AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

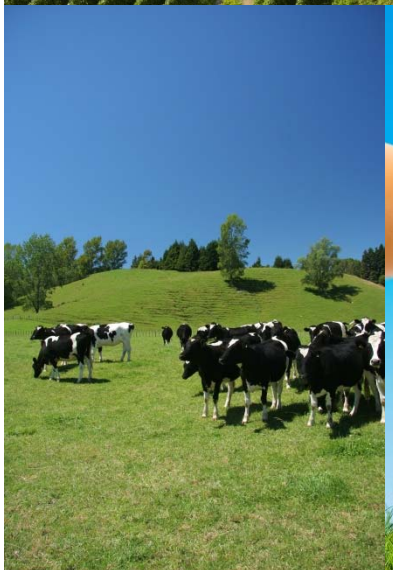
This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search
http://ageconsearch.umn.edu
aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*



European Commission

Agricultural productivity: introductory comments

2013 IATRC Symposium
Sevilla, 2-4 June 2013

Tassos Haniotis
Director
Economic analysis, perspectives and evaluations
DG Agriculture and Rural Development
European Commission

Agriculture and Rural Development

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

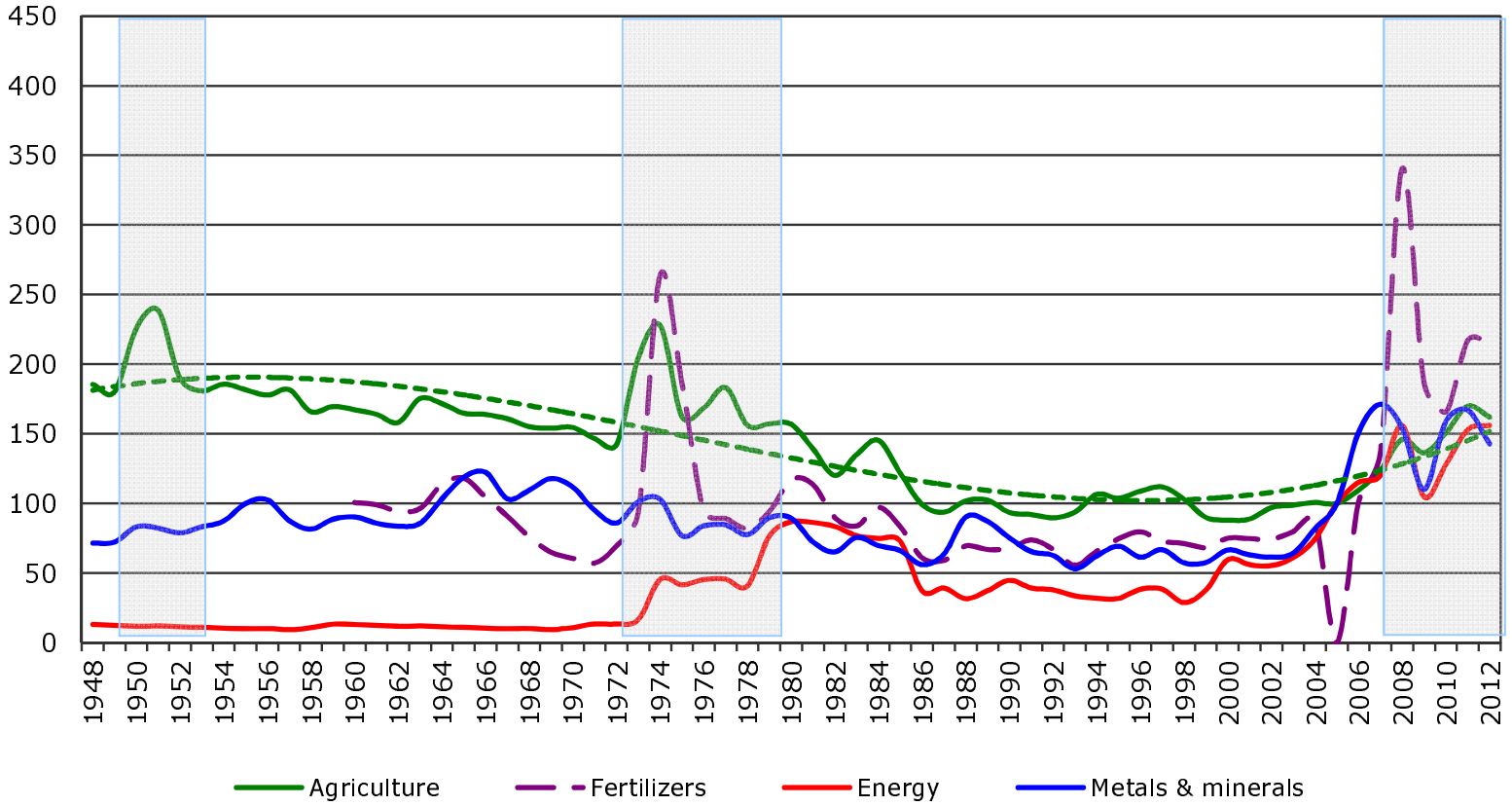
- *Food chain "bottlenecks" in price transmission*
- *Structural changes in food, feed and non-food demand*
- *Poverty concerns and the impact of the economic crisis*

Supply concerns

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

Long term commodity price trends

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



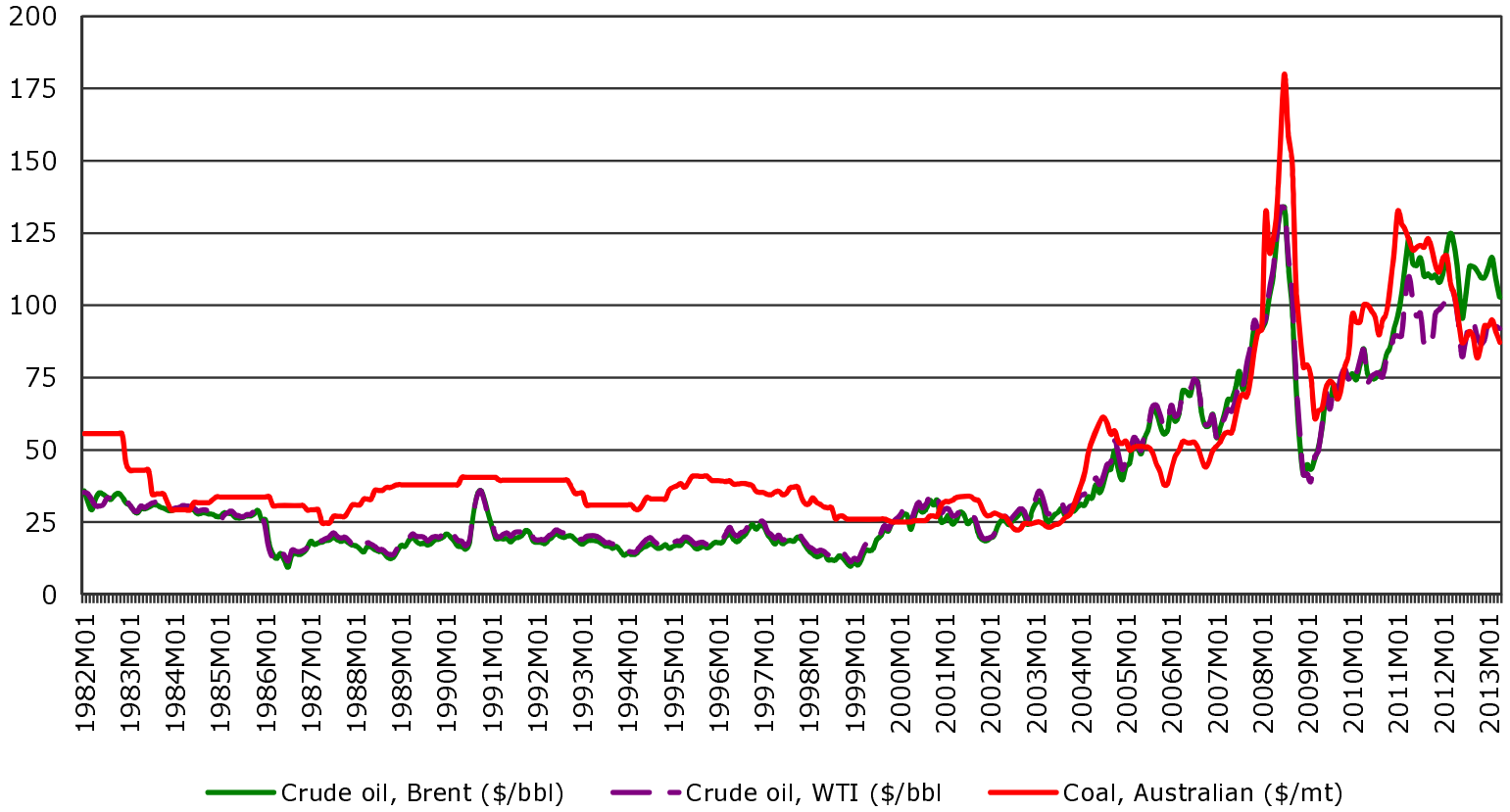
Source: World Bank..

