11 January 2019

Addendum to the Agreement on Pesticide Strategy for 2017-2021

With the following Addendum to the Agreement on Pesticide Strategy for 2017-2021, the Danish government (Venstre [the Liberal Party], Liberal Alliance and Det Konservative Folkeparti [the Conservative People's Party]), Dansk Folkeparti (the Danish People's Party), Socialdemokratiet (the Social Democrats), Det Radikale Venstre (the Danish Social Liberal Party) and the Socialistisk Folkeparti (the Socialist People's Party) agree that:

- the risk of pesticides leaching into groundwater in protected areas in the vicinity of drilled wells (boringsnære beskyttelsesområder, BNBO) must be reduced;
- the recommendations of the Vandpanelet (the Danish Water Panel) for expanding the range of substances for which screening tests are conducted as part of groundwater monitoring must be implemented;
- the efforts in the area of counteracting pesticide resistance must be reinforced;
- the sale of pesticide concentrates for non-commercial use must be banned.

The parties to the Agreement have also agreed to continue to pursue the current objective of reducing pesticide impact and decreasing the pesticide tax [tax levied on approved pesticides] until the end of 2020.

Addendum to point 1 of the Agreement on Pesticide Strategy for 2017-2021

Maintaining the objective of reducing pesticide impact and decreasing the pesticide tax

An evaluation of the pesticide tax has been carried out, which shows that the tax has yielded the expected results as regards the use of substitute substances; that the objective of reducing pesticide impact by 40 %, which is equivalent to a PBI (pesticide impact indicator) of 1.96 based on sales figures has been achieved; but that, according to the farmers' pesticide spraying records, there has been no corresponding decrease in pesticide use. The difference between the sales figures and the actual use results from, amongst other factors, the 'hoarding effect', which has persisted since the 2013 tax adjustment. In view of this uncertainty, coupled with the anticipated decrease in the number of pesticides as a result of the forthcoming re-consideration of several active substances in the EU, as well as the technological progress in that area, the parties to the Agreement have agreed to re-assess the objectives and the pesticide tax scheme in 2020, and, on that basis, to determine whether it is necessary to make any adjustments to the objectives and the pesticide tax. In particular, the parties to the Agreement wish to examine whether to promote new technologies (e.g. closed systems) and whether to adjust the pesticide tax.

The wording of point 5 of the Agreement on Pesticide Strategy for 2017-2021 is replaced with the following:

Reduced risk of pesticides leaching into groundwater in protected areas in the vicinity of drilled wells

The parties to the Agreement agree that the risk of groundwater contamination due to commercial use of pesticides in protected areas in the vicinity of drilled wells must be reduced and that the affected farmers should receive damages or compensation for the loss suffered through the water tariff system, whereby damages are awarded in Phase 1 and compensation in Phase 2.

In Phase 1, damages can take the form of, for instance, lump-sum damages with a simultaneous encumbrance of the property with a servitude involving a restriction on the use of land located in the BNBO concerned, or the purchase of the plots concerned. Damages will be awarded in the form of a full refund at market value and will be based on an individual consideration of, amongst other things, the current use of the land for commercial purposes, the market price and the scope of the restrictions imposed on the property concerned. This is intended to protect the farmer from suffering losses on account of the restrictions imposed. Where no consensus is reached regarding the damages, the amount of damages shall be stipulated by the valuation authorities. In some cases, the restriction of use may be so far-reaching that it amounts to expropriation. In Phase 2, it may also be appropriate, in

view of the EU State aid rules, to grant ongoing annual compensation. The parties to the Agreement have therefore agreed on an action plan for better groundwater protection in BNBOs, which comprises measures to be taken in two phases.

Phase 1: Municipal authorities are tasked with scrutinising all BNBOs located on agricultural land

In Phase 1, in the period up to and including 2022, the municipal authorities shall check all BNBOs located on agricultural land and other areas on which pesticides are used for commercial purposes with a view to assessing the need for further measures, e.g. relocating drilled wells, concluding agreements on pesticide-free farming, stopping land cultivation or even buying the land. The assessment will also include determining whether there are any washing facilities in the BNBO that will need to be relocated. The municipal authorities will be requested to start this measure as soon as the Agreement has been concluded.

