The role of EU policy for a sustainable commodity supply

PFP Forum "Availability of raw materials in the context of current and future EU policies"
29 November 2017

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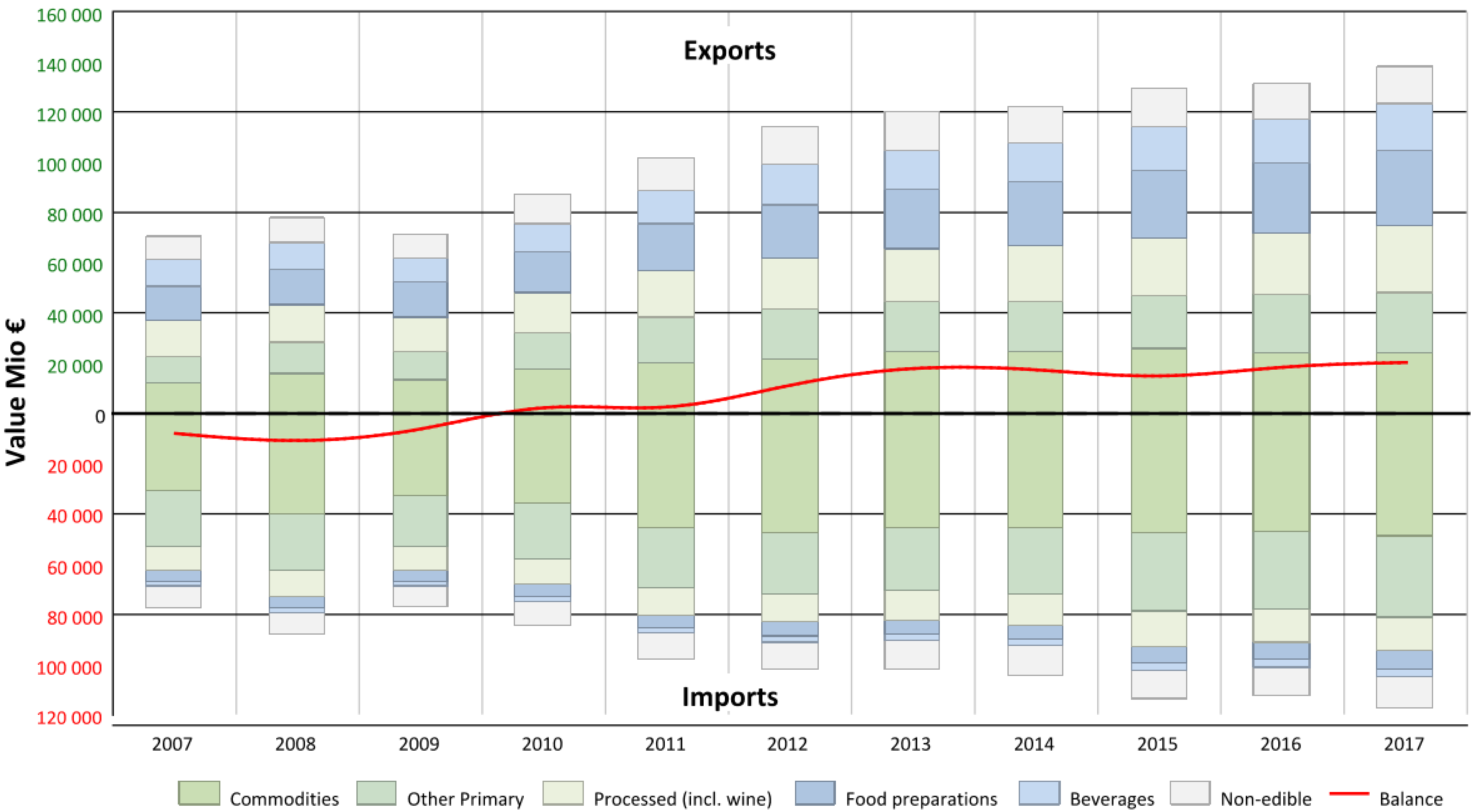
- *Strength - a positive trade context*
- *Challenges / weaknesses*
- *Opportunities and EU agricultural policies*

European Commission

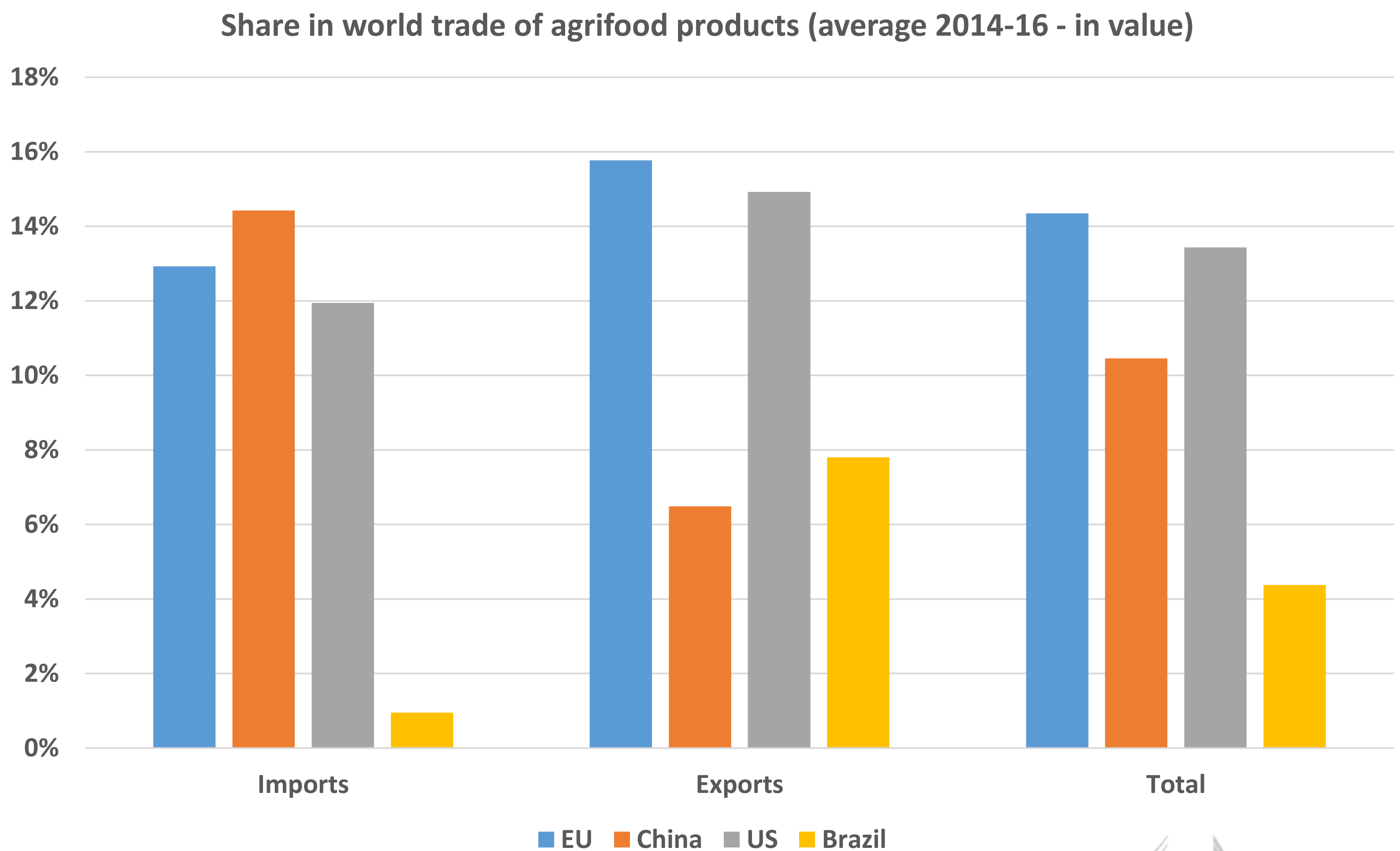
The EU trade context: from net importing to net exporting



