

WORLD FOOD CRISIS

Reform of the Common Agriculture Policy

Whether CAP supports sustainable agriculture, family farms and environment in Global South countries?

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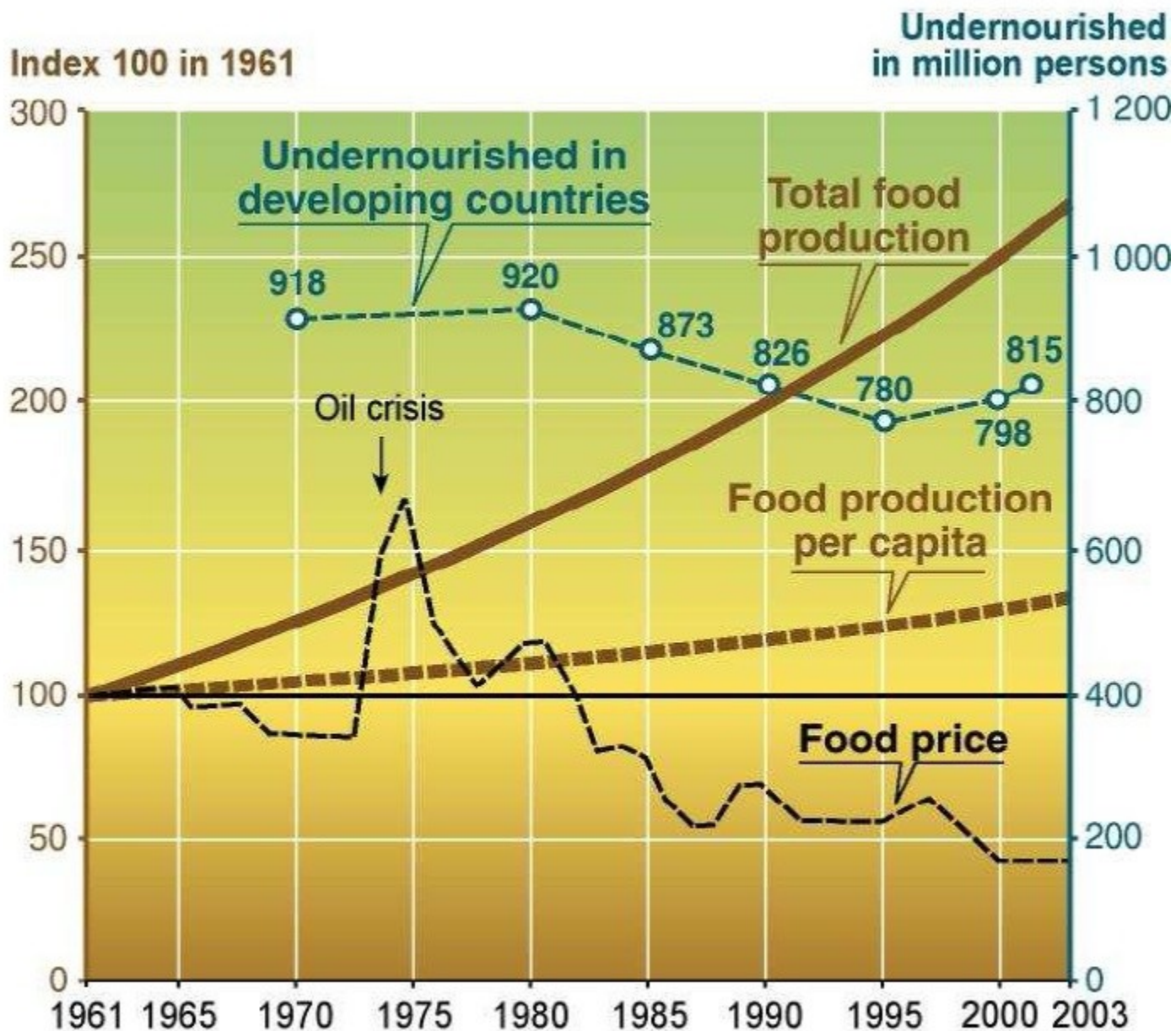
Permanent Representation of the Republic of Poland to the European Union
Brussels

