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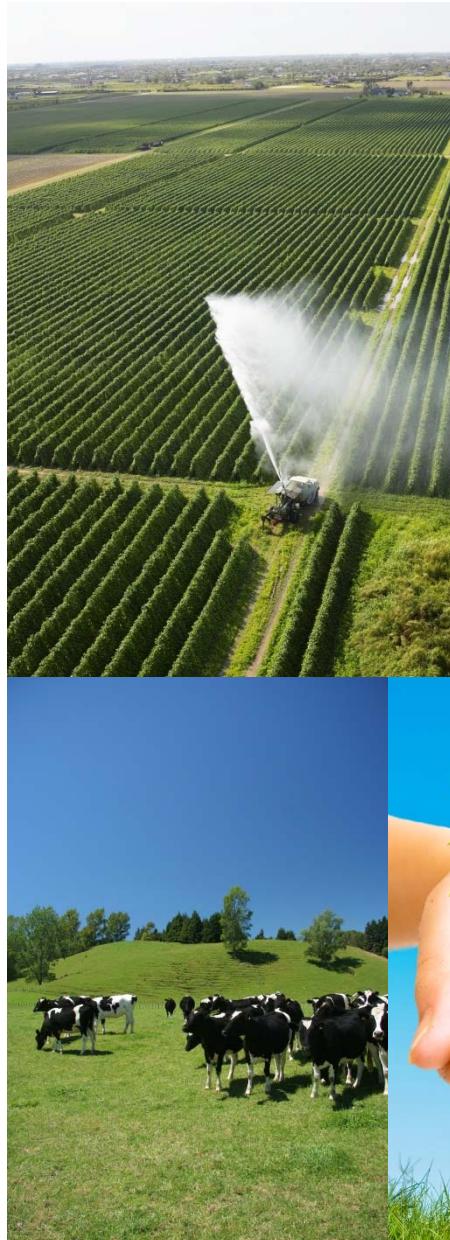
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Agricultural productivity: introductory comments

**2013 IATRC Symposium
Sevilla, 2-4 June 2013**



Agriculture
and Rural
Development

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*Economic analysis, perspectives and evaluations
DG Agriculture and Rural Development
European Commission*



Outline

1. Main drivers of world agriculture

2. Main drivers of EU agriculture

3. Why this topic?



"Insecurities" driving the current policy debate

Commodity price developments

- *Price volatility*
- *Price co-movement*
- *Price level*

Demand concerns

- *Food chain "bottlenecks" in price transmission*
- *Structural changes in food, feed and non-food demand*
- *Poverty concerns and the impact of the economic crisis*

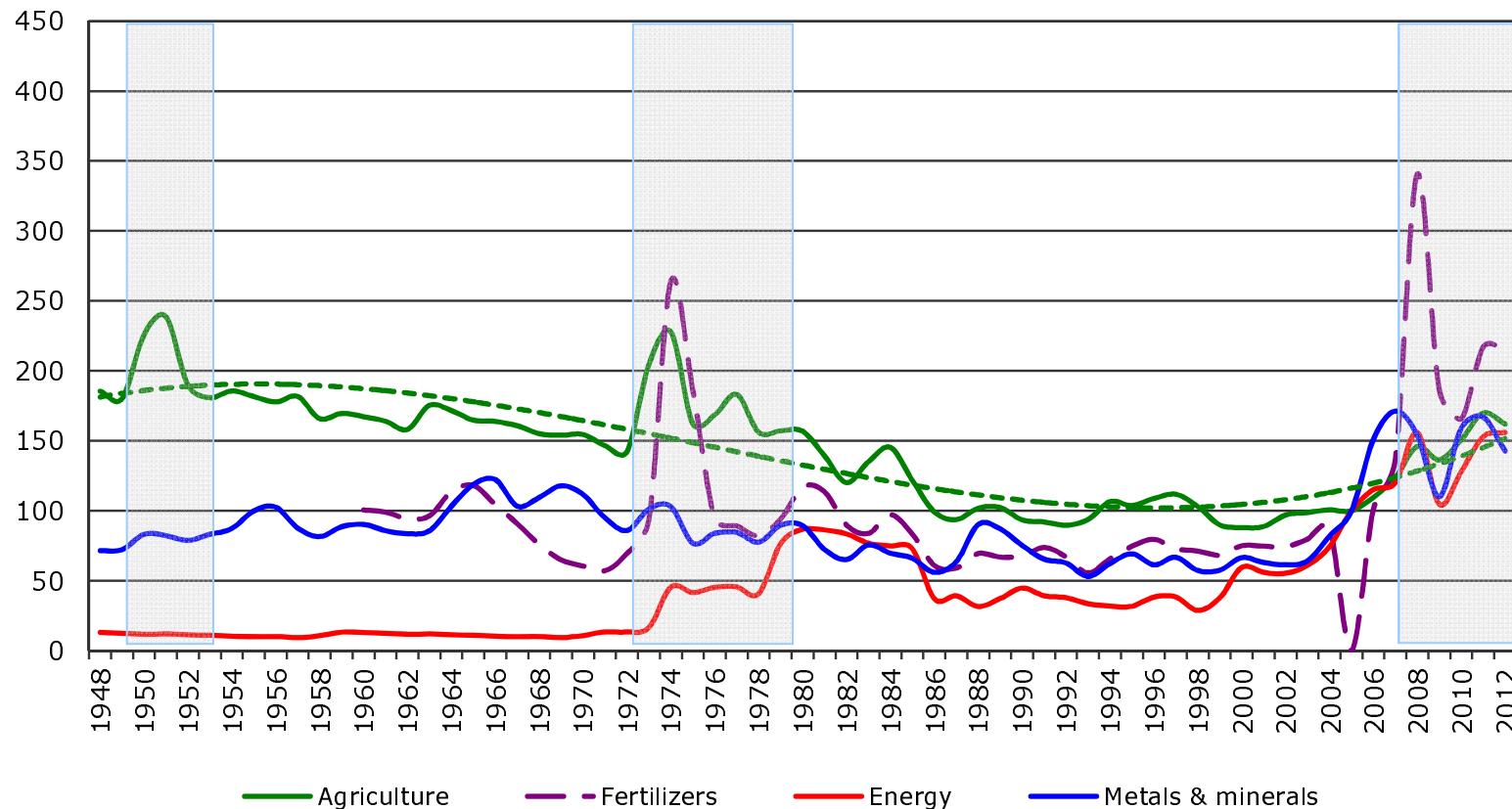
Supply concerns

- *Terms of trade*
- *Climate change*
- *Productivity*



Long term commodity price trends

(World Bank MUV-deflated indices, 2005 = 100)



Source: World Bank..

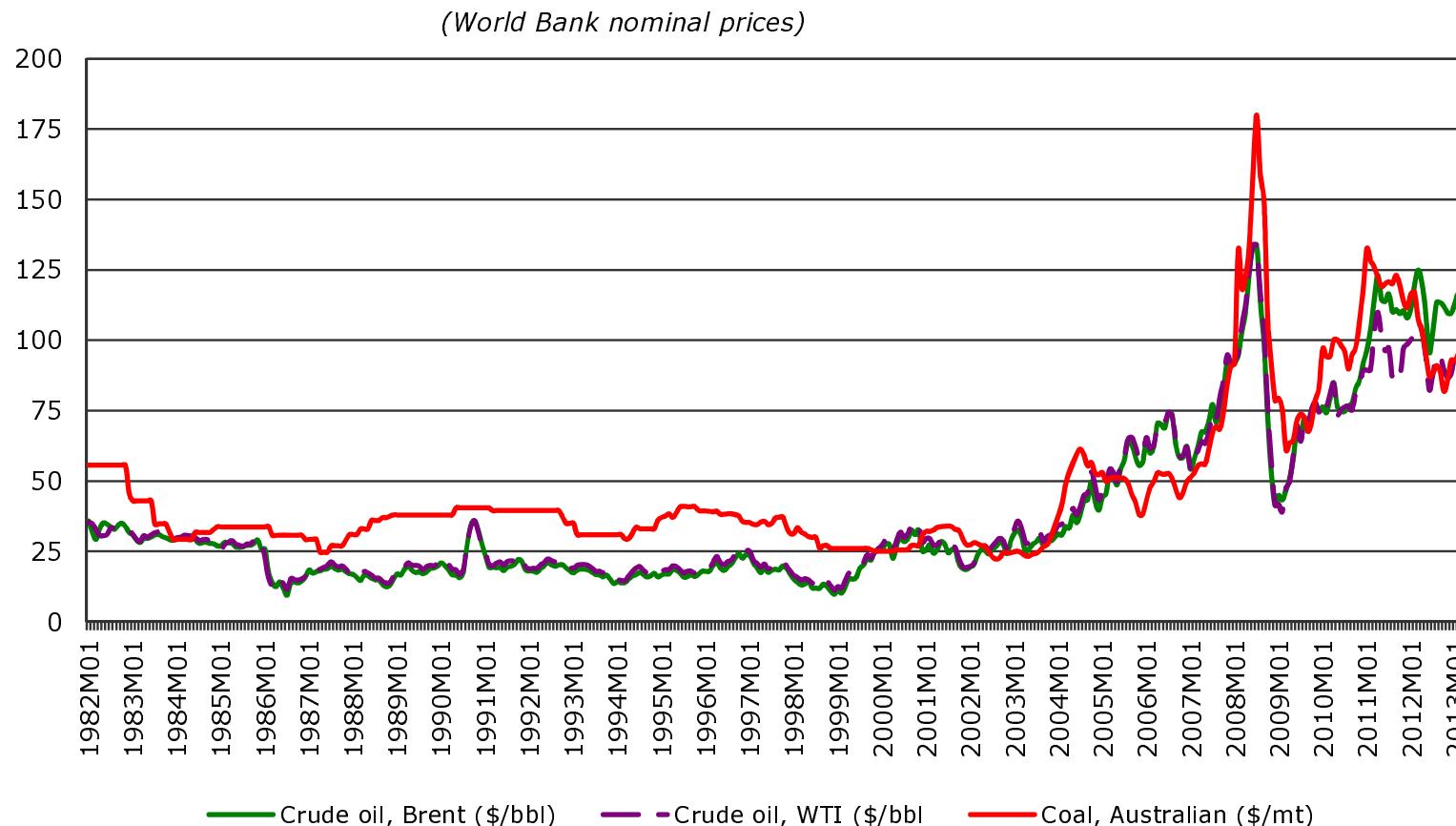


Cumulative price change

Period	2000-12	2006-12
<i>Sector (real)</i>		
Agriculture	+ 82 %	+ 61 %
Fertilisers	+ 286 %	+ 115 %
Energy	+ 261 %	+ 55 %
Metals & minerals	+ 217 %	+ 44 %
<i>Crops (nominal)</i>		
Wheat	+ 275 %	+ 163 %
Maize	+ 337 %	+ 245 %
Rice	+ 278 %	+ 185 %
Soybeans	+ 279 %	+ 220 %