Source: DG AGRI

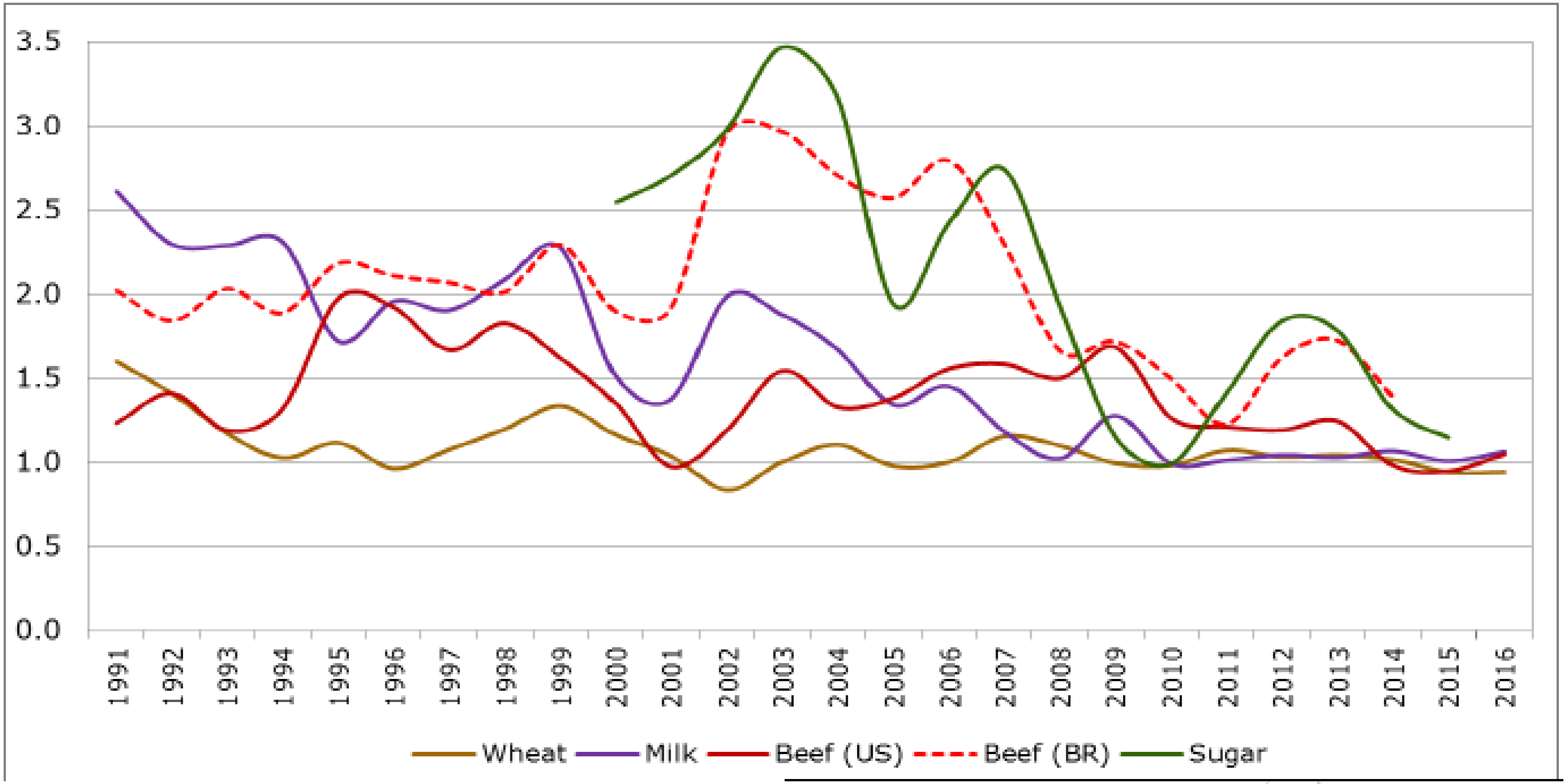
European Commission

The EU : main world trader



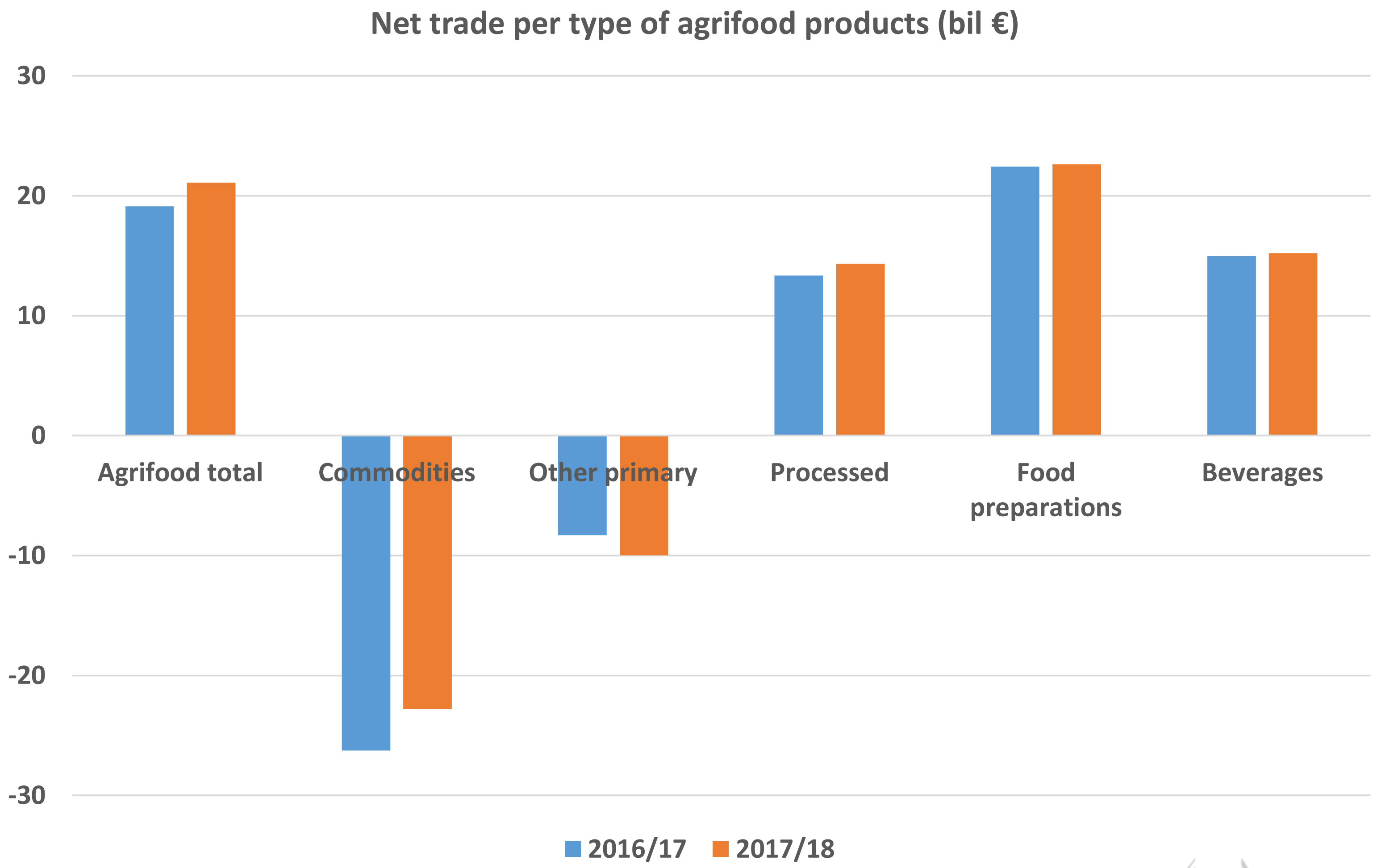
Source: DG AGRI from FAO and Eurostat (Comext) data