Presentation

**1. EU vs World/ Global South –
agricultural dimension**

**2. Reforms of
Common Agricultural Policy**

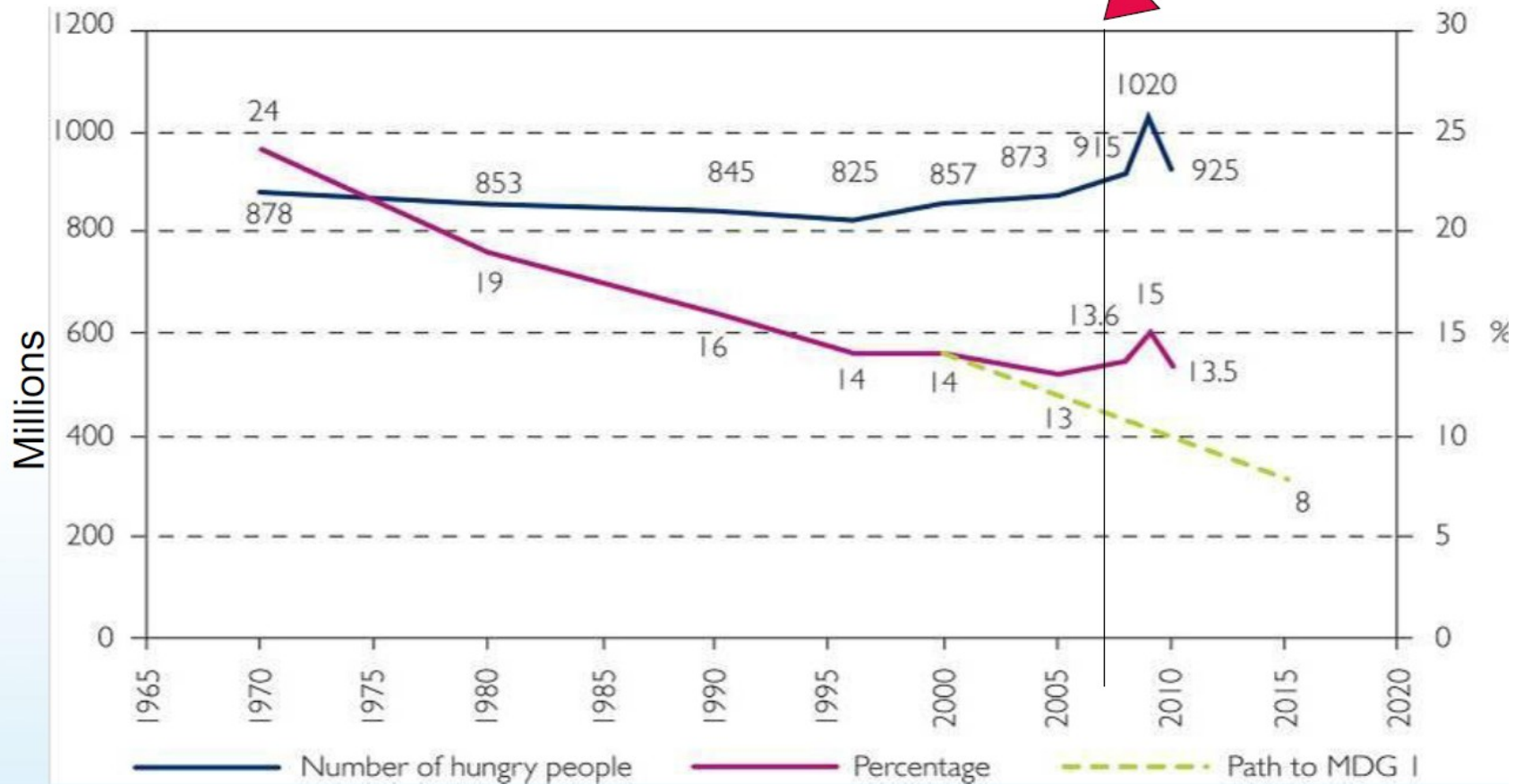
3. CAP 2014-2020



Sources: FAOSTATS, SOFI, Millennium Ecosystem Assessment

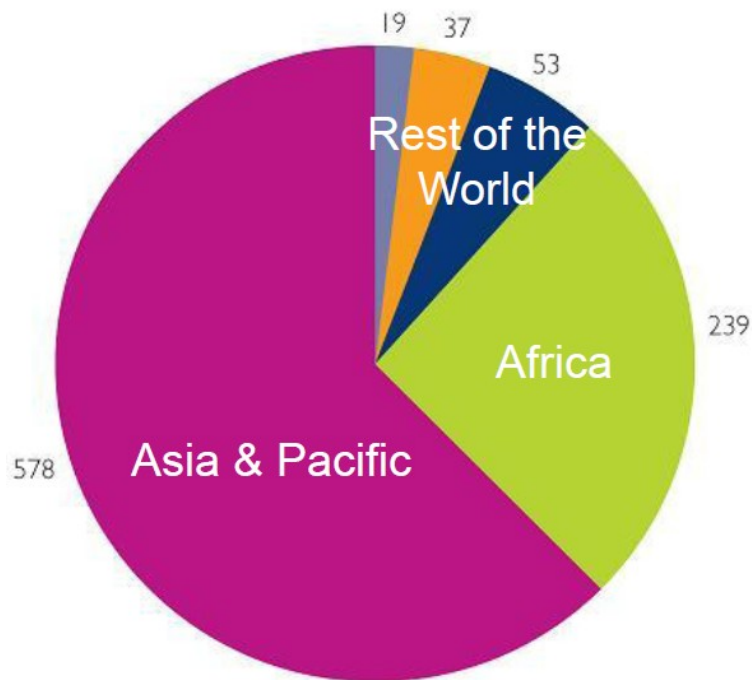
.... and failing to end hunger

Undernourishment data versus the MDG target

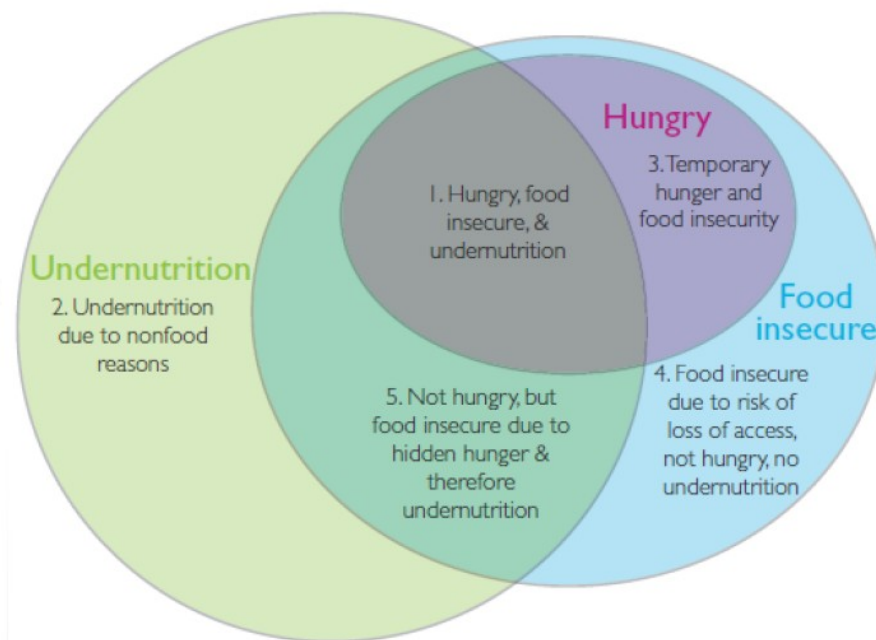


Source: Oxfam (2010) Data cited from FAO Hunger Statistics (from 1969 to 2006); UN (2009)

Ending hunger



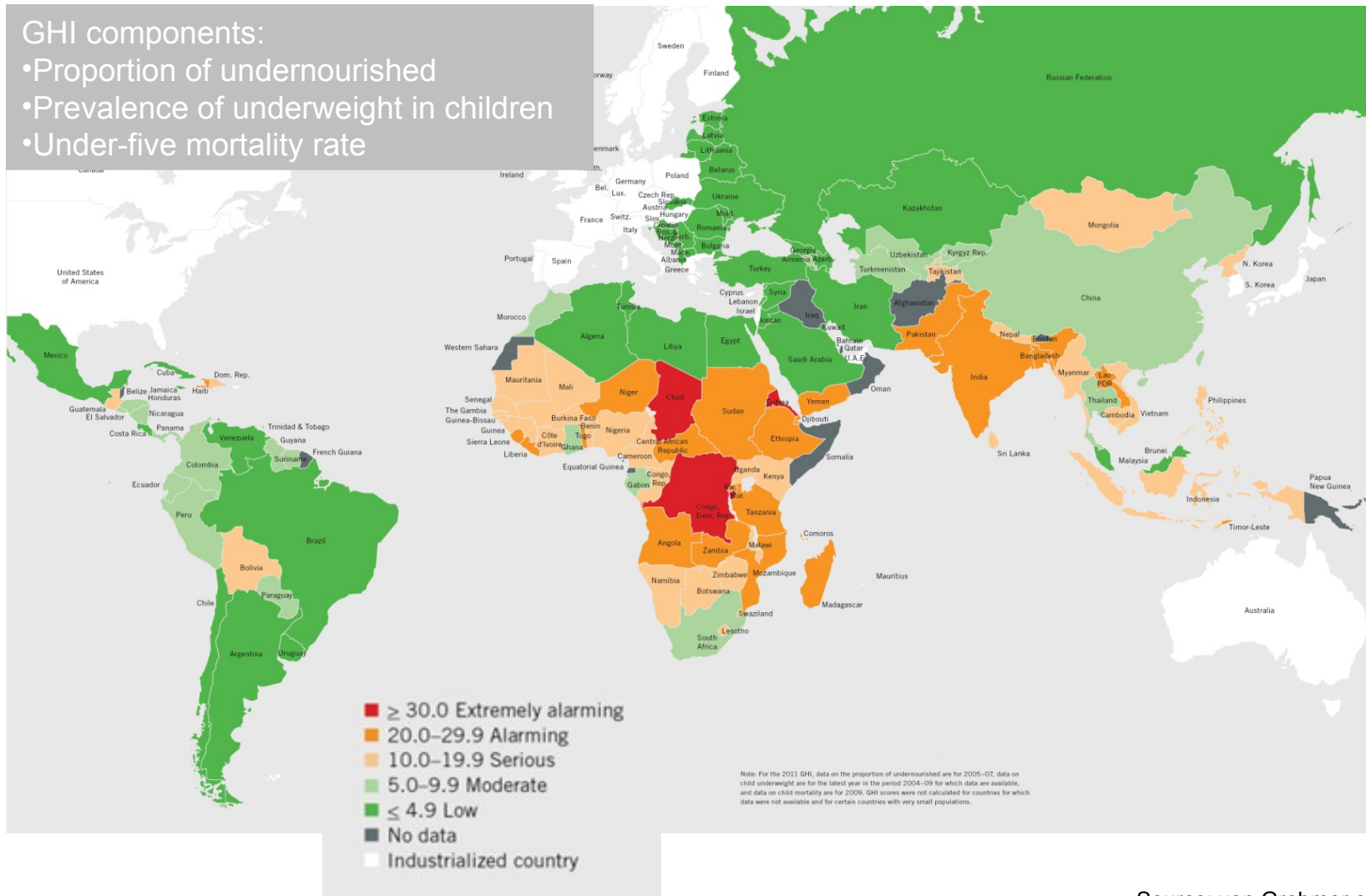
Source: FAO (2010)



Source: Haddad 2010

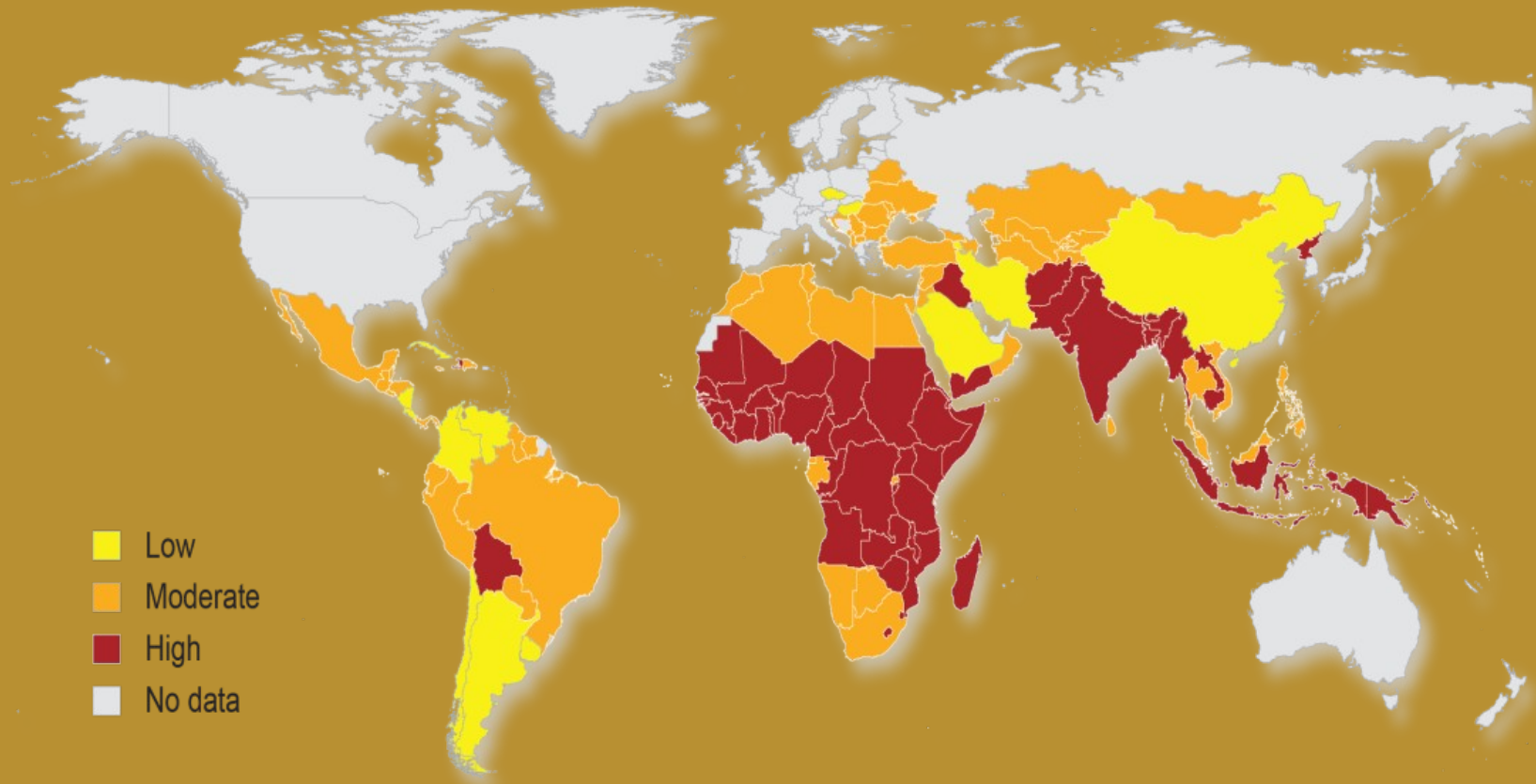
One billion hungry, another billion in “hidden hunger”

