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Joint Research Centre

IMPACT OF CLIMATE CHANGE MITIGATION ON EU AGRICULTURE

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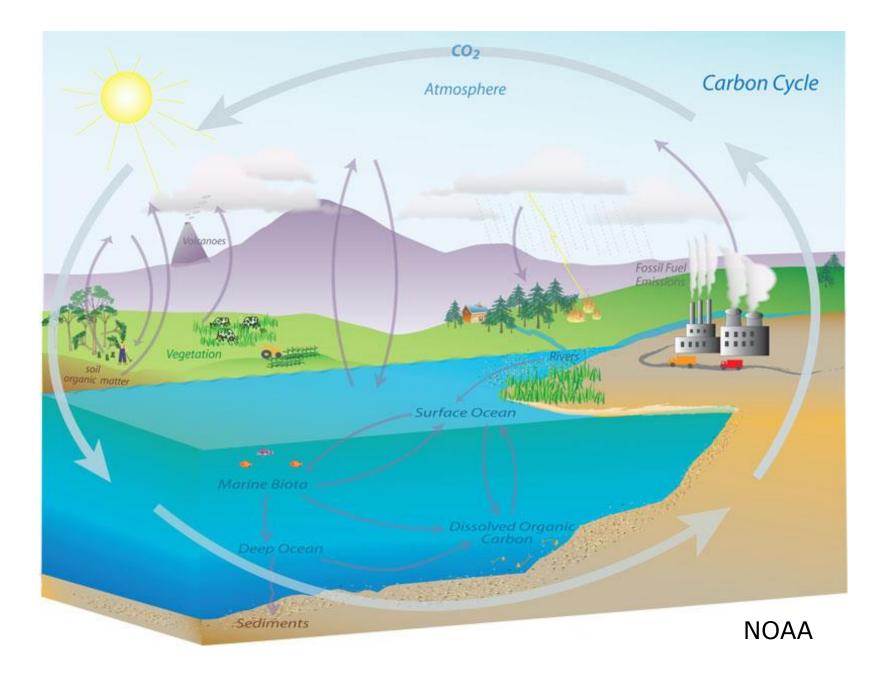
Brussels