Ratio between EU domestic and world price



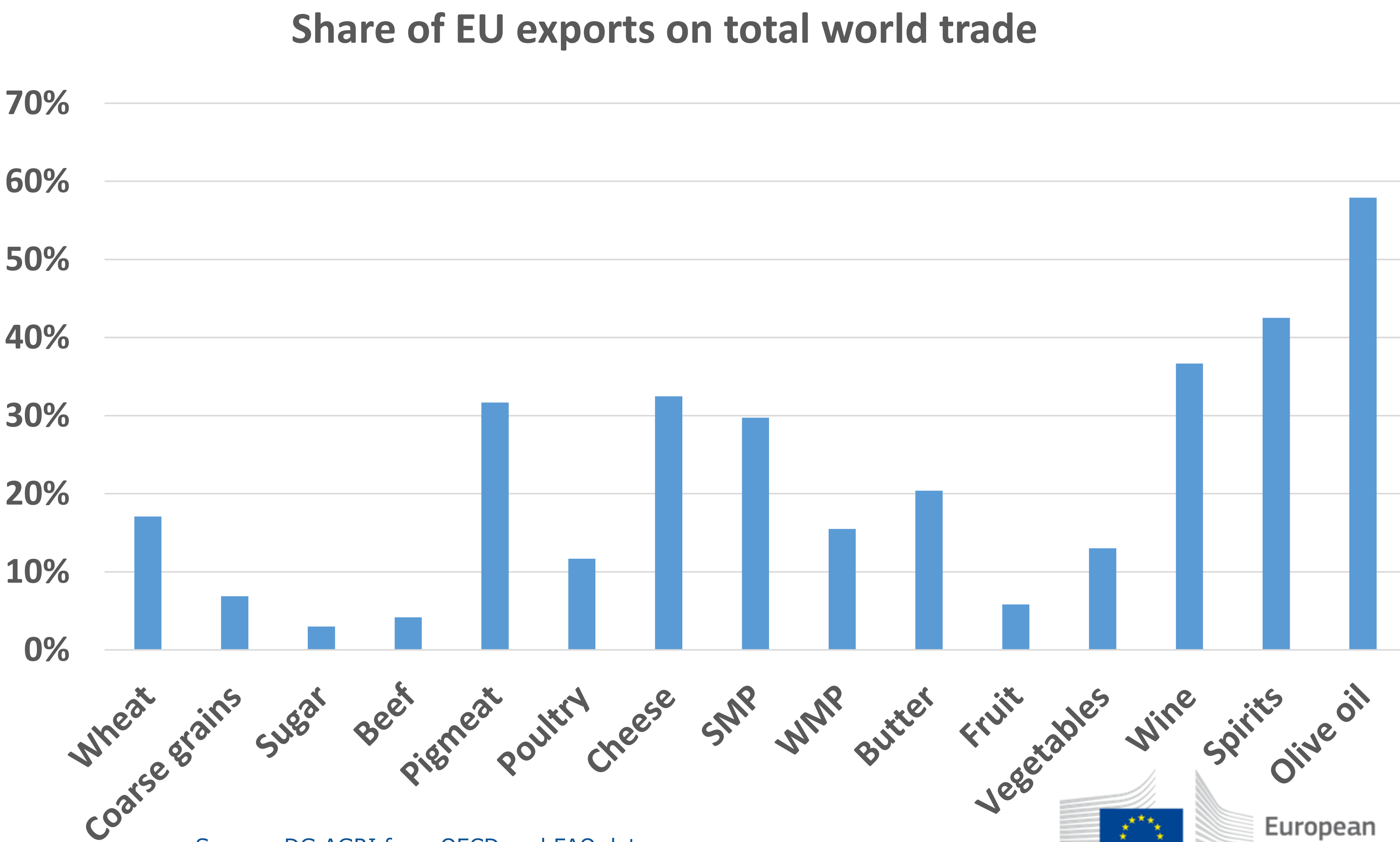
European Commission

The EU trade context : per type of product



Source: DG AGRI from Eurostat (Comext) data

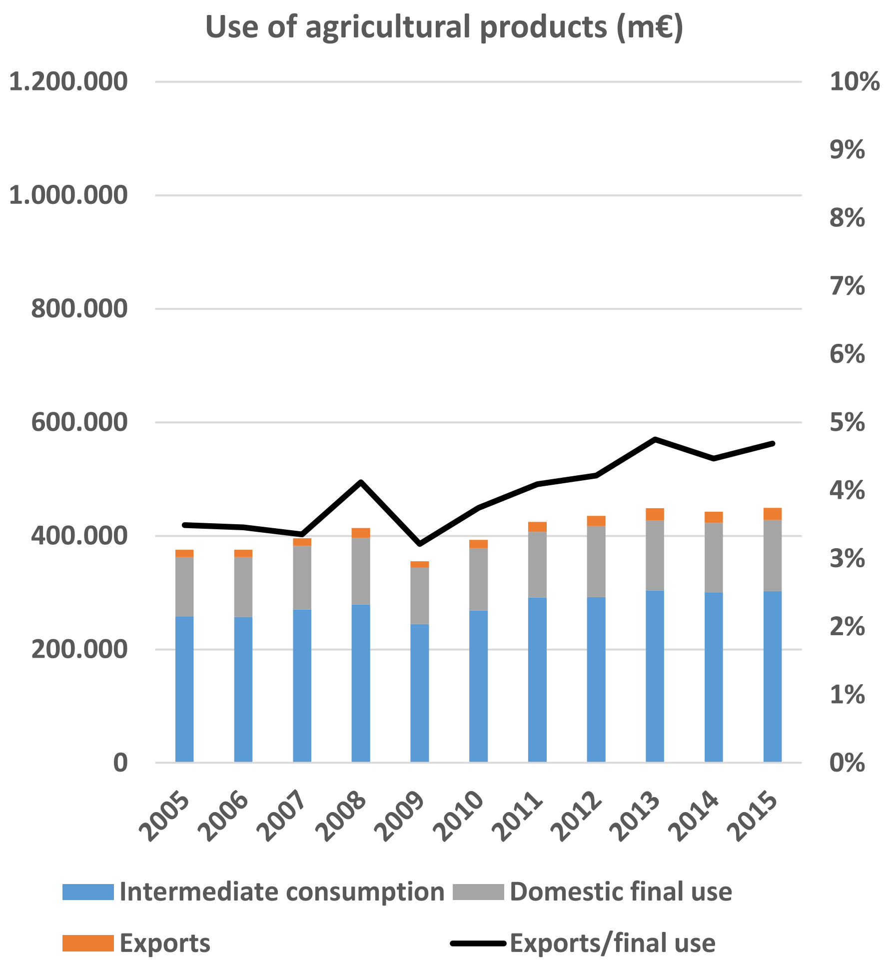