Cumulative price change

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

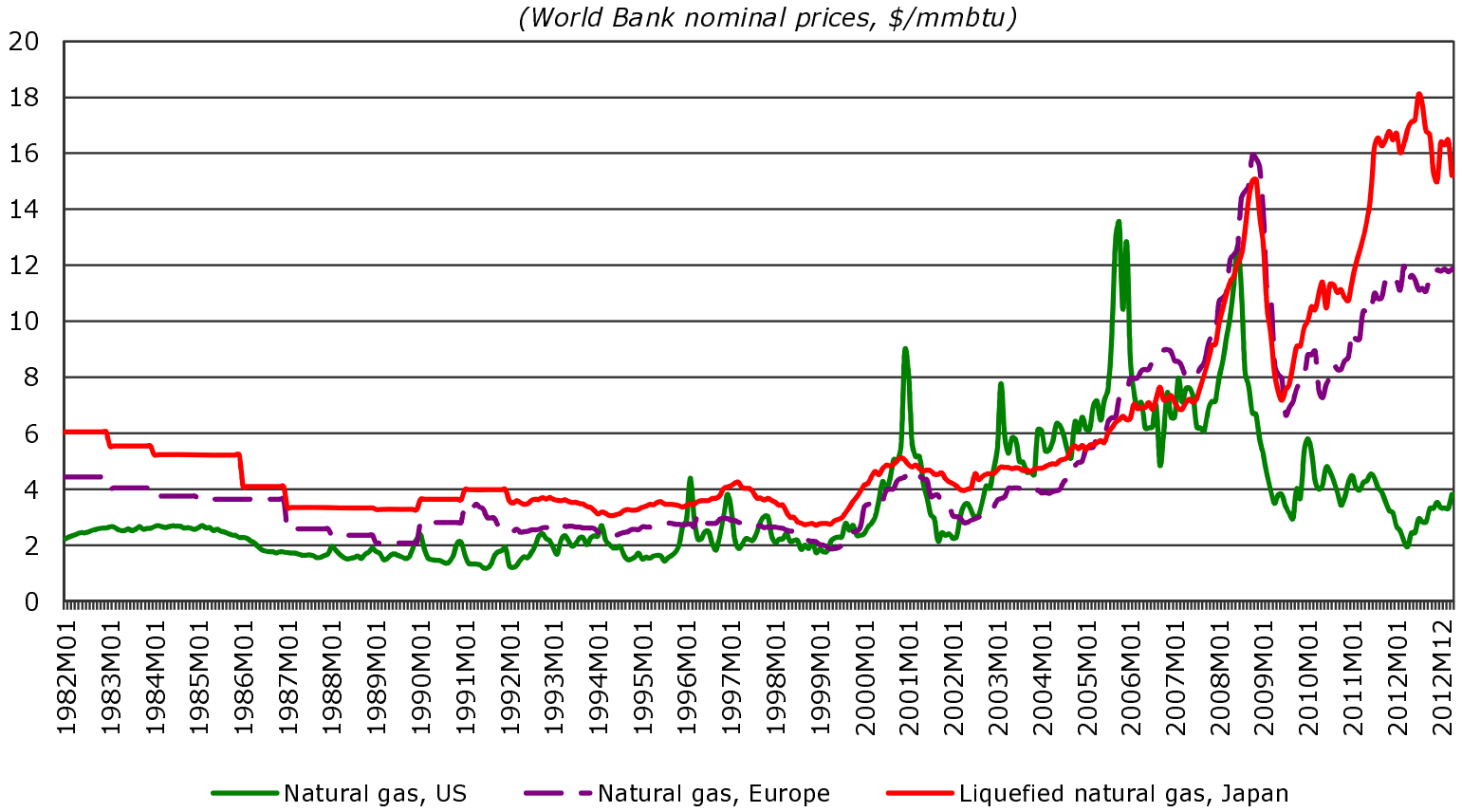
Long term energy price trends

(World Bank nominal prices)



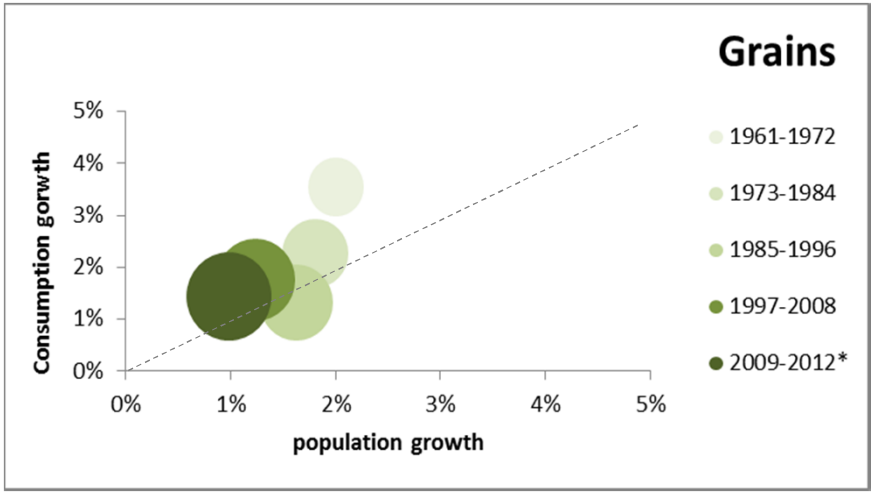
Source: World Bank.

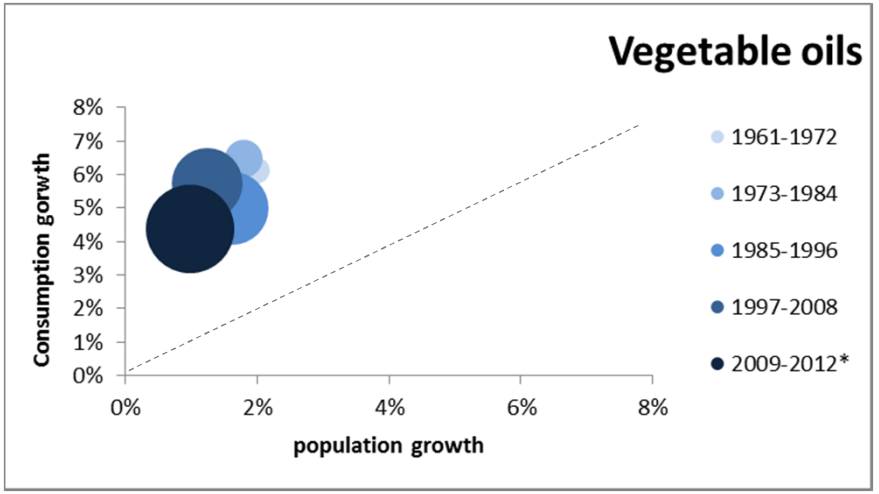
Long term natural gas price trends

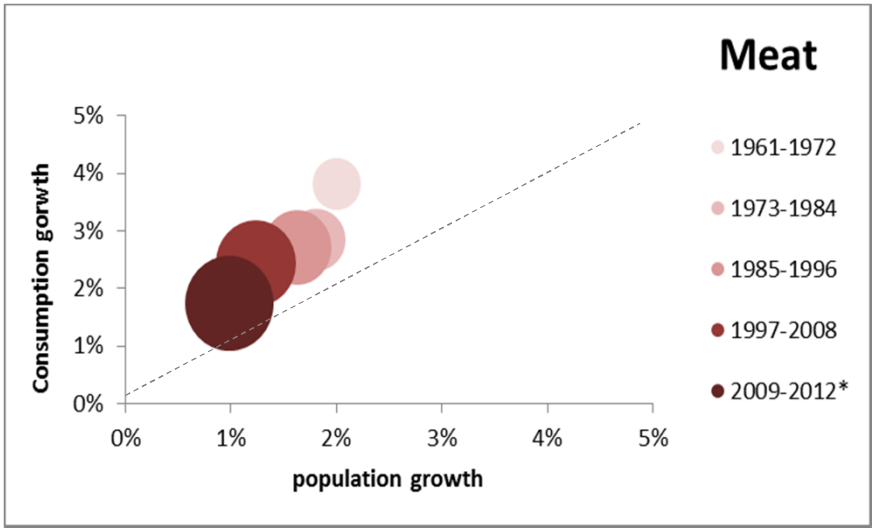


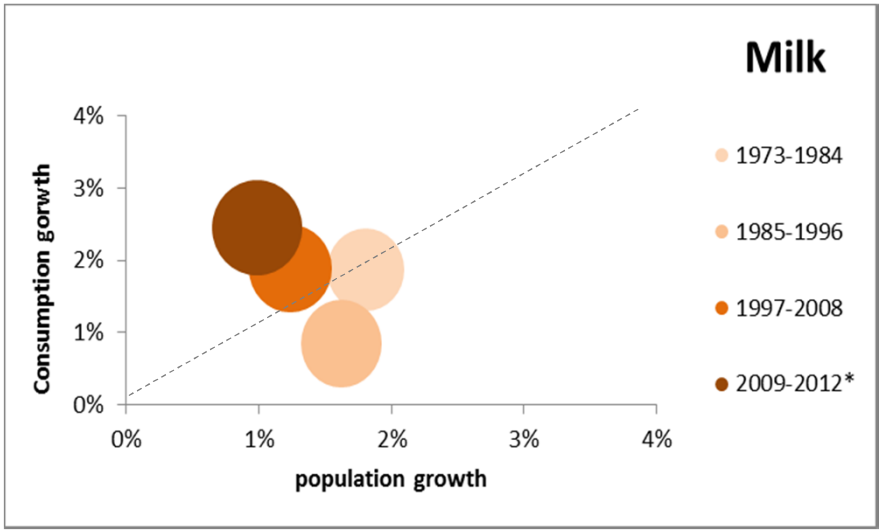
Source: World Bank.

