



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)



Particular cultural identity of each region

**Market
Economy**

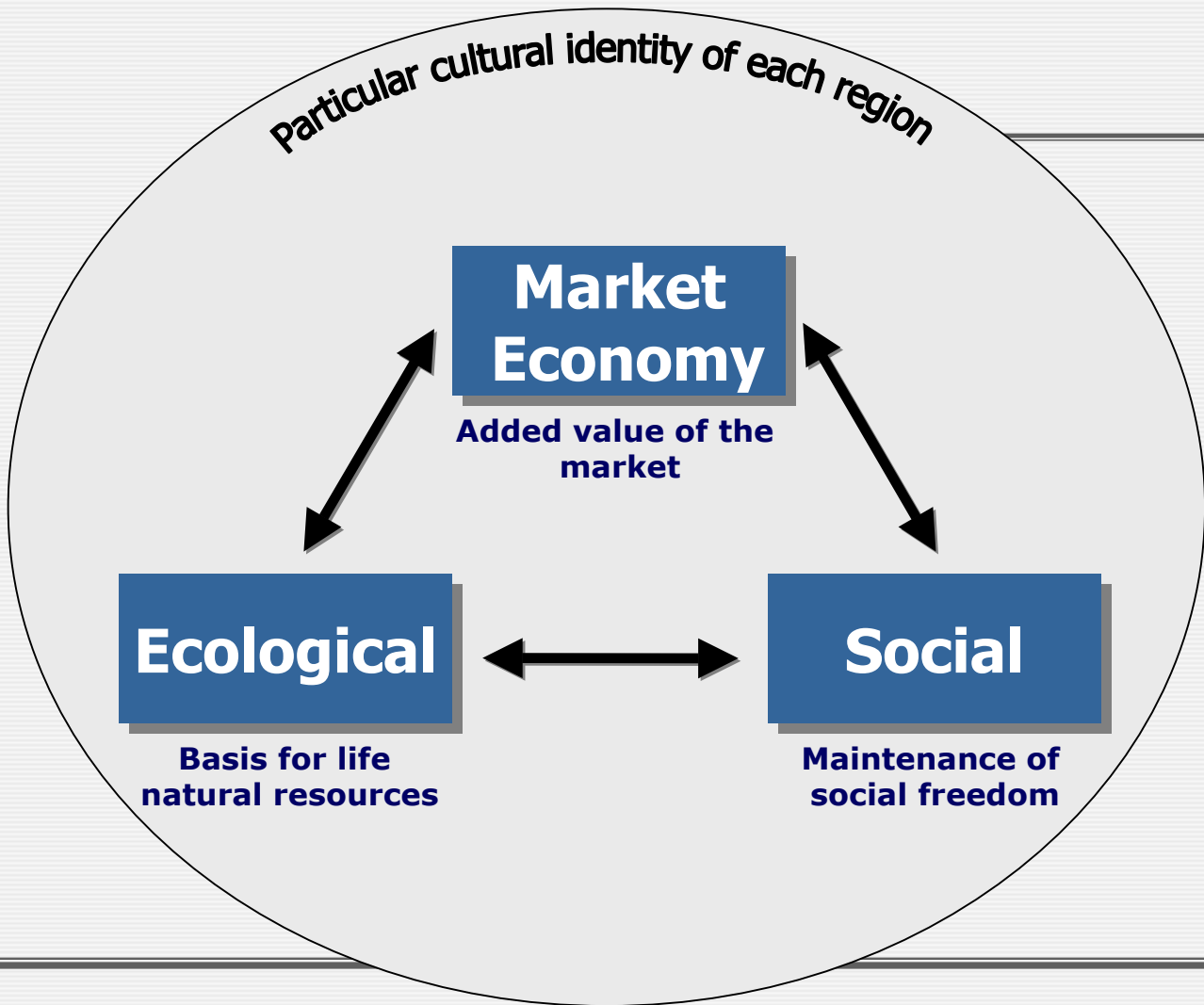
Added value of the
market

Ecological

Basis for life
natural resources

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:

2010:	5.75 %	of total consumption
2020:	10.0 %	of total consumption



Bioethanol and Biodiesel

Production Capacity 2007 (in mill. t):

		Bioethanol	Biodiesel
global		35	9
thereof:	Brasil	14,5	0,7
	USA	14,5	1,9
	EU-27	3,0	6,1
thereof:	GER	0,6	3,0
	FRA	0,5	0,6
	ITA	-	0,5

(Source: Ch. Bickert, DLG-News)



