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Sustainability in the Food & Agricultural Sector
the role of the Private Sector & Government

Panel I: Challenges facing Food & Agriculture: the European response?

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Challenges facing the Food and Agricultural Sectors: the European Response

- The Food and Environmental Challenges
- Their interactions
- The impacts of Climate Change
- Why there must be an EU response
- The future direction of the CAP
Food challenge

Environmental challenge

Global Climate Change

The EU response

EU Food & Environmental Security Policy
The food challenge

- Global population
- World Grain production
- Agricultural Land
- Crop yields
- Soil losses
- Water availability
The environmental challenge

- Biodiversity loss
- Resource protection
  - Soil
  - Water quality and quantity
  - Air
- Maintaining the cultural landscape
Interaction between these two challenges

- The three generations of agricultural development
  - Pre-industrial – low productivity but non-intrusive
  - Industrial – highly productive but highly intrusive
  - Post industrial – the challenge: maintain and increase productivity; significantly reduce intrusion

- Markets for the marketed outputs

- How to deal with the pervasive market failures?

- Then add
  - Huge **volatility**: markets; weather; pest & disease
  - **Market imperfection**: the inability of farmers to get normal profits from the unbalanced market structure
Now add climate change

- It’s happening, it’s man made, it’s global
- It intensifies the food and environment challenges
- **Impacts on the environment**
  - Competition from agriculture
  - More deforestation & biodiversity loss
  - More irrigation: less water for natural ecosystems
- **Climate impacts on food production capacity**
  - Fertilisation effect of more CO₂ – higher yields
  - Highly dependent on water stress
  - Inundation of arable land
  - Salinity and drought
  - Crop and regional variation
  - More volatility
  - IPCC (2001) if warming below 2.5°C: no price rises
Climate change: action?

• **Responsibility of mid-latitude developed countries**
  – relatively less badly affected
  – much better placed to adapt

• **Three key actions**
  • **Energy efficiency** – transport, buildings, processes
  • **Energy substitution** - renewable energy for fossil fuel
  • **Material substitution**: timber for concrete, steel & brick

• Incentivising **C sequestration**
  – In forests and especially peaty soils

• **Emission reduction**
  – Exhortation, information, awareness
  – Incentivising behaviour

• **Sensible precaution** – raise sea walls
  – 57% UK Grade 1 land is below 5M above mhw.
The European response

• The economic and political importance of Europe
  – Not well endowed with land
  – But favourable conditions and highly productive
  – We are, and will remain, net grain exporters

• The 2008/09 reviews
  – Institutions
  – Policies: including environment policy & CAP
  – Budget

• What is the moral and political role of the EU towards its own food supplies and environment?
  – and for food supplies and environment globally?
The case for European Food & Environmental Security Policy

• Why European, why common?
  – The Single Market
  – Food & environment key parts of EU policy
  – Environmental directives
  – Göteborg and Lisbon
  – The transboundary nature of nature and global climate change

• What are the objectives of such policy?
European Food and Environmental Security Policy

• The objectives should be to:
  “incentivise private sector rural resource managers to produce the socially optimal quantities of high quality food & fibre, renewable energy, biodiversity, landscape, heritage, and soil, water and air management.

• This can be accomplished within EU Budget heading 2, **Protection and management of natural resources**
Food security

• Feed the European population – and others too.

• Protect the long-run food production capacity of the EU – especially arable land, water, knowledge and skills, research & development

• This necessitates profitable farming

• the measures would be to help
  – Improve productivity & competitiveness
  – Stimulate private & public R&D & extension
  – Integrate farming & environment & reduce pollution
  – Farmers share resources, work together
  – Raise product quality & marketing
  – Ensure food safety
  – Deal with volatility
Environmental security

- Achieve food security goals but without avoidable environmental degradation (= weak sustainability)

- The elements of the policy are to protect and enhance
  - Biodiversity habitats and species
  - Landscape including heritage
  - Support for remote, mountainous and marginal areas
  - Agricultural and forest soils
  - Water quantity and quality
  - Carbon management in soils & forests
  - Land-based renewable energy
Food and Environmental security together

• Build on experience
  – CAP reform
  – Agri-environment schemes
  – Smart regulation – WFD?

• Liberalisation of markets: necessary not sufficient

• Operational practicality vital

• We have to work to internationalise these ideas
Summary

• The demands on what we want from our land managers is increasing
• They have a critical role in helping secure food and environmental security
• There are pervasive market failures surrounding these activities
• Dealing with these market failures has, correctly, been allocated to the EU policy
• We must secure the appropriate budget for this for the future and this necessitates further evolution of the CAP
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