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



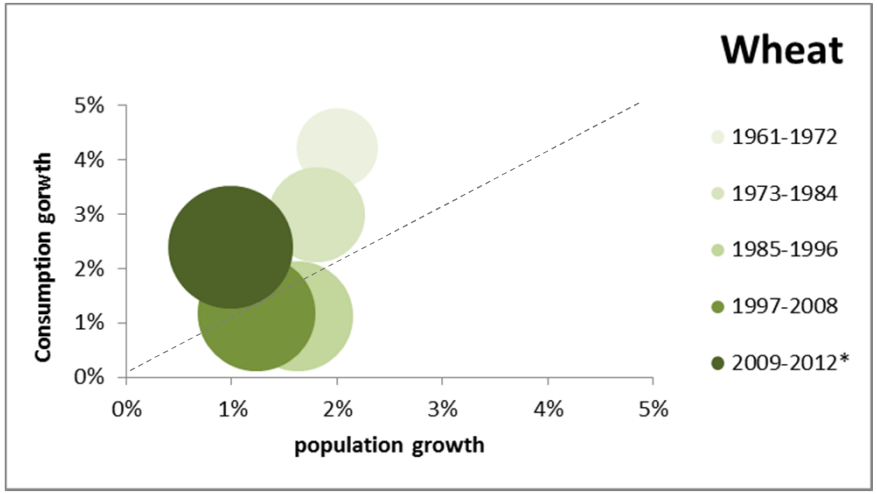


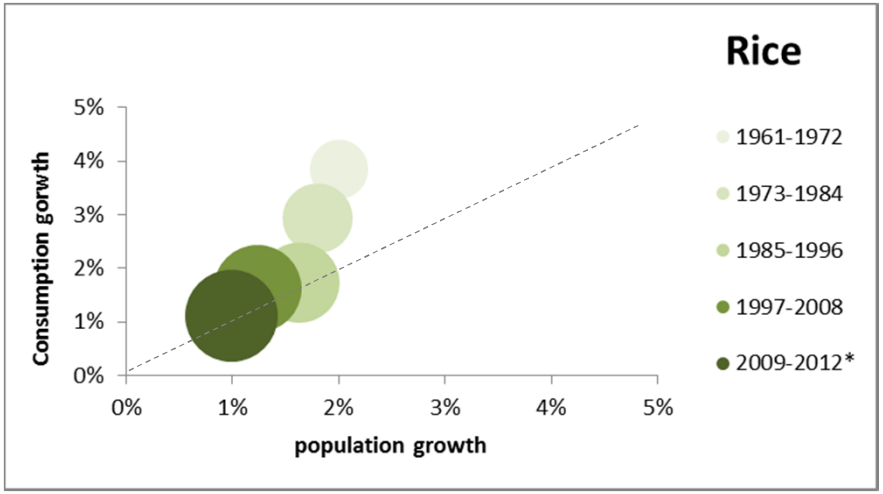


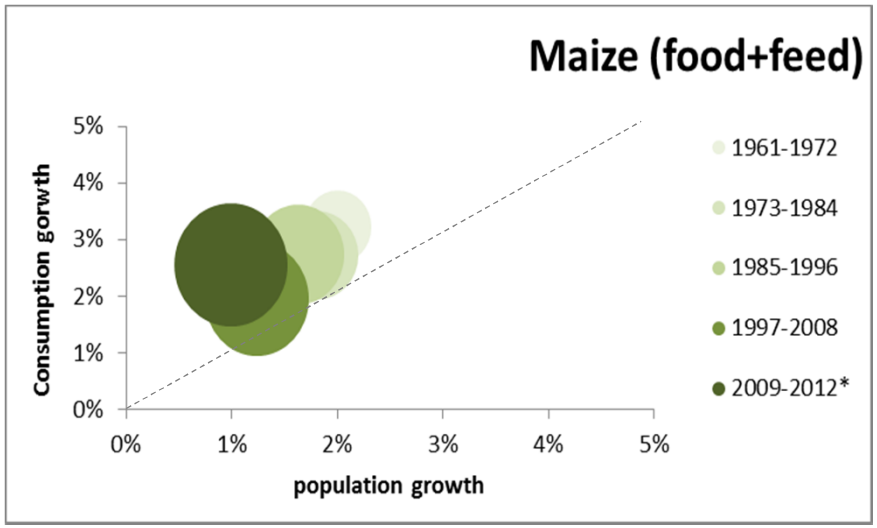


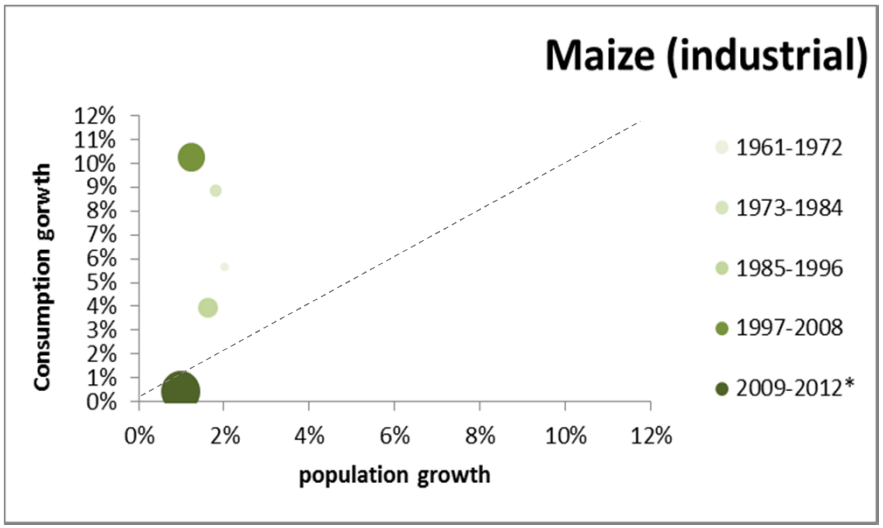
* Based on estimations for 2011-2012. Size of bubbles represents total average consumption over a period. Sources: FAO, USDA

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



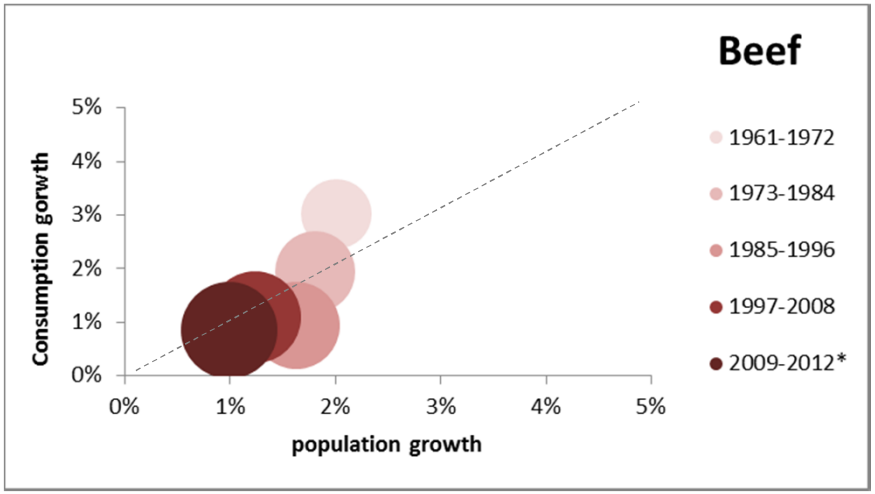


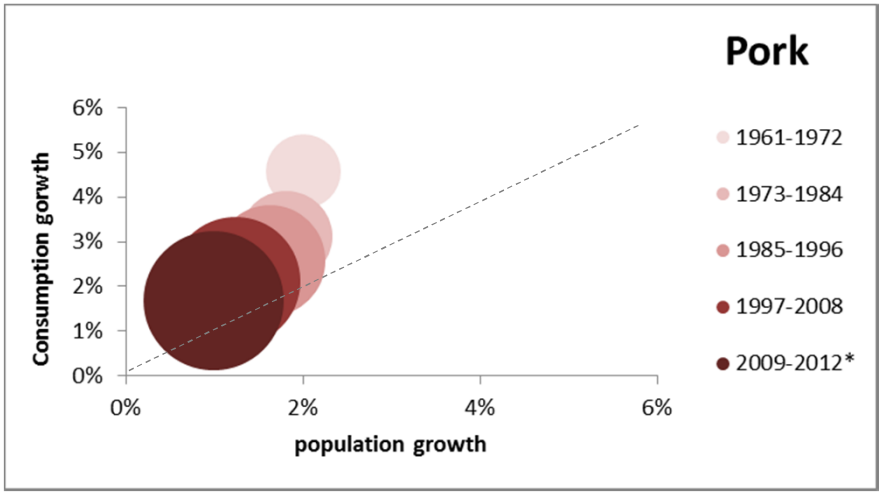


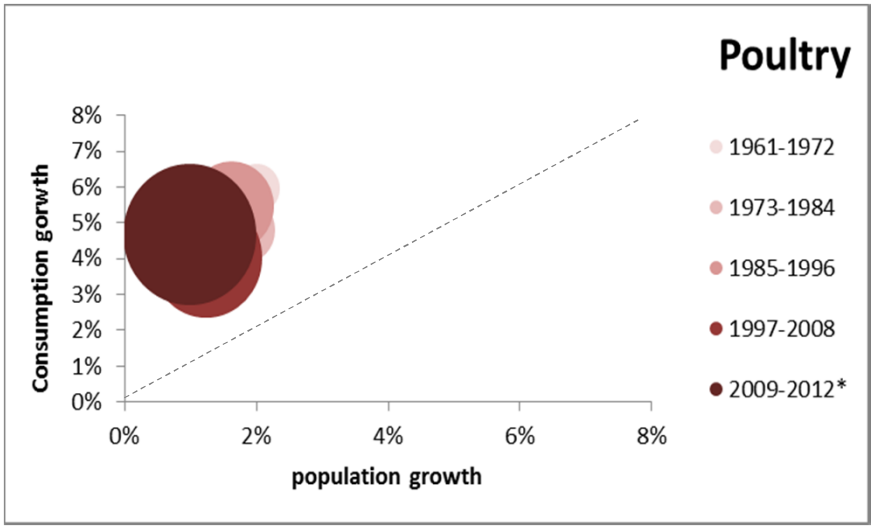


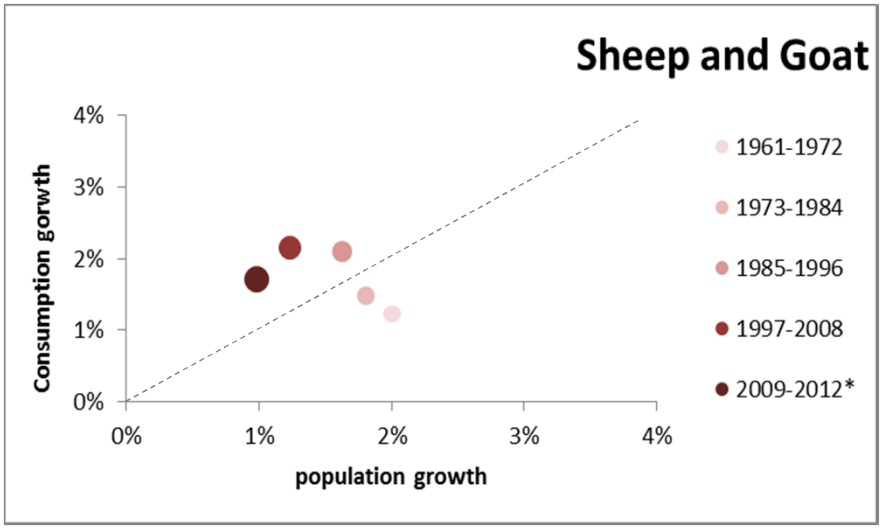
* Based on estimations for 2011-2012. Size of bubbles represents total average consumption over a period. Sources: FAO, USDA