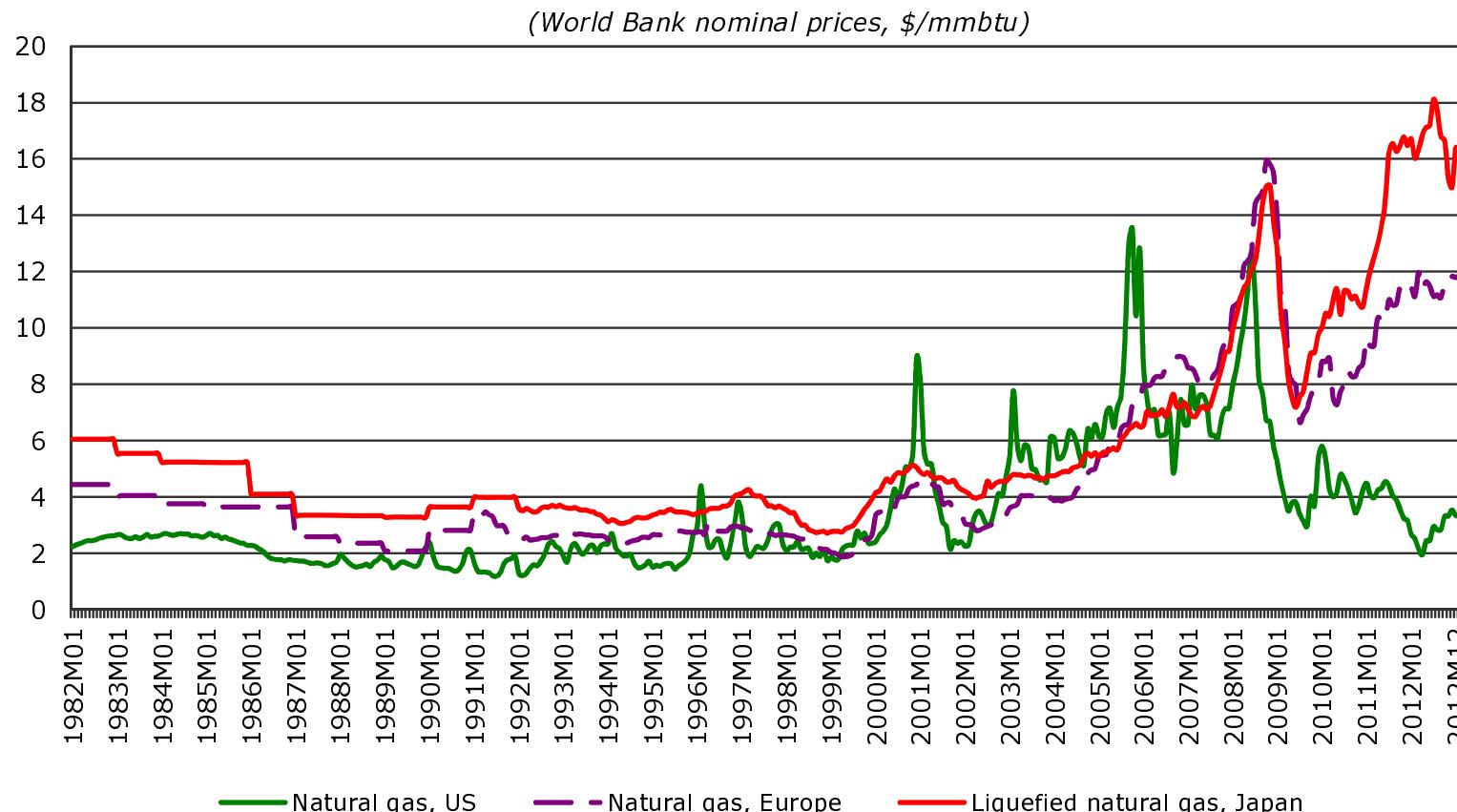
Long term energy price trends



Source: World Bank.

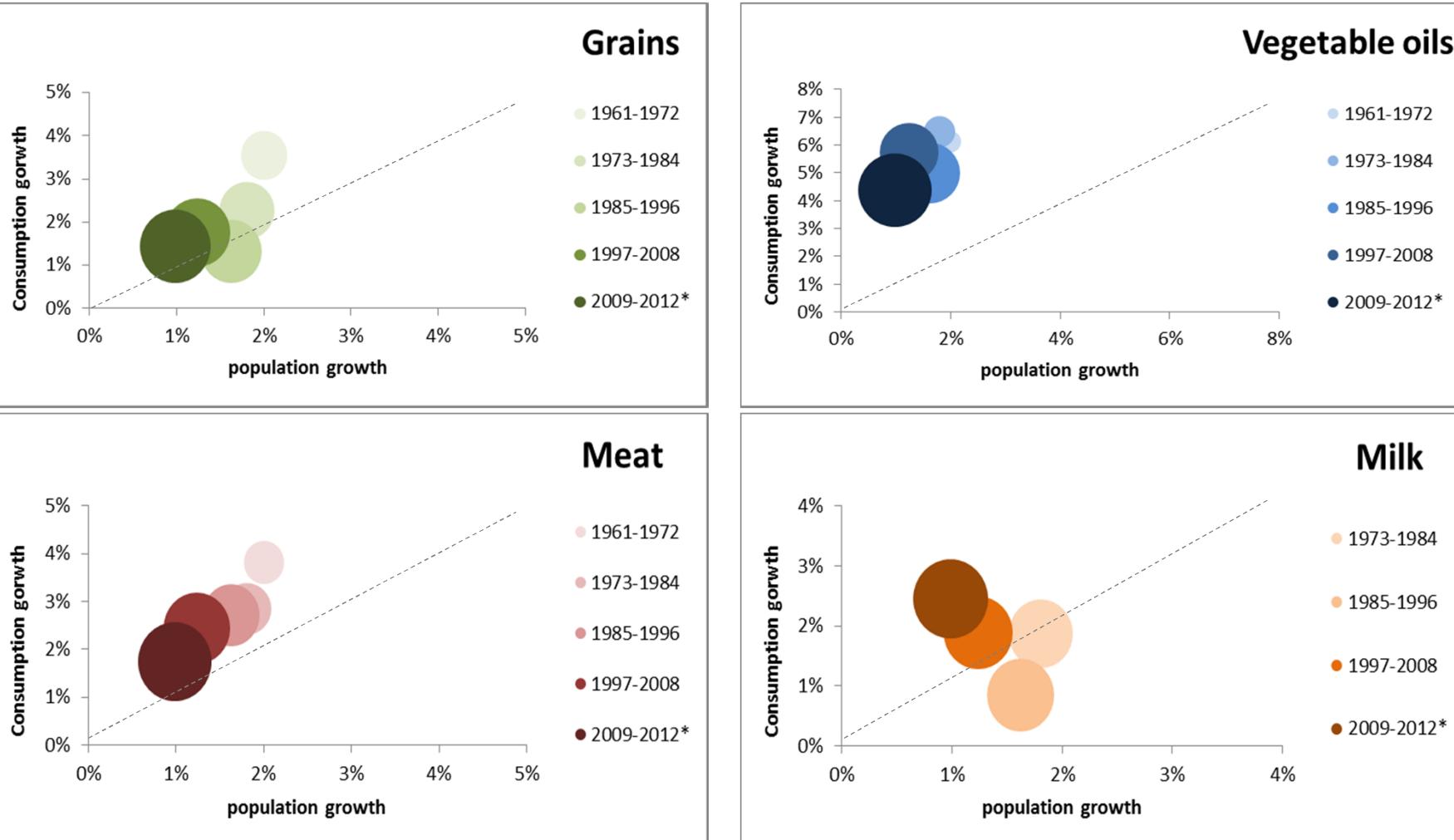


Long term natural gas price trends



Source: World Bank.

