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## **COVID-19 Impact Research European Farmers**

**June 2020**

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## A quantitative survey among EU-based large farmers to assess impacts of the COVID-19 pandemic on their businesses as well as attitudes towards and expectations of the EU



Interpretation: throughout the report the figures quoted are in percentages rather than numbers of respondents. Where the base size is filtered and the number of interviews is small [i.e., individual market findings]; any subgroup data presented should be treated as directional/contextual and is not for publication.

Adhering to the international quality standard for market research, ISO 20252:2012

Interviews with large farmers across six EU countries were conducted by telephone and lasted around 13 minutes. Minimum size of farm eligible was a turnover of USD 100,000 in France, Germany, Netherlands, Italy, Poland and Spain.

Fieldwork dates represented: 2<sup>nd</sup> June – 12<sup>th</sup> June 2020.

Sample size: Total of 210 interviews, comprising France (35), Germany (35), Netherlands (35), Italy (35), Poland (35) and Spain (35).

Data is weighted so that livestock-only farms make up a consistent 20% of the total across all countries. Unweighted global proportions were 74% arable or mixed and 26% livestock/dairy only. All countries have the same influence within the global figures.

Respondents were approached from a sample frame compiled by Ipsos MORI on the basis of agreed definitions. All leads were handled in a way compliant with the GDPR and supplied by compliant sample partners.

Leads generated by Ipsos MORI or through referrals were checked for general eligibility with Syngenta and then screened as a double check, using agreed definitions.

Only respondents who had the responsibility for making budget-related decisions on the farm and/or managing how the land is used were interviewed.

## *Impact of COVID-19*

- Almost half of large EU farmers (46%) say their farming businesses have been impacted by the COVID-19 pandemic. Impacts are moderate in France, Germany and the Netherlands; they are most severe in Poland, Spain and especially Italy, where 78% of farmers interviewed have been affected and 48% say they have been affected “a great deal.”
- The pandemic has prompted a third (32%) of large EU farmers to question the long term viability of farming as a business. 1 in 4 (26%) agree they are concerned about their business’s immediate survival, this figure rises to 64% of large farmers in Italy and 37% in Spain.
- Top impacts experienced by large EU farmers are a decline in revenue/sales (57%) and disrupted supply chains and shortages (51%). These disruptions to farmers’ livelihoods are not seen as a flash in the pan: 65% expect negative revenue and demand impacts to continue through the next 2 – 3 years, 55% say the same for supply chain disruptions. While increasing costs of inputs (i.e., machinery, chemicals, seeds, feed) are currently a lower-order impact (11% of large farmers report seeing increased input costs today), when prompted 57% anticipate this being an issue in the longer term.
- Nearly half (48%) of large EU farmers believe more farms will fail over the next 2 – 3 years as a consequence of the COVID-19 pandemic and overall 42% of farmers interviewed are more pessimistic about the future of farming as a result of the crisis.

## *Role of the EU*

- Who is responsible for supporting the EU farming sector during the crisis, and mitigating its impacts? Large farmers are split on whether the EU or local governments should lead—34% say the former has first responsibility, 33%, the latter. Italian, Spanish and Dutch farmers see the largest role for the EU, while German farmers are more likely to look to their own government for leadership.
- Provided with a choice of whether EU regulations have protected them during the COVID-19 crisis, or limited their ability to respond to its effects flexibility, 23% felt protections outweighed negatives compared to 60% for who felt constrained during the pandemic.
- Produce price fluctuations, flexibility-limiting regulation and distorted competition due to differing standards within the EU are the main issues large farmers look to the EU to mitigate. While some call for direct financial support, more request price stabilisation and protection from non-EU goods. Reduced bureaucracy, faster EU decision-making on COVID-related matters and facilitation of transport/labour flows are also mentioned

## *Climate change & COVID-19*

- Despite the negative business impacts farmers have experienced due to the pandemic and the reorientation of public priorities to the economy, finance and health, a majority (84%) of large EU farmers remain concerned about the effects of climate change on their livelihoods. Few say their concern about climate impacts has declined since the outbreak of the pandemic and overall, worries about the effects of climate change outweigh COVID-19 concerns in both the short and longer-term.