Bioethanol and Biodiesel

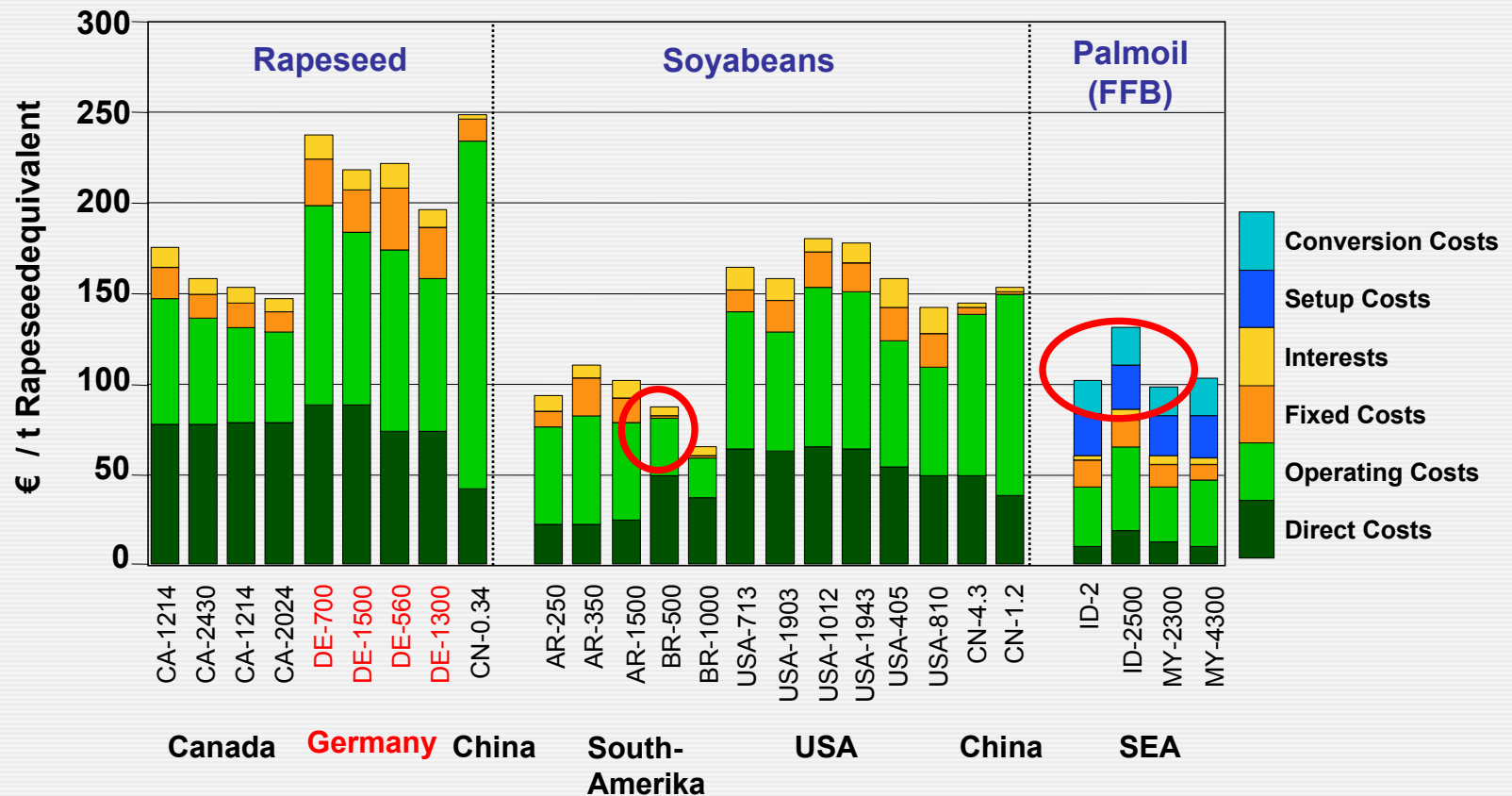
Land Resource for the Production of Biofuels:

	Brasil	USA	EU15
Share of Biofuels 2004	21,6 %	1,6 %	0,8 %
Land needed in % of Cereals-, Oilseeds- & Sugararea 2004	8	5	4
Goals set for Biofuels	10 %	10 %	10 %
Land needed in % of Cereals-, Oilseeds- & Sugararea 2004	3	30	52

(Source: St. Tangermann, M. Lampe)



Oilseeds: Production Costs¹⁾ 2002



1) without land costs



Biofuels

Land- and CO₂-Efficiency avoidance of Biofuels:

Biofuels	Liter Fuel per ha	€ per tonne CO ₂ Equivalent
Biodiesel from Rapeseeds	1.408	150
Rapeoil	1.420	80
Ethanol from Cereals	4.054	290
Biogas from Cereals	1.660	250
Biogas from Silo Maize	4.977	-

(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-Avoidanceefficiency
- 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!