26 countries with extremely alarming/alarmed levels of hunger (2011 GHI)



“Hidden hunger” remains pervasive...

Prevalence of micronutrient deficiencies



Source: HarvestPlus 2011

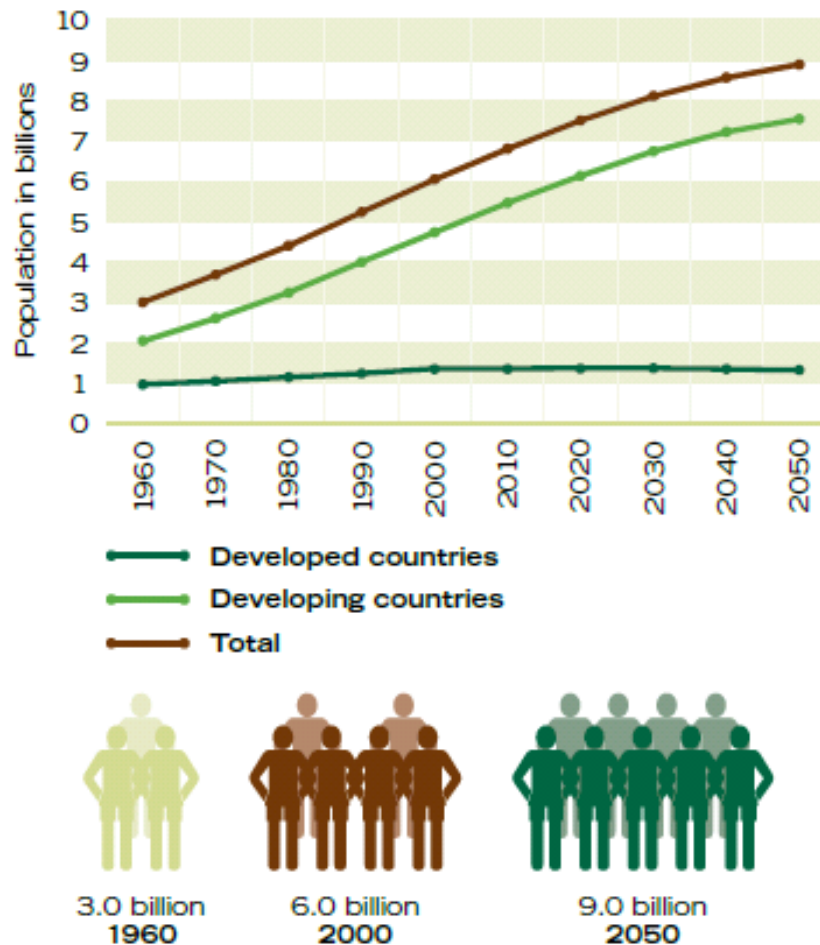
Table 4-10. Per capita food consumption (kcal/person/day).

	1969/71	1979/81	1989/91	
World	2411	2549	2704	
Developing countries	2111	2308	2520	
Sub-Saharan Africa	2100	2078	2106	
<i>excluding Nigeria</i>	2073	2084	2032	
Near East/North Africa	2382	2834	3011	
Latin America and Caribbean	2465	2698	2689	
South Asia	2066	2084	2329	
East Asia	2012	2317	2625	
Industrial countries	3046	3133	3292	
Transition countries	3323	3389	3280	

Source: FAO, 2006b.

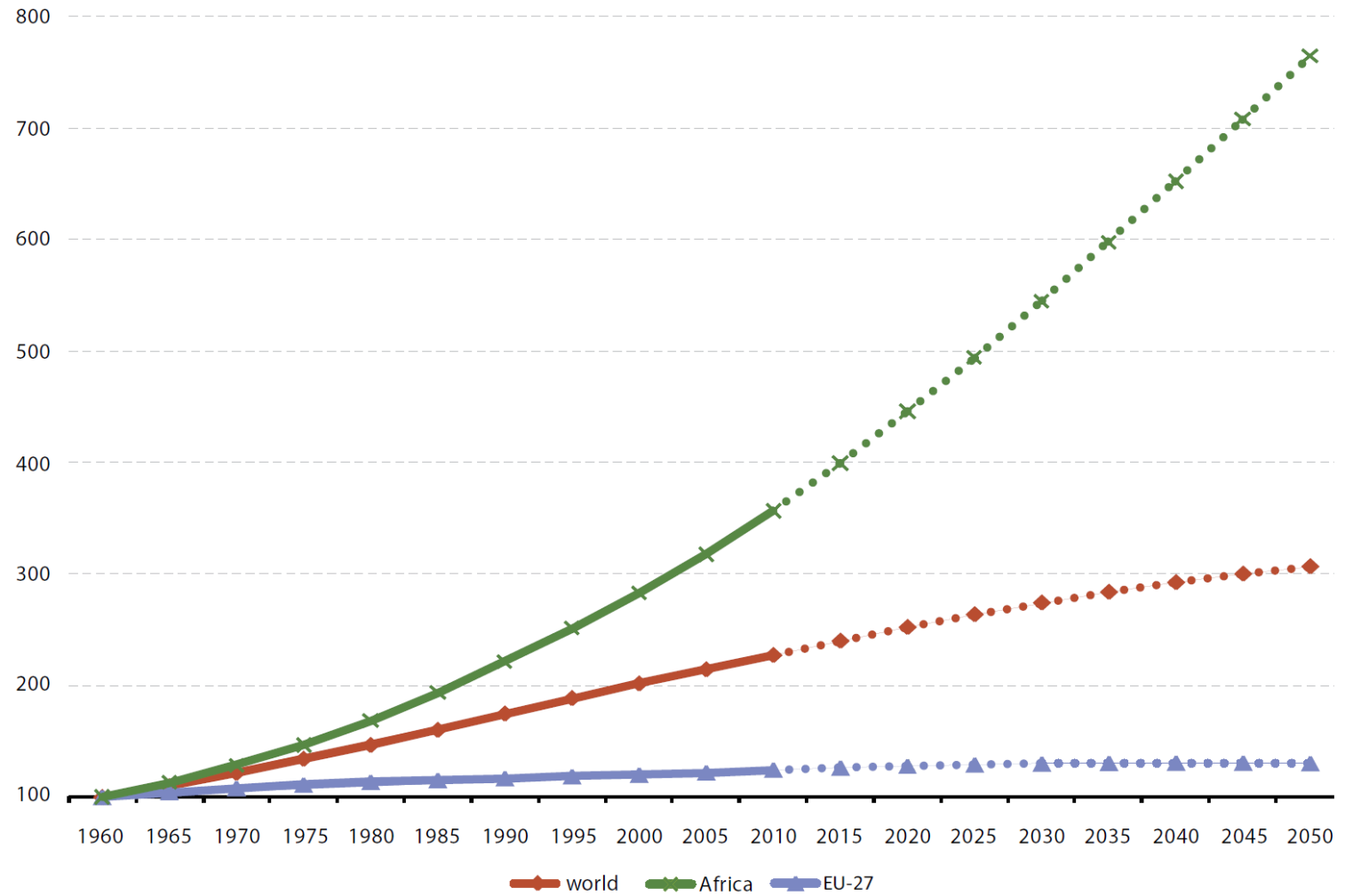
Global population continues to rise

Population growth, 1960-2050



Source: CropLife International 2010

Figure 1.2: Population (1960=100)



Source: United Nations Population Division of the Department of Economic and Social Affairs and Eurostat (online data codes: [demo_pjan](#) and [proj_10c2150p](#)).