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## Large EU farmers: impact of COVID-19

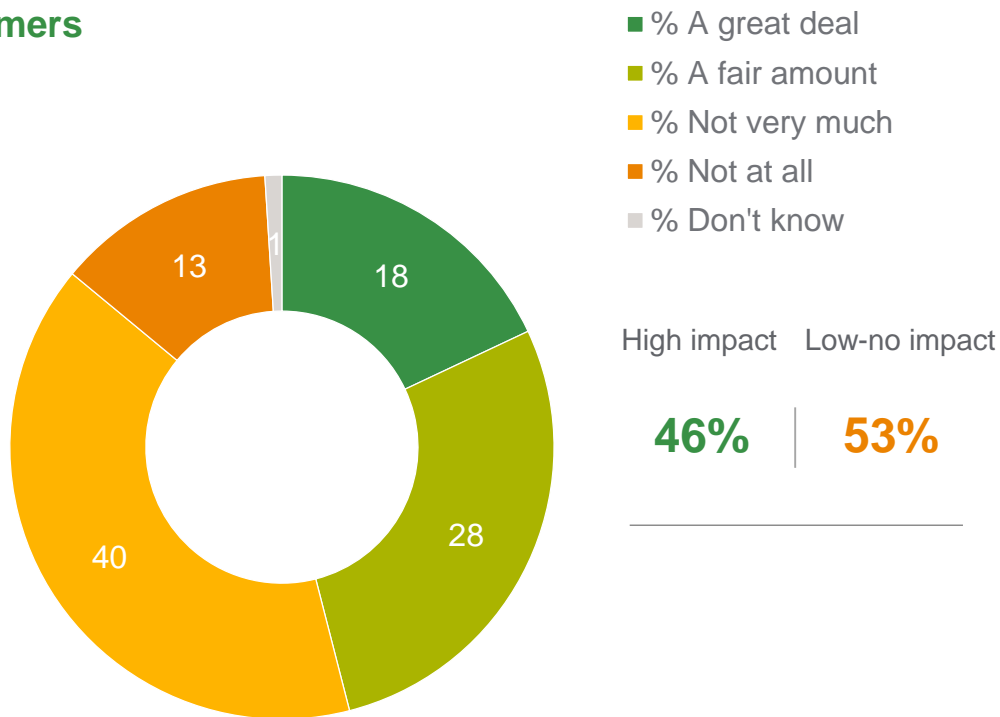
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# Just under half of large EU farmers say their business has been impacted by the COVID-19 pandemic

18% or nearly 1 in 5 has been impacted “a great deal”

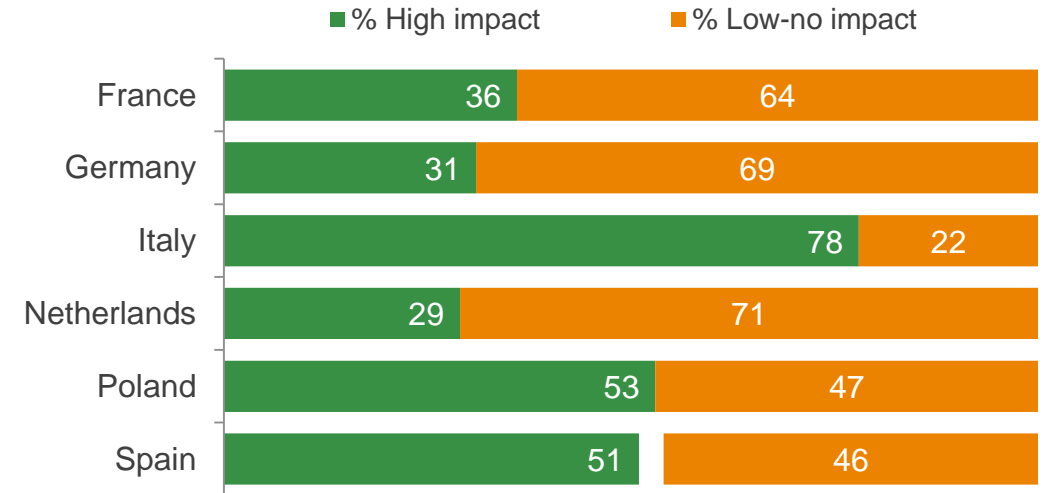
## Extent impacted by the COVID-19 pandemic

