

Innovative solutions to foster agricultural productivity in a sustainable way

Bruxelles, 8th December 2010

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Challenges for the new CAP

- Continued rapid growth in global food **demand**:
 - 100 % between 2000 and 2050;
 - Population growth to 9 billion ;
 - Per capita income growth in developing countries.
- Additional challenges:
 - Water is becoming scarcer and more expensive;
 - Growing demand for natural resource protection;
 - bio-energy production;
 - Increasing energy price.
- Limited growth in global food **supply**:
 - Limited growth in agricultural land (arable land: +5% between 2000 and 2020)
 - Production growth predominantly through **productivity** growth;
 - But: Declining annual productivity growth:

1961-1989:	4 %;
1990-2000:	2 %;
presently:	1 %.

(Source: "EU Agricultural production and trade: Can more efficiency prevent increasing" land grabbing" outside Europe", OPERA and Humboldt University Berlin 2010, www.opera-indicators.eu)

EU strategy and policy framework

- “Europe 2020 – A strategy for smart, sustainable and inclusive growth”:
 - European competitiveness lagging behind
- agriculture sector - increasing pressure in the internal and international markets
- Recent studies - gaps in the comparative advantage, for some products 2-3 times lower production costs outside Europe.
- In the same time...
 - Market access through the WTO;
 - Series of free trade agreements under negotiation;
 - Series Economic Partnership Agreements

EU strategy and policy framework

- Commission Communication “**Meeting the food, natural resources and territorial challenges of the future** “:
 - **greener** and more **equitably distributed** first pillar
 - a second pillar focusing more on:
 - **Competitiveness**
 - **innovation,**
 - **climate change**
 - **environment.**
 - ... “to release its latent productivity potential, [...] and contribute to the Europe 2020 objectives [...] **remunerating the collective services they provide to society**”

Smart CAP

- We need a smart CAP which ensures:
 - Food security
 - Environmental security
 - Social security

Through:

- Unlocking the production and productivity potential
- Bridging solutions between food production and environmental concerns
- Ensuring economic stability for the agricultural activity
- Better targeting regional and local specificities

Sustainable intensive agriculture

A new production model is needed – Sustainable intensive agriculture, based on the following principles:

- productivity of affordable, accessible, quality crops on available land
- to avoid agricultural expansion into the remaining natural habitat vital for biodiversity and carbon storage
- resist pressures on land occupancy from non-agriculture sectors
- help farming sector to balance productivity with the efficient use of natural resources and deliver economic and environmental public goods.
- limit water consumption
- maintain biodiversity,
- provide tools for professional farm management
- help spatial planning at European, National, and Regional level

Innovation

- Releasing the breaks on **technological development**
 - Friendly regulatory framework
 - Reducing red tape
 - Financial support for fundamental and applied research
- Promoting innovation in **farm management**:
 - of agricultural land (crop rotation, multifunctional field margins, sustainable exploitation)
 - of production risks (climatic conditions, pests, diseases, reduce harvest loss, variable standards, etc.)
 - of market risks (price volatility, share in value added, cooperation)
- Modern **governance**
 - Private-public partnerships
 - Flexibility in responding to crisis
 - Risk management schemes

Innovation

- CAP needs to address four major problems faced currently by the research and innovation activities in Europe, to promote:
 - **horizontal coordination** of research priorities across the EU and **vertical coordination** with the needs of the agricultural production;
 - **financial support** to a level comparable with the resources employed in agricultural R&D by other competitors on the world market;
 - creation of a **business environment** to promote private research and public-private partnerships, along with **information campaigns** to change the negative public perception on the results on technological development;
 - **delivery mechanisms** at farm level to increase the uptake of the results.

Sustainability

- Current regulatory framework already a basic filter for sustainability
- Additional requirements should receive incentives through the CAP – promoting public goods provision to society
- Criteria to judge sustainability should always cover the three dimensions:
 - Economic
 - Environmental
 - Social

What is OPERA doing to help?

- Participatory multi-stakeholder process on the reform of the CAP:
 - Series of Roundtables (through our Brussels Office) on the future of CAP (already at the 4th edition) on issues like: competitiveness; markets; public goods; rural development
 - Implementation of EU legislation (e.g. Directive for the sustainable use of pesticides)
 - Working groups
- Studies, analysis and recommendations to bridge agricultural and environmental concerns:
 - EU production and trade
 - Agricultural Markets Stability System (working group of experts and agricultural economists across EU – proposal to be presented soon)
 - Multifunctional landscapes
 - Risk evaluation, risk monitoring and risk reduction technologies (BROWSE project; indicators and targets to reduce risks associated to pesticides; bio-beds)
 - Sustainability criteria (SOStain project)
 - Water management

*Join the process for sustainable innovation in
policy, governance and production systems of
the European agriculture!*

Thank you for your attention.

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