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



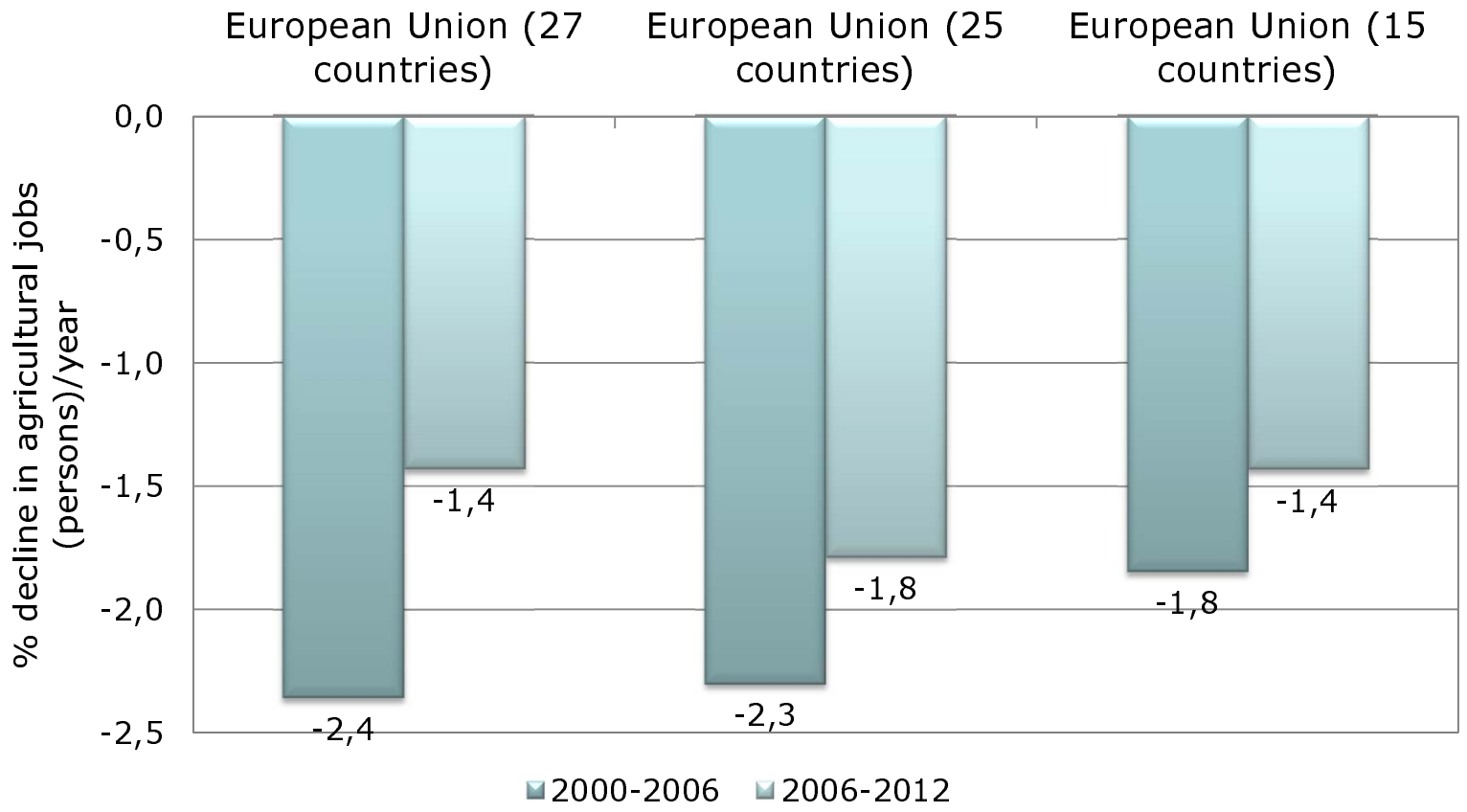






* Based on estimations for 2011-2012. Size of bubbles represents total average consumption over a period. Sources: FAO, USDA

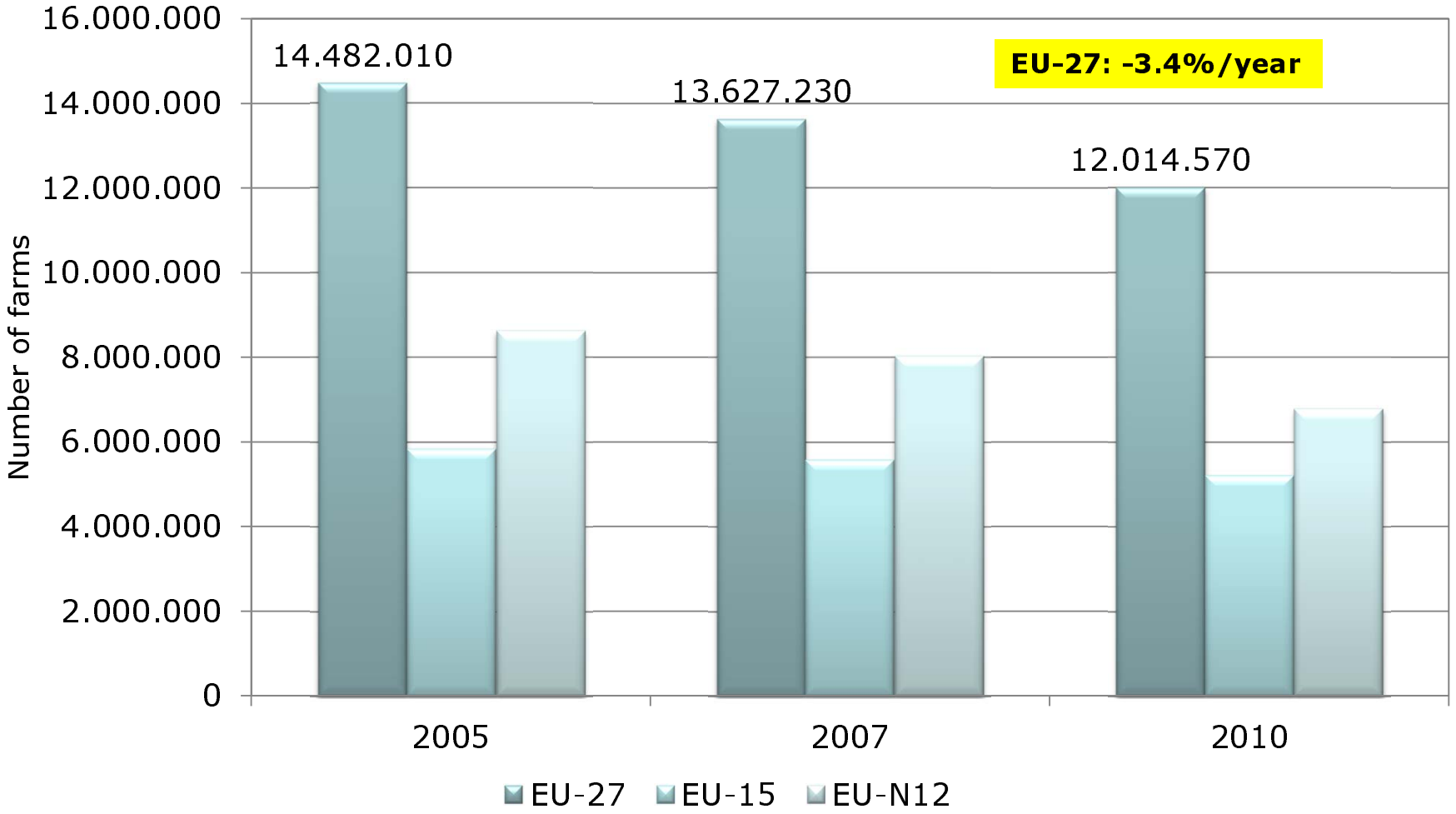
Agricultural* employment is still declining, but at a lower rate