4. World: annual growth in consumption/population (%)

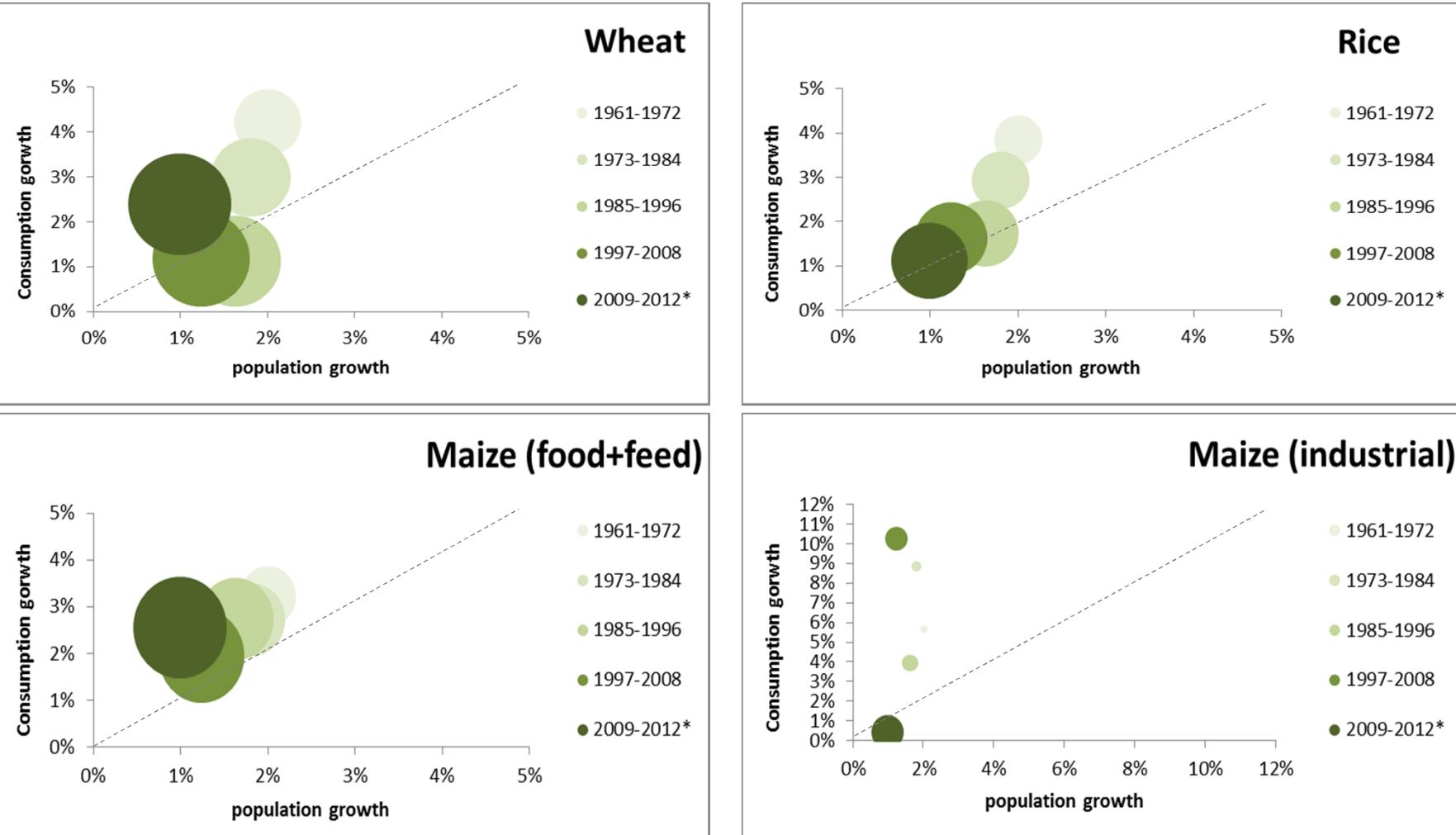


* Based on estimations for 2011-2012.

Size of bubbles represents **total average consumption** over a period.

Sources: FAO, USDA

5. World Grain demand: annual growth rates (%)

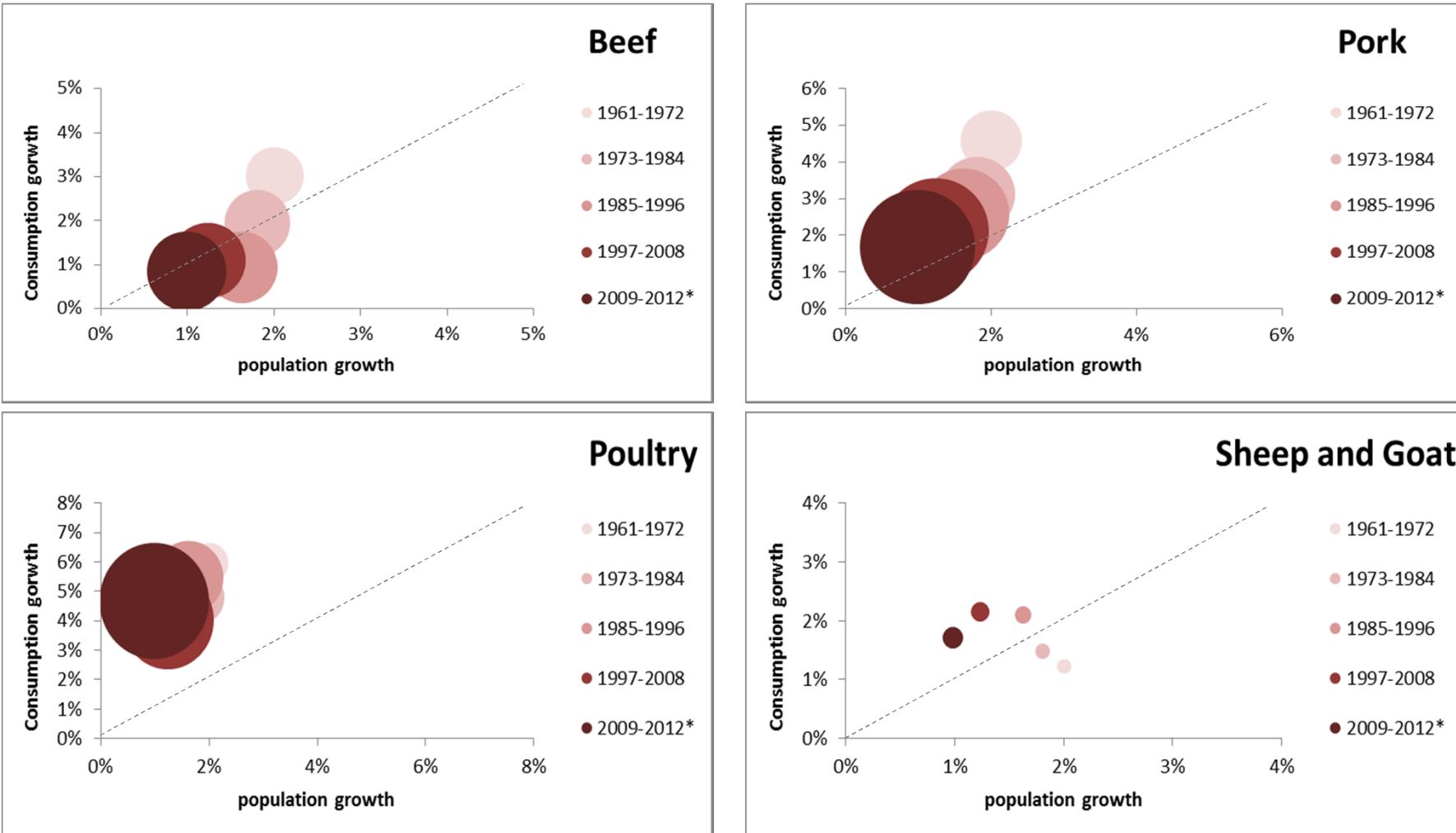


* Based on estimations for 2011-2012.

Size of bubbles represents total average consumption over a period.

