

CAP Spending – Objectives of EU Spending



Andrew Elliott

Director



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British Isles

Europe also has some colder, wetter islands than Malta ...



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Northern Ireland – an overview



Northern Ireland Executive
(Parliament Buildings)



There were Troubles



Then Peace



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Northern Ireland Population



Population 1.8 million: 600,000 households

66% of population live within 50km radius of Belfast

The capital, Belfast, is the second largest city in Ireland

38% of the population are under the age of 25 compared with 41% in the Republic of Ireland and 30% in the EU



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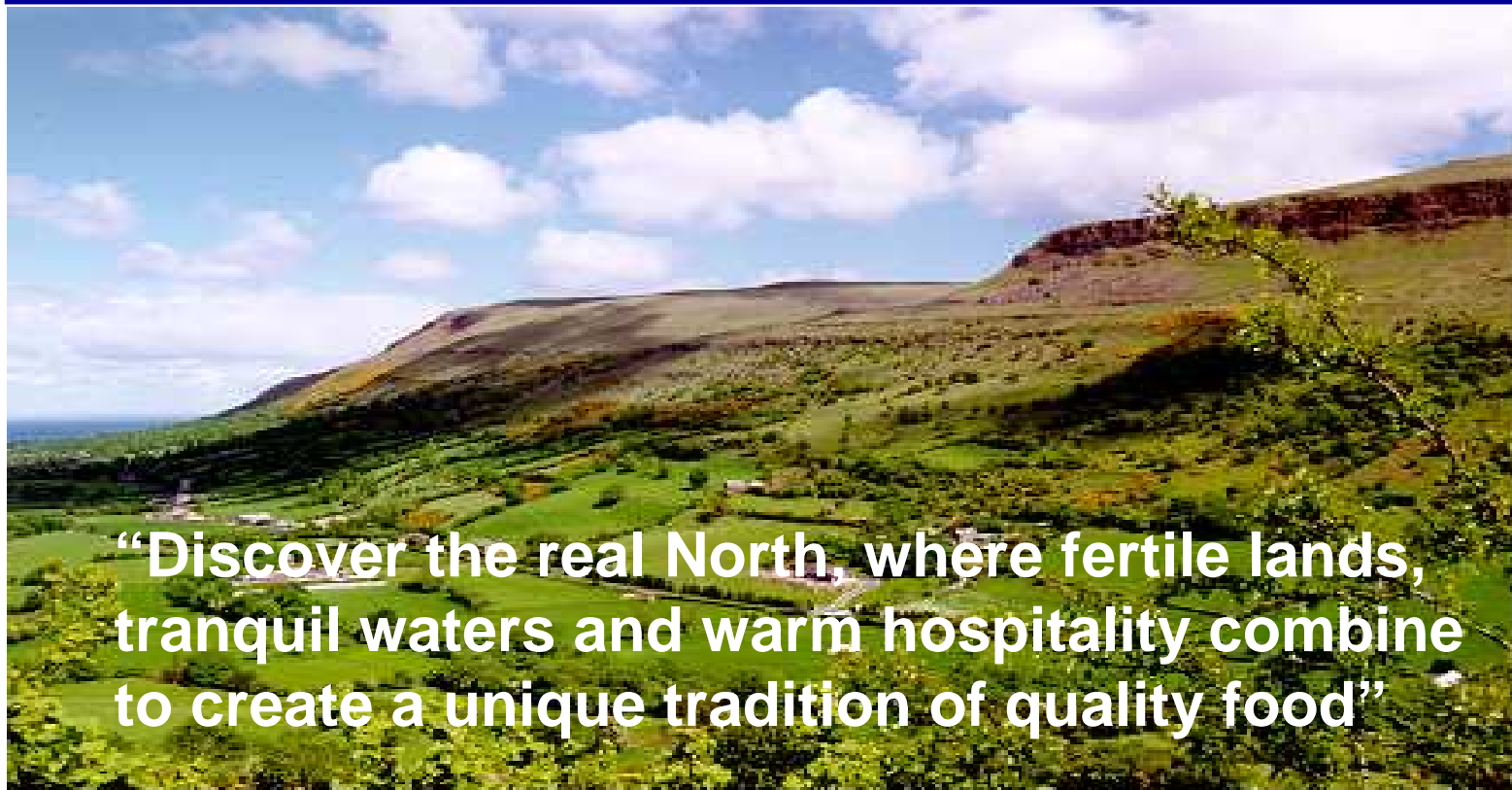
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Discover Northern Ireland