### All Farmers



### Market

*In line with the severity of the Italian pandemic, 78% of large Italian farmers report impacts. 48% have been impacted “a great deal.”*

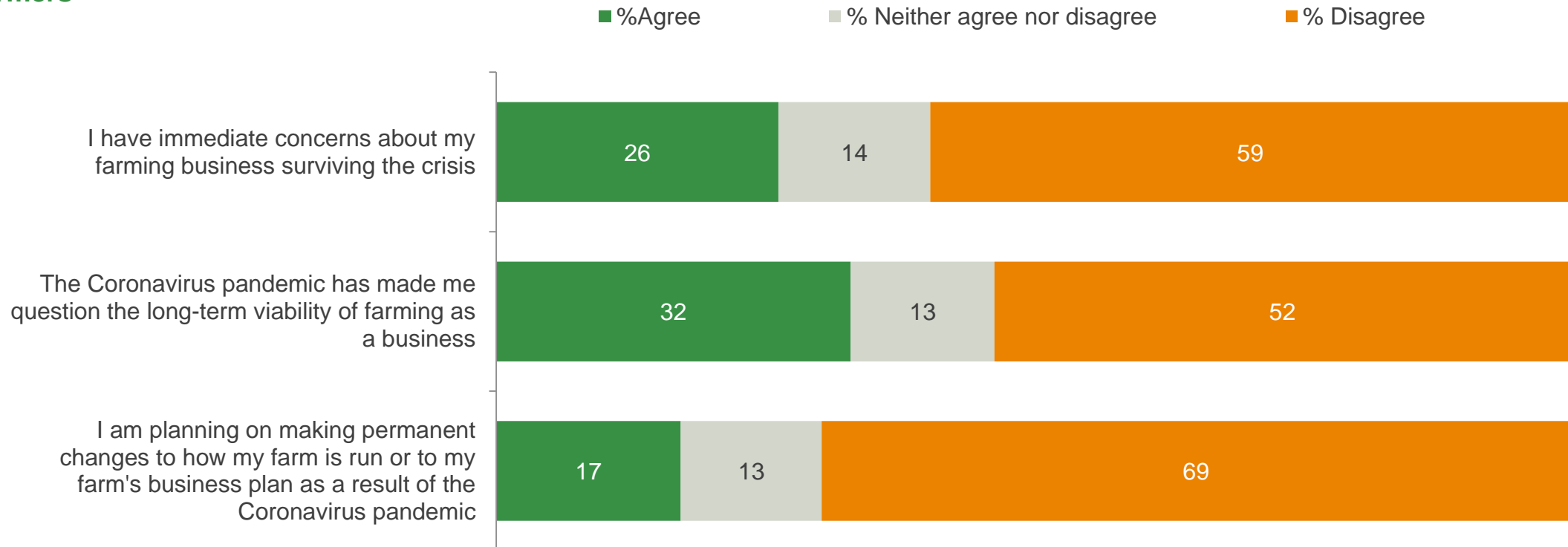


CAUTION: Base sizes are very small here. Country level data is indicative only.

# 1 in 4 has immediate concerns about the survival of their business; for 32% the crisis has raised concerns about the long-term viability of farming

## Business impacts

### All Farmers



# Revenue decline is the main COVID impact experienced by large EU farmers, followed by disrupted supply chains

Reduced demand, market access and prices drive falling revenues; challenges are compounded by labour shortages and inability to move goods

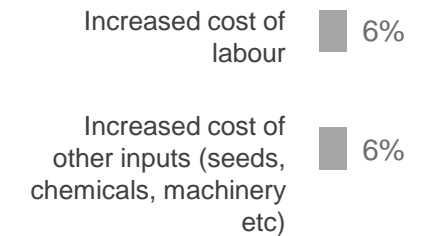
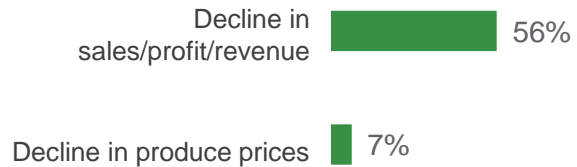
## Business impacts