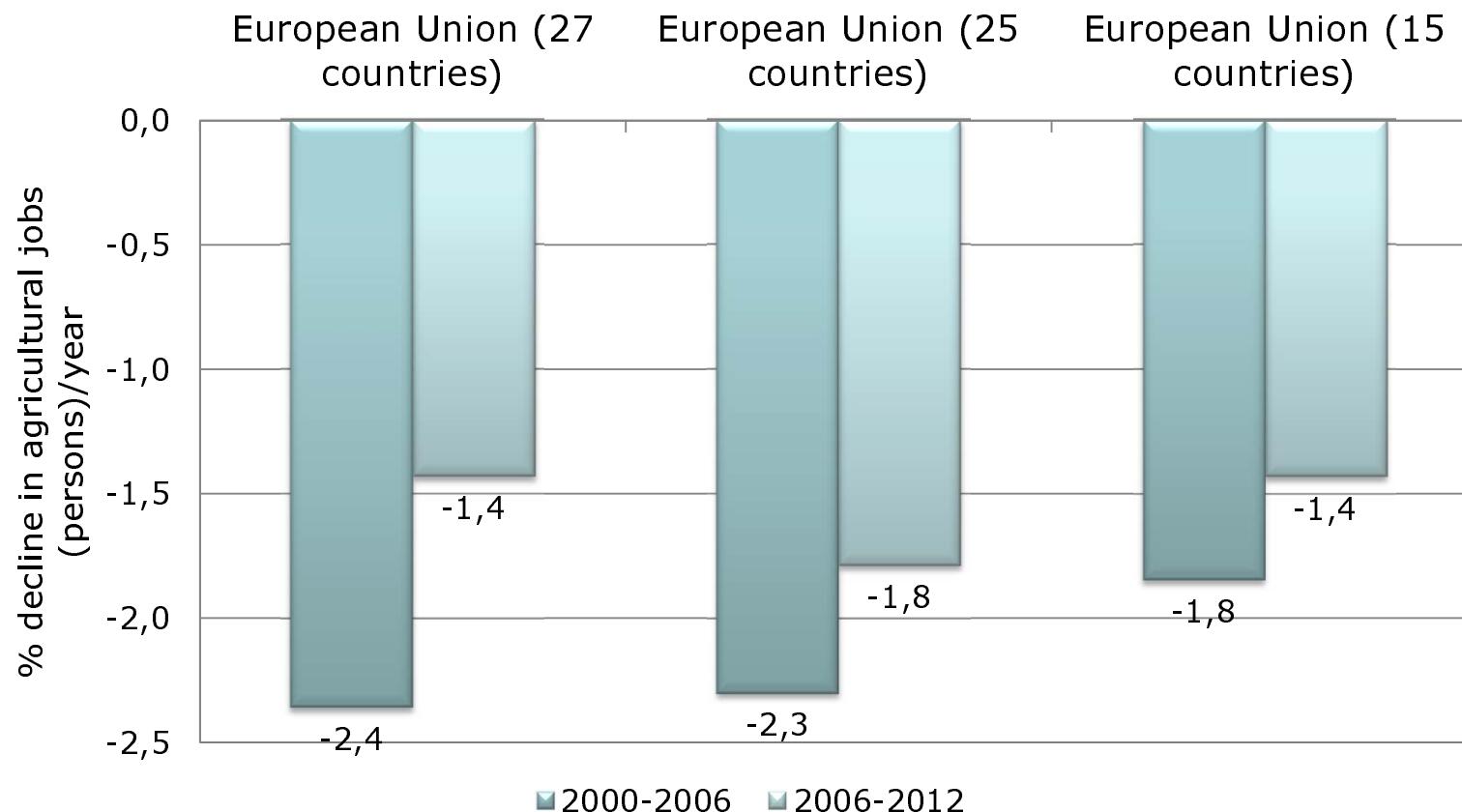
Sources: FAO, USDA

6. World Meat demand: annual growth rates (%)





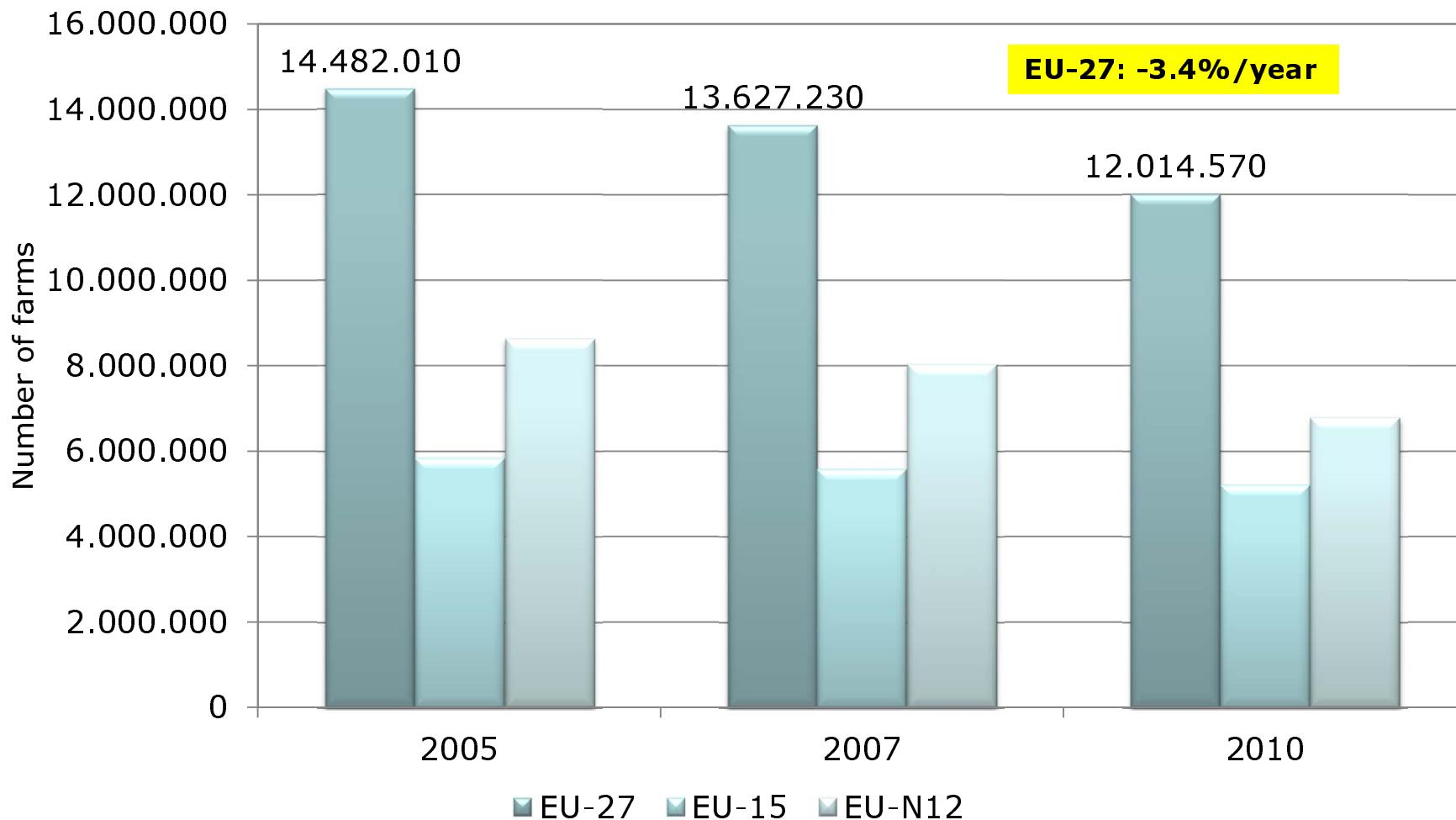
Agricultural* employment is still declining, but at a lower rate



* Branch A of NACE R2: agriculture, forestry and fishing; employment in number of persons

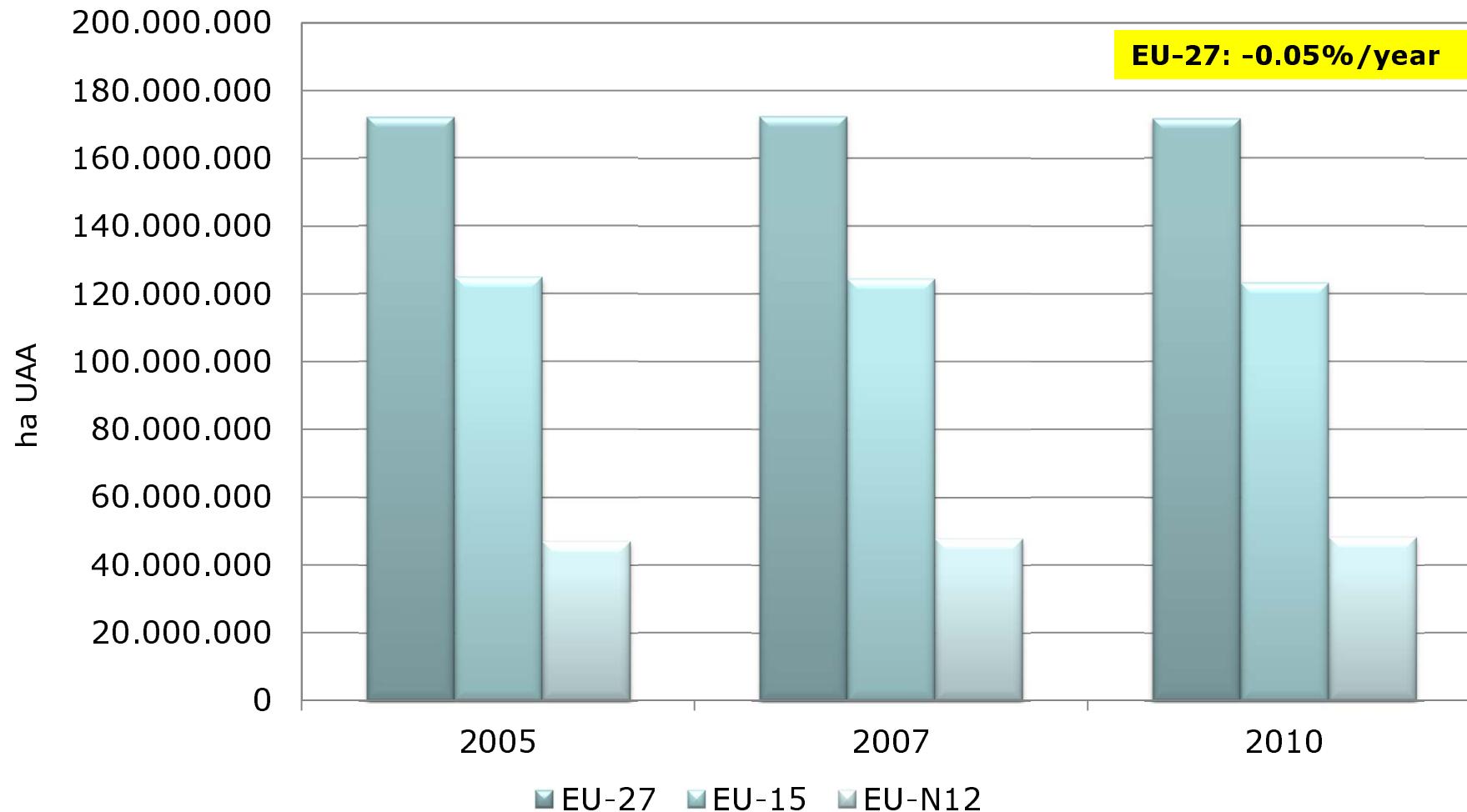
Source: Eurostat, National Accounts

The number of farms in the EU continues to decrease ...