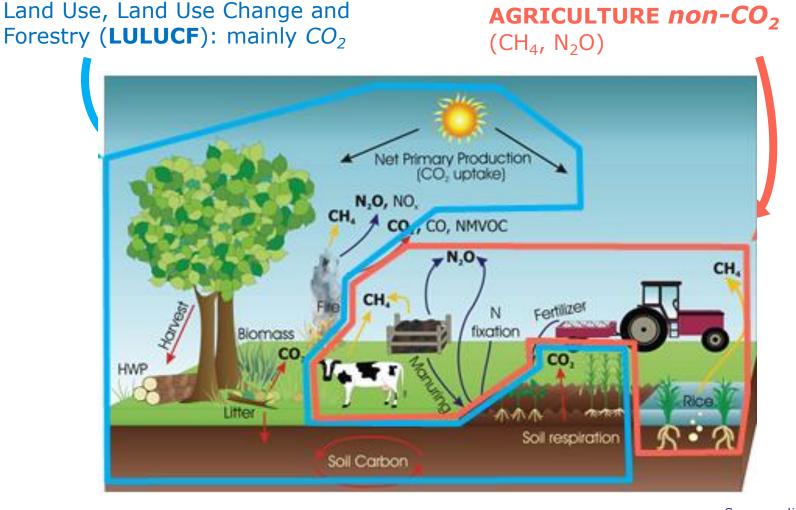
European Commission



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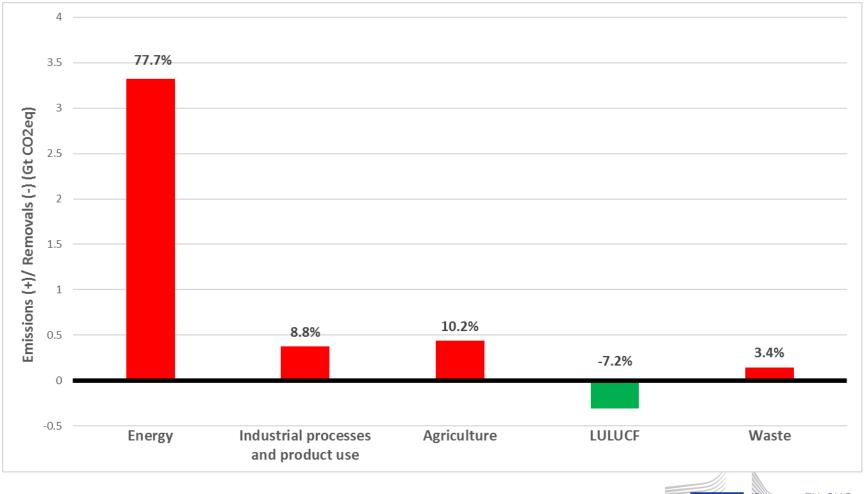
Land use includes LULUCF and agriculture



Source: adjusted from IPCC, 2006 European

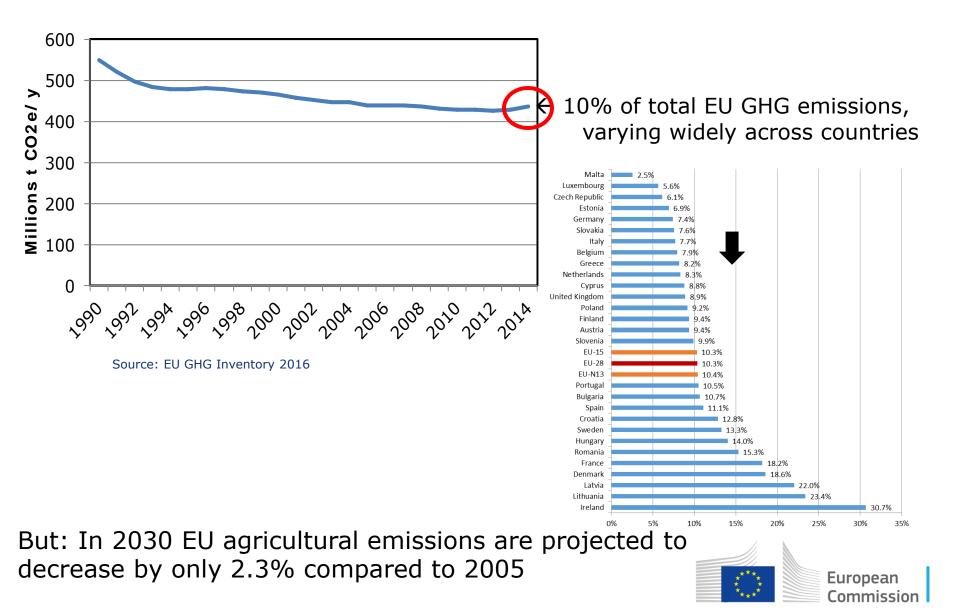
Commission

Emissions and removals in the EU – all sectors (2014)

