Agricultural situation in the European Union

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Who are Copa and Cogeca?

Copa – represents EU farmers

Cogeca – EU agri-cooperatives

77 member organisations

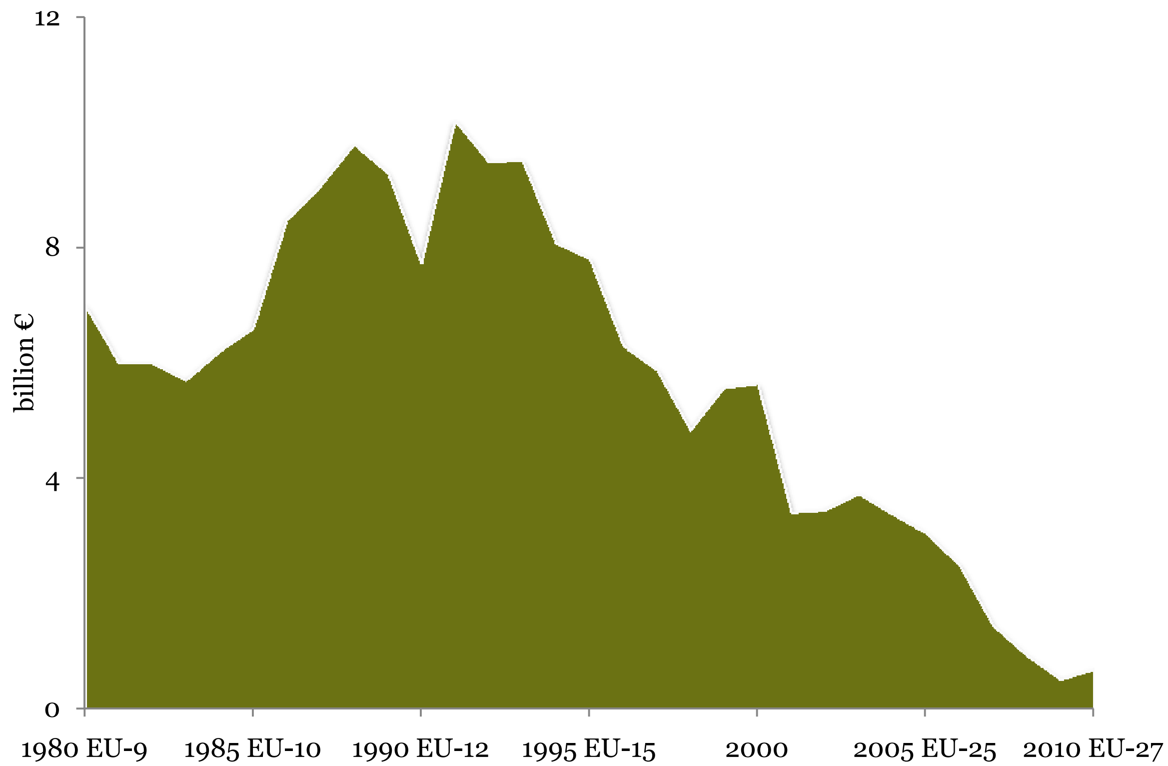
from 27 countries in the European Union

Over 13 million farmers in the EU

Recent changes to EU agricultural policy:

- most market management measures abolished, export refunds minimal
- 90% of support no longer linked to production (decoupled)
- offer in Doha to reduce agricultural tariffs by average 60%

EU export refunds



Source: EAGF financial reports

Recent reforms of the EU agricultural policy:

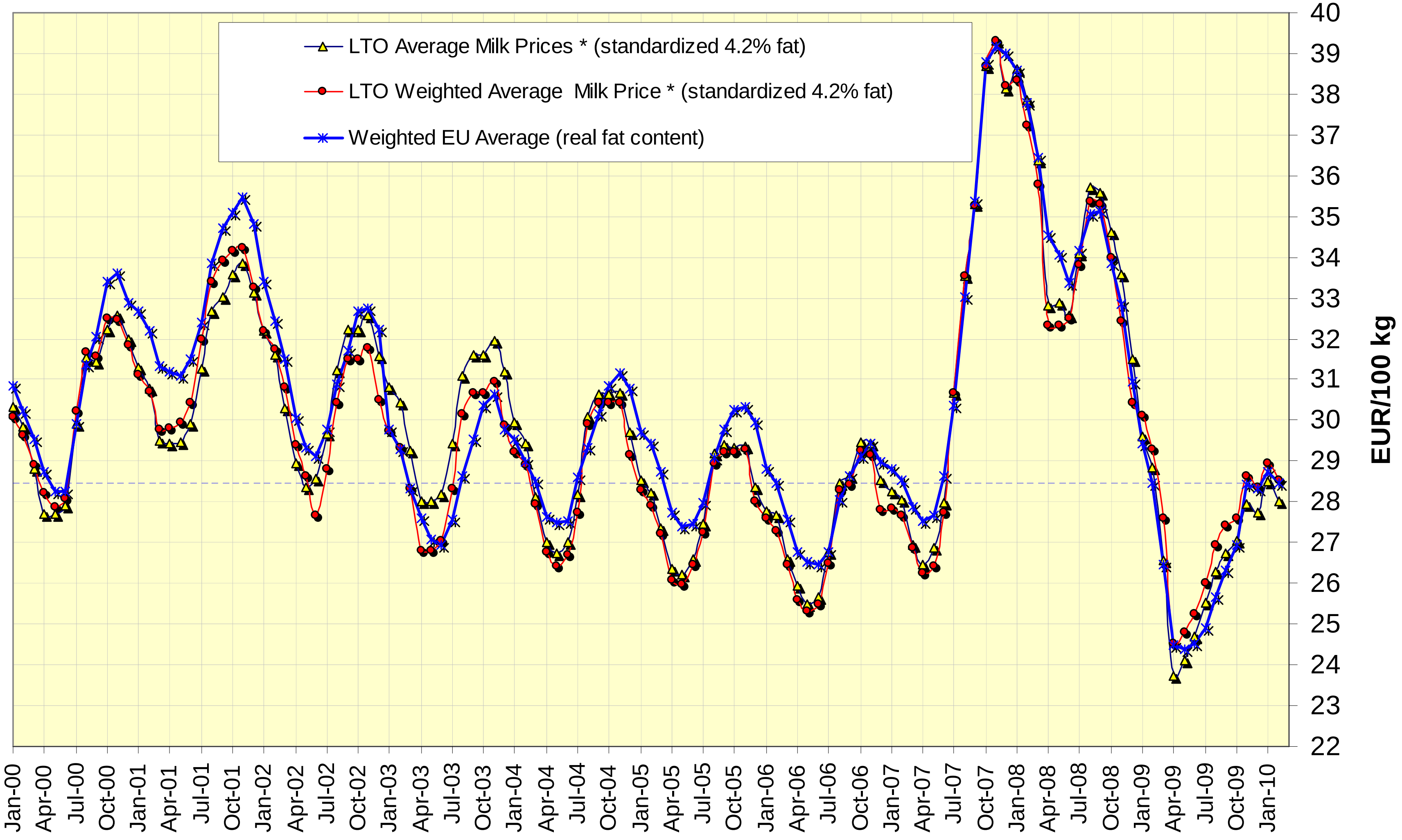
Reinforcement of costly standards all farmers must meet:

- on food safety & traceability
- on environmental protection
  (soil, water, pesticides, biodiversity…)
- on animal welfare

What are the risks & challenges

- 2009 a year of market crisis
- meeting new environmental and animal welfare standards - increasing costs for EU farmers
- concentration in food chain - squeezing farmers
- farmers’ incomes are deteriorating
- market volatility on the increase
- Doha will lead to huge losses to farmers, especially livestock, + Mercosur trade negotiations restarted
- climate change – especially water constraints

Milk Prices Evolution *(up to February 2010)*



LTO : Land- en Tuinbouworganisatie Nederland (http://www.milkprices.nl/)

* LTO prices for main dairies in : BE, DE, DK, FI, FR, GB, IE and NL

copa cogeca
european farmers european agri-cooperatives

Farmers' incomes declining

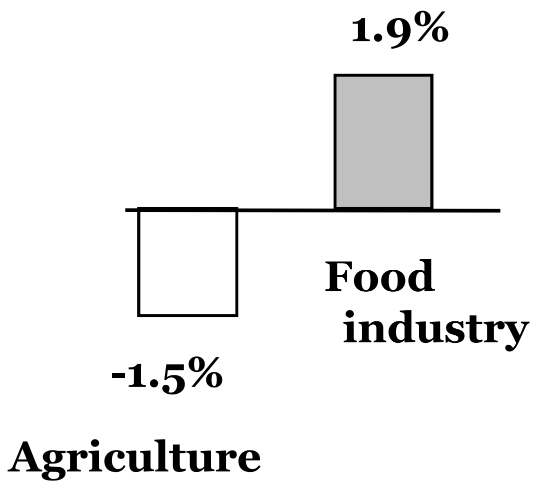
In 2008 farmers' income only 50% of average earnings in total economy – less in 2009

The long term development of farm income

Source: EAA, real terms

Weak position of farmers in food chain

Value-added growth since 1995



Agriculture's share of the value added in the food chain

1995: 31%

Now: 21%

The future?

- concentration & intensification of production because of low prices/high costs & volatility?

- future of family farms at risk

- land abandonment in many rural areas?

Measures needed

- **markets** - a better & more stable functioning
- **food chain** - reinforcement of farmers' position
- **climate change -** help farmers to adapt to climate change -especially water constraints (flooding, drought)
- **more research & innovation** – transfer to farm level – training, advisory

Reinforcement of farmers' position in the food chain

- **reinforce producer groups/cooperatives**
- **codes of conduct** in food chain
- **increase market transparency**, particularly on margins/price transmission
- **EU ombudsman** to arbitrate on food chain disputes

Food security

Concerned Doha will lead to concentration of world production in few most competitive regions

Negative impact on reducing hunger, food security, rural communities…

Copa-Cogeca joining together with other farm organisations throughout the world calling for:

More coherence between WTO, FAO & other global objectives

THANK YOU