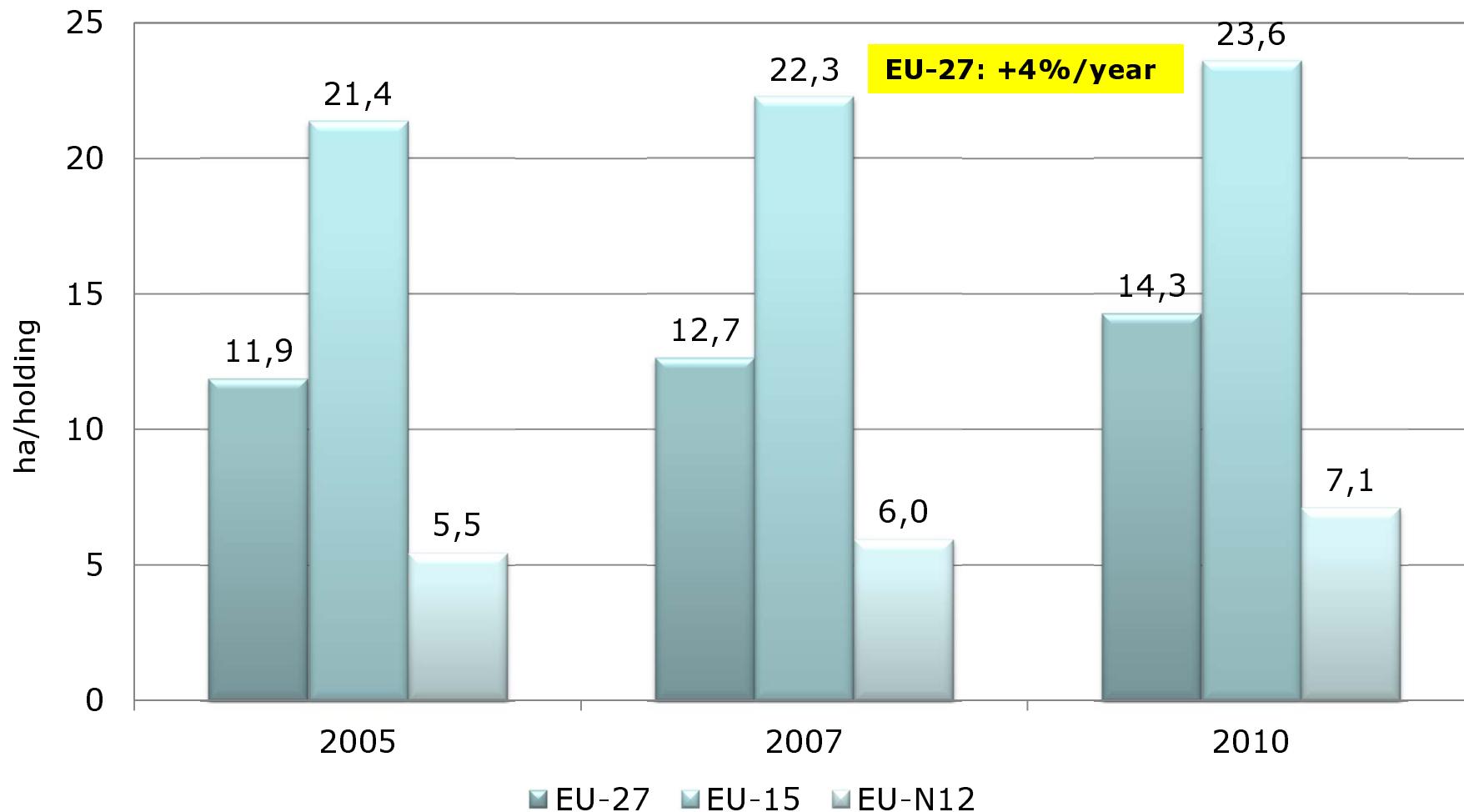


Source: Eurostat, Farm Structure Survey

... while the agricultural area has stayed stable



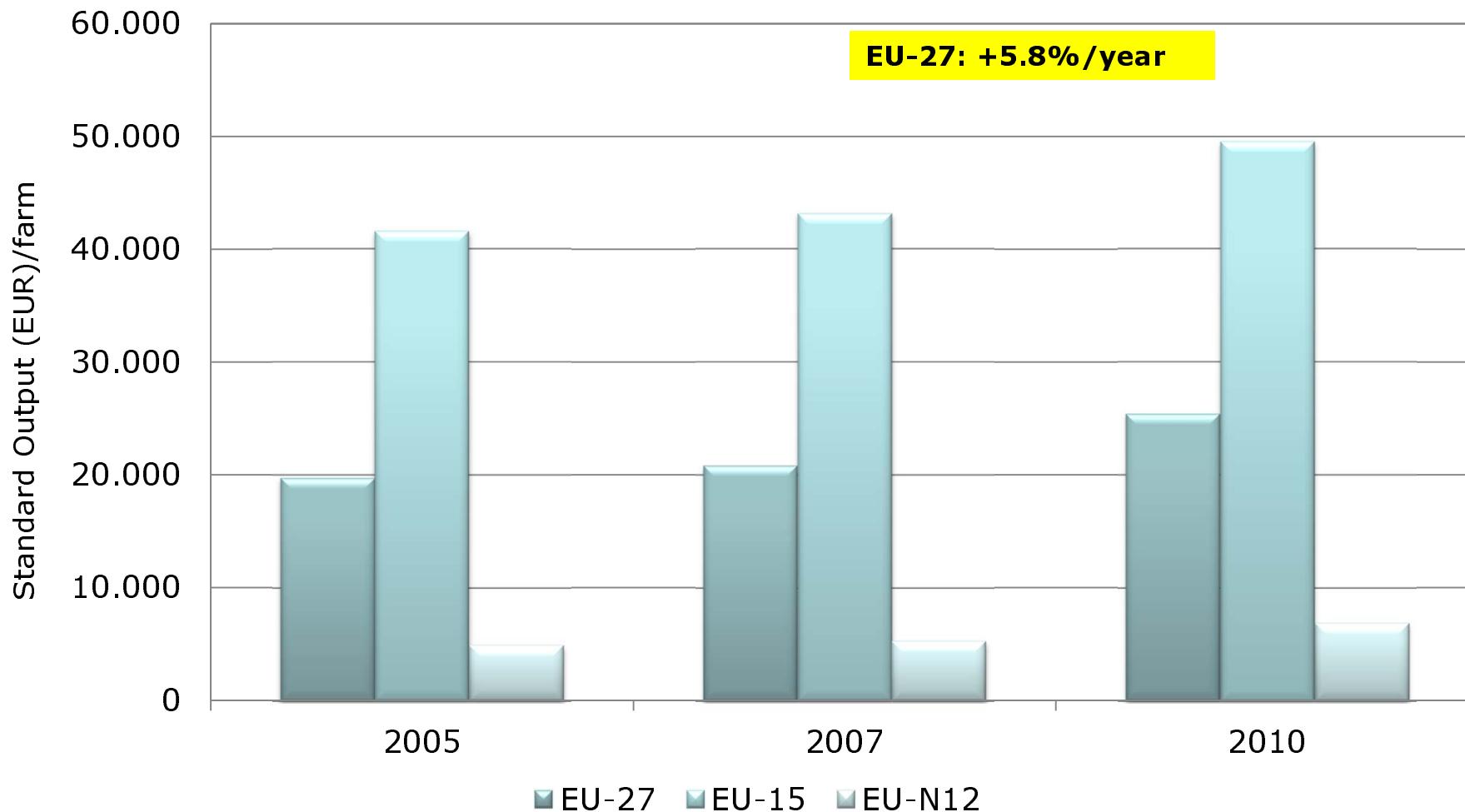
Farms that remain are bigger in both ha UAA/farm...



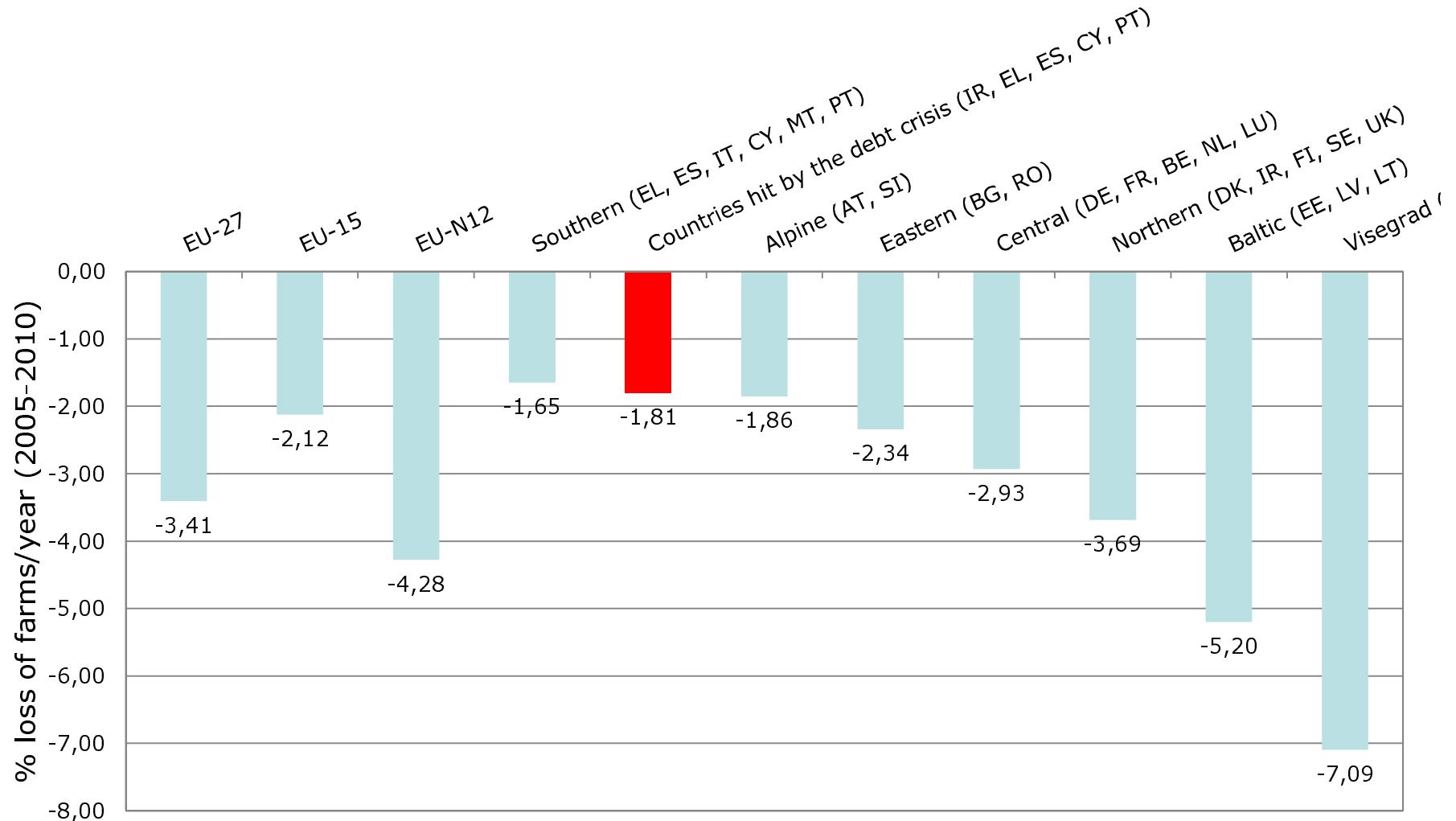
Source: Eurostat, Farm Structure Survey



... and in economic terms (Standard Output/farm)