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

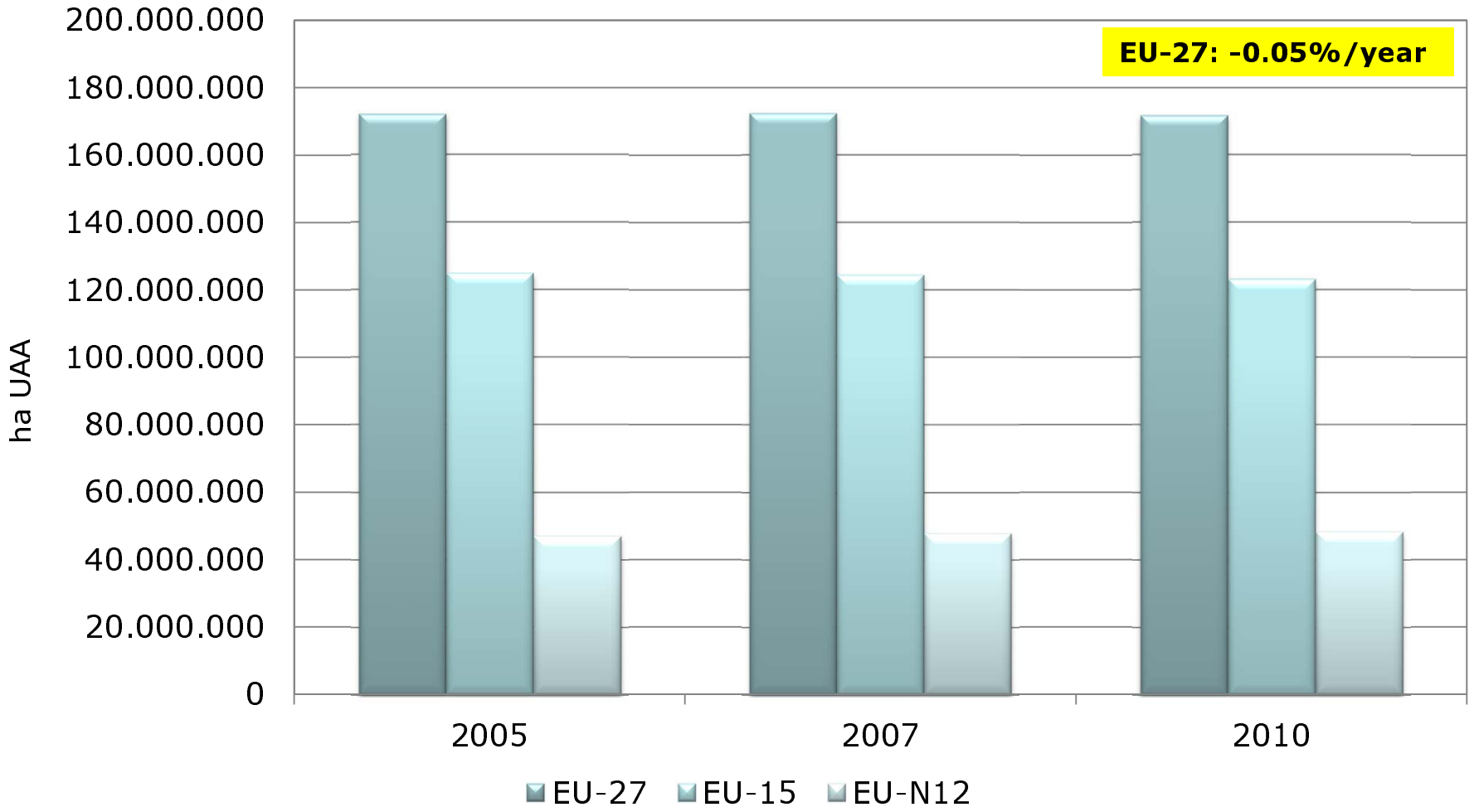
Source: Eurostat, National Accounts

The number of farms in the EU continues to decrease …



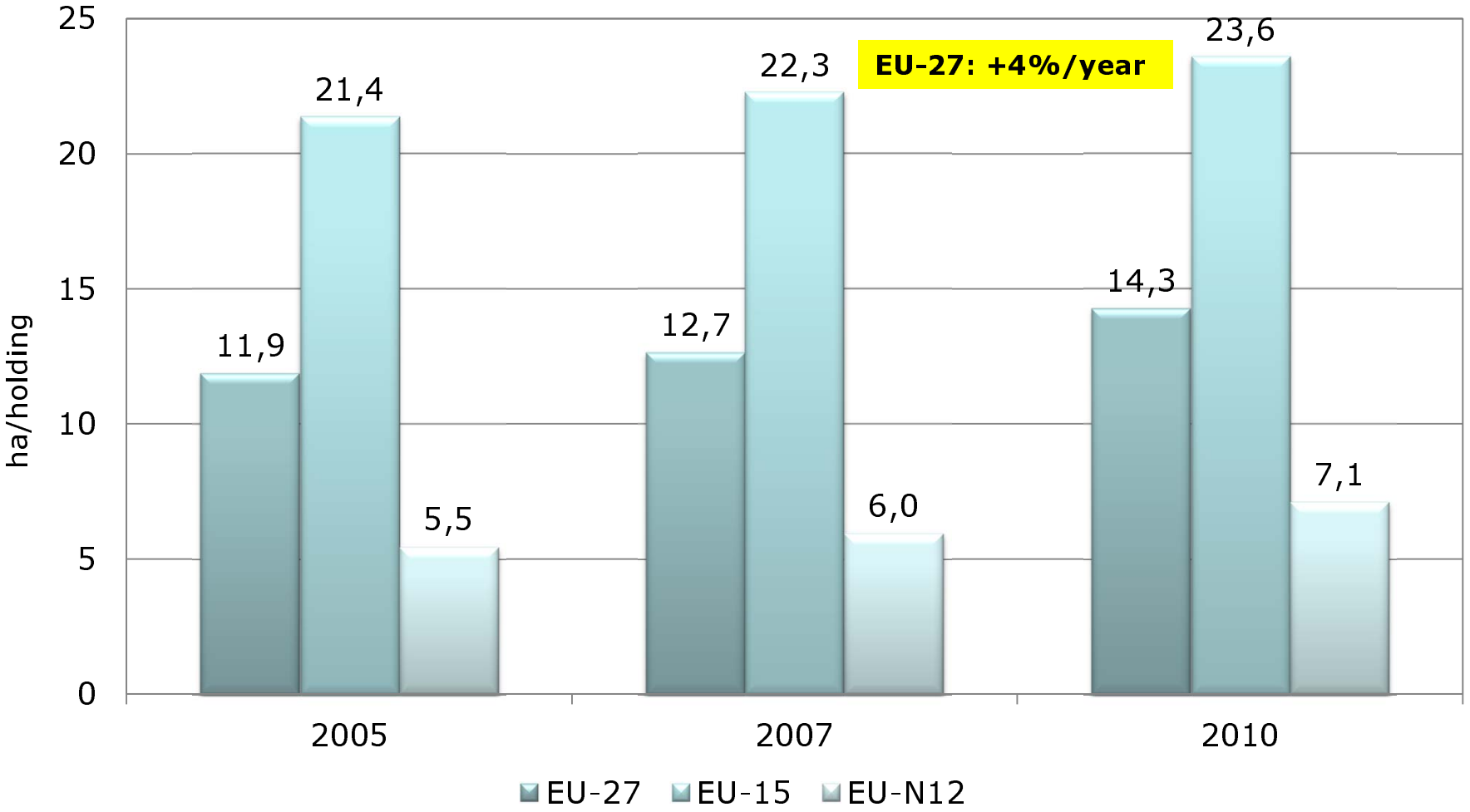
Source: Eurostat, Farm Structure Survey

… while the agricultural area has stayed stable



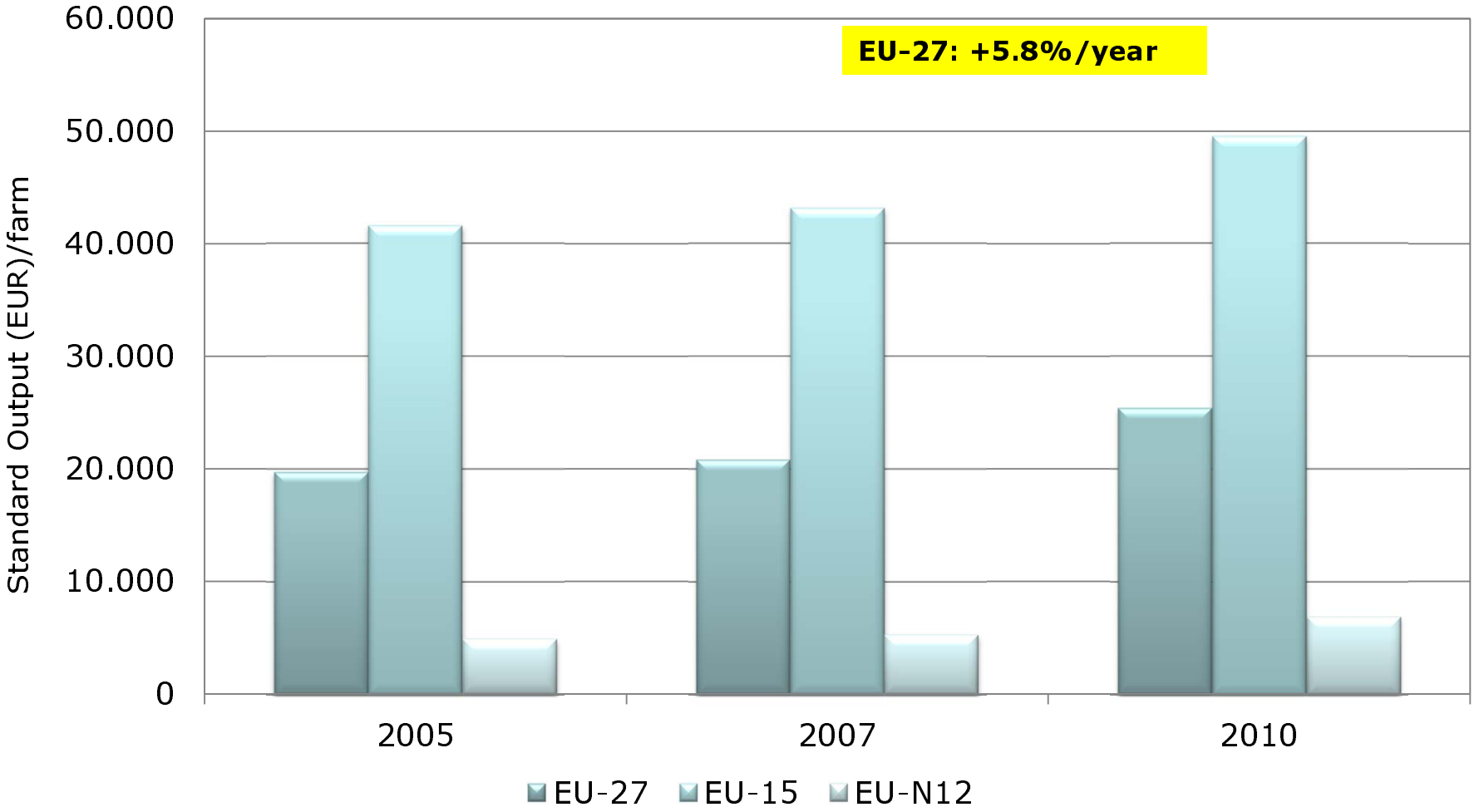
Source: Eurostat, Farm Structure Survey

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



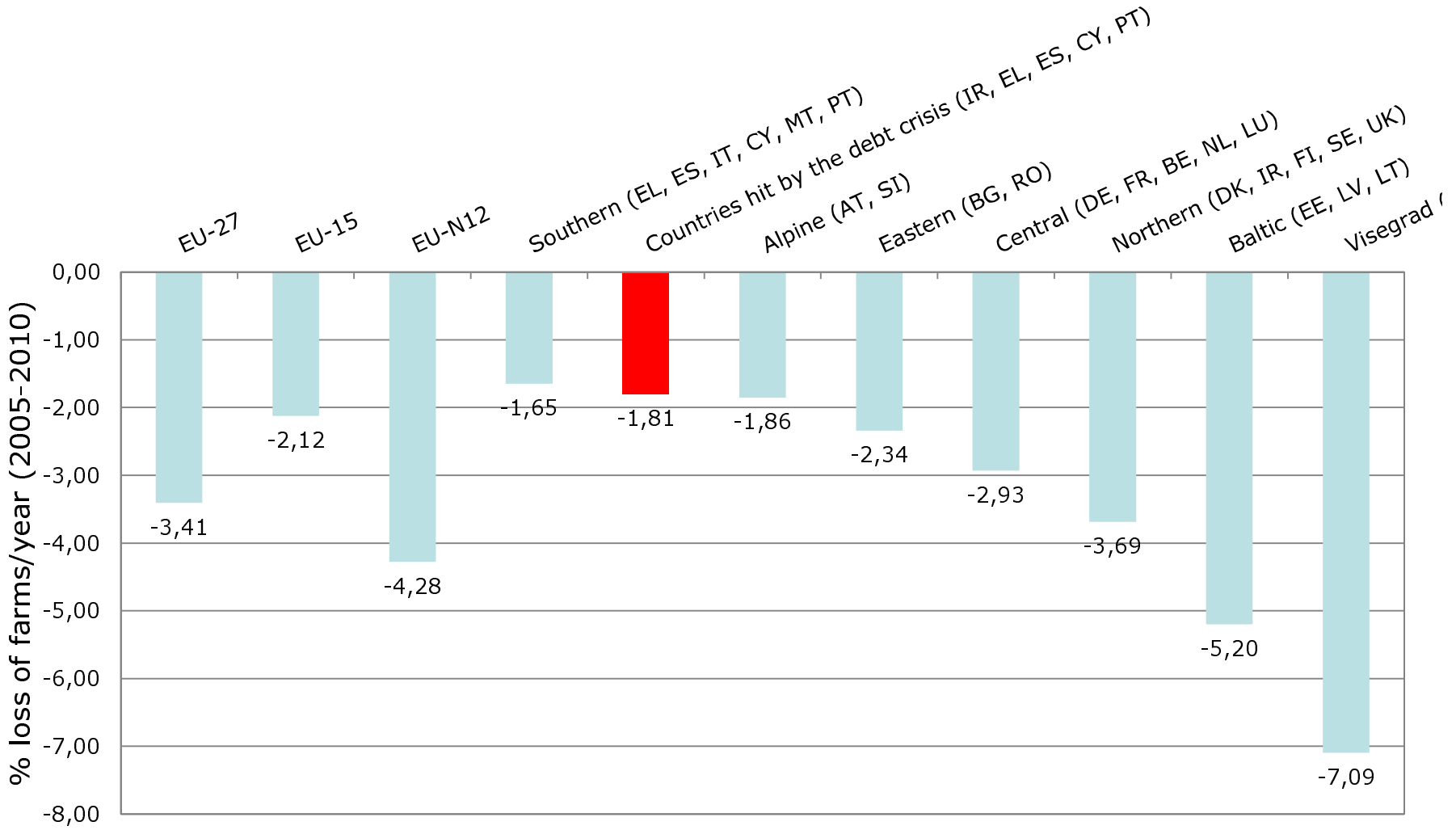
Source: Eurostat, Farm Structure Survey

… and in economic terms (Standard Output/farm)



