

Brussels, 24<sup>th</sup> March 2020

**Subject: Covid-19 impact on Agricultural Machinery – Industry’s support is critical to Europe’s food security**

Dear Commissioner Breton, dear Commissioner Wojciechowski,

Despite the numerous impacts of the Covid-19 pandemic, citizens have been able up to now to access a steady and safe supply of food across the EU, thanks to the hard work of farmers, distributors and retailers who undoubtedly face an increasingly difficult situation. This crisis also puts in evidence the complexity of a well-functioning food supply chain and the high integration of the many stakeholders that operate across borders to supply our farmers and help guarantee food security for our fellow citizens.

**The European Agricultural Machinery Industry is a critical pillar of the EU food supply chain.**

As restrictions across the EU further tighten, it is essential that the production, shipping, distribution, rental, maintenance and servicing of agricultural machinery and their spare parts are included in the shortlist of critical sectors needed for emergency continuity, as already recognized by several member states in mitigation measures taken against Covid-19.

Simply put, if farmers do not have access to ordered equipment, services and spare-parts, their work, and therefore production capabilities will stop. Services provided by agricultural equipment dealers or specialized centers – noticeably round-the-clock maintenance of the machinery during the seeding/planting and harvesting seasons - should be kept open in order to support farmers and avoid damageable disruptions at the farm level. Our borders need to remain open for traffic and trade, and agricultural machinery and their spare parts / servicing should be eligible to green fast lanes. Express service parts deliveries must be considered a priority across the EU by express carriers. Governmental inspection of machines must happen when needed to get access to distribution.

Agriculture operates on the basis of seasons that cannot be "postponed". This is the tillage, fertilizing, spraying and spring seeding and planting period, as the growing season for food production is starting and many agricultural machinery are in delivery. Livestock needs to be fed and cared for daily and many other critical farm, orchard, vineyard, vegetable production, etc. operations are critical at this time. We must do the utmost to safeguard the growth of food products and our food supply for next fall, winter and spring.

**The European Agricultural Machinery Industry is severely hit.**

CEMA strongly supports the overall business call released<sup>1</sup> on Covid-19 as responsibility, action and solidarity is urgently required to protect businesses, society and our economy.

We are committed to serve our customers, but the Covid-19 pandemic is significantly impacting our industry too. Agricultural Machinery manufacturers increasingly report multiple **supply chain**

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<sup>1</sup>[https://www.businesseurope.eu/sites/buseur/files/media/position\\_papers/businesseurope\\_statement\\_on\\_covid19.pdf](https://www.businesseurope.eu/sites/buseur/files/media/position_papers/businesseurope_statement_on_covid19.pdf)

**disruptions** of critical components, raw materials, logistics, retail and service networks as well as **production facility temporary closures**. Social distancing and teleworking measures are implemented as much as possible and in line with containment measures, but it is clear there will be a hard impact on the stability of our sector and its ability to meet regulatory deadlines.

We notably fully appreciate the willingness of DG Grow<sup>2</sup> to work with the industry and identify **options for time sensitive products with transition engines under Stage V emissions regulations 2016/1628/EU and 2018/985/EU**. These machines, for which the transition engines have already been produced, may not be completed in due time (June 2020 and 2021) for the lack of available components. A temporary moratorium, as previously granted for other products (mobile air conditioning units) in comparable exceptional times (2011 Tsunami in Japan) impacting the supply chain, could be the solution.

Manufacturers are also working with their local government to explore and implement **mitigation measures** available locally to flex production capacity and employment and manage financial exposure. We will undoubtedly further need your support when we get a better understanding of how the Covid-19 pandemic has impacted our ability to meet other regulatory benchmarks or – as may unfortunately be the case for many of our SMEs – to survive through an unprecedented crisis. It is anticipated that many companies of the agri-machinery industry will strive to survive the present downturn and upcoming recession. Small manufacturers, distributors and dealers will undoubtedly be violently hit by the current health crisis and will experience solvency issues. The European Union and its member states will need a **coordinated response to relaunch the industry and the economy** after the immediate crisis. The European Union, through the CAP and other emergency measures, must also foresee measure of support for the domestic demand in order to **help the farmers recover from this unprecedented and unforeseen crisis**. Establishing special guarantees for credits contracted by farmers could be implemented to alleviate the risks.

Yours faithfully,

**Jérôme Bandry**

**Secretary General**

**Anthony van der Ley**

**President**

## ABOUT CEMA

CEMA ([www.cema-agri.org](http://www.cema-agri.org)) is the association representing the European agricultural machinery industry. With 11 national member associations, the CEMA network represents both large multinational companies and numerous European SMEs active in this sector.

CEMA represents about 4,500 manufacturers, producing more than 450 different machine types and generating an aggregated annual turnover of more than EUR 28 billion. 135,000 people are directly employed in the sector, with a further 125,000 people working in distribution and maintenance.

**EU Transparency Register:** [489575310490-58](https://ec.europa.eu/transparency/regexp1/index.html)

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<sup>2</sup> [https://cema-agri.org/images/publications/position-papers/CEMA - Covid-19 Impact - 2020\\_03\\_17.pdf](https://cema-agri.org/images/publications/position-papers/CEMA - Covid-19 Impact - 2020_03_17.pdf)