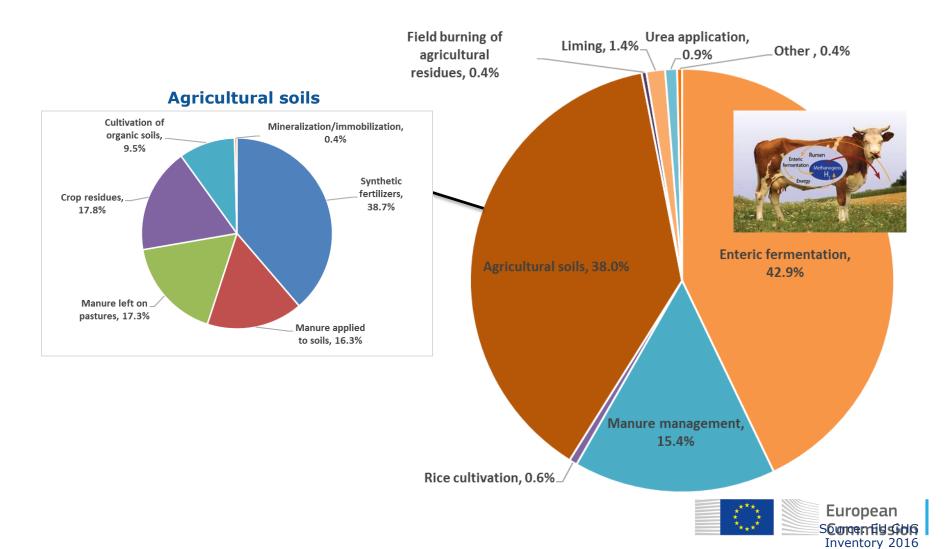




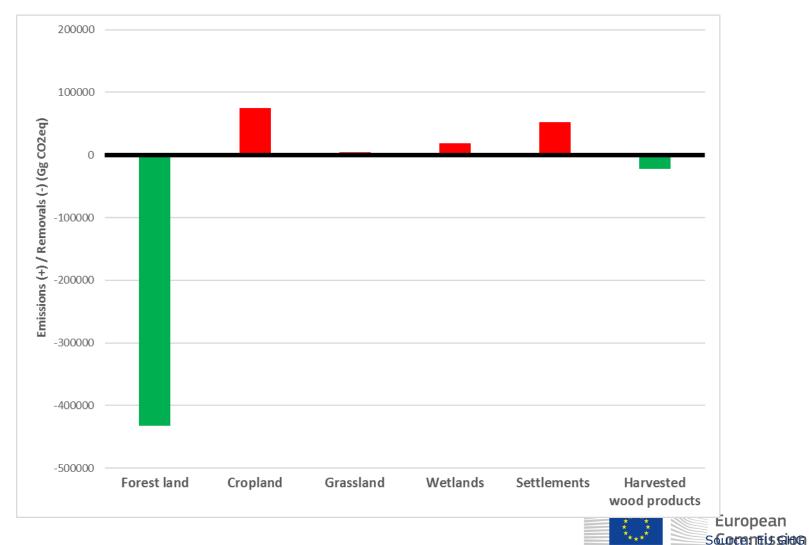
Agriculture GHG emissions in the EU, 1990–2014: -21%



Agriculture emissions in the EU (2014)

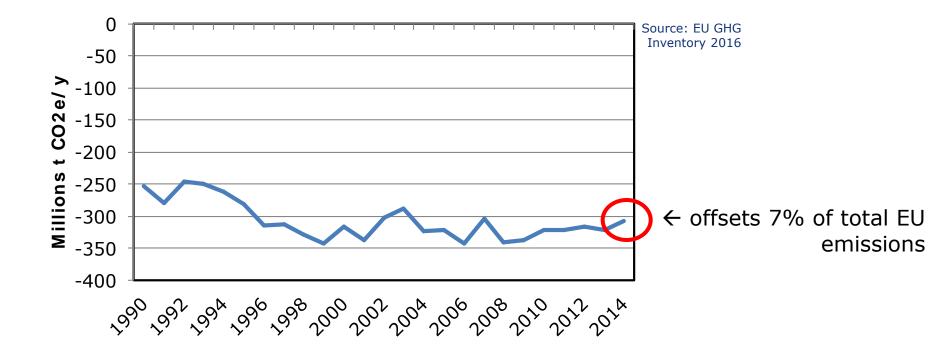


LULUCF emissions and removals in the EU (2014)