The EU on the world market

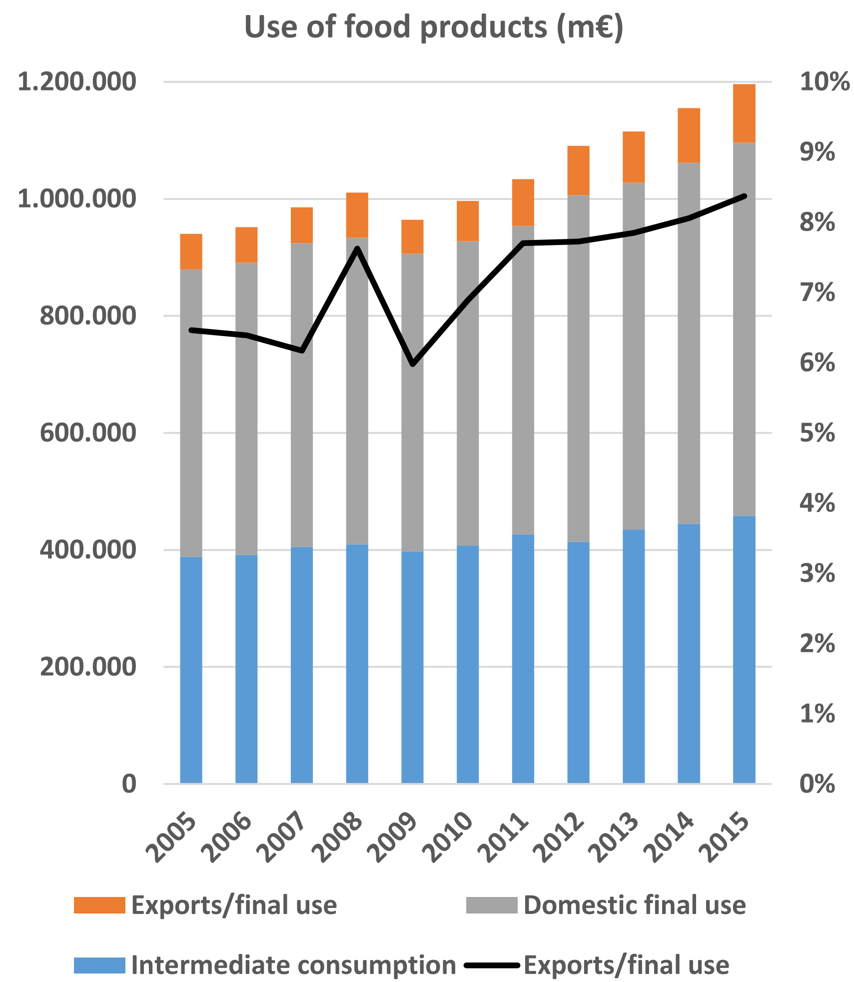


Source: DG AGRI from OECD and FAO data

European Commission

The EU trade context: Extra EU vs Domestic





Source: Eurostat (National accounts – use table)