The existing rules provide for the option of issuing injunctions or imposing bans in order to avoid contamination of groundwater or imposing restrictions on the landowner as regards the use of the land which are necessary in order to protect the drinking water from contamination (e.g. with pesticides). In addition, there is also the option of concluding voluntary agreements. These may be agreements on pesticide-free/organic farming, uncultivated stretches of land, nature projects or afforestation in the areas concerned. The municipal authorities may conclude an agreement with the Økologisk Landsforening [organic farmers' association] on the conversion to organic production – especially in areas where the municipal authorities are tasked with protecting the public drinking-water supply. The current framework is to be increased by DKK 1 million in 2019.

The parties to the Agreement would like the municipal authorities to explore, to the largest extent possible, the option of entering into voluntary contracts with landowners in order to find solutions at local level within the framework of cooperation between the municipal authorities, waterworks operators and landowners.

Stricter rules will be included in the current guidelines for use by the municipal authorities in connection with the re-examination of all BNBOs located on agricultural land. This ensures a more precise definition of the required protection measures for BNBOs, the different protection options for BNBOs, as well as the indicative compensation rates, including examples of market price calculations. The guidelines will also include an in-depth description of the risk factors connected with the use of pesticides in BNBOs.

The parties to the Agreement will receive an annual progress report on the implementation of the measures with a view to monitoring the development of the situation. In this connection, the parties to the Agreement shall examine whether the measures taken by the municipal authorities are sufficient or whether they wish to launch Phase 2.

In addition, a follow-up group will be established comprising the representatives of the industry, industry associations and the National Association of Local Authorities (Kommunernes Landsforening, KL), which will support the coordination of measures taken by the farming industry, the municipal authorities and water companies, and foster cooperation between those entities. The relevant ministerial department will also be involved. The follow-up group will be tasked with developing solutions within the existing regulatory framework in the event that consumer prices increase above the anticipated threshold. In this connection, it may be appropriate to, amongst other things, explore the possibility of combining water companies and cooperation between funds.

The measures taken by the municipal authorities will be assessed in 2022. The Ministry of the Environment and Food will estimate how many BNBOs have been scrutinised and what new protection initiatives have been launched. In the case of BNBOs in which, according to the municipal authorities, no further measures should be taken, the Ministry of the Environment and Food will conduct an assessment of whether the measures taken are in line with the stricter guidelines for BNBOs, including an assessment of whether there are still BNBOs in which there is a risk of groundwater contamination. In the event that the municipal authorities do not meet the objectives with regard to the protection against groundwater contamination in BNBOs, the parties to the Agreement shall introduce a general ban on crop spraying in BNBOs.

Phase 2: Ban on crop spraying in all BNBOs

The general ban on pesticide use in BNBOs will involve a compensation scheme whereby everyone will be fully reimbursed for the loss suffered, irrespective of the EU State aid regulations.

The partnership established between the Ministry of the Environment and Food and the KL on the progress of work on groundwater protection in BNBOs is maintained. The partnership contributes to contributing to the annual progress report on the measures taken by the municipal authorities in the area of protection in BNBOs.

New initiative in connection with the Agreement on Pesticide Strategy for 2017-2021

Ban on the sale of concentrates to private persons

The parties to the Agreement have agreed that in the future, private persons will only be able to purchase and use pesticides which are sold as ready-to-use or low-risk products, e.g. pelargonic acid. The ban enters into force on 1 July 2020. The rationale for selecting that particular date is that from that day onwards, the dealers will be required to check whether all buyers of pesticides for professional use have the appropriate authorisation. From that date onwards it will thus be possible to distinguish without difficulty between authorised and non-authorised users.

Addendum to point 3 of the Agreement on Pesticide Strategy for 2017-2021

Expanding the range of substances for which screening tests are performed as part of groundwater monitoring

The parties to the Agreement have agreed to implement the Water Panel's recommendation that the range of pesticides for which screening tests are to be performed in the future as part of groundwater monitoring should be significantly expanded. Groundwater screening on a mass scale will be launched in 2019 and funds will be earmarked for developing analysis methods for the substances concerned. In addition, funds will be allocated for the monitoring of substances which may potentially exceed the norms in the following years. A total of DKK 9 million per annum in the period 2019-2022 will be allocated for this purpose under the Finance Act. In the event that the level of substances detected as part of the monitoring process exceeds the respective threshold, the substances concerned will be re-examined with a view to determining whether restrictions on use should be imposed, and whether the substances concerned should be banned or re-analysed under the early-warning system for the leaching of pesticides into the groundwater (VAP). The parties to the Agreement will be informed of the outcomes of those determinations.