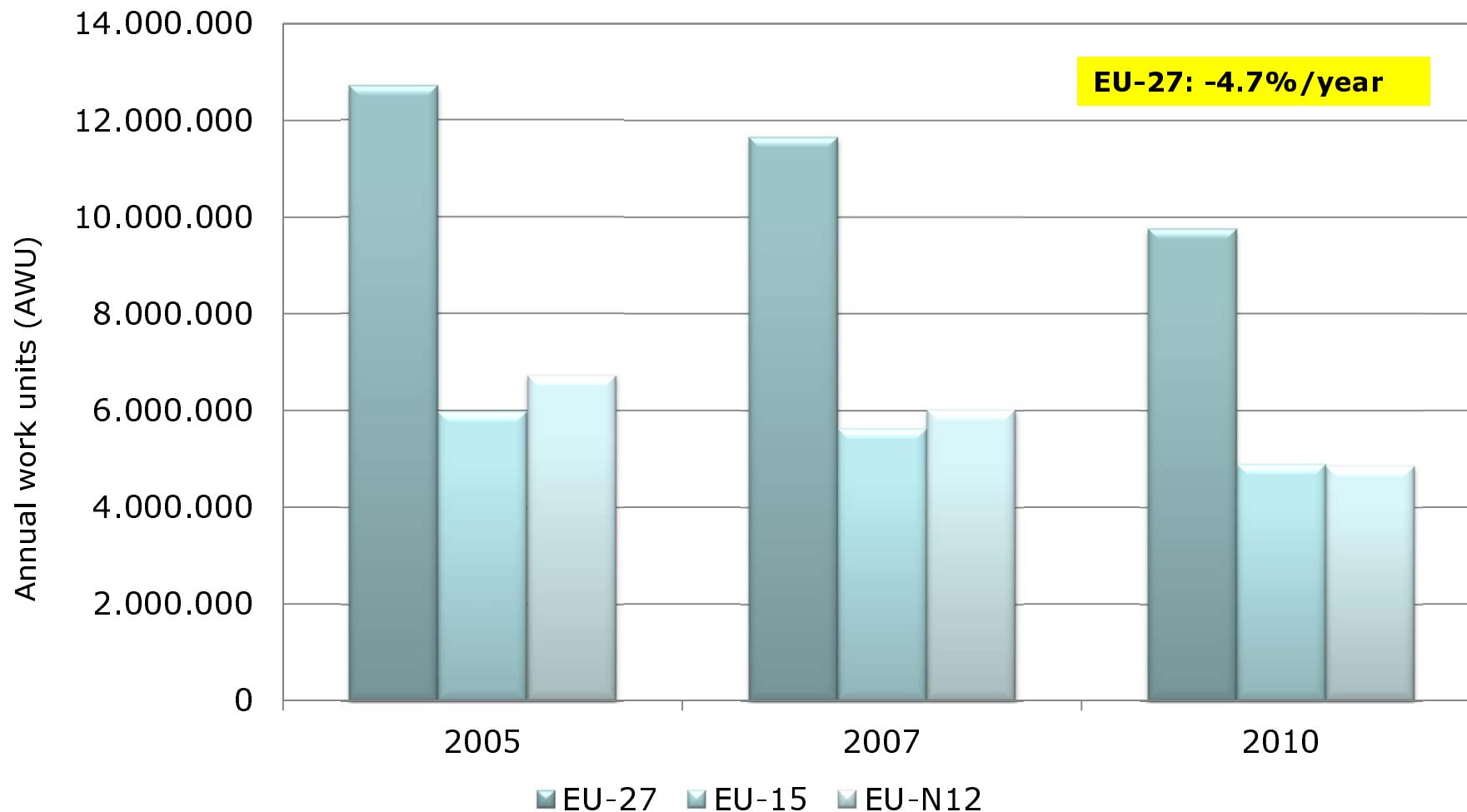


In countries most affected by the debt crisis, people try to hold on to their farms



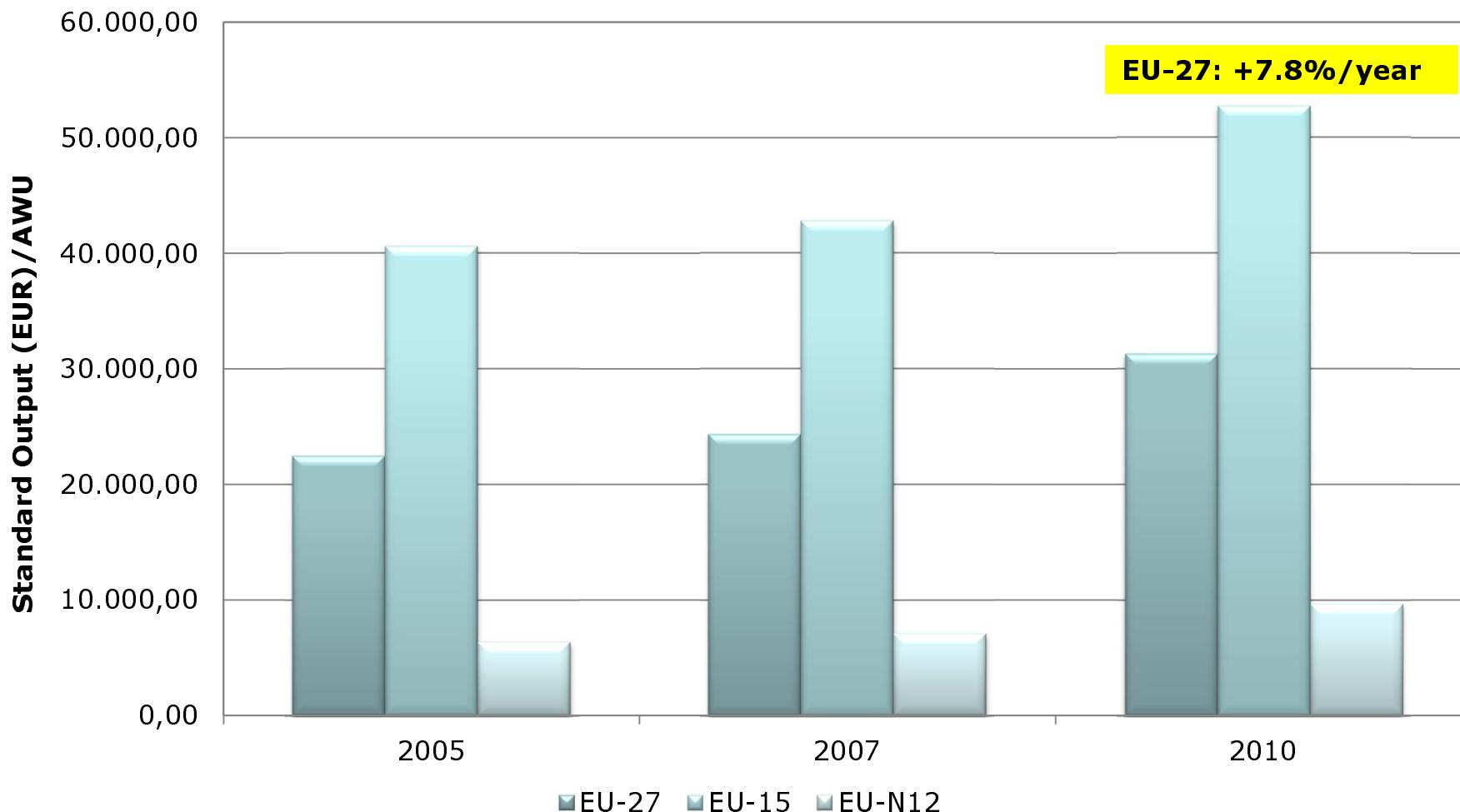
Source: Eurostat, Farm Structure Survey

Labour use in agriculture is declining ...