European Commission

The EU trade context: Extra EU vs Domestic

Source: Eurostat (National accounts – supply table)

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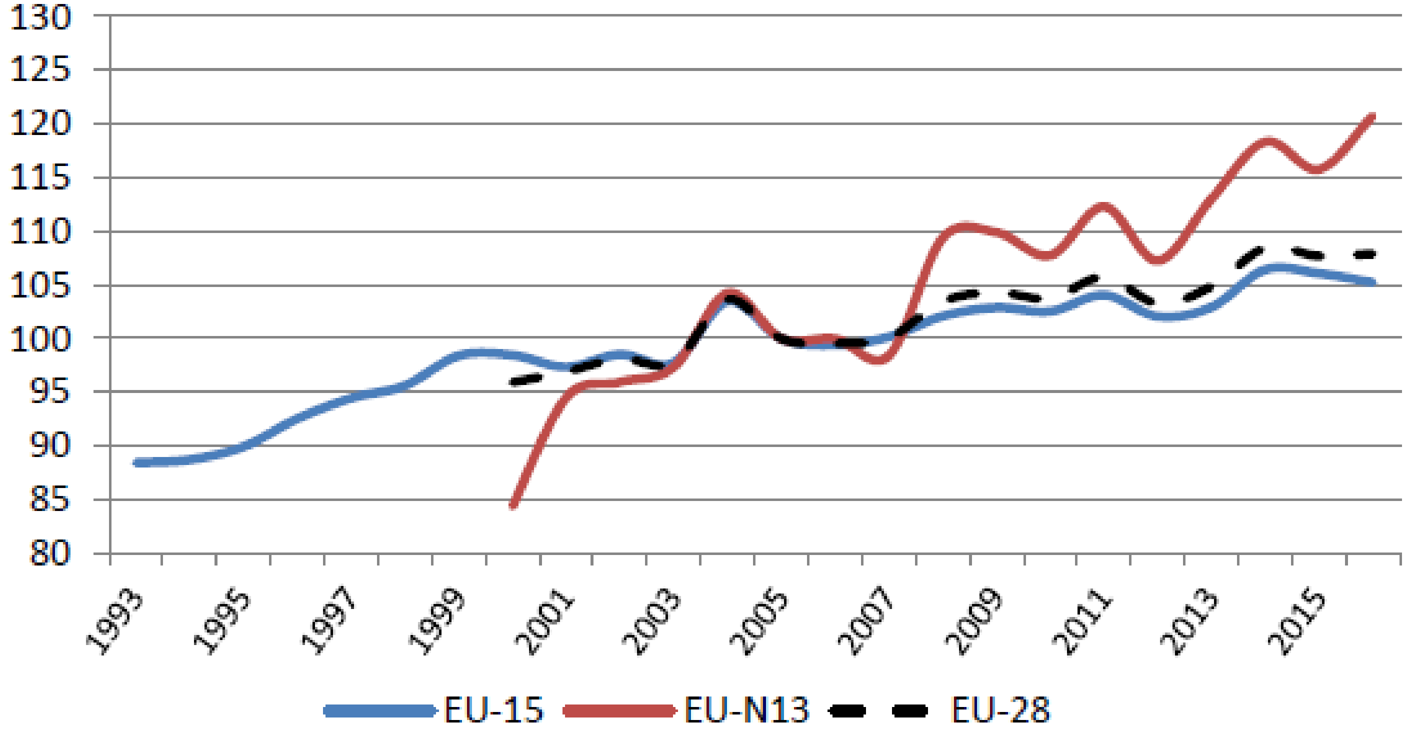
European Commission