“Discover the real North, where fertile lands, tranquil waters and warm hospitality combine to create a unique tradition of quality food”



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Northern Ireland Agriculture An Overview



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A land of hedges and small fields



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Grasslands

Northern Ireland has significant quantities of highly productive grassland.



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Countryside

Northern Ireland also has a considerable quantity of poorer quality agricultural land.



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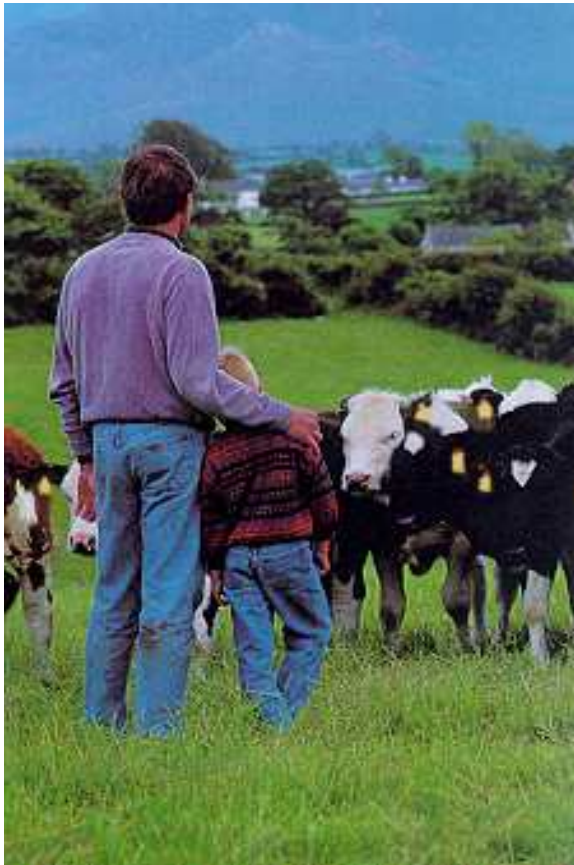
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The Northern Ireland agri-food industry



Vital role in Northern Ireland economy

**Total Processed Sales worth £2.1bn (€3.5bn);
farm-gate sales £1.2bn (€1.9bn)**

**5% of Northern Ireland Gross Value Added
Agriculture (2000) £464m (€737m)
Food processing (1999) £411m (€673m)**

**Employs 60,600 people (8.9% of total workforce)
30,000 farms
400 food processing businesses
52% of food sales to external markets**



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Northern Ireland Farm Structure



1.07 million hectares farmed in total

Average farm size - 36 hectares

94% farms are owner occupied

Total on-farm employment of 56,400 people (full & part time)

13,700 farms are large enough to provide full-time employment for one or more people