Inventory 2016

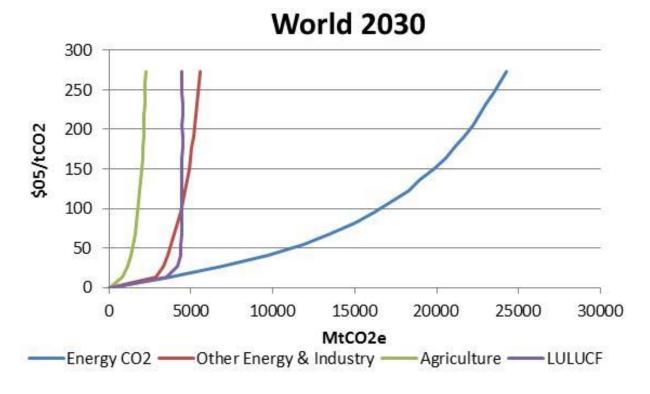
CO₂ removals from LULUCF in the EU, 1990–2014





Costs of mitigation are higher in the agriculture sector than in other sectors

Marginal abatement costs with respect to the no-policy scenario



Source: JRC Report Global Energy and Climate Outlook (2016)

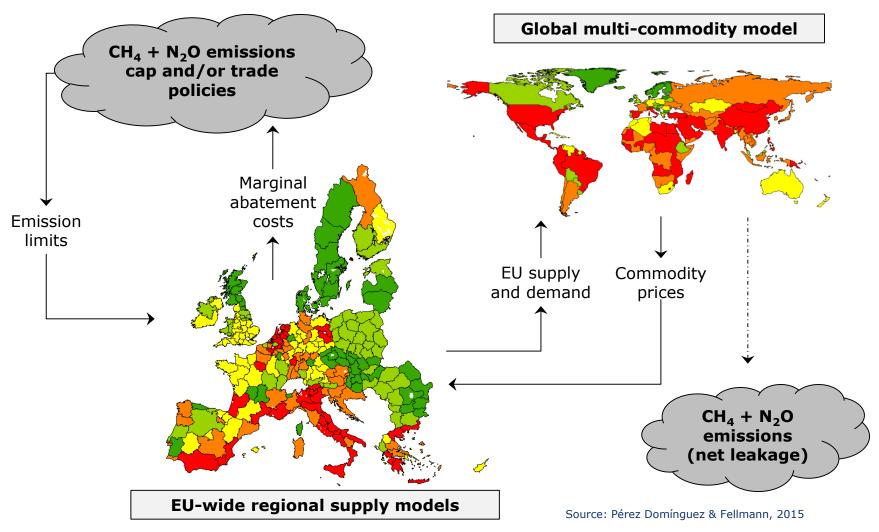


Economic assessment of GHG mitigation policy options for EU agriculture

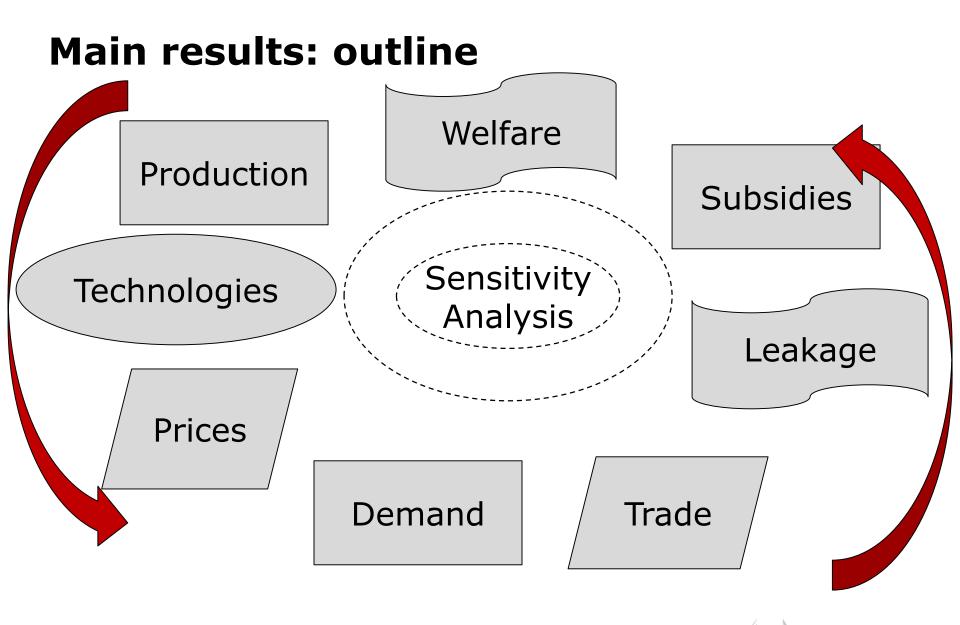
- Evolution of agriculture non-CO₂ GHG emissions
- > Technological mitigation options
- Possible market effects and costs
- Assess the role of CAP budget