The parties to the Agreement also wish to establish a stricter procedure for selecting substances for groundwater monitoring and for conducting drilled well checks by water companies. A more thorough and systematic pooling of new knowledge about substances for which there is a risk of leaching into groundwater will be established. This new knowledge may comprise, for instance, the results obtained from the VAP system and point-source tests or new instances of pesticide presence being confirmed in drinking water wells in Denmark or during groundwater monitoring in other EU Member States.

It is necessary that an external expert group enters the debate on the Environmental Protection Agency's proposals for new substances to be included in groundwater monitoring and for the list of pesticides to be included in the screening tests carried out as part of drilled well checks. The pesticide working group operating as part of the Water Panel will therefore become a permanent expert group which will contribute to setting the priorities with regard to the resources allocated to screening; it will also provide input on the issue of how the priorities should be set for non-target screening where such tests are commercially available. The working group will also comprise researchers with university affiliation.

The Water Panel has made the following recommendations:

- the working group should be transformed into a permanent committee subject to the Water Panel; it should be tasked with ongoing work relating to updating the list of pesticides and decomposition products which will be monitored in natural water and drinking water by the operators of water supply facilities, as well as updating the list of substances subject to groundwater monitoring;
- the procedure for selecting the substances for inclusion in both the national groundwater monitoring programme (GRUMO) and the pesticide list should be updated, thus involving the working group and the Water Panel in the annual update;
- the range of pesticides for which screening tests are performed as part of groundwater monitoring should be significantly increased in the future. In the short term it is necessary to

expand the range of substances subject to screening as part of groundwater monitoring. Based on the results of analyses carried out at regional level, the Environmental Protection Agency launched a more thorough analysis with a view to identifying substances for which groundwater screening tests may be justified. The final assessment of the need for further pesticide analyses as part of groundwater monitoring will therefore be carried out once the results of that analysis are known; the analysis is expected to have been completed in the first quarter of 2019. As soon as possible after the analysis and not later than the end of the second quarter of 2019, screening tests for selected substances should begin as part of GRUMO, while the outcome of the task depends on what the laboratories are able to offer and on the financial resources available for groundwater monitoring;

- groundwater monitoring can be supplementary to the other monitoring programmes. The Environmental Protection Agency will further consider whether supplementary monitoring of pesticides in surface water should be launched. This is also relevant in connection with biocide run-off into surface water;
- further guidelines should be drawn up for municipal authorities and operators of water facilities on the measures to be taken in the event that pesticide presence is detected, on the one hand, and on the best strategies for tailoring the drilled well checks to the local conditions, on the other. The Environmental Protection Agency convenes meetings of the working group with a view to better identifying the need for guidance and to determining who should be responsible for further work on the guidelines;
- Danish Regions (Danske Regioner) should obtain a permanent place on the Water Panel, where at present they have no representatives.

Addendum to point 2 of the Agreement on Pesticide Strategy for 2017-2021

Intensified efforts in the area of counteracting pesticide resistance

The parties to the Agreement concur that the action plan for counteracting pesticide resistance should be implemented by means of the initiatives proposed within the next four years; that the overall efforts to develop integrated pest management (IPM) on the basis of the recommendations of the IPM task force should be stepped up; and that funding should be increased with a view to strengthening the Partnership for spraying and precision technology. These initiatives will receive an additional DKK 5 million per annum for a period of three years, i.e. from 2020 to 2022, which means that, coupled with the current funds, the total funding will be DKK 21.9 million over the next 4 years.

In order to counteract pesticide resistance and ensure that the farmers try applying the IPM principles, the farmers will be required to fill out a form with a point system for each individual farm, which will make it possible to check whether a given farmer applies the IPM principles. The baseline for crop rotation on various types of farms will be assessed for the purpose of developing a crop rotation index. On the basis of the baseline project, the parties to the Agreement will consider the possible requirements for the areas where it is necessary to change the existing crop rotation practices. The administrative burden connected to the fulfilment of the mandatory requirements will be offset by granting an equivalent industry-specific tax relief before the respective requirement takes effect in 2020.