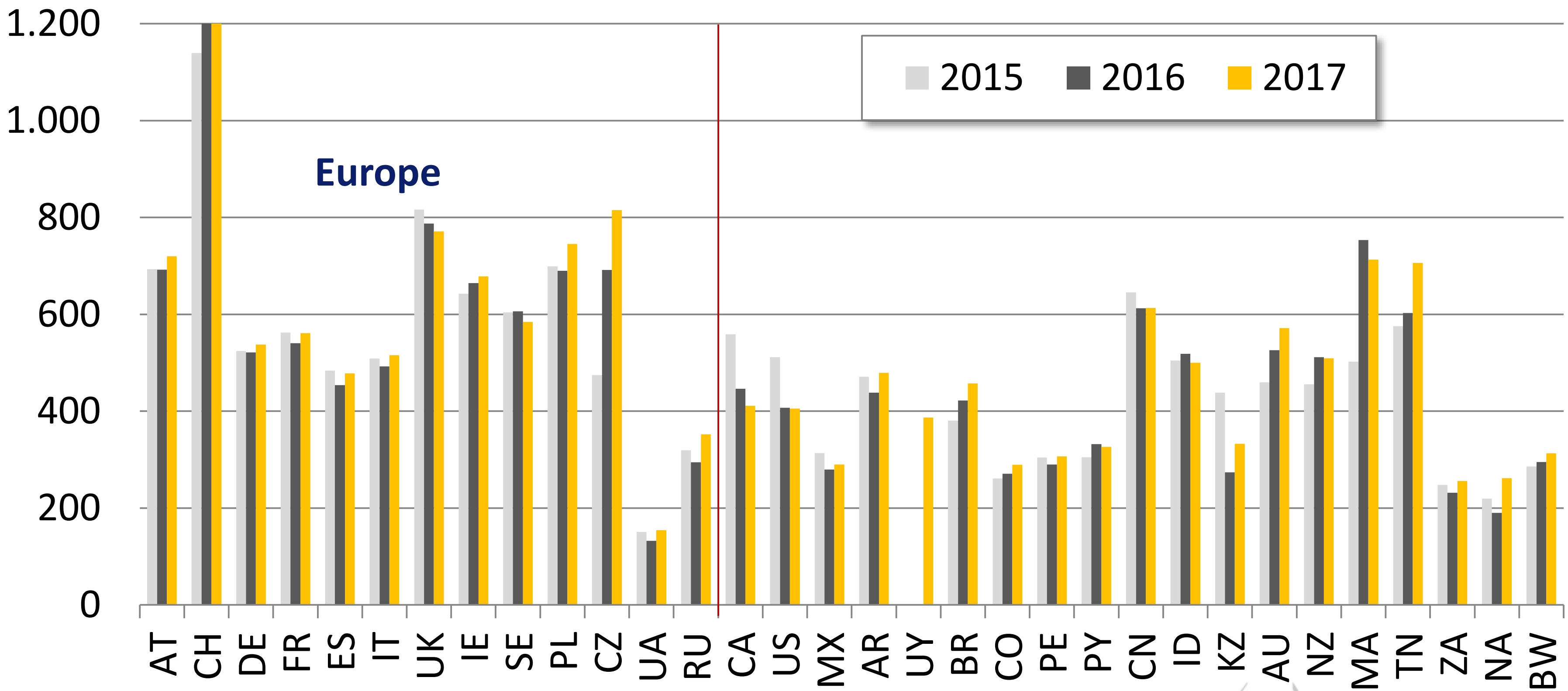
Productivity growth is slowing down



Note: Index, 2005 = 100; Source: DG Agriculture and Rural Development

Higher costs of production

Total Beef costs - USD per 100 kg carcass weight



Source: Agri Benchmark – Thunen Institut

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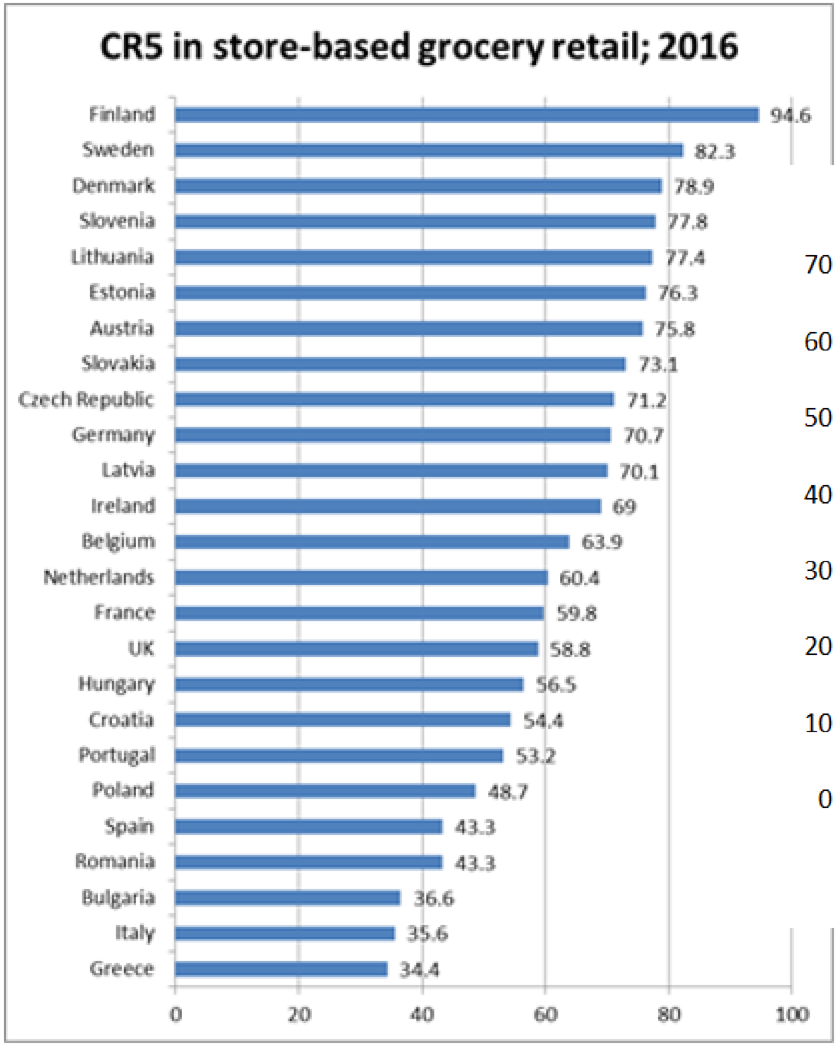
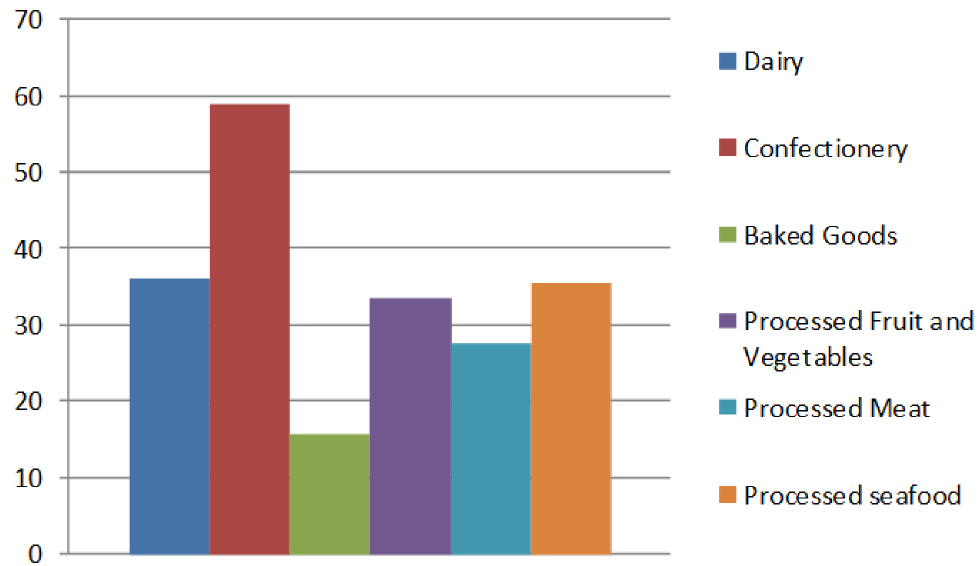
Better functioning food chain

Figure 8 - Retail concentration ratio (CR5)



