

## Communications & Opinions



### **The future of Agriculture\***

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\*Press conference at the 1<sup>st</sup> Forum for the future of agriculture

I welcome all of you for attending this press conference that follows the 1<sup>st</sup> Forum on the future of agriculture that we plan to hold annually. Its main sponsors are the European Landowners Organization (ELO) and Syngenta, together with the RISE Foundation, the CLA (Country Land & Business Association), the NFU (National Farmers Union), and Hill & Knowlton.

Taking into account the presentations as well as the results of views expressed by the respondents to our written enquiry, the results of the 1<sup>st</sup> Forum on the Future of Agriculture can in my personal view, be summarized as follows.

Participants are worried about the global trends in population, and economic growth, western consumption patterns, agricultural land availability, crop yields, soil and water availability – which is more troubling than energy availability – , as well as environmental degradation, biodiversity loss, and the threat to the cultural landscape. Some are confident that technology will solve these problems, while others fear that Malthus may eventually prove right.

Most participants consider that food supply and environmental security are serious interacting challenges that are equally threatening the future of our planet and its people. They acknowledge market failure in both respects, and believe neither received sufficient government attention, or is being generally tackled with the necessary degree of urgency. This includes the WTO, which has so far ignored to consider the way production takes place.

They wonder how the agricultural industry can double its food production by 2030 using less water and less energy and slashing its gas emissions.

The high interdependence of agriculture and the environment, involves two challenges: a technical challenge of increasing food productivity while reducing the environmental impact, and an incentive challenge to bring about the right results.

Some conference participants are confident that the market and technology will take care of all problems. Even with growing production of biofuels, global production will be sufficient to feed the world population. As the environment deteriorates, technology will spring up to reverse the trend. They feel that the EU has done better than most on both food and environment in Europe, and has been leading with agricultural reform as well as the Kyoto process and food aid.

But a majority has misgivings. It was said that food security is not a physical issue, but depends on purchasing power, i.e. income and prices. Food may be sufficient to feed world

population if it were equally distributed to everybody. High prices indicate a food demand-supply gap to the disadvantage of those that cannot afford them.

On the environmental front, measures to fight Greenhouse Emissions (GHE) must be accelerated, and much greater attention must be attached to limiting demand on natural resources through GHE-saving technology and particularly through private behaviour, instead of pushing renewable first-generation energy supplies with a questionable impact on emissions.

EU commitments regarding renewable energies are not in line with the latest science and likely to damage both food production and gas emissions. They need to be revised. Support for biofuels is ill advised and wasteful. Biofuels drive up food prices and undermine food security among poor families. They tend to penalize water, soils and other environmental resources, to increase GHE emissions instead of reducing them, and to rather favour increased energy consumption instead of meeting the main biofuel purpose of reducing oil imports.

The conference urges the European Commission to promptly withdraw its climate change proposal, revise it taking into account the latest scientific evidence, put far more emphasis on energy saving, promote research on new generations of renewable energies, and submit a new, better proposal asking to make its implementation obligatory.

While cross-compliance rules must be strictly applied, deeper impact assessments are needed before submitting new legislative proposals affecting food production, in order to avoid counterproductive effects. Reference was made to Plant Protection Products, where research must be accelerated and care attached to reflect twice about eliminating essential items before a reasonable replacement is available, because the consequences on safe production could be worse than the ills which we all rightly want to address.

Participants understand that European agriculture has the responsibility to do more to meet world food demand and fight against world hunger, and to accelerate research so as to do so in a more sustainable way.

CAP reform needs to continue step-by-step after 2013. As European Agriculture is becoming ever more market driven, appropriate tools need to be put in place to address widespread market failures. These market failures, partly related to technology shortfalls, are reflected in the looming world food imbalance, growing water shortages, and rising energy prices, as well as by the damage caused by competitive farming. Moreover, the delivery of public goods such as low-impact farming and maintenance of landscapes and wildlife habitats cannot just emerge from the market system. They require farmers to take specific actions that carry extra costs, which the market does not cover. They need to be remunerated by specific and targeted public payments if society is to enjoy those public goods.

Greater account must also be taken of the interests and needs of the poor, net-food importing developing countries, most of whom (mostly outside South America) cannot afford high food prices. As they seek to avoid food riots feeding internal insecurity and political opposition, these governments act to keep internal food prices as low as possible by slashing import duties, and/or resorting to export taxes or embargoes, and/or food subsidies, thereby causing major budgetary costs and foreign debts.

To conclude, this is the biggest food crisis the world has experienced since the Second World War; bigger than the one that accompanied the oil price hike of the mid seventies. Without a

new, international balance-of payments support equivalent to that granted in 1975 to the 31 Most Seriously Affected Countries by oil and food price hikes expect more food riots, more budget deficits, and more foreign debts and credit crunches in those countries.<sup>1</sup>

Conference participants were mostly alarmed on trends and prospects regarding world food and environmental security with their economic, social and political implications. The response by the EU and others to this double planetary challenge is insufficient to heed (or rebut) the warnings of UN and other official bodies, NGOs, and academia and research institutes.

This is therefore a call for attention and for action in the context of the different policies that affect food supplies and environmental improvements.

Let me finally announce that the Second Forum on the Future of Agriculture will be held in Brussels next spring, with the same sponsors plus the Italian Government. It will deal with the second pillar of the CAP. Firstly, with the services the farmers provide to society, which if any of them are or can be taken care by the market or require public and philanthropic funding; and secondly, with the best ways and means to stem people flight from rural towards urban areas. In this context, a Task Force is being set up within the RISE Foundation with the generous support of the Italian Government. Its conclusions will be the basis for the 2<sup>nd</sup> Forum.