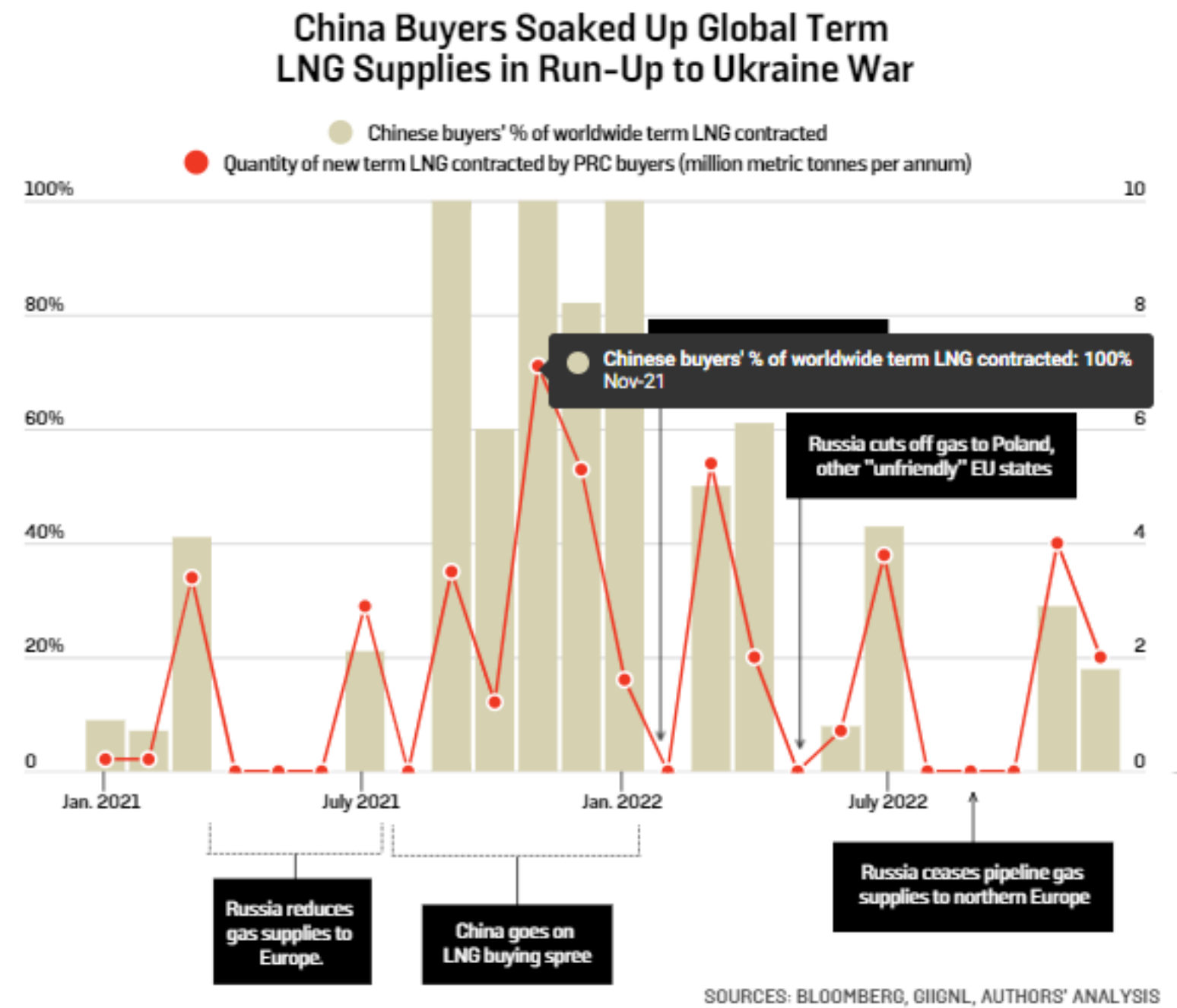


# STRATEGIC AUTONOMY FOR THE EUROPEAN AGRICULTURE AND FOOD SECTOR

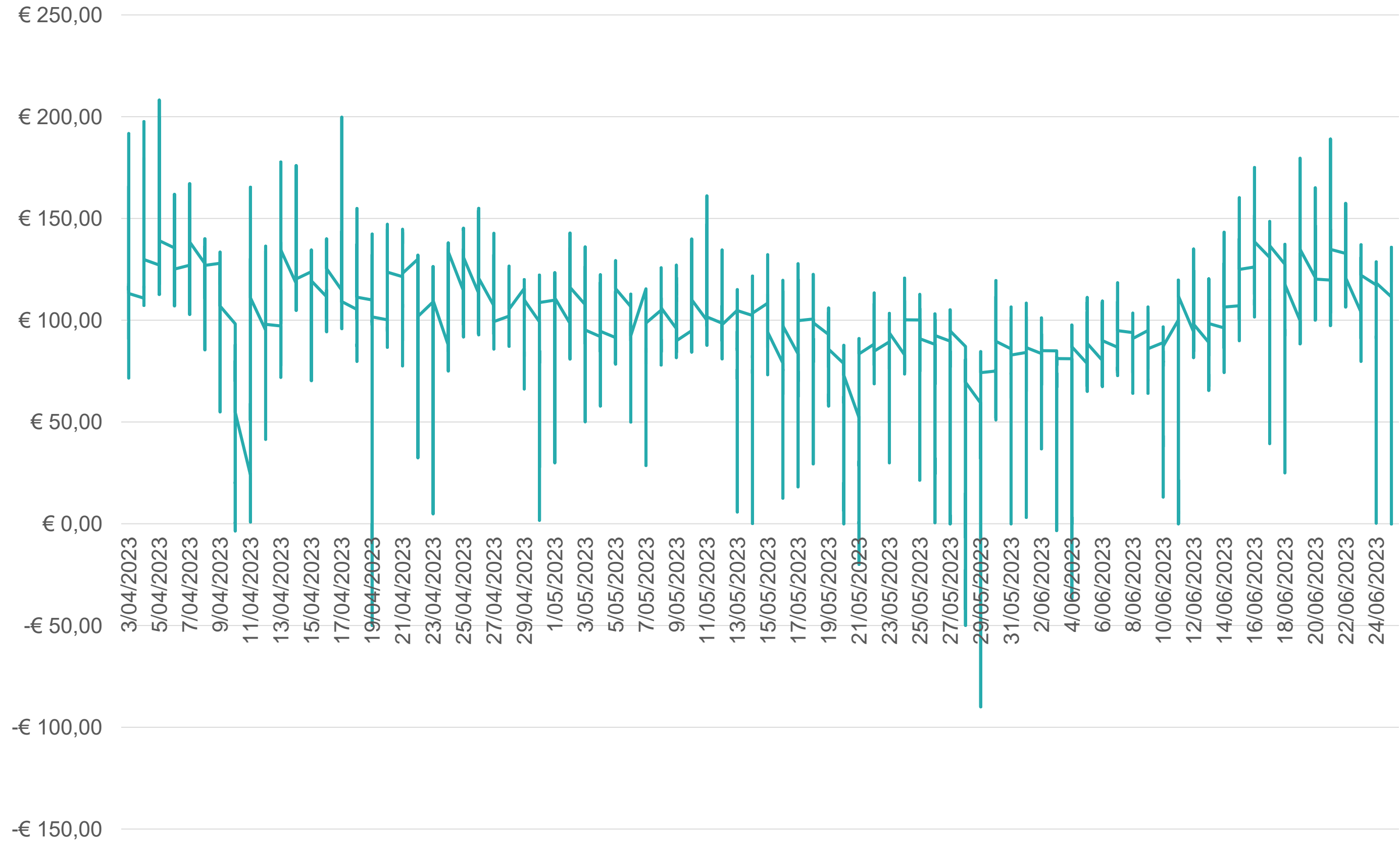
Jeroen Buysse

# IDEOLOGICAL DIVIDE BETWEEN MARKET AND GOVERNMENT

- Anti-interventionists: Beware of crowding out
- Markets only function properly in good institutional setting = governments are needed to organize market
- Markets can be the first to pick up governments inventions



# Belpex DAM euro/MWh



# PRICE FLUCTUATION SHOULD BE INCENTIVE TO INVEST IN FLEXIBLE CAPACITY

- Apparently, there is a consensus that this is not enough in electricity market =>
  - Day Ahead Market: price for energy in MWh
  - Capacity Remuneration Mechanism: price for generation capacity in MW
- Capacity Remuneration Mechanism can not replace need for interconnectivity

# IF ALSO RELEVANT FOR FOOD SECTOR? WHAT FORM SHOULD IT HAVE?

- Supply side:
  - Physical stocks
  - Future market positions
  - Cash reserves
  - Robust and resilient production system
  - Voluntary supply reduction (e.g. dairy market in 2017 and Fruits and Vegetables)

# IF ALSO RELEVANT FOR FOOD SECTOR? WHAT FORM SHOULD IT HAVE?

- Demand side:
  - Price incentives for consumers
  - Industrial processing of food (e.g. biofuel)

# TECHNOCRATIC VS POLITICAL DIMENSION

- Technocrat: simulate and advise the optimal combination of instruments and incentives
  - Discourage crowding out measures