Source DG GROW from Euromonitor

Figure 7 - EU average MS concentration ratios (CR5) per food sector



Source: DG AGRI from Euromonitor

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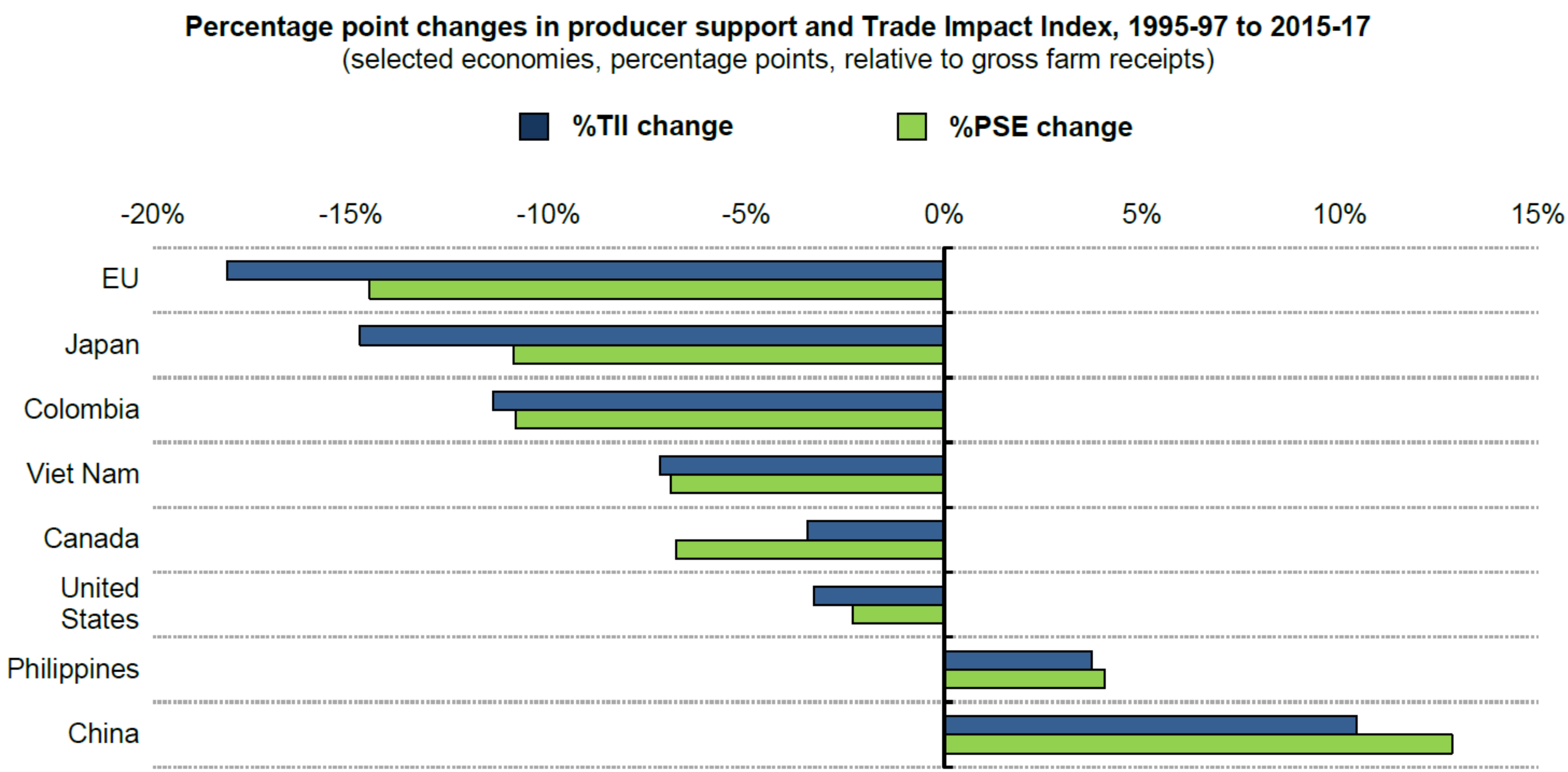
Investment / Research

- *Investment types of intervention*
  - **Rural development**
  - **Sectoral interventions**
- *Food chain*
  - **POs**
  - **UTPs**
  - **Transparency**
- *Research and Innovation*
  - **EIP**
  - **FAS**
  - **Horizon Europe**
- *Bio-economy*

