IPC Conference Dinner 2007

The Role of Sustainability in Europe’s Common Agricultural Policy

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Outline

• The European Economic Model
• A Sustainable CAP
  – Market Orientation
  – Environmental Protection
  – Social Responsibility
• Sustainable Energy Production
• Agriculture versus Farming
The Union shall work for the sustainable development of Europe based on balanced economic growth and price stability, a highly competitive social market economy, aiming at full employment and social progress, and a high level of protection and improvement of the quality of the environment. It shall promote scientific and technological advance.

*Article I-3 (3) first part (Treaty establishing a Constitution for Europe)*
Added value of the market

Ecological
Basis for life
natural resources

Market Economy
Particular cultural identity of each region

Social
Maintenance of social freedom
CAP-Market Orientation

- Intervention abolished or reduced to a minimum safety net
- Phasing out of export subsidies
- Phasing out dairy quotas
- Abolition of set a side and energy crop support programs
- Decoupling of farm support
- Farmers exposed to price volatility
- Growing market segmentation
- Modernizing and restructuring of farms
- Strict financial discipline
CAP-Environmental Protection

- Extensification of farming practices through reduced production incentives
- Direct support (SFP) conditioned with obligatory food standards, environmental and animal welfare rules
- Public private partnership to deal with public services
- Allowances to maintain the cultural landscapes in less favored areas and valuable biotopes
CAP-Social Responsibility

- Income support via decoupled aid
- Education and training programs
- Young farmer start up support
- Strengthening infrastructure on the countryside
- Dealing with the aging and migration problems of the rural population
Sustainable Energy Production
Biofuel

European Goals:

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
<th>Of total consumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>5.75 %</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>10.0 %</td>
<td></td>
</tr>
</tbody>
</table>
## Bioethanol and Biodiesel

### Production Capacity 2007 (in mill. t):

<table>
<thead>
<tr>
<th>Region</th>
<th>Bioethanol</th>
<th>Biodiesel</th>
</tr>
</thead>
<tbody>
<tr>
<td>global</td>
<td>35</td>
<td>9</td>
</tr>
<tr>
<td>thereof: Brasil</td>
<td>14,5</td>
<td>0,7</td>
</tr>
<tr>
<td>USA</td>
<td>14,5</td>
<td>1,9</td>
</tr>
<tr>
<td>EU-27</td>
<td>3,0</td>
<td>6,1</td>
</tr>
<tr>
<td>thereof: GER</td>
<td>0,6</td>
<td>3,0</td>
</tr>
<tr>
<td>FRA</td>
<td>0,5</td>
<td>0,6</td>
</tr>
<tr>
<td>ITA</td>
<td>-</td>
<td>0,5</td>
</tr>
</tbody>
</table>

(Source: Ch. Bickert, DLG-News)
## Bioethanol and Biodiesel

### Land Resource for the Production of Biofuels:

<table>
<thead>
<tr>
<th></th>
<th>Brasil</th>
<th>USA</th>
<th>EU15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share of Biofuels 2004</td>
<td>21,6 %</td>
<td>1,6 %</td>
<td>0,8 %</td>
</tr>
<tr>
<td>Land needed in % of Cereals-, Oilseeds- &amp; Sugararea 2004</td>
<td>8</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Goals set for Biofuels</td>
<td>10 %</td>
<td>10 %</td>
<td>10 %</td>
</tr>
<tr>
<td>Land needed in % of Cereals-, Oilseeds- &amp; Sugararea 2004</td>
<td>3</td>
<td>30</td>
<td>52</td>
</tr>
</tbody>
</table>

(Source: St. Tangermann, M. Lampe)
Oilseeds: Production Costs\(^1\) 2002

\(^1\) without land costs


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## Biofuels

### Land- and CO₂-Efficiencyavoidance of Biofuels:

<table>
<thead>
<tr>
<th>Biofuels</th>
<th>Liter Fuel per ha</th>
<th>€ per tonne CO₂ Equivalent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Biodiesel from Rapeseeds</td>
<td>1.408</td>
<td>150</td>
</tr>
<tr>
<td>Rapeoil</td>
<td>1.420</td>
<td>80</td>
</tr>
<tr>
<td>Ethanol from Cereals</td>
<td>4.054</td>
<td>290</td>
</tr>
<tr>
<td>Biogas from Cereals</td>
<td>1.660</td>
<td>250</td>
</tr>
<tr>
<td>Biogas from Silo Maize</td>
<td>4.977</td>
<td>-</td>
</tr>
</tbody>
</table>

(Source: L. Langbehn; Y. Zimmer)
Consequences for the Biofuel Politics until 2020

- 10% Biofuels is very ambitious and can only be reached with the help of the 2nd generation and partly with imports
- Cereal- and Oilseeds Politics must be adjusted to the development of the Biofuel Production (Closedown, Subsidies, Intervention, Quality, GMOs, External Protection)
- Optimization of the Production should be based on the CO₂-Avoidance efficiency
- Sustainability-Standards for Production and Imports?
- Intensification of Research for the 2nd Generation of Biofuels
- Food Production must stay Priority
Agriculture vs. Farming

A specific sector with a cultural dimension
An industry like any other industry

Pragmatism bridges the tensions
Concentration on demand of food, services and renewables
Thank you for your attention!