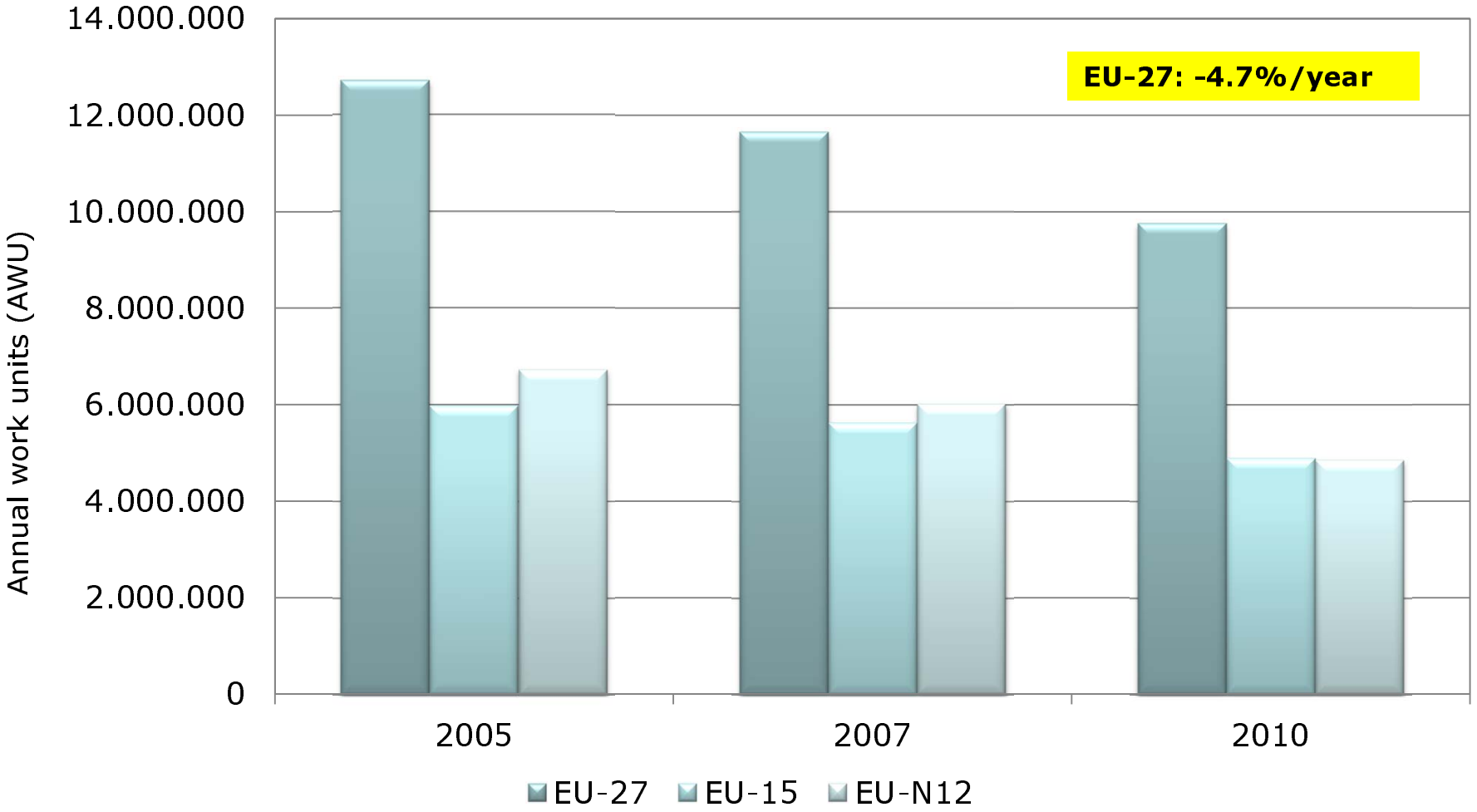
Source: Eurostat, Farm Structure Survey

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



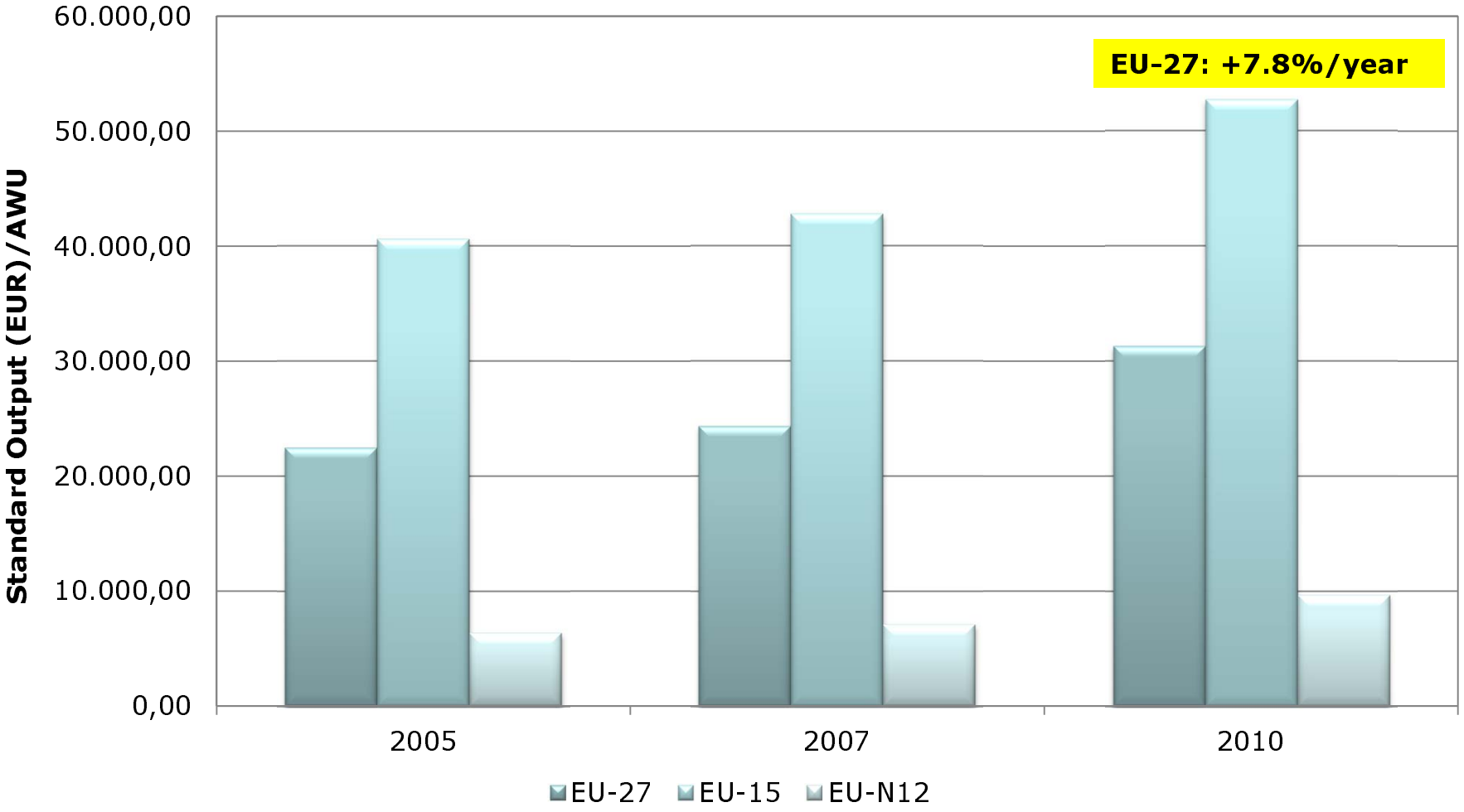
Source: Eurostat, Farm Structure Survey

Labour use in agriculture is declining …



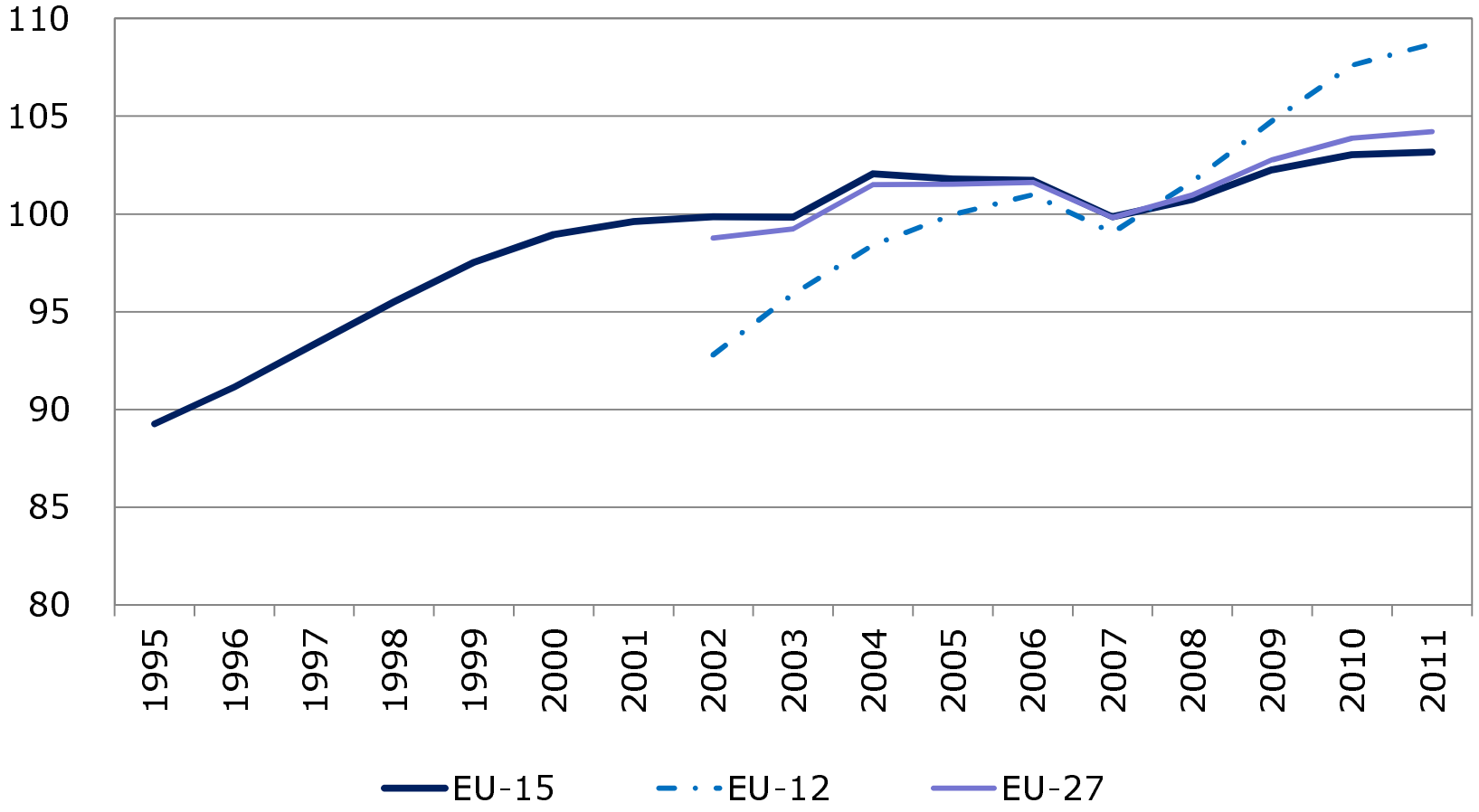
