

## No agroecology without economic viability. What solutions to ensure the balance?

The ecological transition, which many political organizations advocate for without fully understanding its stakes or scope, can only be achieved over the long term and involves risks for farmers that need to be addressed, both technically and economically.

For many, agroecology is a somewhat vague concept, "based on natural balances," which, by using fewer chemical inputs, will necessarily be more profitable. However, to reach this agronomic ideal, which indeed relies on greater autonomy and biological interactions, new technical skills must be acquired and adapted to each farm. Unlike **chemical solutions used in so-called conventional agriculture, where each health threat is met with a molecule effective in almost all situations, the effectiveness of biological regulations is more unpredictable. A solution that worked perfectly in one year may have much less satisfactory results the next, depending on weather conditions, sowing conditions affecting the plant's health when pests arrive, the soil's ability to mineralize organic fertilizers, etc.** 

## The risks of an agroecological transition are not covered

A farm is not a factory where you can simply adjust the parameters. What works on one farm may be ineffective on another. The soil and climate conditions, the farmer's experience, how the farm has been managed up until now (crop rotations, plowing, crop contamination), and the socio-economic environment (family, financial partners, buyers, logistics) are all important factors that can influence the success of this agroecological transition. The duration of this transition varies depending on the systems but is estimated to take 10 to 15 years to achieve a well-managed system.

Farmers face three risks each season that will impact the income from their harvests and thus the viability of their farms: economic risks, related to market prices; climatic risks, related to weather conditions; and health risks. This last risk is heightened during the agroecological transition and therefore needs technical and financial support.

Most measures allocated to this pillar of the transition are fixed income supports that are only slightly or not at all indexed on the ambition and success of the farmer, and they do not compensate for a setback. The ideal solution would be to consider new forms of public support, such as **a new risk-taking** 

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insurance model, as advised by a CESE report<sup>1</sup>, an idea also echoed in the Ecophyto 2+ plan (action 26)<sup>2</sup>. Coupled with individual technical support, it could involve compensation in case of failure of an agroecological practice that would have a real impact on the gross margin, verified through comparison with a control plot.

This would move away from an insurance system based on chemical treatment toward a form of economic insurance. Indeed, without a control plot or technical trials, it is impossible to prove that a treatment was not essential. A technician advising to skip a treatment takes more risk with their credibility vis-à-vis the farmer than one who suggests "playing it safe" with a treatment. This economic insurance could enable daring technical choices and questioning the need for certain treatments, without jeopardizing the farm's economic viability. This change would reassure farmers, encouraging them to test new practices, initially guided by a technician, but ultimately aiming for regained decision-making autonomy.

## An agroecological insurer role assigned to water agencies: a flexible and effective solution

But who will fund this type of "insurance", which requires a flexible budget and a tailored action program? The CAP and its regional offshoots are currently difficult to adapt to such projects, but a solution could come from water agencies and water management syndicates. This would be a win-win system: if the implemented alternative strategy is effective, the farmer benefits economically, and so does the community, since it pays nothing and saves on water treatment. In the case of a "bad" choice, the farmer is not discouraged. Financing improved agricultural practices remains cheaper than treating water, as proven by the now well-known example of New York City<sup>3</sup>. Moreover, adopting isolated agroecological practices is a prerequisite for the systemic combination of practices<sup>4</sup>; we must therefore seek to encourage all these initiatives that engage farmers in this reflection.

Equipped with their own funding based on pollution-related levies, water agencies have significant autonomy and specific areas of action—the water catchment areas—where they can propose very innovative project calls. A report also compiles these initiatives: <u>Taking into account the economic challenges of agricultural farms in water catchment protection approaches: challenges, tools, and feedback</u>. It acknowledges that "The effects of changes in practices or production systems on the economy of agricultural farms are complex, difficult to measure, and especially to generalize on the scale of a typology of farms. However, it is essential to take them into account in order to find a **meeting point between water protection objectives and the economic viability of farms**."

The water syndicate of the Rennes basin has even gone further by integrating this vision into the operation of supply chains, as local authority supply ensures an outlet for farmers in the water

<sup>2</sup> https://glyphosate.gouv.fr/sites/default/files/inline-

files/Note%20d%E2%80%99e%CC%81tape%20et%20synthe%CC%80se%20des%20entretiens%20en%20re%CC %81gions%2C%20novembre%202019%20%28PDF%2C%20736.11%20Ko%29 1.pdf

<sup>&</sup>lt;sup>1</sup> https://www.vie-publique.fr/sites/default/files/rapport/pdf/164000770.pdf

<sup>&</sup>lt;sup>3</sup> https://www.partagedeseaux.info/Comment-la-remuneration-des-services-ecologiques-a-permis-a-New-York-de

<sup>&</sup>lt;sup>4</sup> Centre d'études et de prospective du MAA - Agroéquipement et triple performance – Freins et leviers pour une transition AE – Machenaud, Klein, Terrien, Pasco - 2014

catchment area engaged in water resource protection<sup>5</sup>. This local targeting of a public market, prohibited by regulation, is made legal by purchasing an environmental service in addition to purchasing the food product. Simple but effective: "The farmer receives a double payment: one for the environmental service rendered for water quality and another for selling their products at a fair price. The first payment, up to a maximum of 3,000 euros, is made as a 'financial bonus proportional to the ambition of progress, using the principle of the incentive clause in Article 17 of public procurement."<sup>6</sup>

To successfully achieve the agroecological transition, it must therefore be technically supported, financially backed, and must provide products that meet consumer expectations, their willingness to pay, and market demand.

However, despite the CAP's Green Deal objectives, it does not include any mechanism to cover agroecological risks. It will necessarily have to be considered, but in the meantime, intervention by water agencies can compensate for this lack of incentive support. This is crucial, as the recent struggles in the organic sector show that despite the environmental emergency, if the market cannot absorb the growth of products demanded by citizens, those same products can end up in surplus and see their value decrease. The price of these goods, with superior environmental qualities, should not be discounted in order to maintain differentiation from other products and ensure fair compensation for farmers. Other solutions still need to be found and implemented to help stimulate demand.

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<sup>&</sup>lt;sup>5</sup> https://www.banquedesterritoires.fr/label-et-debouches-pour-les-agriculteurs-qui-protegent-leau-potabledu-bassin-rennais-

<sup>35#:~:</sup>text=En%20%C3%A9change%20de%20pratiques%20plus,est%20ouvert%20au%20grand%20public <sup>6</sup> https://www.bruded.fr/wp-content/uploads/2018/03/fiche-ebr\_terresdesources\_finale.pdf