The agricultural potential of SSA

- The African Guinea Savannah is one of the largest underused agricultural land reserves in the world
- 60% of uncultivated arable land worldwide are in Africa
- about 600 million hectares in SSA, of which about 400 million hectares can be used for agriculture
- less than 10 percent are cropped

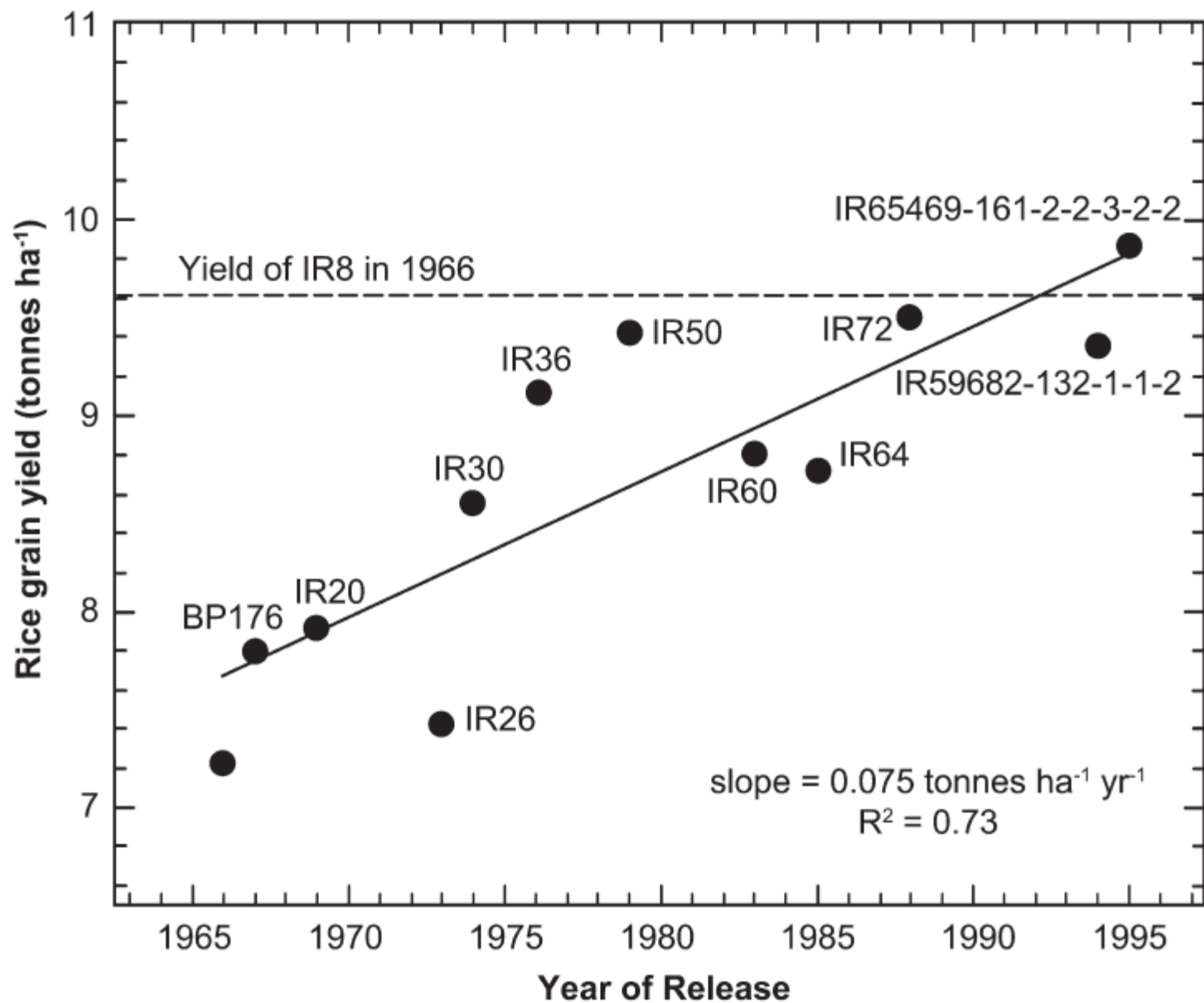
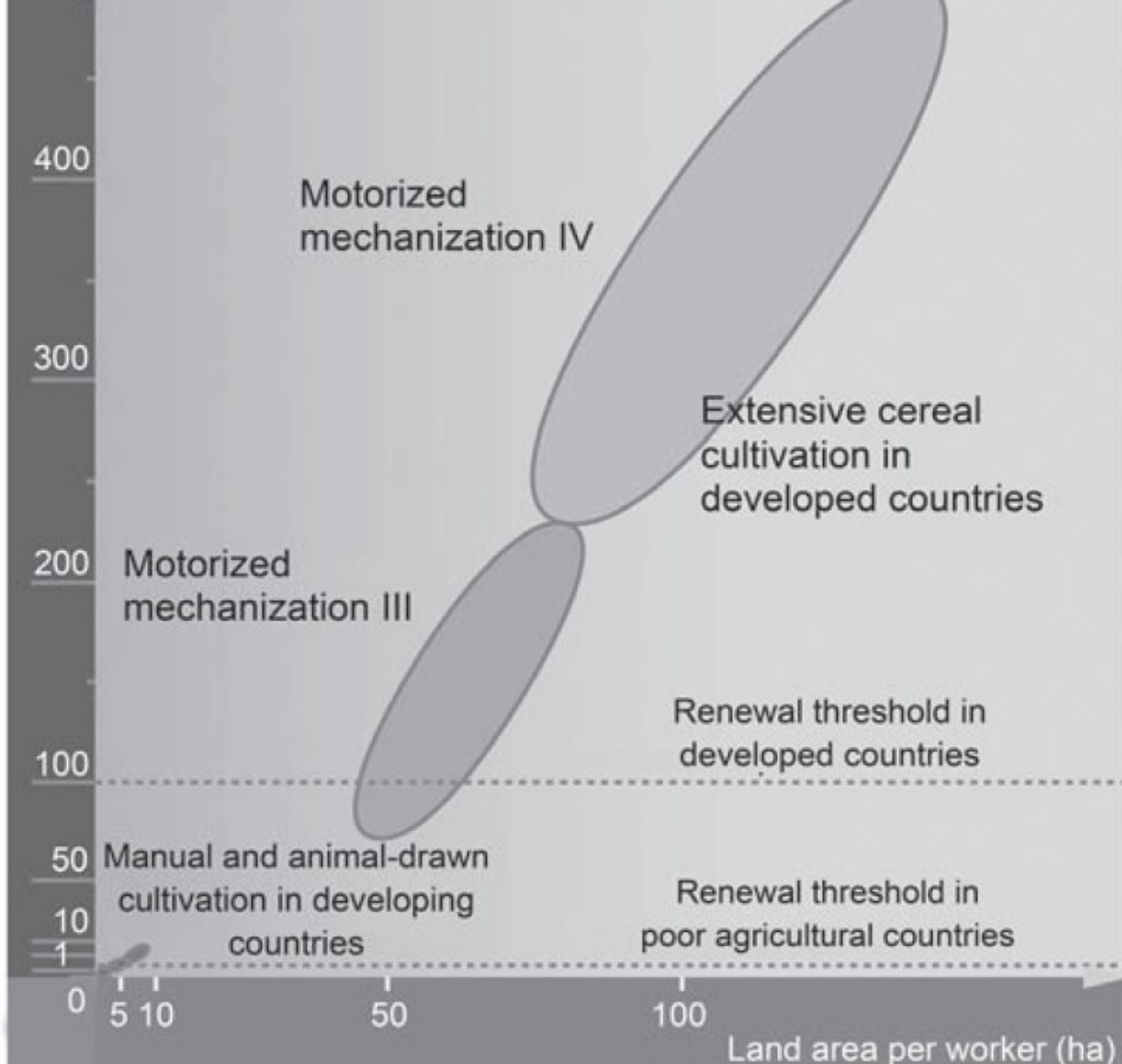


Figure 3-5. *Current yield potential of rice modern varieties (MVs) as a function of year of release.* Source: Cassman et al., 2003, derived



Labour productivity in agriculture
(Index 1992=100)