Source: Eurostat, Farm Structure Survey

… but labour productivity has increased significantly

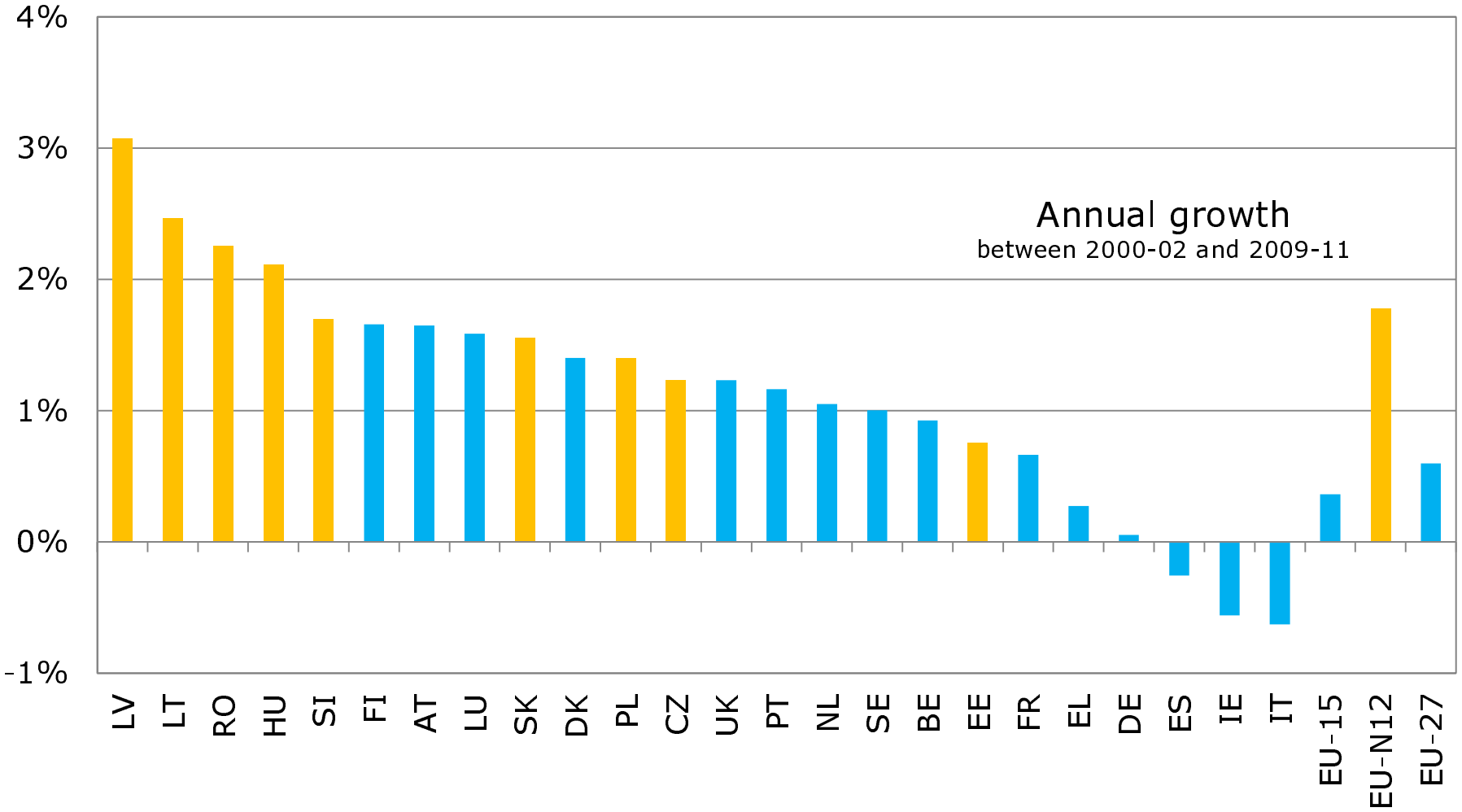


Source: Eurostat, Farm Structure Survey

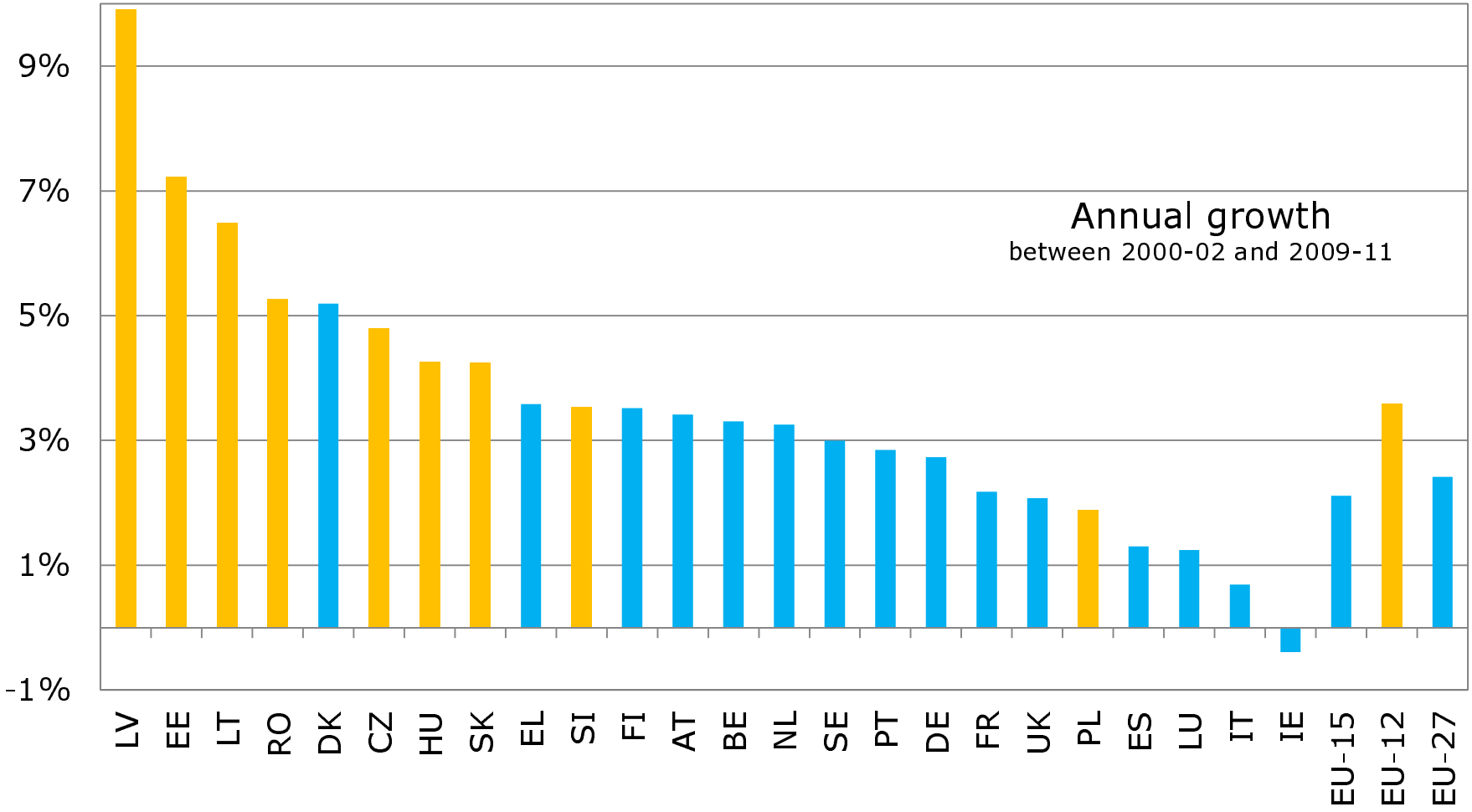
Annual TFP in the EU – 3 year moving average