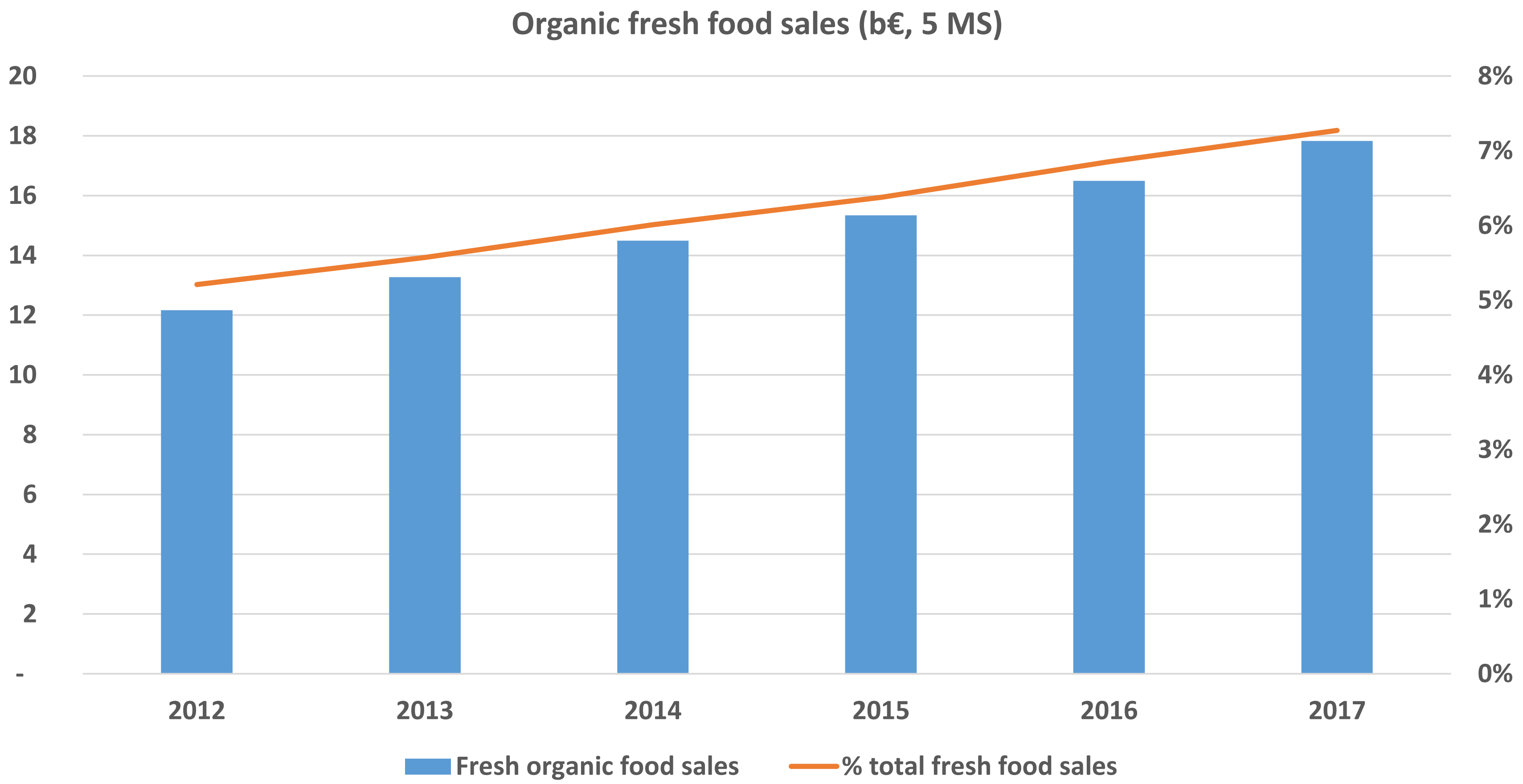
Market-oriented policies



Source: OECD

Consumer expectations

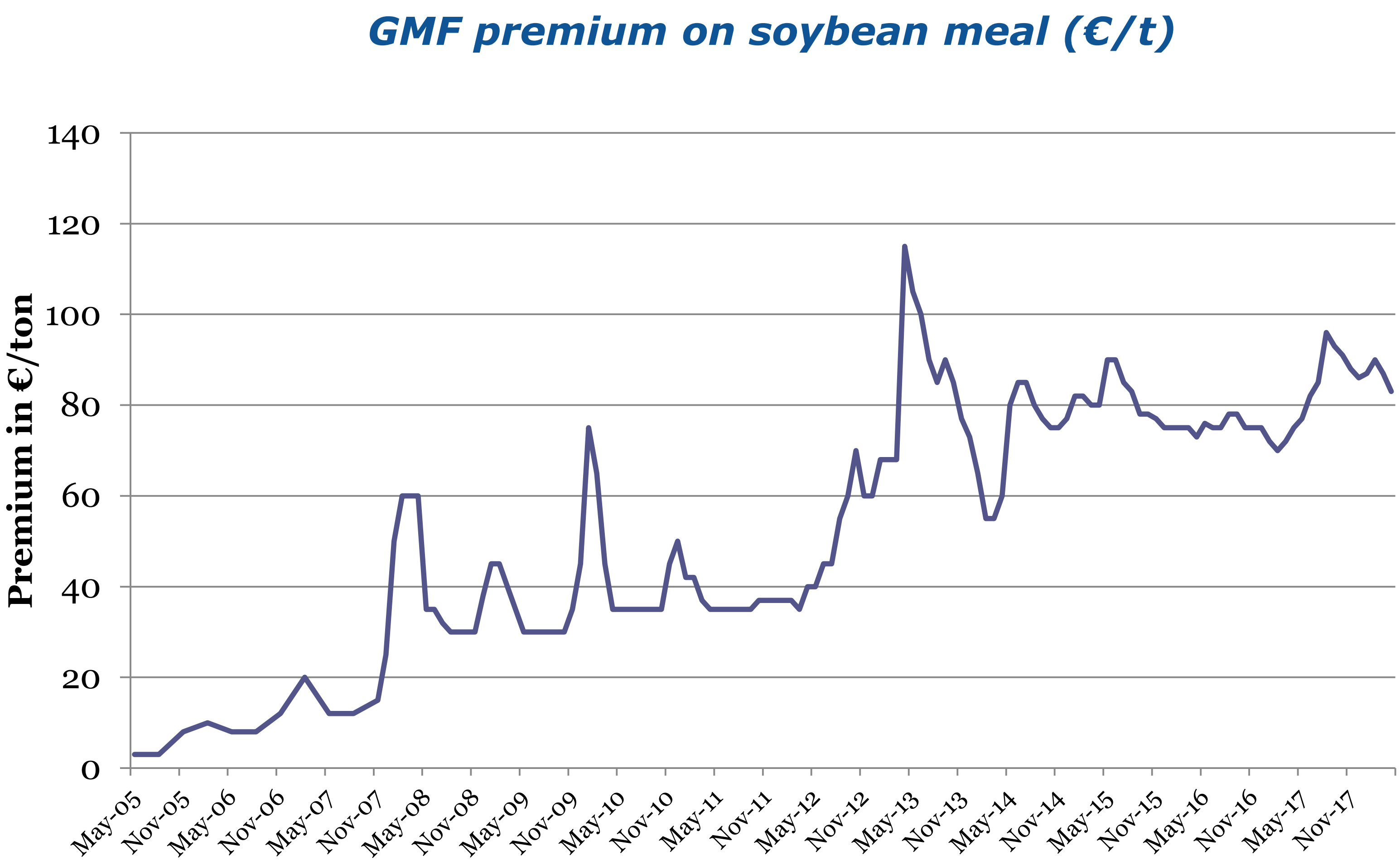
PDO PGI



Source: DG AGRI from Euromonitor

Consumer expectations

GM-free feed market



Insights from the Austrian feed market

SEGMENT	ORGANIC	GM-FREE
Cattle	21% of cattle	-
Dairy	15% of milk	100% of milk
Laying hens	12% of laying hens	~80-90% of eggs
Broiler poultry	10% of broiler poultry	~100% of chicken
Pig	2% of pigs	8% of pigs
Soya food	-	100%

Referendum in 1997 on GM in food

Dairy & eggs in 2010, poultry meat in 2012

Highest share on organic milk

Soya area from 25k ha (2009) to 67k ha (2018)

Strong involvement Retail (REWE, Spar)

Thank you