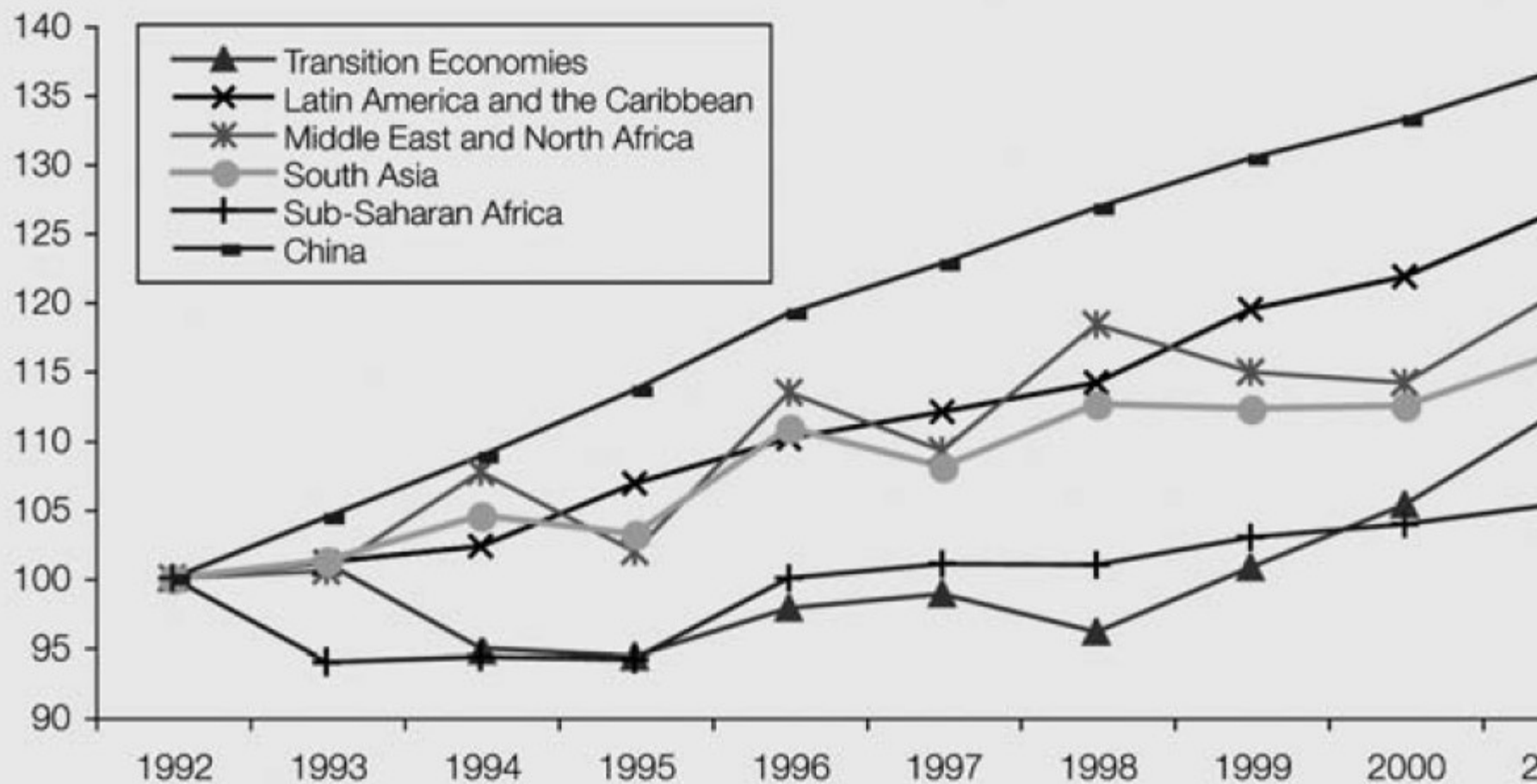


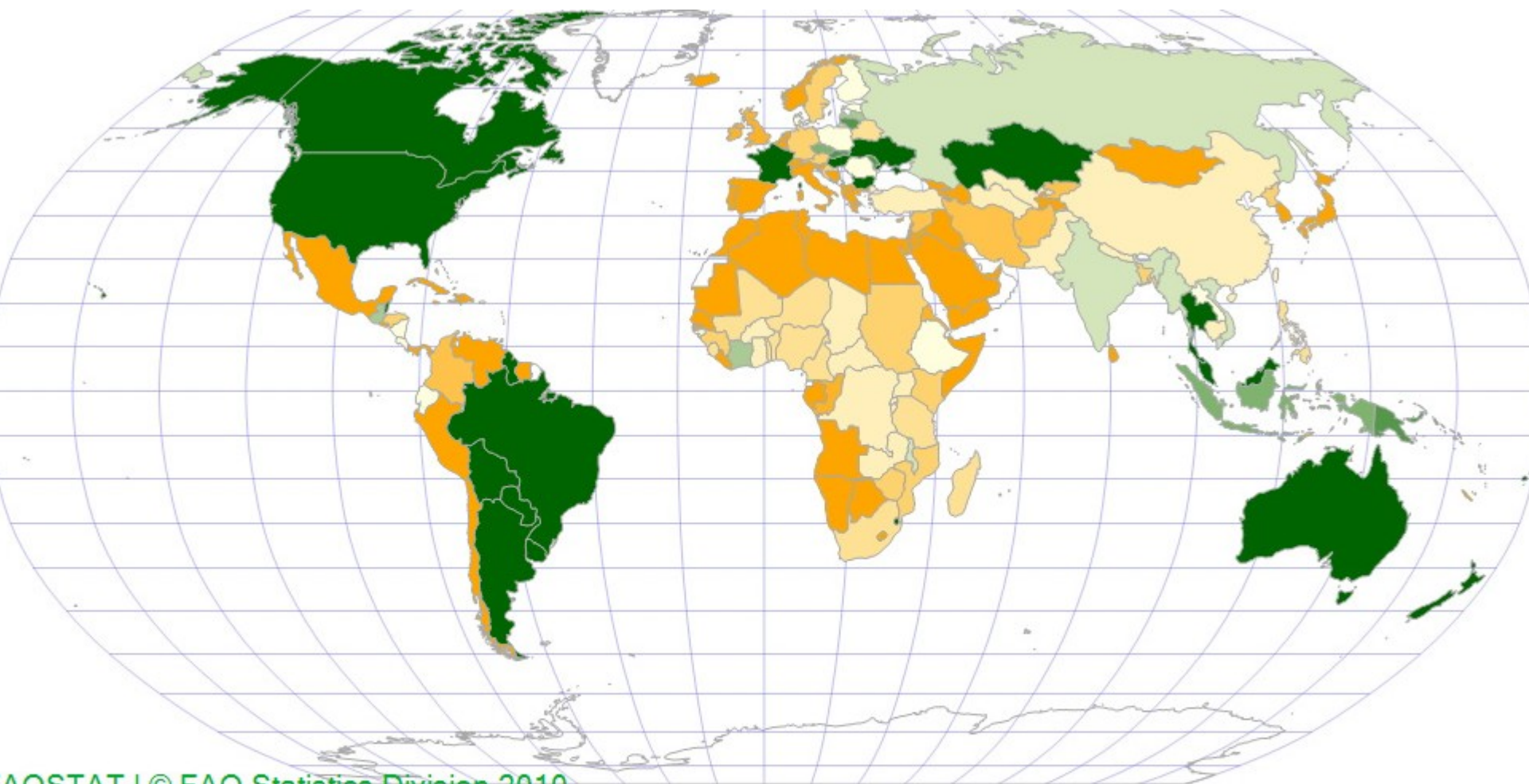
Table 1-2. Approximate farm size by world region.

World region	Average farm size, ha
Africa	1.6
Asia	1.6
Latin America and Caribbean	67.0
Europe*	27.0
North America	121.0

Source: Nagayets, 2005; von Braun, 2005.

*data includes Western Europe only.

Net trade in food
Commerce net alimentaire
Индекс чистого торгового объема продовольственных товаров
Comercio neto de alimentos



AOSTAT | © FAO Statistics Division 2010

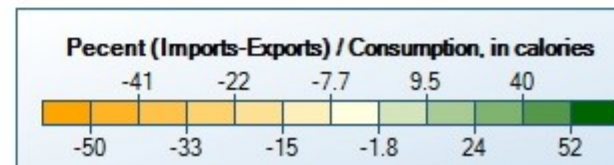


Table 9.6: Extra EU-27 trade by main products, EU-27

	1999		2003		2008	
	(EUR 1 000 million)	(%)	(EUR 1 000 million)	(%)	(EUR 1 000 million)	(%)
EXPORTS						
Total	683.1	100.0	869.2	100.0	1 308.6	100.0
Food, drinks & tobacco	41.8	6.1	48.5	5.6	68.3	5.2
Raw materials	14.5	2.1	18.3	2.1	32.4	2.5
Mineral fuels, lubricants	15.7	2.3	27.4	3.2	80.7	6.2
Chemicals & related prod.	97.4	14.3	141.1	16.2	205.2	15.7
Other manufactured goods	181.2	26.5	223.9	25.8	316.5	24.2
Machinery & transport equip.	314.6	46.0	391.6	45.0	569.0	43.5
IMPORTS						
Total	743.3	100.0	935.3	100.0	1 550.7	100.0
Food, drinks & tobacco	50.3	6.8	57.3	6.1	80.1	5.2
Raw materials	38.9	5.2	43.1	4.6	75.6	4.9
Mineral fuels, lubricants	84.1	11.3	157.9	16.9	444.0	28.6
Chemicals & related prod.	58.7	7.9	80.5	8.6	126.8	8.2
Other manufactured goods	200.3	26.9	238.5	25.5	374.3	24.1
Machinery & transport equip.	288.2	38.8	326.8	34.9	413.8	26.7
TRADE BALANCE						
Total	-60.2	-	-66.0	-	-242.1	-
Food, drinks & tobacco	-8.5	-	-8.8	-	-11.7	-
Raw materials	-24.4	-	-24.8	-	-43.2	-
Mineral fuels, lubricants	-68.5	-	-130.5	-	-363.3	-
Chemicals & related prod.	38.8	-	60.6	-	78.4	-
Other manufactured goods	-19.1	-	-14.7	-	-57.7	-
Machinery & transport equip.	26.4	-	64.8	-	155.2	-