2005 = average (2003, 2004, 2005)



A higher TFP growth in the EU-12…

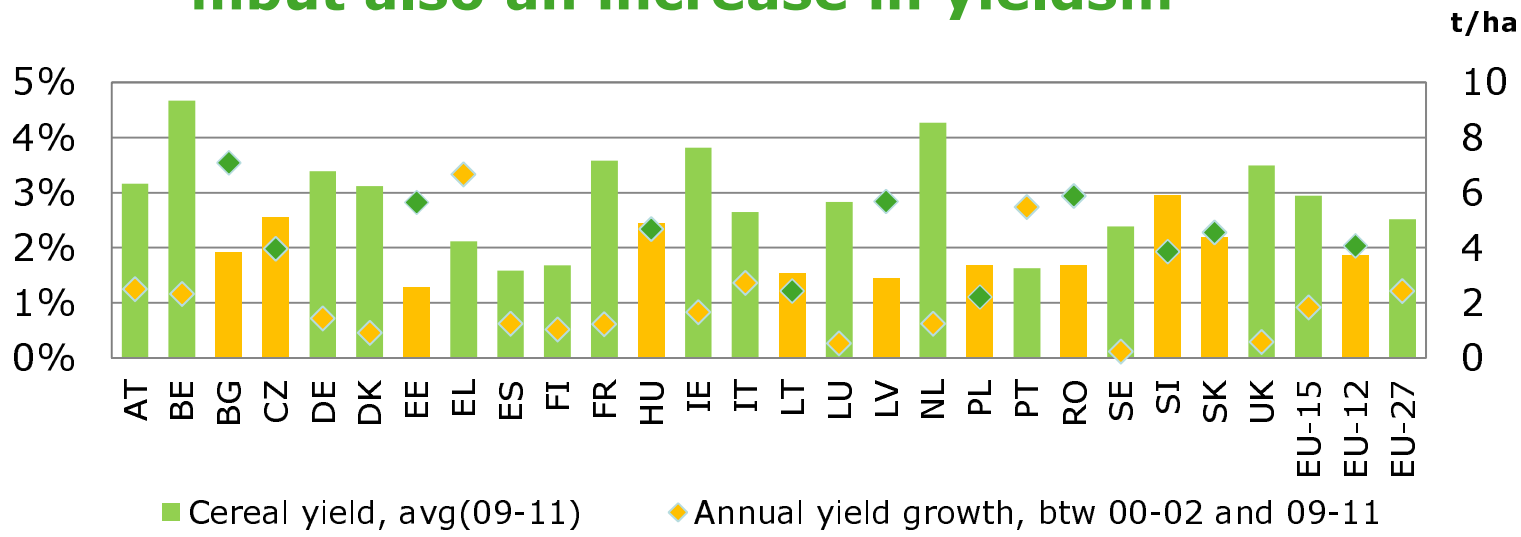


...mainly driven by an increase in labour productivity



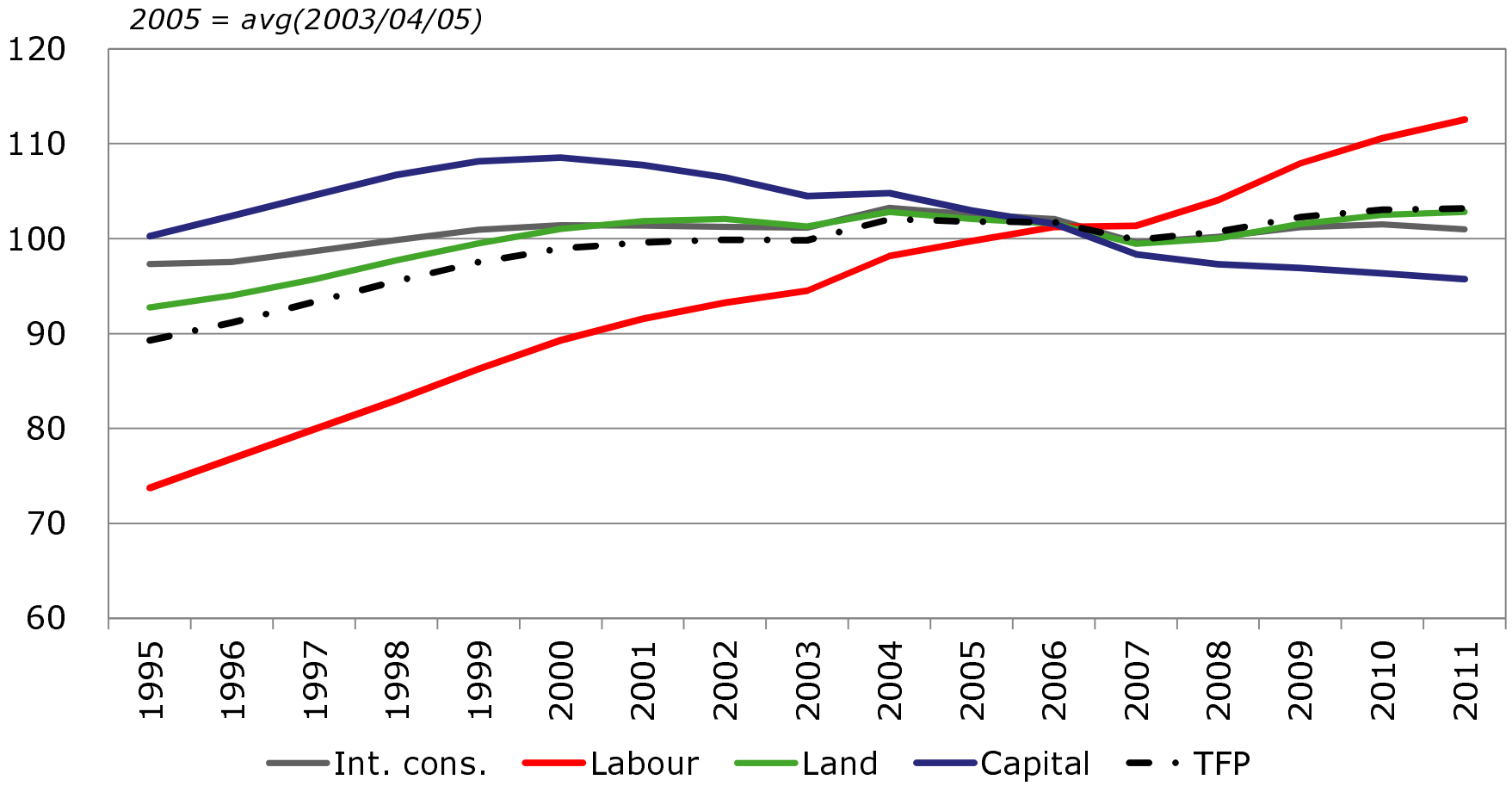
...but also an increase in yields...

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