Methodology: CAPRI model structure









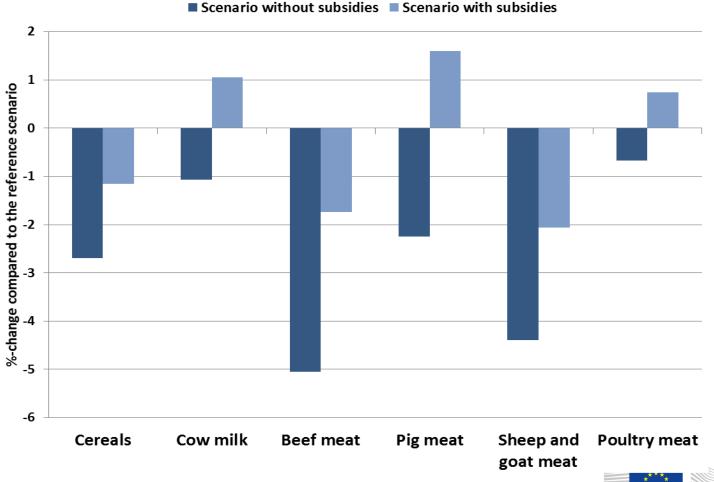
ECAMPA: 2 scenarios with a mitigation target for EU agriculture

Scenario	Emission reduction target	Subsidies for the adoption of mitigation technologies
Scenario 1	15%	
Scenario 2	15%	80%

- Livestock: anaerobic digestion, changes in feed composition, breeding programs to increase milk yields of dairy cows and ruminant feed efficiency
- <u>Crops</u>: Increased efficiency of (mineral) Nfertilisation, set-aside of organic soils, others