Source: Eurostat, Farm Structure Survey

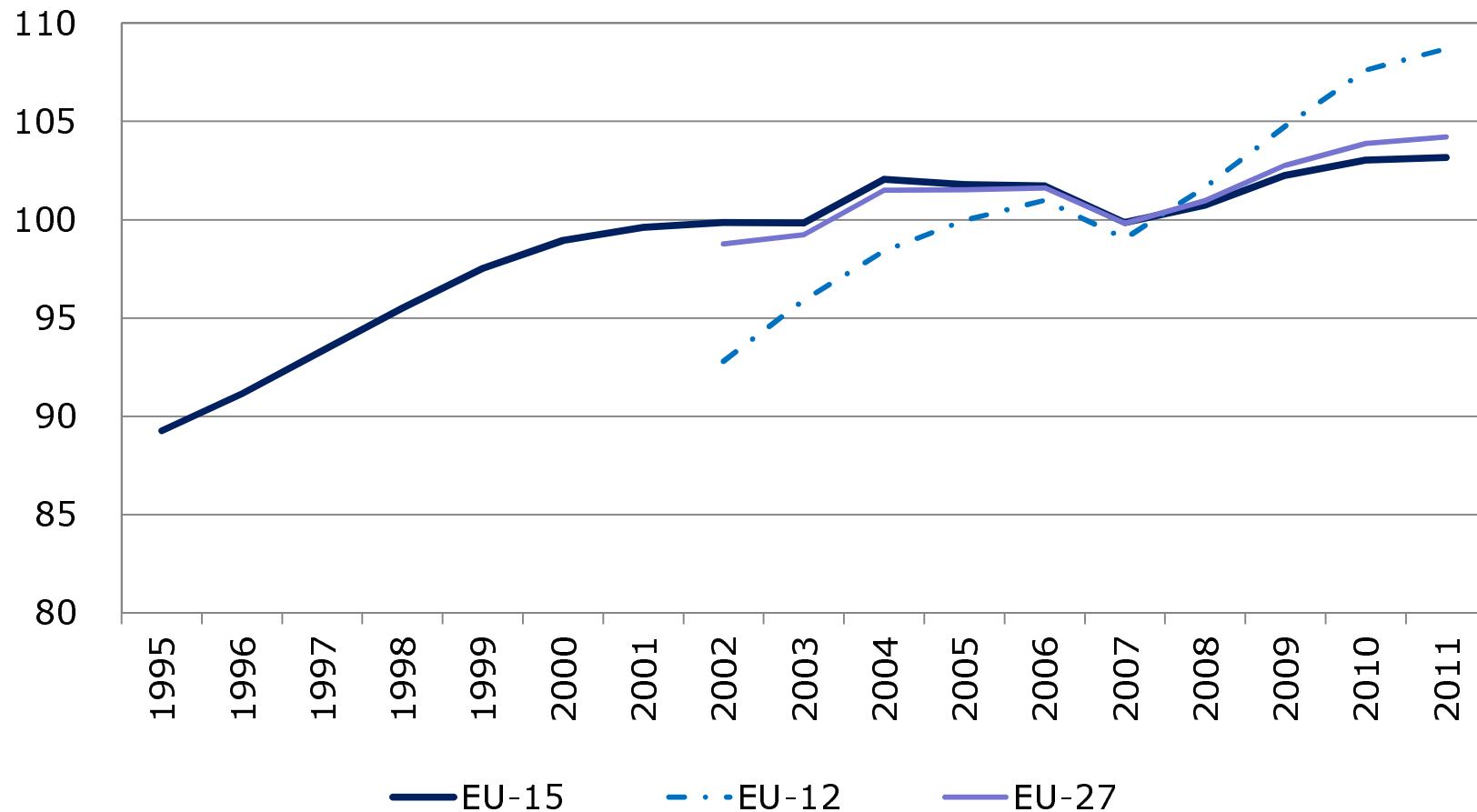
... but labour productivity has increased significantly



Source: Eurostat, Farm Structure Survey

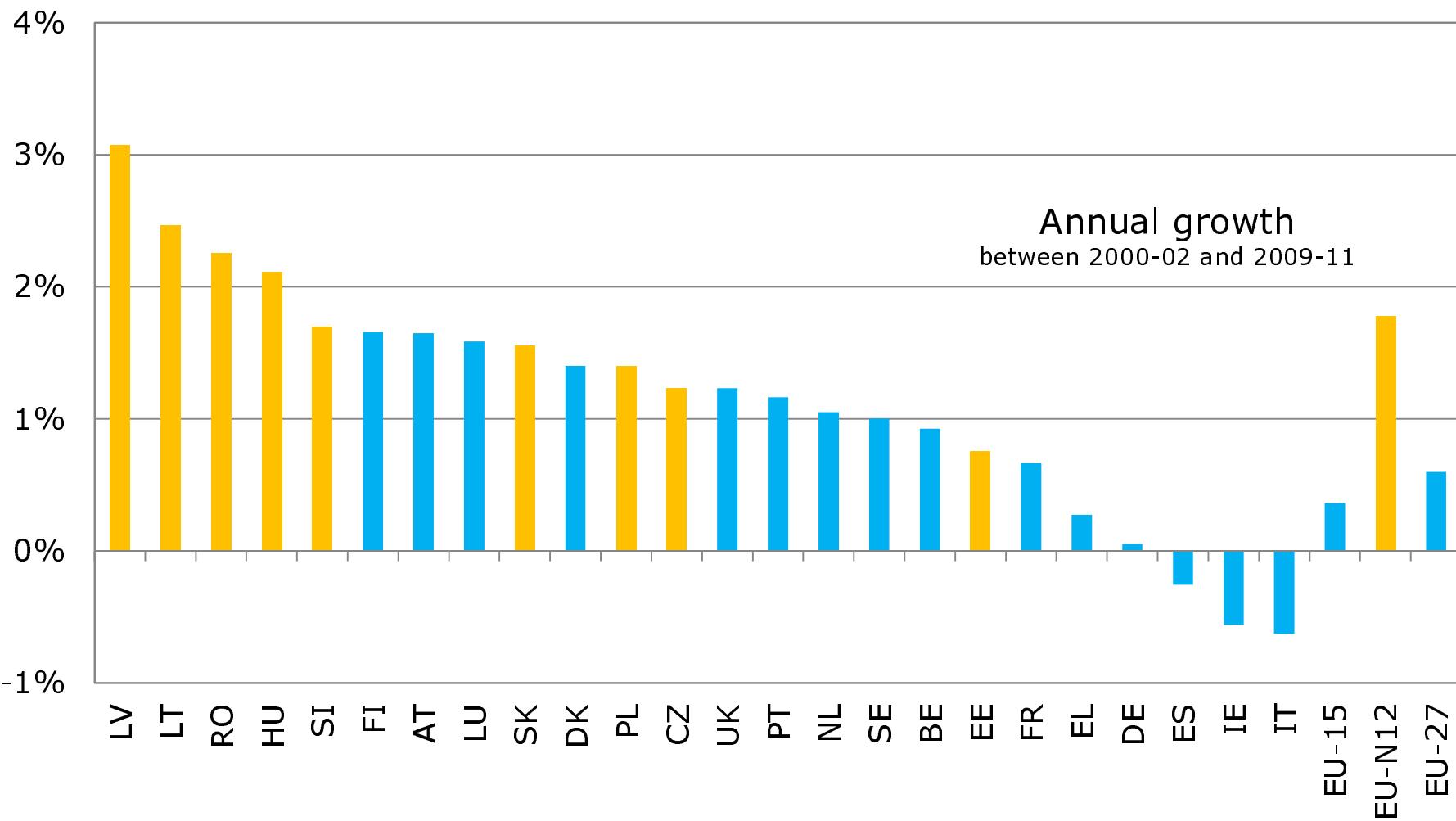


Annual TFP in the EU – 3 year moving average 2005 = average (2003, 2004, 2005)



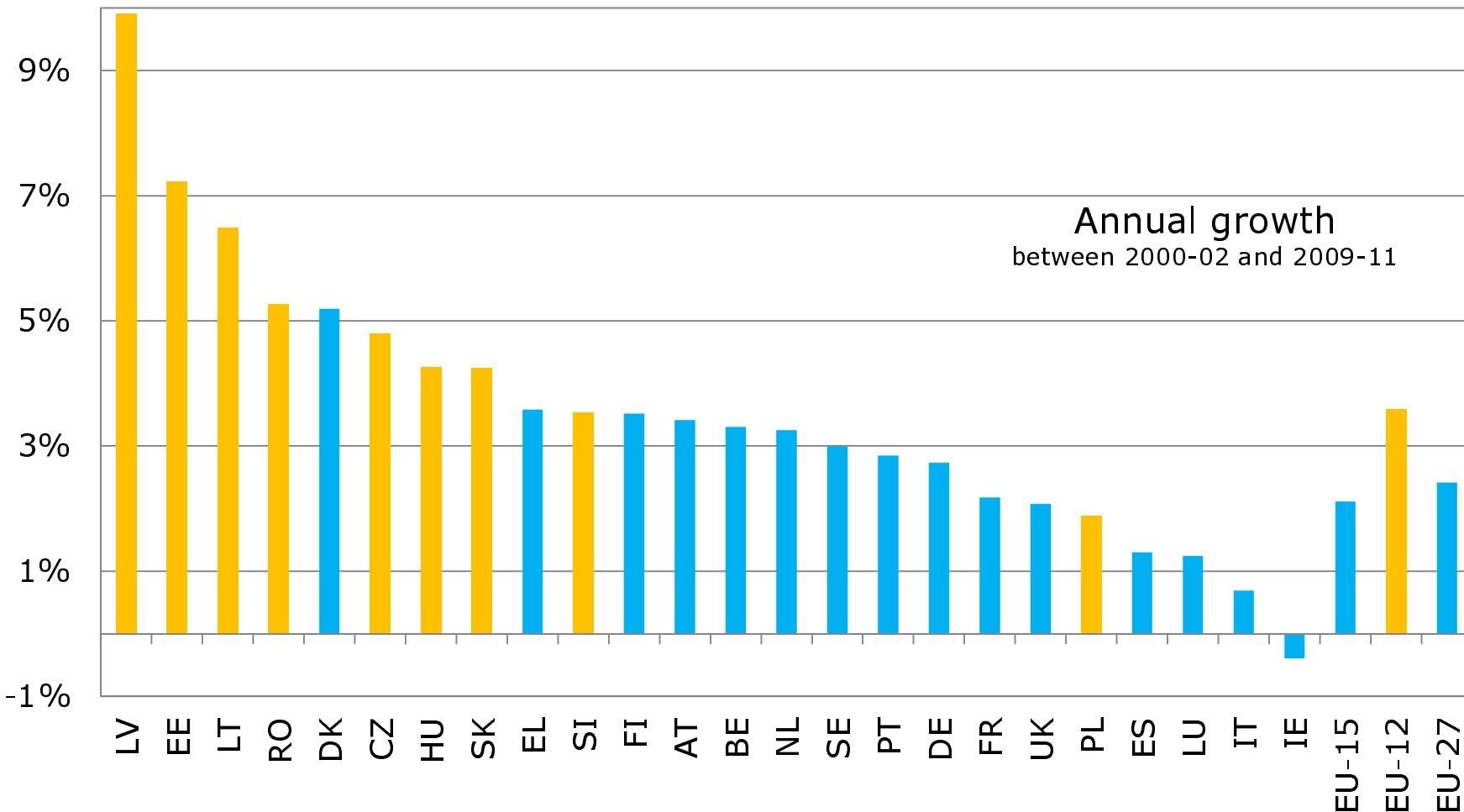


A higher TFP growth in the EU-12...