- Politician needs support and considers the impact on her electorate

# ROLE OF LENGTH OF SUPPLY CHAIN?

- Longer=> more vulnerable
- But the key is flexibility and efficiency
- Food is much more than agriculture



# SENSITIVITY OF PRODUCTION SYSTEMS?

- Conventional versus organic
- GMO vs non-GMO
- Scale

	MEGA Producer	Headquarters	# Sows 2022	# Sows 2021	Difference 2022 vs 2021
1	Muyuan Foodstuff Co., Ltd.	China	2,815,000	2,831,000	-16,000
2	Wens Food Group Co., Ltd.	China	1,400,000	1,100,000	300,000
3	Smithfield Foods/WH Group	USA	1,225,000	1,225,000	na
4	Charoen Pokphand (CP) Foods	Thailand	1,115,000	1,152,000	-37,000
5	New Hope	China	850,000	1,000,000	-150,000
6	Pipestone System	USA	461,000	440,000	21,000
7	Sichuan Dekon Group	China	450,000	450,000	na
8	Triumph Foods Christensen Farms (143,000 sows) Allied Producers' Cooperative (87,500 sows) The Hanor Company (85,000 sows) Eichelberger Farms (62,500 sows) New Fashion Pork (57,000 sows)	USA	435,000	426,640	8,360
9	BRF S.A.	Brazil	397,825	391,825	6,000
10	Twins Group	China	380,000	380,000	na
11	Seaboard Foods	USA	365,000	335,000	30,000
12	Zhengbang Group	China	350,000	1,000,000	-650,000
13	Fujian Aonong Group	China	310,000	360,000	-50,000
14	Yangxiang	China	300,000	300,000	na
15	Techbank	China	300,000	380,000	-80,000

# CLIMATE CHANGE:

## Evolution of 10 year average of precipitation deficit in Belgium

