*IMPACT OF COMMUNITY PLANT VARIETY RIGHTS SYSTEM ON EU ECONOMY AND ENVIRONMENT*

*28 April 2022: presentation headlines study benefits of the EU CPVR-system in past 25 years*

*General*

Last week in Angers (France), location of the EU Community Plant Variety Office, the outcomes of the study ‘*Benefits of the EU CPVR-system in past 25 years* *?*’ has been presented. The study has examined many aspects of the contribution of the EU Community Plant Variety Right to Europe’s economy.

It finds that the plant breeding sector employs significant numbers of workers and generates significant turnover, concentrated in particular EU regions. More importantly, the plant breeding innovations protected by Community Plant Variety Rights are used by European farmers and growers to produce food and ornamentals, thereby generating additional economic output and making a positive contribution to the EU’s trade balance vis a vis the rest of the world.

It is remarkable that thanks to innovations in plant breeding, EU farmers and growers have been able to increase food production in the past 25 years, while at the same time reducing their use of resources and the consequent damage to the environment.

The report documents, employing credible and widely accepted methods from agricultural economics, that plant breeding -protected by CPVR’s- has made a significant contribution to Europe’s food security and to the European Union’s goal of making Europe climate neutral by 2050.

While difficult to quantify, these innovations also do have contributed to the UN Sustainability Development Goals, for example by reducing water use, loss of biological diversity and providing access to healthy food, not only within the EU, but globally.

Solving the challenges of the coming decades -to feed a growing world population while moving towards climate neutrality and a cleaner environment- , will require innovations in plant breeding and those innovations will continue to need protection by Plant Variety Rights, including the EU Community Plant Variety Rights.

*More specific*

The study quantifies the economic contribution in the European Union of the CPVR system. It considers specific aspects of agriculture and horticulture, such as the contribution of the PVR system to the global competitiveness of EU farmers and growers.

The study also considers the potential for the CPVR system to help meet the European Commission's Green Deal objectives, in particular:

* Climate neutral Europe;

• Ecosystems & biodiversity, to address protection of environment and to contribute to halting loss of biodiversity;

• Farm to Fork strategy, to ensure the production of sustainable, safe, nutritious and high quality food along the whole value chain while ensuring food security by seed security;

• R&D and innovation.

The central finding with respect to output is that in the absence of the CPVR system, in 2020 production of arable crops in the EU would be 6.4% lower, production of fruit would be 2.6% lower, that of vegetables 4.7% lower, and finally, the output of ornamentals would be 15.1% lower. Expressed another way, the additional production brought about by plant variety innovations supported by the CPVR is sufficient to feed an additional 57 million people world-wide (arable crops), 38 million in the case of fruit, and 28 million for vegetables.

From a macro-economic point of view, without the added production attributable to CPVR-protected crops, the EU’s trade position with the rest of the world would worsen (for some crops, the EU might even switch from being a net exporter to a net importer) and EU consumers would face higher food prices.

Not only does the CPVR system contribute to employment in EU agri- and horticulture, but the jobs created are also better remunerated than they would have been in the absence of this system.

The farmers and growers across the EU thus benefit from the innovations supported by the CPVR system. The breeders, which carry out the R&D leading to those innovations, also generate employment and economic activities.

Many of the companies protecting their innovations with CPVRs are small and medium-sized enterprises (SMEs). These small companies (including physical persons who hold CPVRs) account for more than 90% of the registrants of CPVRs and hold 60% of all CPVRs currently in force.

The System also contributes to the fulfilment of the EU’s environmental objectives. The annual greenhouse gas (GHG) emissions from agriculture and horticulture are reduced by 62 million tons per year. This corresponds to the total GHG footprint of Hungary, Ireland or Portugal. Furthermore, water use in agriculture and horticulture is reduced by more than 14 billion m3.

Finally, as mentioned above, by reducing the environment impact and resource use of agriculture and horticulture, by increasing farm incomes and by keeping prices lower for consumers, the CPVR system also contributes to the UN’s Sustainable Development Goals.

Please, see the two attachments:

* The full report itself
* PPT used by Mr. Nathan Wajsman, Chief Economist of EU Intellectual Property Office (IPO), to present the report at the webinar 28-4-2022. This PPT is very informative. As a reading guide you’ll find the next divisions: slide 1-6 Clarification of the CPV-system and CPV-Office; slide 7-11 process, methodology and scope of the study; slide 12-16 results for the breeders; slide 17-23 results for the growers (yield growth: reasons and developments); slide 24-27 economic impacts; slide 28-33 impact on environment (land use, GHG emissions, water and UN SDG’s).