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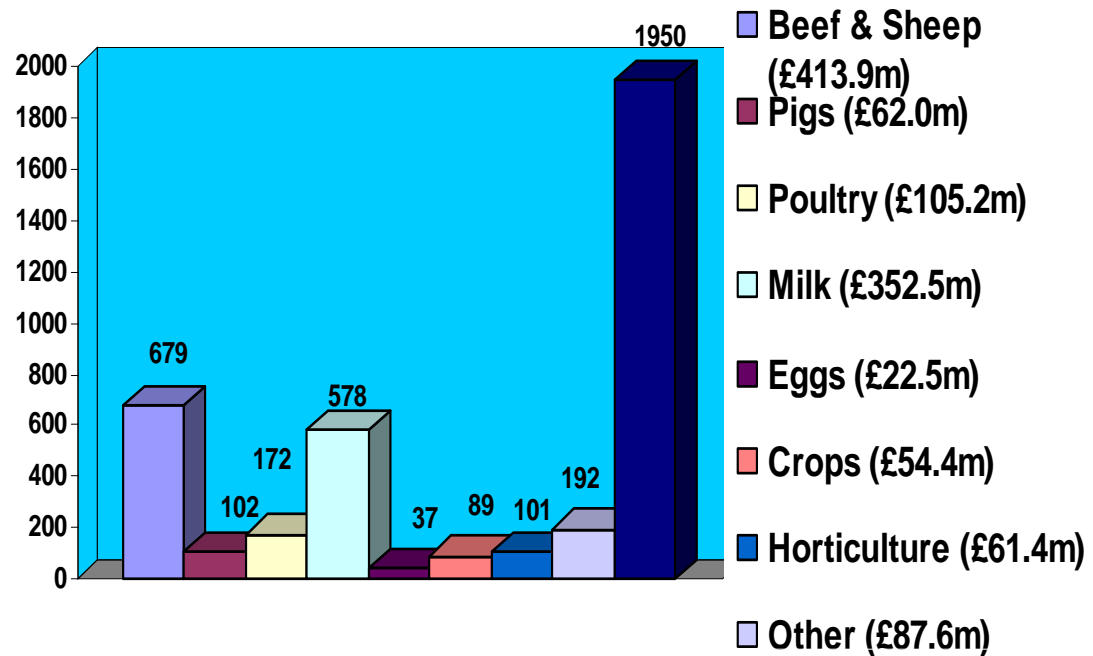
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Northern Ireland Agriculture Sectoral Performance

€ million
Sector
total
output
€ 1.9 bn
(£1.2bn)



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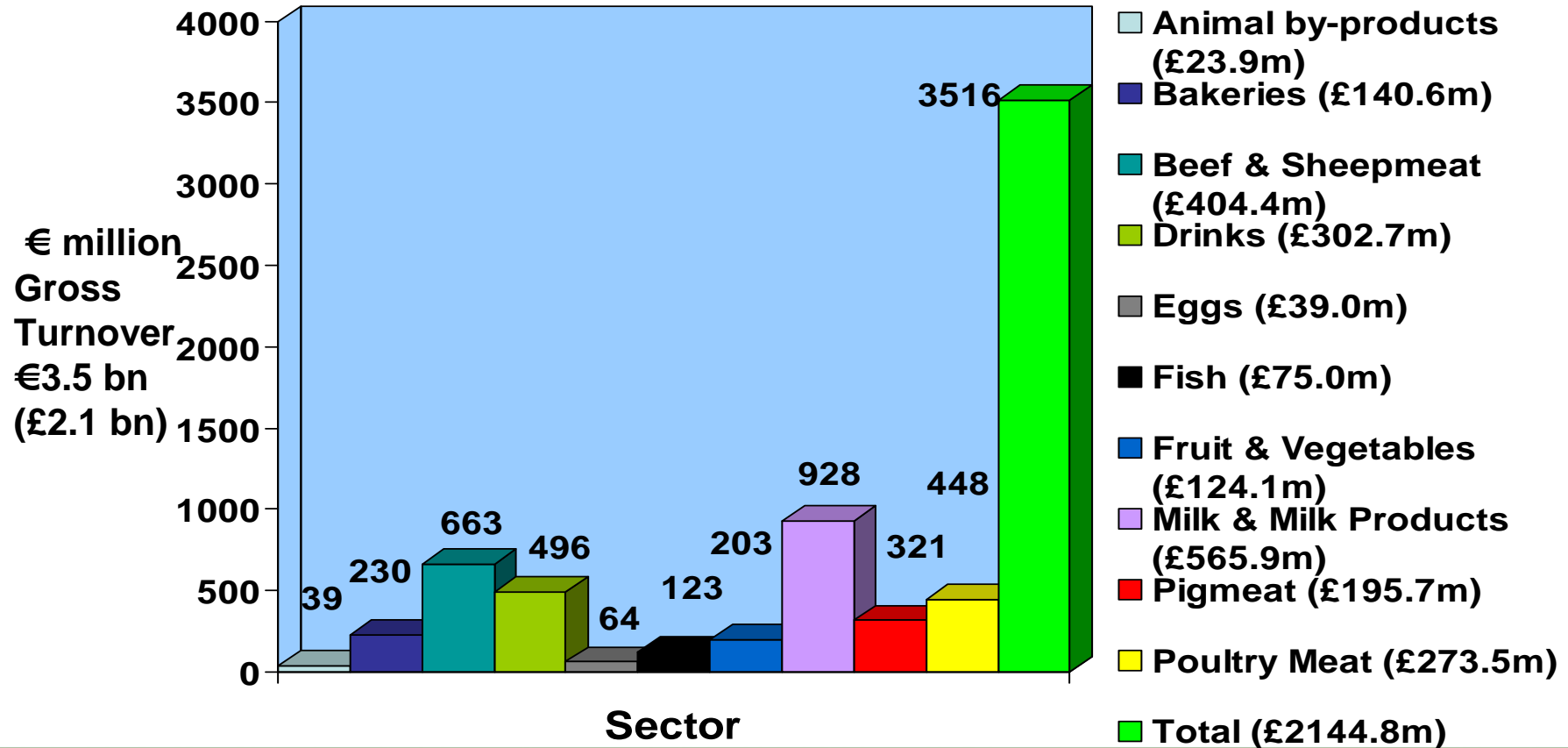
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Northern Ireland Food Processing Sector Sales