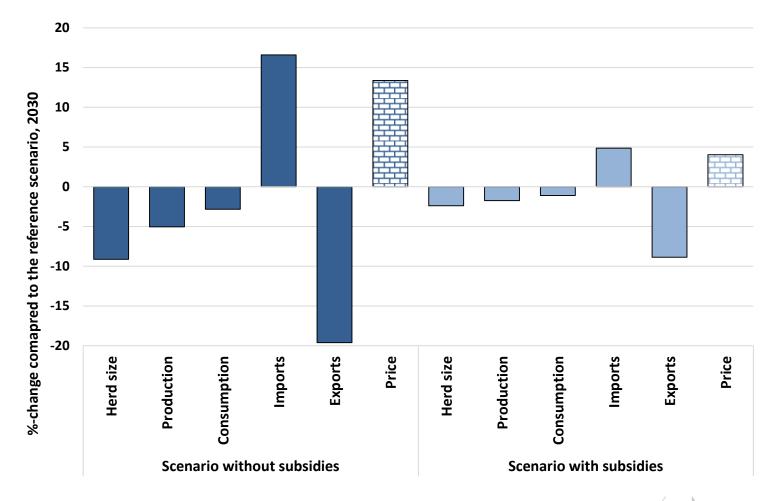


Scenarios 15% mitigation target EU production: ruminant meats most affected



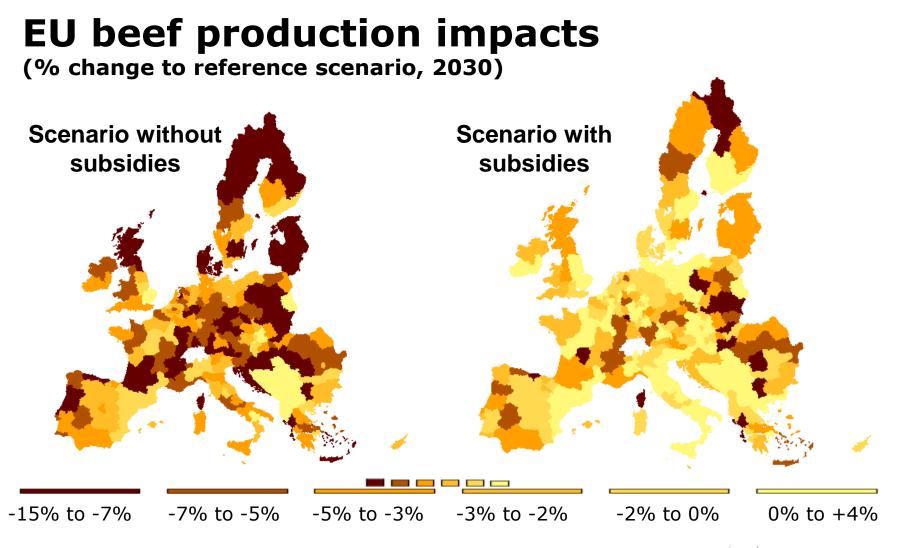


Subsidies smoothen effects for EU beef market balances and prices





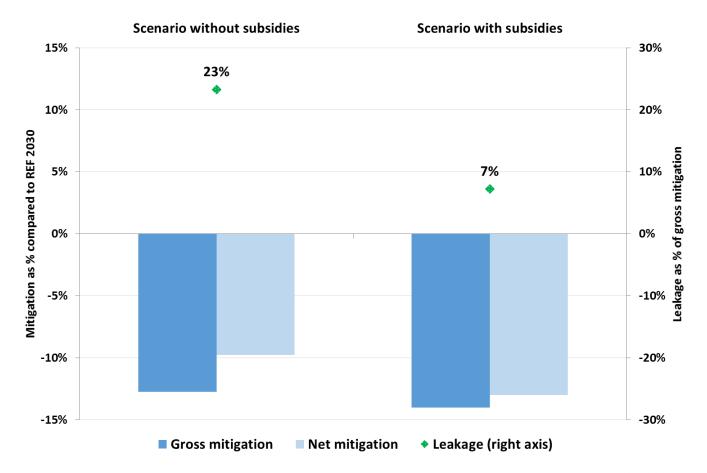
Scenarios 15% mitigation target





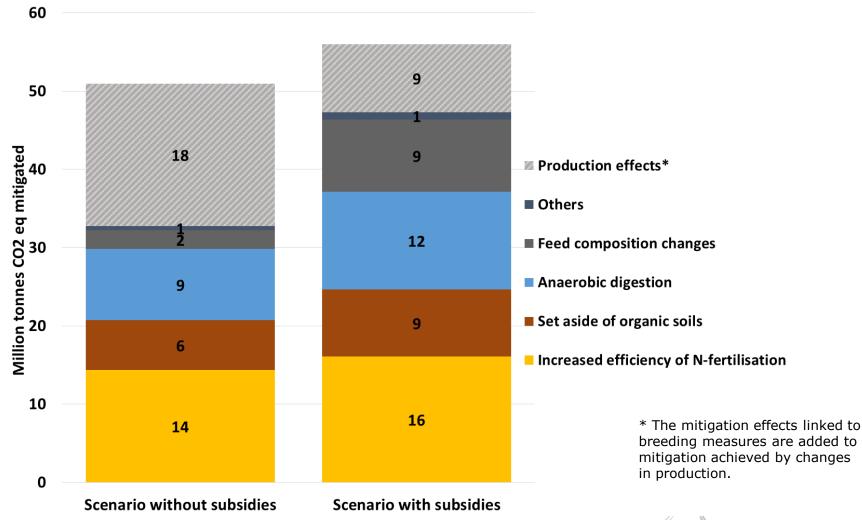