Source: Eurostat (ext_lt_intertrd)

Poorest countries lose income under all Doha scenarios

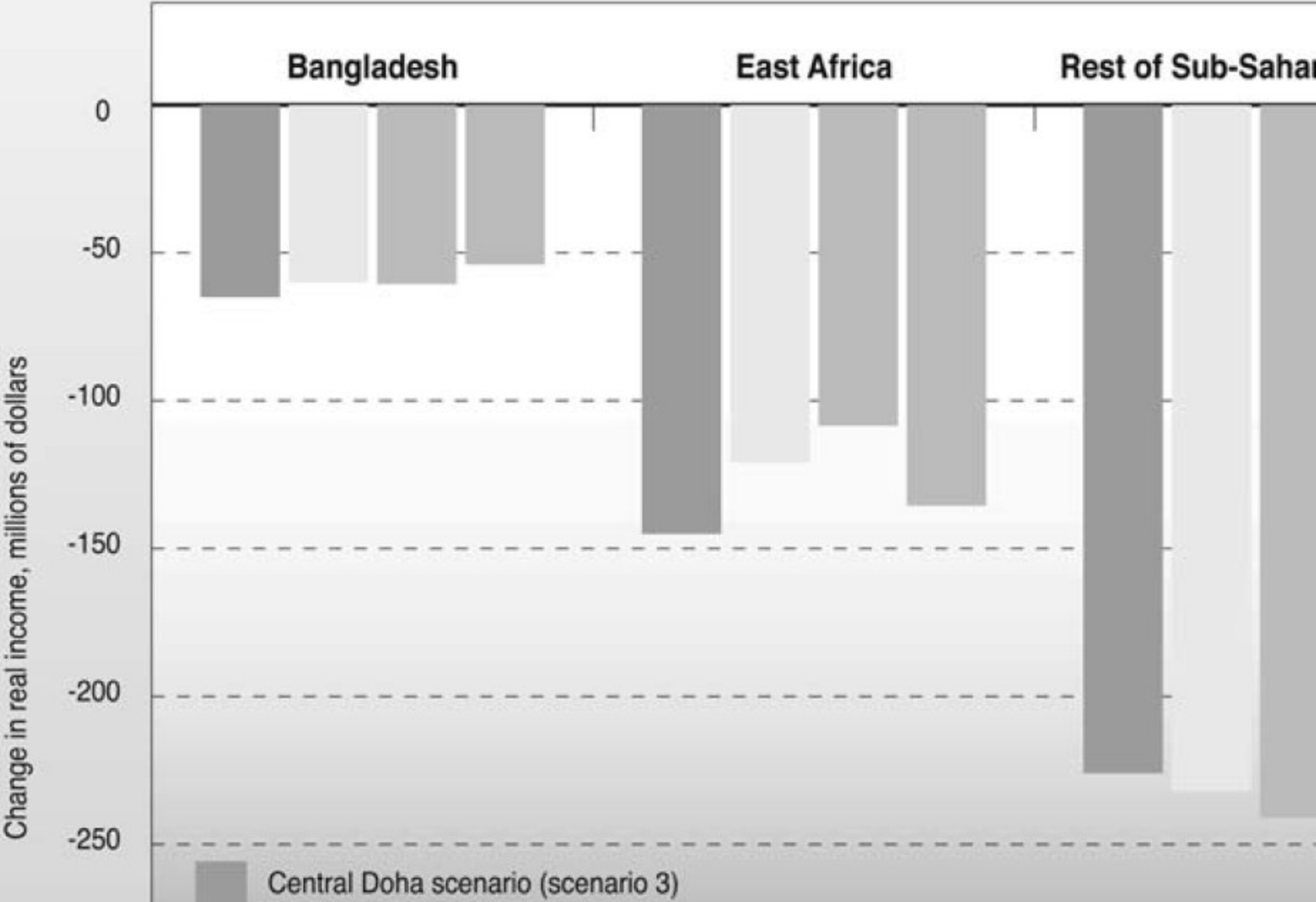
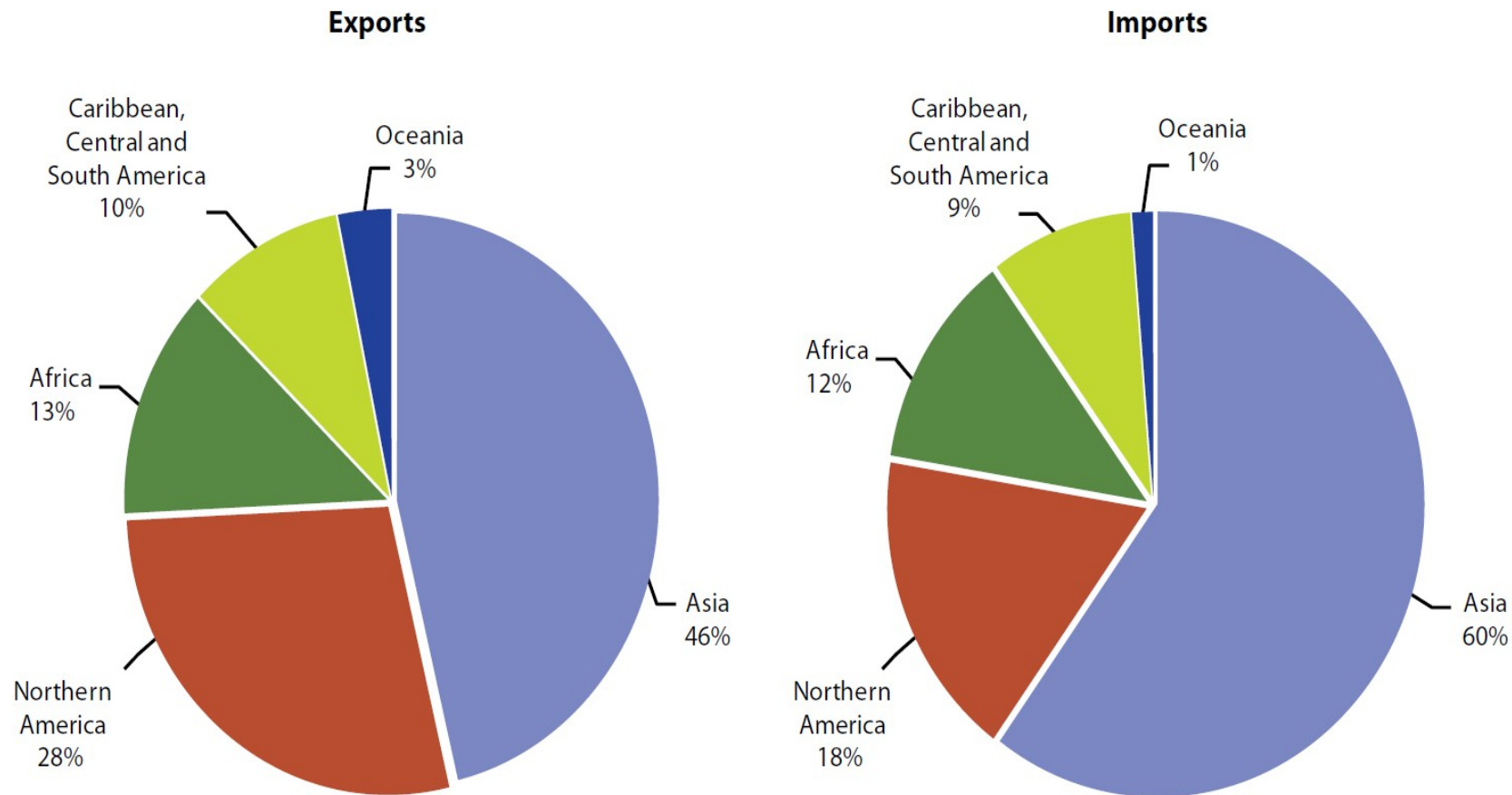