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Northern Ireland - Crop Sector



Cereals

Gross output £23.7 (€37.6m), equivalent to 2.0% of Northern Ireland Gross Agricultural output

537 cereal farms of which 94% are classed as small or very small

Cereals area was 40,000 hectares in 2001

Average cereals enterprise size 10.2 ha

Source: Statistical Review of Northern Ireland Agriculture 2000



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Northern Ireland - Crop Sector



Potatoes

Gross output £21.5m (€34.1m), equivalent to 1.8% of Northern Ireland Gross Agricultural output

Potatoes grown on 1,057 farms of which 17% are growing 10ha or more

Potatoes area was 6,700ha in 2001

Output of 189,000 tonnes of ware and 34,000 tonnes of seed in 2001

Average potato enterprise size 6.3 ha

Source: Statistical Review of Northern Ireland Agriculture 2000



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Northern Ireland - Dairy Sector



Gross output £352m (€558.7m), equivalent to 30% of Northern Ireland Gross Agricultural output

There are 4,741 dairy farms. 58% are classed as medium or large

Northern Ireland dairy herd 295,000 cows

Average herd size of 58 has been increasing by approximately 1.5 cows per year

Milk yield ranges from 3,000 -10,000 litres per cow

Average milk yield per cow has increased at 3 % per annum over the last five years and is presently 6,200 litres



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Northern Ireland - Beef and Sheep Sectors



Beef Sector

- Northern Ireland beef herd 312,000 cows.
- 16,400 producers in 2001
Average herd size 19 beef cows

- Gross output £414m (€ 657.1m) equivalent to 35% of Northern Ireland Gross Agricultural output

- 20,900 beef and sheep farms of which 97% are classed as small or very small



Sheep Sector

- Northern Ireland breeding flock 1,232,000 ewes.
- 10,500 producers in 2001
Average flock size 240 sheep



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Northern Ireland - Fisheries Sector

Sea Fisheries

179 fishing vessels over 10 metres in length and 166 under 10 metres

Fish landings valued at £21.4m (€34.0m) in 2000 (4% of UK total)

Sector employment:
Full and part time 1,670

Processing sector sales £70m (€111.1m)