Scenarios 15% mitigation target

Emission leakage not negligible





Overall mitigation achievement and contribution by technology

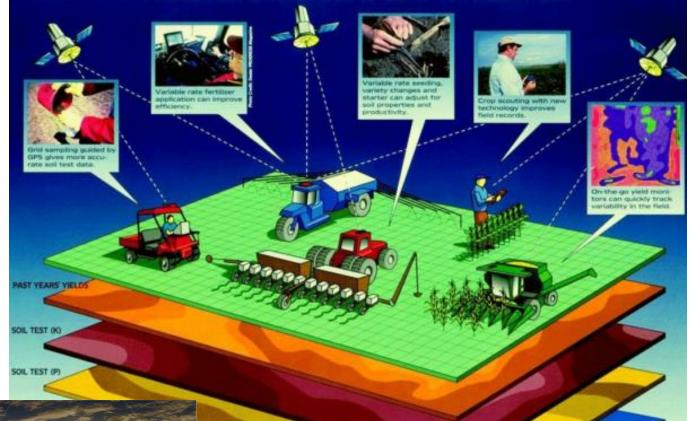




Win-win mitigation options?



Precision farming

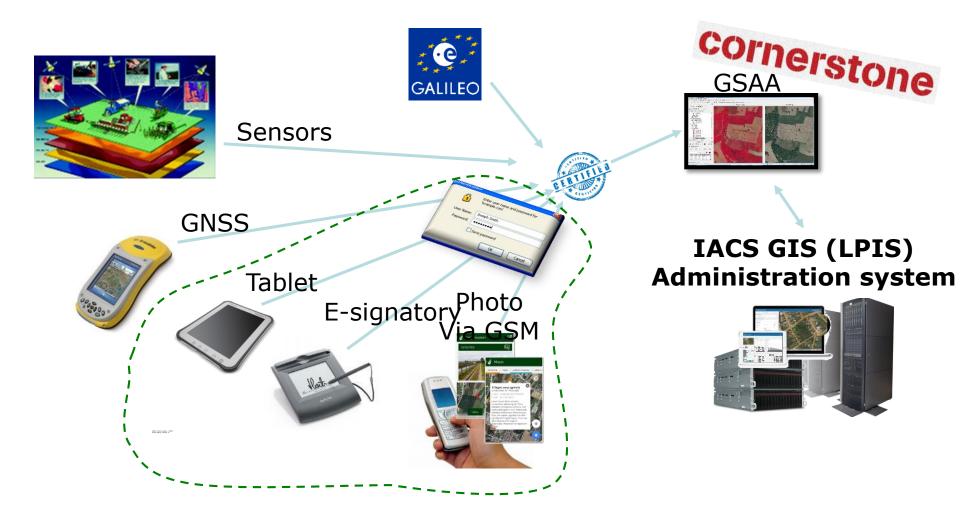






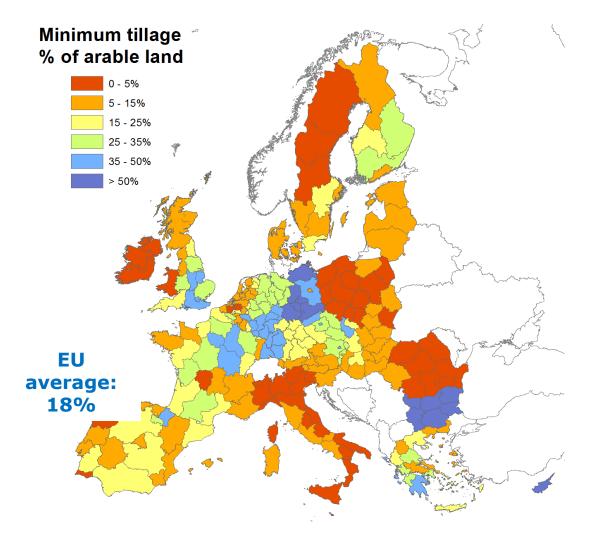
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Co-benefits