### All Farmers

Net = high level category codes



Codes = sub-codes of the net scores above\*



# Most don't expect a swift recovery: 2 in 3 anticipate lower demand, revenues extending into the longer-term

Over half expect supply chain disruptions to continue, and for input costs to rise; 48% believe more farms will fail in the next 2-3 years

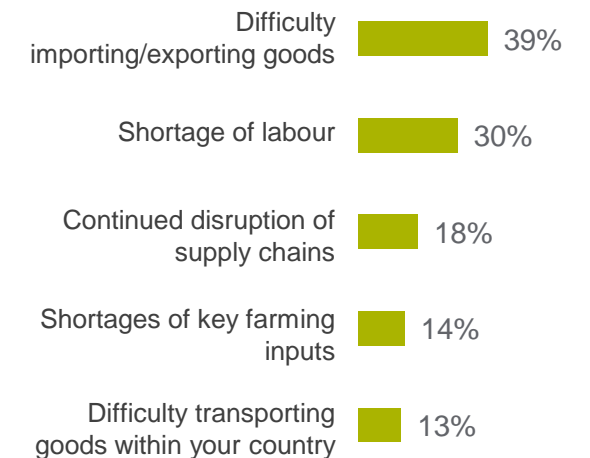
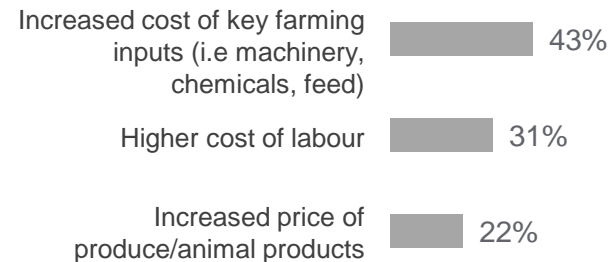
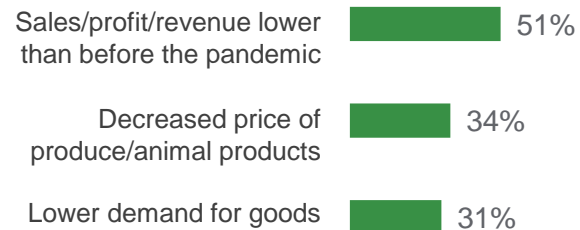
## COVID-19 impacts expected to continue in the longer-term

### All Farmers

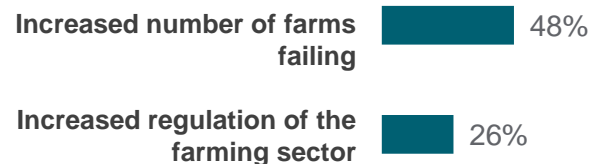
Net = high level category codes



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**Other consequences anticipated:**