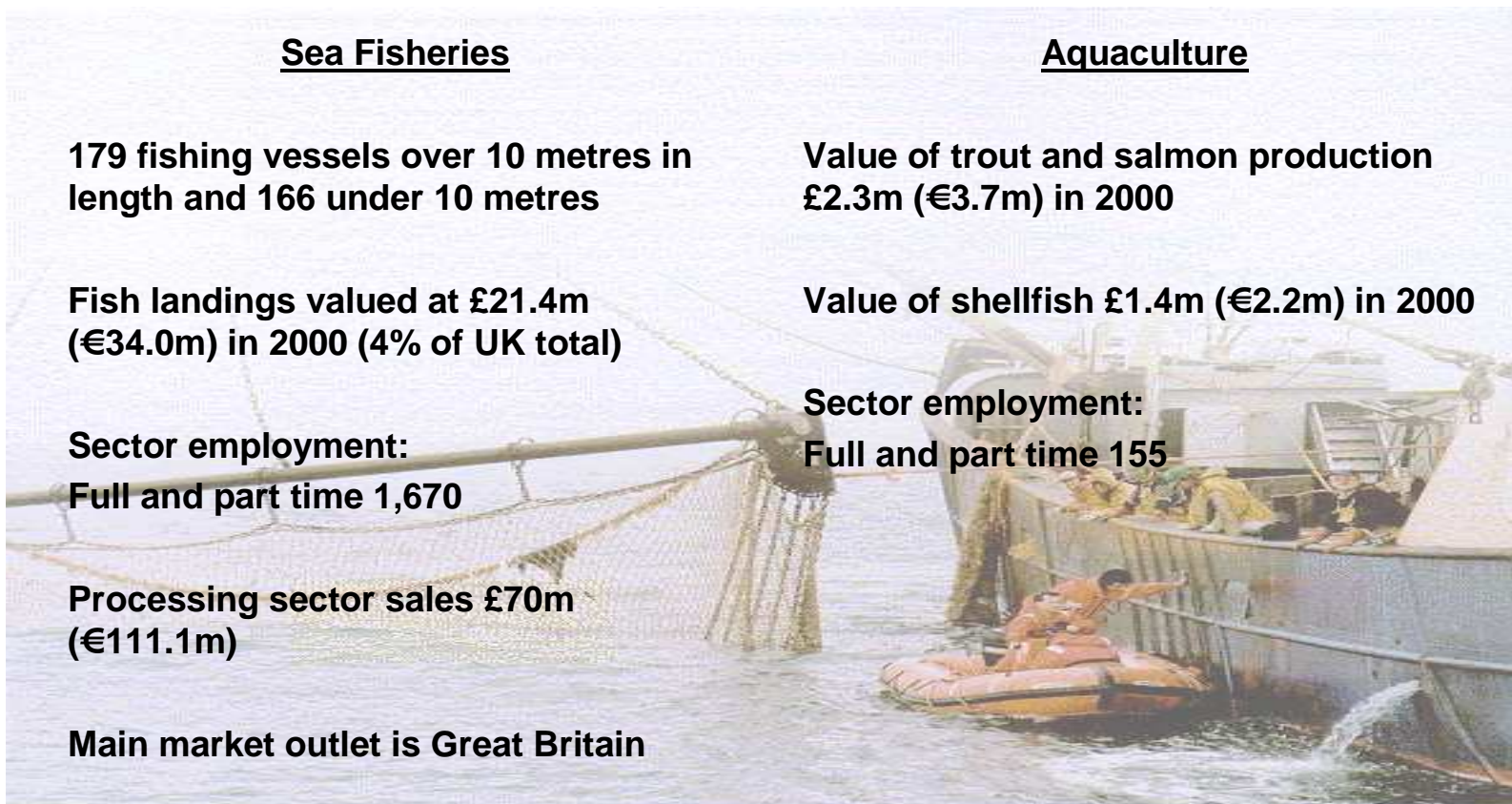
Main market outlet is Great Britain

Aquaculture

Value of trout and salmon production £2.3m (€3.7m) in 2000

Value of shellfish £1.4m (€2.2m) in 2000

Sector employment:
Full and part time 155



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Objectives of CAP are defined

Article 33 (39) of the EC Treaty sets out the **internal objectives** of the CAP:

- to increase agricultural productivity by promoting technical progress and ensuring the optimum use of the factors of production, in particular labour;
- to ensure a fair standard of living for farmers;
- to stabilise markets;
- to assure the availability of supplies;
- to ensure reasonable prices for consumers.