Conservation agriculture: reduced soil tillage



Environmental benefits

- Decrease GHG emissions
- Reduce soil erosion = less nitrogen runoff and water pollution
- Increase biodiversity

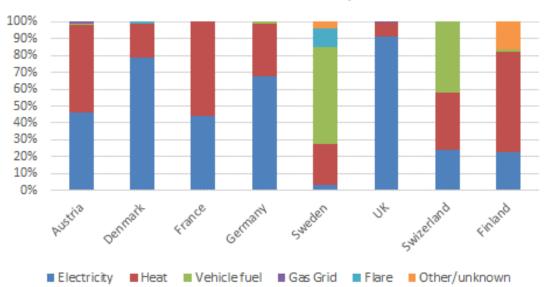
Economic benefits = cost savings

- Less N-fertilization needed
- Less field operations needed = fuels and labour reductions



Win-win mitigation options?

Biogas produced from anaerobic digestion has multiple uses



Utilisation of AD outputs

Source: Jones (2016), based on National Reports, IEA Task 37, Berlin, 2015.

Environmental benefits

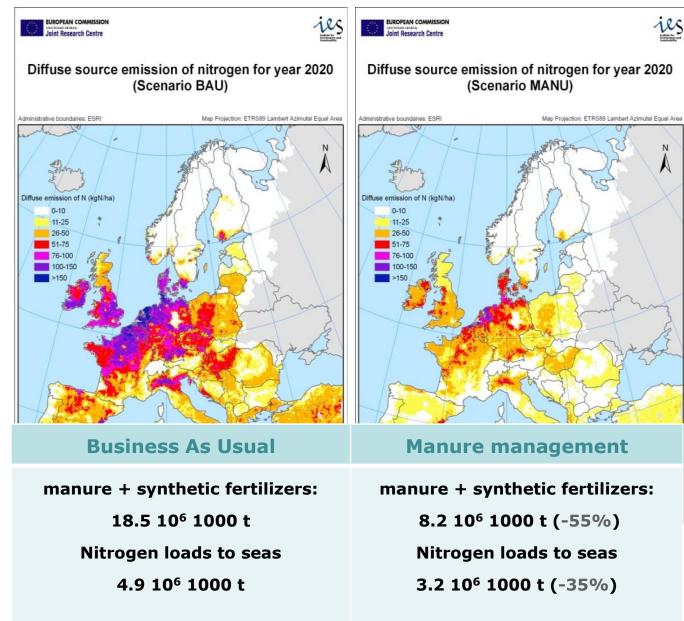
- Decrease GHG emissions
- Environmental friendly energy supply
- Better use of waste and residues from the farm
- More efficient use of nitrogen from manure

Economic benefits

- Less N-fertilization needed
- Diversifying farmers income



Scenarios for nitrogen diffuse sources in 2020



Source: JRC 2014



Knowledge gaps on mitigation technologies

• Assess territorial mitigation potential of the most promising technologies and practices

 Better understand farmers' <u>behaviour</u> regarding the adoption of mitigation options



Number of actors in the industrial sectors

- Energy industries (~ 3000)
- Production and processing of metals (~ 2700)
- Mineral industries (~ 5700)
- Production of chemicals (~ 5000)
- Waste management industries (~ 4 600)



Number of actors in the agricultural sector

- The number of farms in the EU over <u>10 million</u>
- Each farmer is a potential decision-taking agent when it comes to adopt or not a technology
- Over 1/3 of them over 65 and more than ½ of the active farmers over 55



Conclusions

- GHG mandatory reduction targets for agriculture sector show significant production effects, especially in the EU livestock sector
- Risk of leakage decrease in domestic production offset by production increases outside EU
- Adverse effects are significantly reduced by subsidies to trigger adoption of technologies and practices
- Territorial efficiency of technologies and practices should be better understood
- Farmers' behaviour should be factored into the policy
- Special attention should be given to possible win-win options





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Thank you for your attention



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