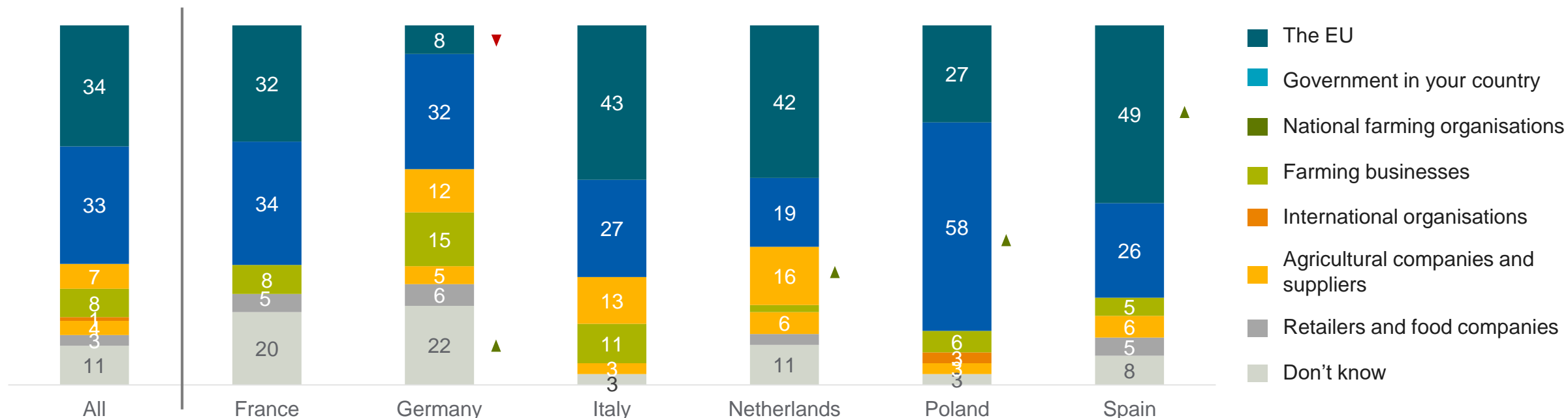


# Who do large farmers look to for help? Responsibility for helping farmers through the crisis is seen as shared between the EU and local governments

Showing % of those ranking each element as having number 1 responsibility to reduce COVID-19 impact on farms

All Farmers

Markets



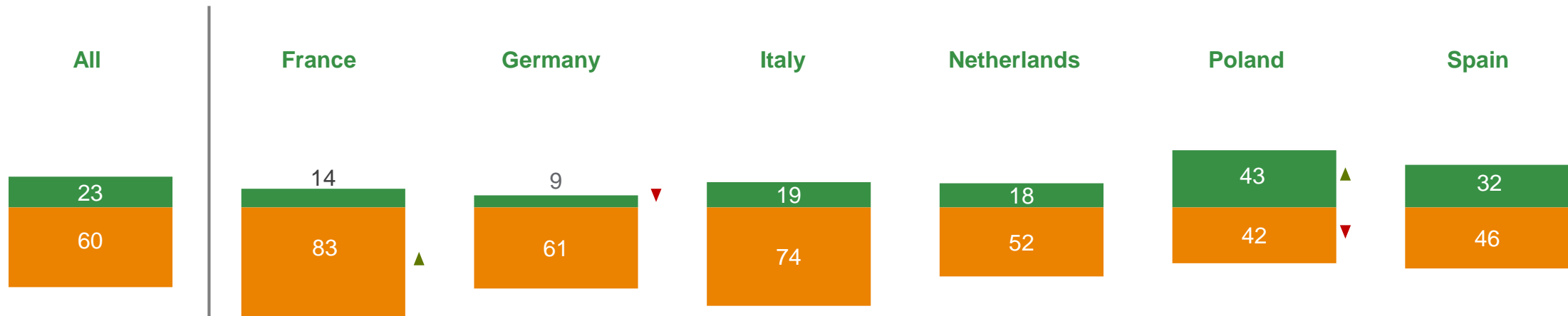
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▲ ▼ Denotes significant difference from overall

# EU regulations are more frequently seen as constraining large farmers during the crisis, as opposed to protecting them

## EU regulations: protect or limit flexibility? All Farmers

- % Current EU regulations help protect the farming industry from crises such as the Coronavirus pandemic
- % Current EU regulations have made it difficult for the farming industry to respond flexibly during crises such as the Coronavirus pandemic



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# Farmers cite price fluctuations, differing country standards that distort competition as the main barriers for the EU to address

While some call for direct financial support, more look for price controls and protection from non-EU goods. Reduced bureaucracy, faster EU decision-making, facilitation of transport/labour flows are also mentioned

## What should the EU do to help farming businesses be resilient to the impacts of the COVID-19 pandemic?

### All Farmers

“ Equal treatment for all within the EU. In the different EU countries, there are sometimes different guidelines. This distorts competition within the EU, let alone the global market. We can't produce milk here for 18, 19 cents per litre in a way that the costs are covered. *Germany* ”

“ The EU should introduce product price control. Currently prices are very high and the situation with COVID-19 is used for this purpose. Purchase prices have dropped significantly and products are sold for a very high price to consumers. *Poland* ”

“ I just want them to let us do our jobs, us all to have the same constraints from country to country. *France* ”

“ They should protect the dignity of products instead of giving financial support. They should not allow people to speculate with food products. We don't want financial support, we want a different type of policies. We should be able to be self-sufficient. *Spain* ”