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Much has changed since 1957

Many new (and some old) issues including:

- a period of excessive production
- increasing scale of agricultural funding (including enlargement)
- pressure on national budgets
- international trade
- food security
- energy security
- Climate change
- Rural development
- The environment and biodiversity
- The public good
- Income support
- Compliance issues

Have the objectives changed?



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Excessive production of some commodities

Striking the right balance between ensuring a productive agricultural sector and decoupling of payments from production



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Increasing Scale of Agricultural Funding

Budget is now 34%
of total EU budget –
over £50 bn, but
what is the
appropriate level in
today's
circumstances?



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Pressure on National Budgets

The implications of financial pressures on member states



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Trade beyond EU borders

The importance of trade, competitiveness, but also traceability, food safety and standards.



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Food Security

Responding to and managing risk in regard to food security must remain a priority



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Energy Security

Closely related to food security in modern agriculture



The Environment and Biodiversity



Sustainable farming that preserves valuable habitats



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Climate Change

Reducing levels of
green-house gas
emissions from
agriculture



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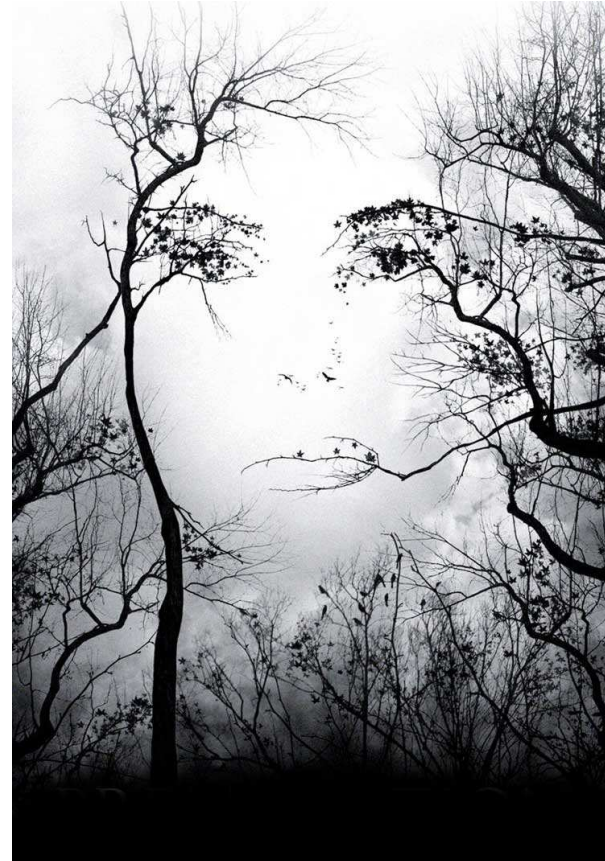
Rural Development

What we want the countryside and rural communities to be like in future



The Public Good

What is it that the public want from its custodians of the land?



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Income Support

Many farmers are not farming profitably when single farm payment is subtracted



Compliance – the farm inspector



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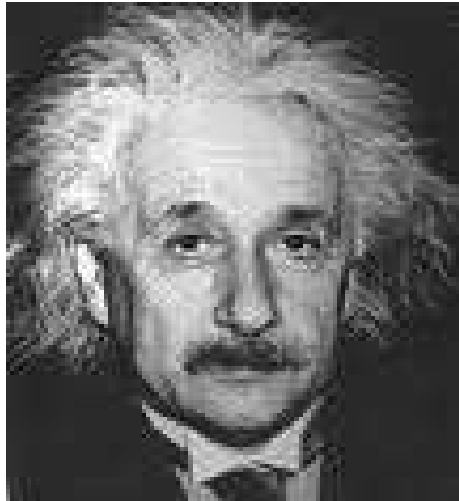
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Albert Einstein



The problems that exist in the world today, cannot be solved by the level of thinking that created them

Albert Einstein
b.1879 – d.1955



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