique and mandatory DUS valid for all Member States o observed during 2 growing cycles o performed by public and or testing stations accredited by CPVO (scenario 5) o partly carried out by private breeders under official supervision (scenario 2) - VCU for agricultural crops, including the main characteristics leading to sustainable agriculture, carried out by the various parties involved, under official supervision (scenario 2) - Progressive and rational introduction of new criteria, especially those linked to environmental issues, in DUS or VCU (already implementable in scenario 2). - Variety denomination centralized at the CPVO, with online web tools (scenario5). Certified and Standard Seed controls: - Supervision of seed quality as certified or standard categories, achieved through a greater delegation of tasks to the seed industry under official supervision (scenario2 and scenario 5) - Harmonization within an international scheme The possibility to market varieties in advance of listing for trial purposes (existing provision for orange labels) Registration of accredited operators with an obligation to follow standard protocols Specific provisions should continue to be applied for ornamentals (scenario3), and for non-professional varieties (scenario 2) provided that this category is well defined , with minimum official measures to control seed health, as well as a genetic identity . Official testing and official seed control should be possible on request, if an operator has no means to perform it himself (scenario 2) There is also needs to be open consultation with the downstream sectors concerning longer term objectives, including dialogue between the public and private sectors.

6.1.1 Please explain the new scenario in terms of key features**6.2 Do you agree with the comparison of the scenarios in the light of the potential to achieve the objectives?**

No

6.2.1 Please explain:

See Q5.3 where all argumentation is given for each scenario for the appropriate objectives

7. OTHER COMMENTS**7.1 Further written comments on the seeds and propagating material review:**

Seed business and seed markets are very specific compared to any other sector. This specificity needs to be taken into account - progress in plant breeding is a long term process, which is incompatible with short term market views - technological differences of varieties cannot be directly or immediately appreciated by users. Because of the biological nature of the product, which interact with environmental factors,, products cannot be standardized as other goods. Plant products need to be assessed to give reliable information to users - each crop sector has specific constraints, which need to be considered - Reform of the regulation must be driven by science-based criteria; innovation and productivity characteristics towards sustainable crop production

7.2 Please make reference here to any available data/documents that support your answer, or indicate sources where such data/documents can be found:

- Un progrès génétique soutenu et des variétés plus rustiques Arvalis Institut du végétal – Décembre 2009 - ÉVOLUTION DES RENDEMENTS DE PLUSIEURS PLANTES DE GRANDE CULTURE UNE RÉACTION DIFFÉRENTE AU RÉCHAUFFEMENT CLIMATIQUE SELON LES ESPÈCES par André Gallais¹, Philippe Gate², François-Xavier Oury³ Académie d'Agriculture de France – 2010. Séance du 5 mai. - Evolution de la biodiversité génétique des variétés commercialisées chez des espèces de grandes cultures- Le Buanec- Le Sélectionneur Français- 2010