“ More protection against external markets. Our quality standards are much more strict. The quality of our products is better, and we can't compete against those from other markets in terms of price *Spain* ”

“ Bureaucracy should definitely be reduced. If someone is going to sell their products, they must apply for a large number of permits, which is quite problematic in the current situation. The rules on the use of plant protection products and the employment of labour should also be relaxed . The number of checks must also be limited. *Poland* ”

“ In order to help farms dealing with the Coronavirus pandemics' impact, the EU should prove that there is an actual Union and provide some appropriate contributions. *Italy* ”

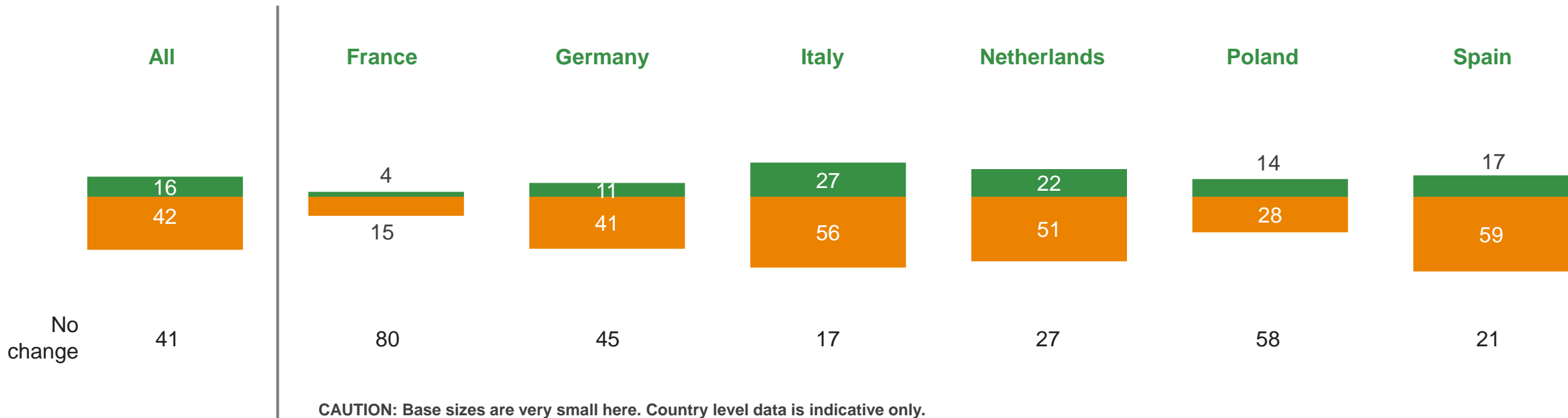
# Overall, the pandemic has made large EU farmers more pessimistic about the future of the agricultural sector

Pessimism is most profound in Italy, Spain and the Netherlands

## Coronavirus impacts: more optimistic or pessimistic about the future of farming?

### All Farmers

■ % More optimistic  
■ % More pessimistic



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## Climate Change and COVID-19

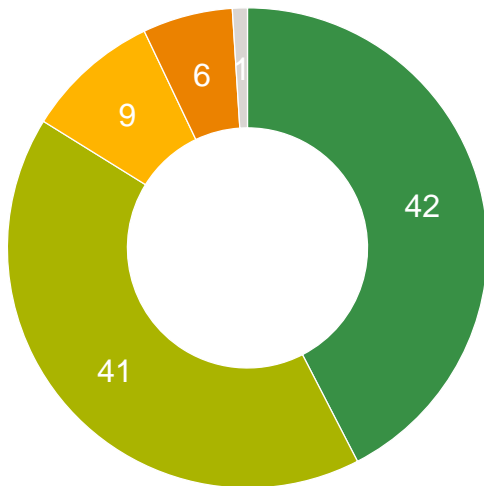
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# Public priorities may be focused on economy, finance and health, but a majority of large EU farmers remain concerned about the effects of climate change

## Level of concern about effects climate change

### All Farmers

- % Very concerned about serious effects in the next 5 years
- % Somewhat concerned
- % Not very concerned
- % Not at all concerned about serious effects in the next 5 years
- % Don't know