Figure 1.4: EU-27 international trade by partner, value 2010 (%)



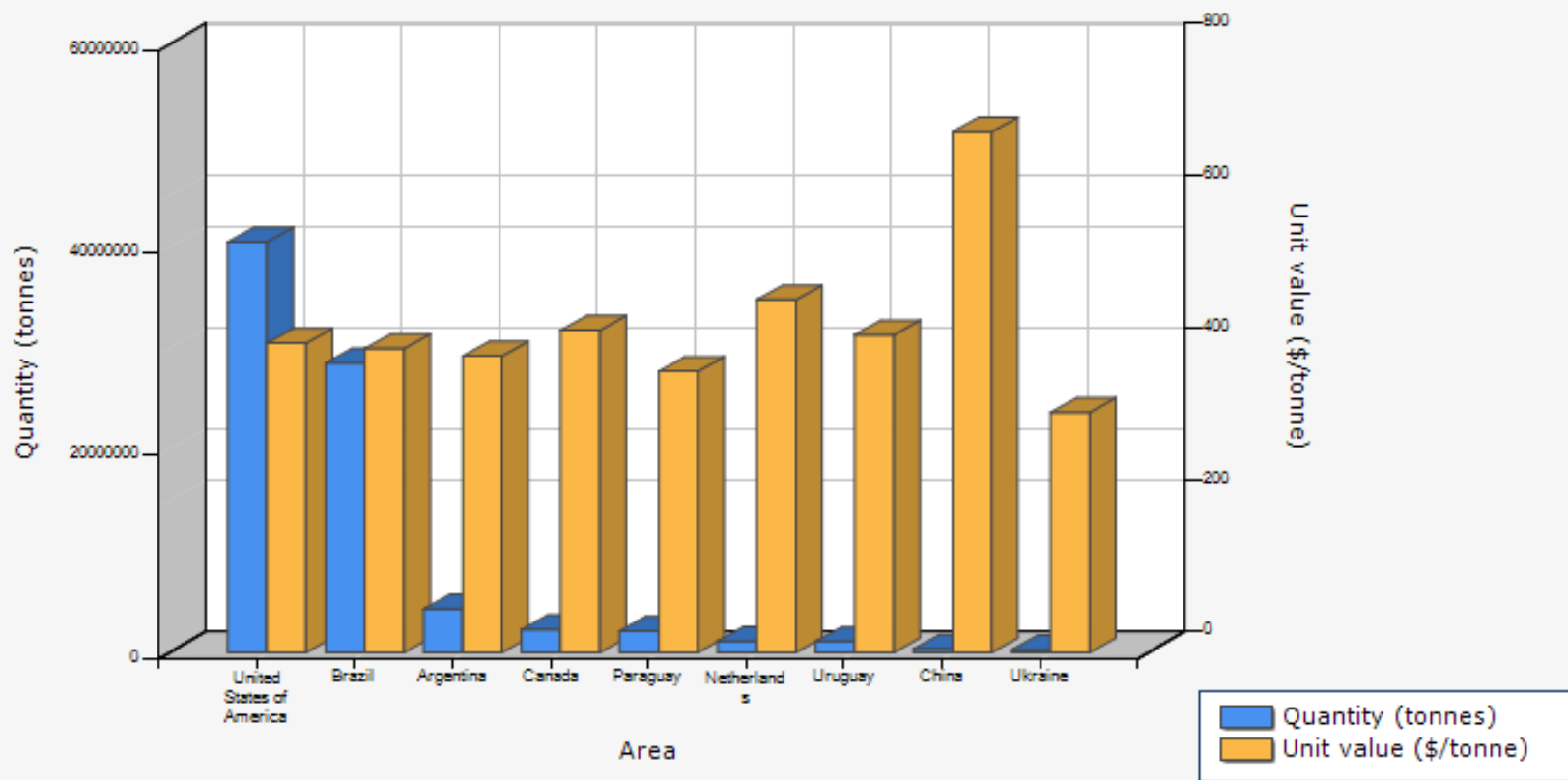
Source: Eurostat (online data code: ext_lt_maineu)

Exports

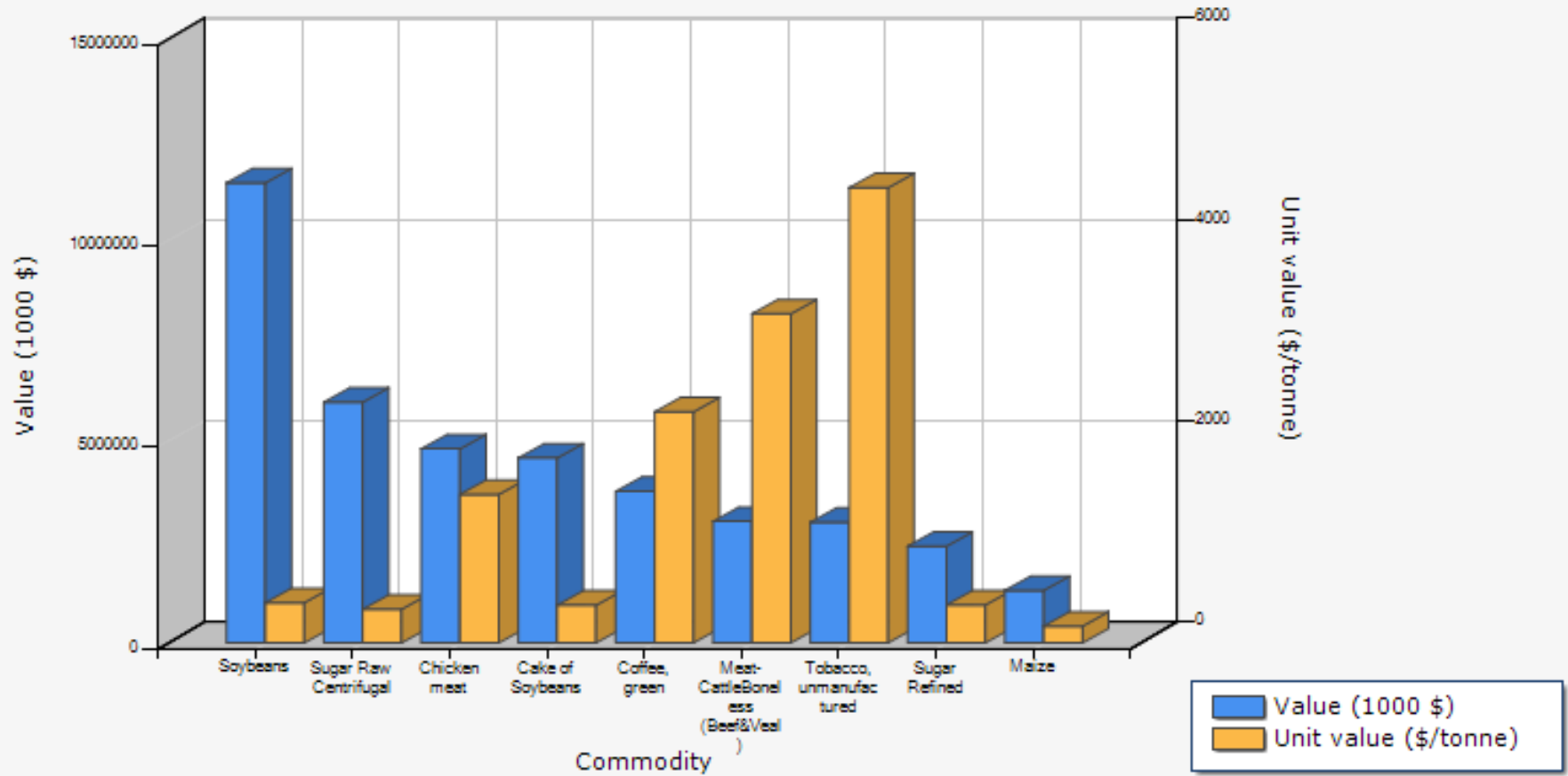
Share on total agriculture/total merchandise (top 20 countries)

Rank	Commodities	Value (1000\$)
1. USA	Soybenas	16475900
2. Brazil	Soybeans	11424300
3. Indonesia	Palm oil	10367600
4. Netherlands	Crude materials	10362600
5. Malaysia	Palm oil	9255990
6. USA	Maize	9086410
7. Argentina	Cake of Soybeans	8053030
8. EU (27) ex.int	Bev. Dist. Alc.	7932985
9. France	Wine	7694180
10. EU (27) ex int	Wine	7473884

Top exports - Soybeans - 2009



Top exports - Brazil - 2009





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Historical development of the CAP