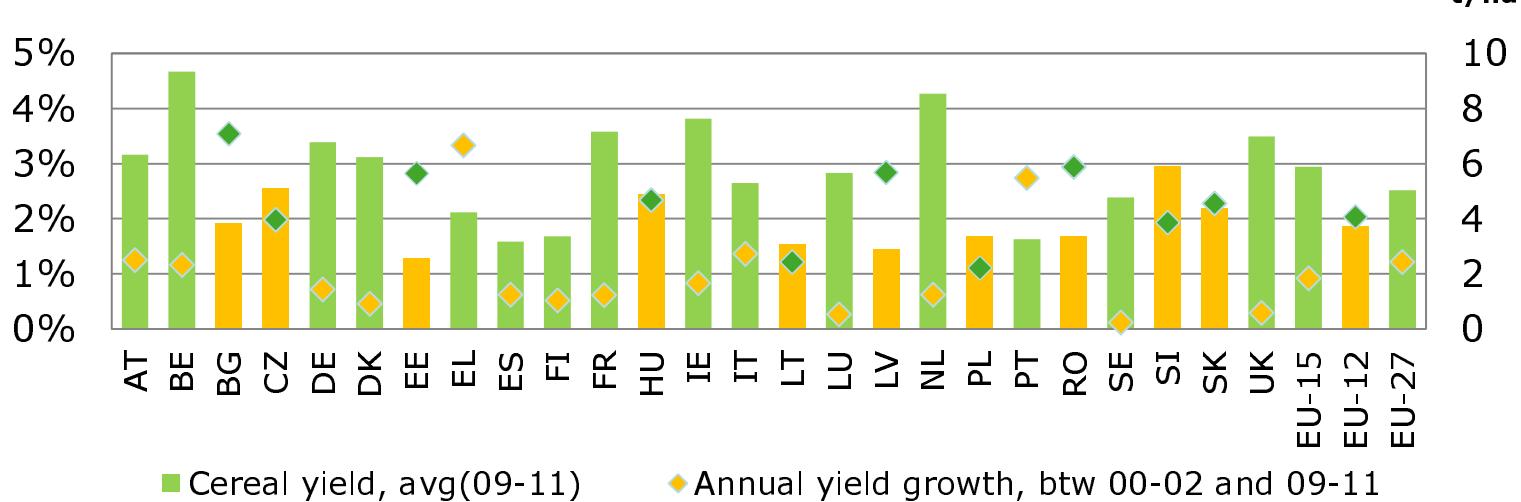


...mainly driven by an increase in labour productivity

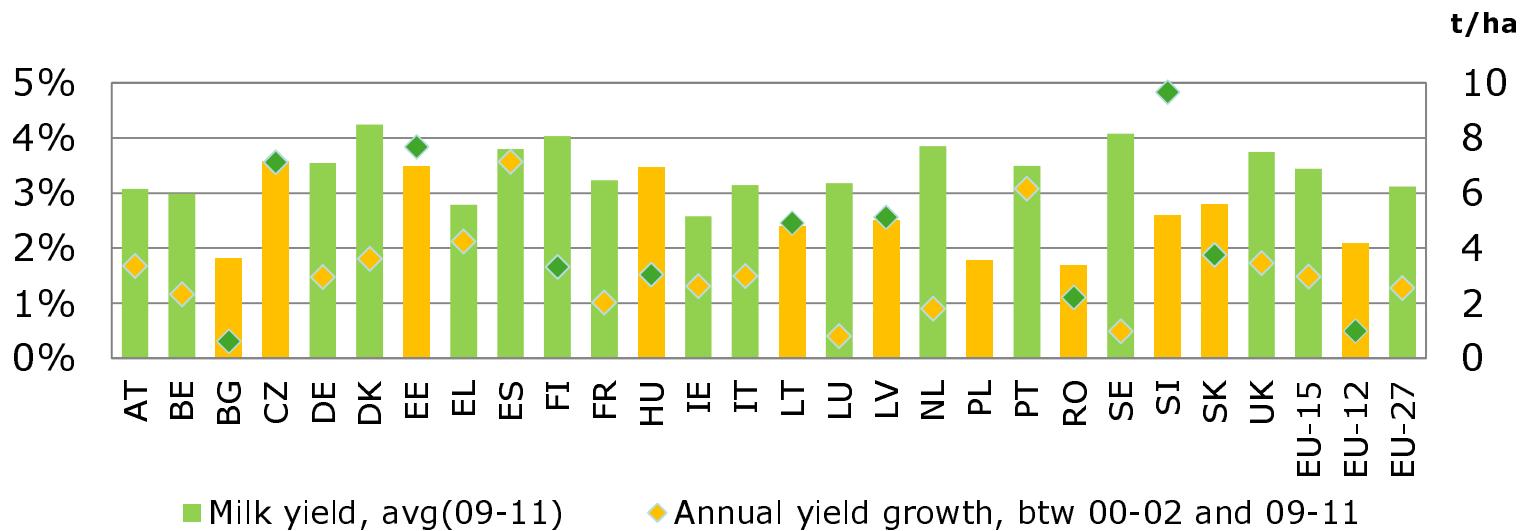


...but also an increase in yields...

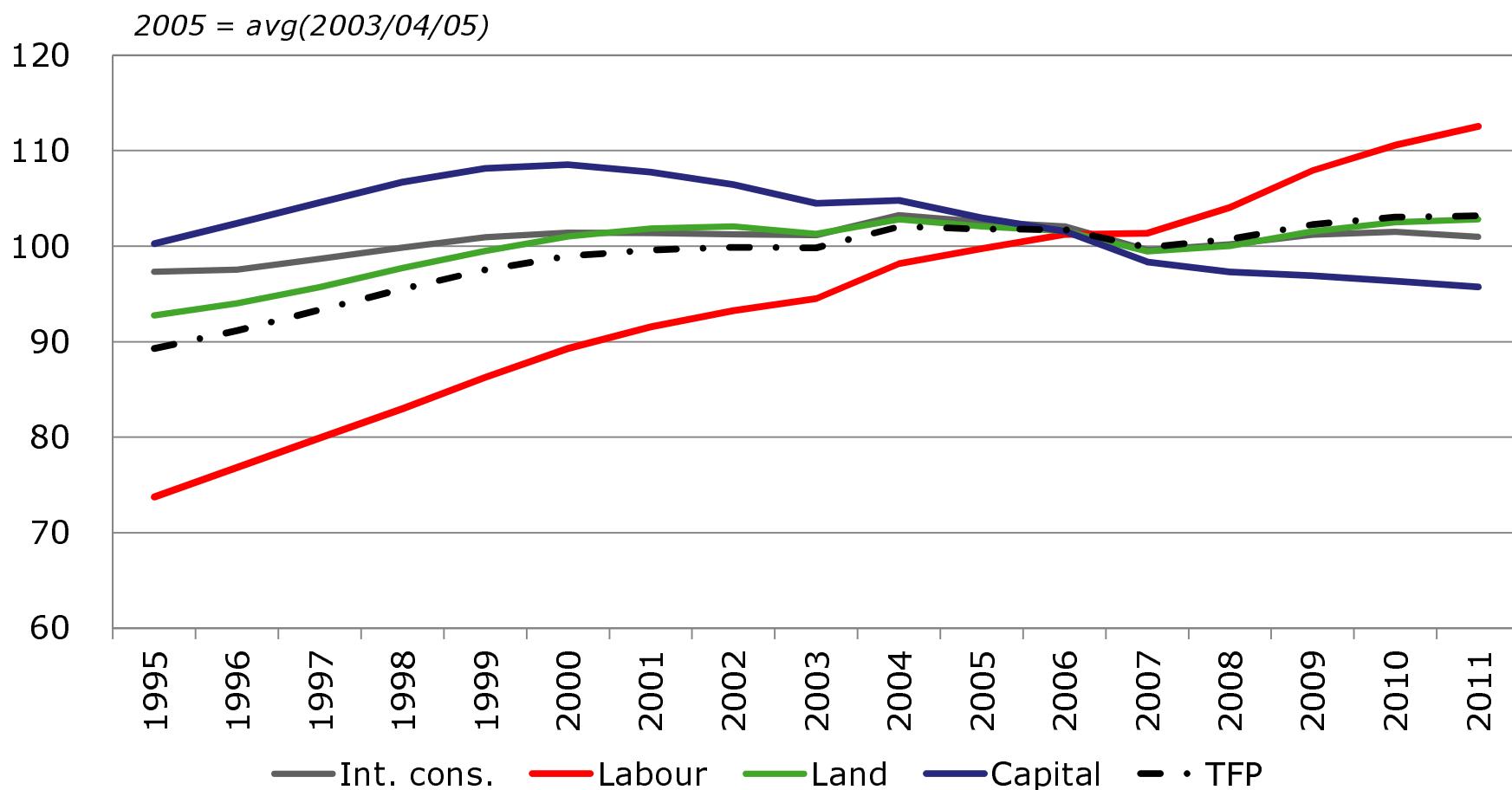
Cereals



Milk



...and a decrease in capital productivity in the EU-15





Thanks for your attention!

http://ec.europa.eu/agriculture/index_en.htm

http://ec.europa.eu/agriculture/analysis/index_en.htm