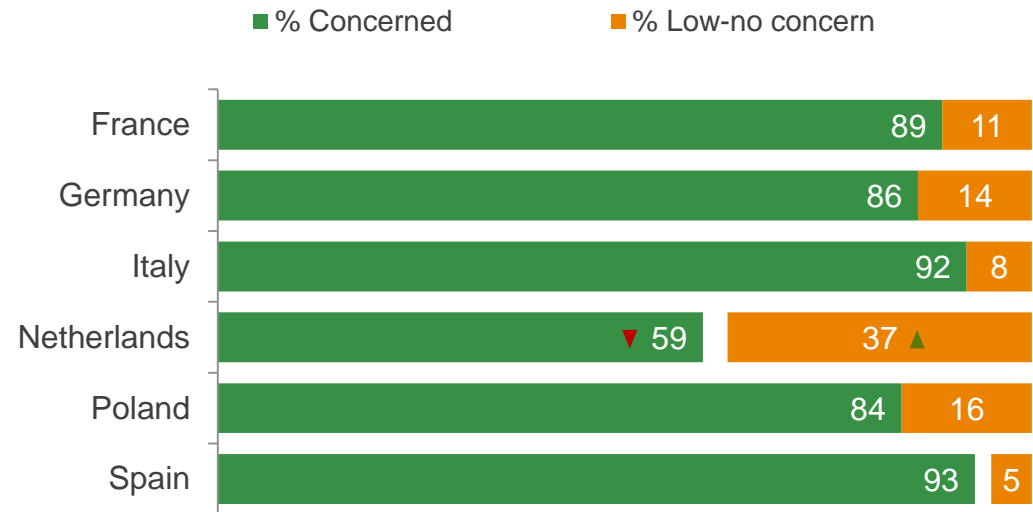


Concerned | Low-no concern

**84%** | **15%**

### Market

*The % of large French farmers who are concerned about the effects of climate change has increased 18% from 71% in February to 89% now.*



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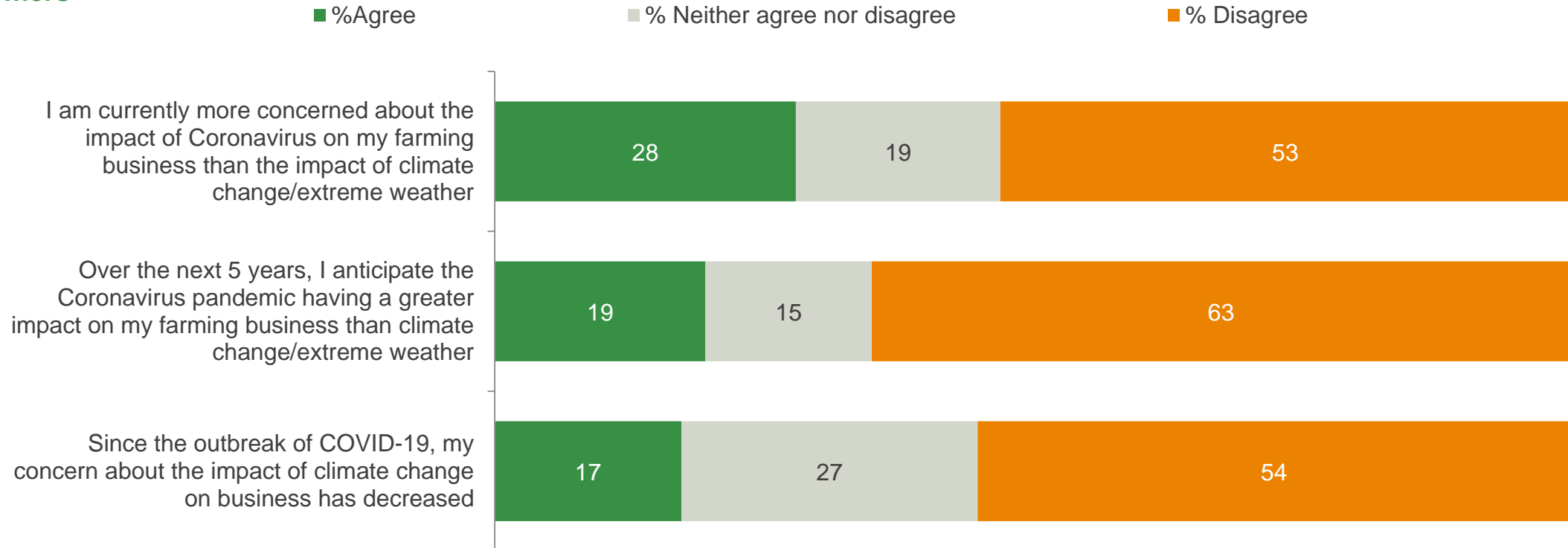
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# Few say their concern about climate impacts has declined since the outbreak of the pandemic