Table 8.4: Agricultural holdings

	Number of agricultural holdings (1 000)			Holdings with dairy cows (1 000)			Holdings with irrigable area (% of UAA)		
	2003	2005	2007	2003	2005	2007	2003	2005	2007
EU-27	15 021.0	14 482.0	13 700.4	:	:	:	:	:	:
Belgium	54.9	51.5	48.0	16.6	15.2	13.3	4.2	4.2	4.6
Bulgaria	665.6	534.6	493.1	195.0	152.6	120.8	20.5	14.3	14.8
Czech Republic	45.8	42.3	39.4	8.5	6.8	5.6	4.5	4.6	5.2
Denmark	48.6	51.7	44.6	8.0	6.6	5.4	19.4	17.9	15.0
Germany	412.3	389.9	370.5	121.8	110.4	101.1	:	:	:
Estonia	36.9	27.8	23.3	12.4	9.2	6.1	:	:	:
Ireland	135.6	132.7	128.2	28.1	23.8	21.3	0.0	0.0	0.0
Greece	824.5	833.6	860.2	11.6	9.8	8.0	64.0	64.8	62.3
Spain	1 140.7	1 079.4	1 043.9	51.0	42.4	37.3	47.5	46.1	45.3
France	614.0	567.1	527.4	113.9	103.9	93.1	17.3	17.8	18.0
Italy	1 963.8	1 728.5	1 679.4	67.5	61.0	62.8	36.2	37.6	40.4
Cyprus	45.2	45.2	40.1	0.3	0.2	0.2	74.5	76.8	78.0
Latvia	126.6	128.7	107.8	63.7	50.9	43.7	0.1	0.3	0.2
Lithuania	272.1	253.0	230.3	193.4	170.8	123.2	0.0	0.1	0.0
Luxembourg	2.5	2.5	2.3	1.0	1.0	1.1	0.0	:	0.0
Hungary	773.4	714.8	626.3	22.0	16.3	12.2	4.0	2.3	0.2
Malta	11.0	11.1	11.0	0.2	0.2	0.2	34.2	27.5	25.0
Netherlands	85.5	81.8	76.7	25.0	23.5	24.5	22.2	23.5	25.5
Austria	173.8	170.6	165.4	65.1	54.6	49.5	3.6	4.4	4.4
Poland	2 172.2	2 476.5	2 391.0	873.8	727.1	651.1	0.7	1.0	1.1
Portugal	359.3	323.9	275.1	27.1	15.9	13.5	62.1	62.0	62.0
Romania	4 484.9	4 256.2	3 931.4	1 204.9	1 134.4	1 012.4	5.6	3.4	2.6
Slovenia	77.2	77.2	75.3	17.2	19.7	19.2	1.5	2.3	2.3
Slovakia	71.7	68.5	69.0	14.2	13.5	11.5	5.9	10.2	2.2
Finland	75.0	70.6	68.2	19.4	16.9	14.4	10.6	8.1	8.5
Sweden	67.9	75.8	72.6	9.7	8.6	7.1	7.7	6.0	5.2
United Kingdom	280.6	286.8	299.8	28.2	26.3	28.1	1.7	1.4	13.5
Norway	58.2	53.0	49.9	17.5	15.9	13.7	16.5	16.7	17.4
Switzerland	:	63.6	:	:	:	:	:	0.0	:

Source: Eurostat (tag00001, ef_r_nuts and ef_ov_lusum)

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The path of CAP expenditure 1980-2009 (in

2007 prices, billion €)

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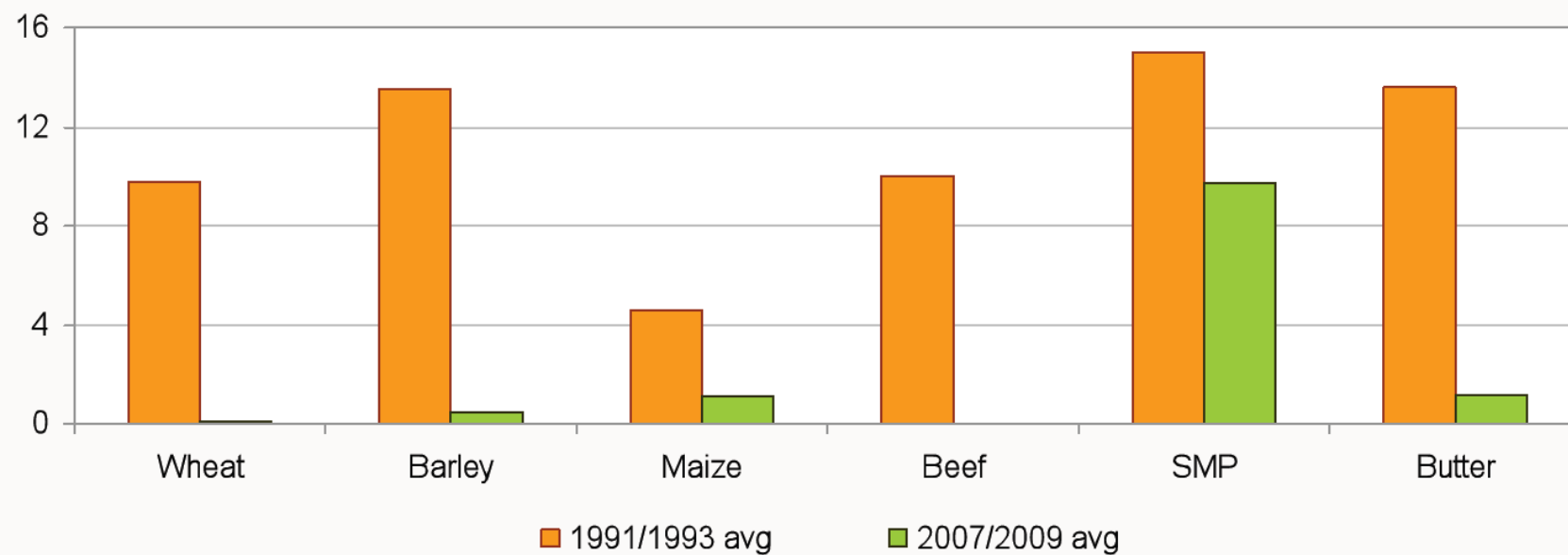
CAP impacts on the EU exports, 1986-2008



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Figure 4: Evolution of EU public stocks as a share of EU production.

% of EU production



Source: DG Agriculture and Rural Development.

Table 1.5: EU-27 exports of cereals by partner (1000 tonnes)

	2005	2006	2007	2008	2009	2010
Africa	11 682	13 025	10 035	15 061	15 992	18 302
of which						
Algeria	3 623	3 810	3 110	4 807	4 330	4 517
Egypt	1 179	1 505	218	773	2 476	2 483
Morocco	1 793	1 036	2 164	3 250	1 524	2 477
Libya	739	752	434	686	945	1 216
Tunisia	633	1 022	819	1 096	392	1 129
Saudi Arabia	2 394	1 049	2 647	1 778	909	2 802
Turkey	247	191	726	1 014	928	978
South Korea	67	27	28	138	365	923
Yemen	47	315	10	466	1 071	899
Switzerland	484	508	713	822	691	782
Norway	301	491	491	570	508	646
Other	11 583	12 615	8 312	13 546	13 807	14 783
Extra EU-27	23 090	23 320	19 671	28 947	27 946	33 635

Source: Eurostat (online data code: DS-018995)



Polish Presidency in the Council of the European Union **Draft CAP Budget 2014 - 2020**

Total proposed budget 2014-20	€386.9 bn
of which	
• Pillar I – direct payments and market expenditure	€281.8 bn
• Pillar II – rural development	€89.9 bn
• Food safety	€2.2 bn
• Most deprived persons	€2.5 bn
• Reserve for crisis in the agricultural sector	€3.5 bn
• European Globalisation Fund	Up to €2.5 bn
• Research and innovation on food security, the bio-economy and sustainable agriculture (in the Common Strategic Framework for Research and Innovation)	€4.5 bn



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CAP 2014 – 2020 policy instruments

current two pillar structure to be maintain

Pillar I

Direct payments & market expenditure - €281,8 bn

entirely funded by the EU budget

Pillar II

Rural development - €89,9 bn

Cofinance by Member States – rate of cofinancing different



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CAP 2014 – 2020 Pillar I

1. Direct payments - changes suggested by the Commission

more equitable distribution of direct income support

- greening of direct payments
- support for active farmers
- capping support for the largest farmers



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CAP 2014 – 2020

New market measures

The Commission proposes creation of two instruments outside the multiannual financial framework which will be subject to the same fast-track procedure as the Emergency Aid Reserve:

- an emergency mechanism to react to crisis situations (for instance a food safety problem) - €3,5bn

- and a new scope for the European Globalisation Fund (*assistance to farmers whose livelihoods may be affected by globalisation*).– up to €2,5 bn



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CAP 2014-2020 budget

**Research and innovation on food security,
the bio-economy and sustainable
agriculture**

€4,5 bn



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Conclusions

1. CAP 2014-2020 – would be determined in 2011-2013

2. Proposed by the EC new 2014-2020 CAP molded by Member States, European Parliament and other stakeholders



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**Thank you
for
your attention**