And worries about the effects of climate change outweigh COVID-19 concerns in both the short and longer-term

## Concern about COVID-19 versus concern about Climate

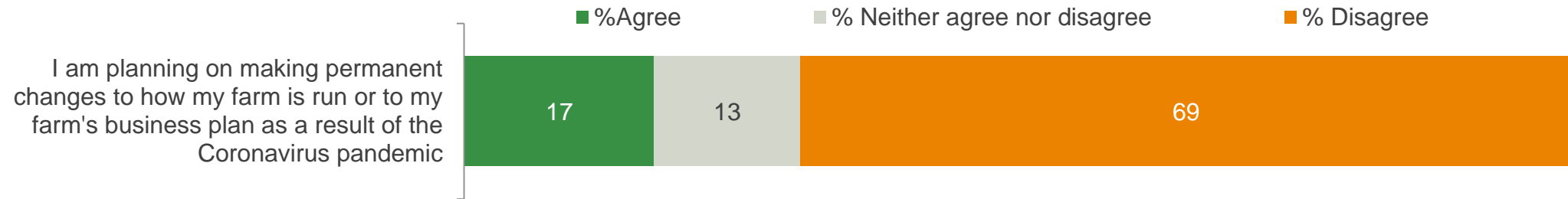
### All Farmers



# While our earlier research found that globally, 61% farmers planned to change their practices to reduce their emissions, only 17% plan to as a result of the pandemic

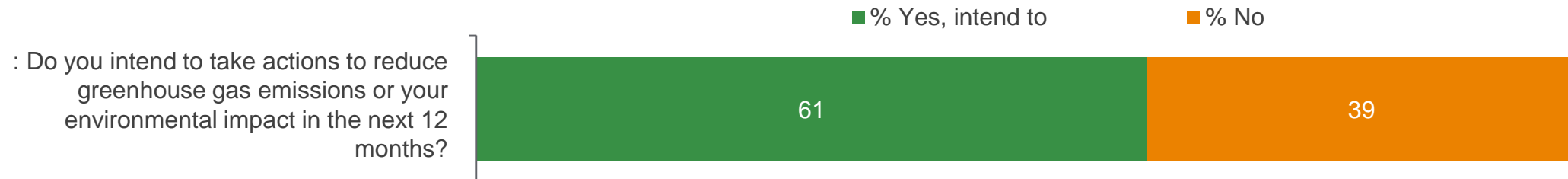
## Plan to make changes to farming practices due to COVID-19

### Large EU Farmers



## Plan to take action to reduce greenhouse emissions

### Large Global Farmers





# The exception is Italy, where the severity of the crisis has de-emphasised climate concerns in the short term, and the Netherlands

Statement	%	All	FR	DE	IT	NL	PO	ES
I am currently more concerned about the impact of Coronavirus on my farming business than the impact of climate change/extreme weather	Agree	28	3 ▼	6 ▼	54	54	10 ▼	39
	Disagree	53	67	74 ▲	37 ▼	35 ▼	67	36 ▼
Over the next 5 years, I anticipate the Coronavirus pandemic having a greater impact on my farming business than climate change/extreme weather	Agree	19	5 ▼	14	27	42 ▲	11	16
	Disagree	63	67	71	65	42 ▼	70	64
Since the outbreak of COVID-19, my concern about the impact of climate change on my business has decreased	Agree	17	0 ▼	11	51 ▲	16	4 ▼	21
	Disagree	54	70 ▲	69	34 ▼	42	58	52

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