



Indicators of Support for an Enlarged EU: Issues, Main Results and Future Developments

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Outline

- Main characteristics of the EU database
- Evolution of the level and composition of support in the enlarged EU and in new EU member states before accession
- Future developments of the database



Main characteristics of the EU database

- No estimate for individual member states
- Various EU aggregates
- Market price support (MPS) calculations
- Budgetary expenditures: EU and national levels



Main characteristics of the EU database: Various EU aggregates

- EU15 from 1986
- EU25 from 2004
- EU19: EU MS that belong to the OECD
- And soon EU27 from 2007



Main characteristics of the EU database: MPS

- Domestic price: Average of national prices (weighted by production volumes)
- A unique reference price observed at the border:
 - quotation at a large harbour or
 - unit value of exports
- EU production and consumption

Data sources: EUROSTAT, COMEXT, International Grain Council and Commission.



Main characteristics of the EU database: EU and national expenditures

- EU expenditures from the Guarantee and Guidance funds (soon EAFG and EAFRD)
- Sum of nationally funded expenditures:
Common template

Data sources: Commission web site and budget publications, national governments.

Description of individual measures and their implementation criteria in the documentation available on the OECD website.



Main characteristics of the EU database: Main issues

- Missing prices and quantities
- Choice of a reference price, e.g. intra and extra EU trade flows
- Estimating average margins
- Tracking national and sub-national expenditures
- Harmonising national expenditures to create EU aggregates for specific or generic measures
- Matching EU and national expenditures (co-financing): time

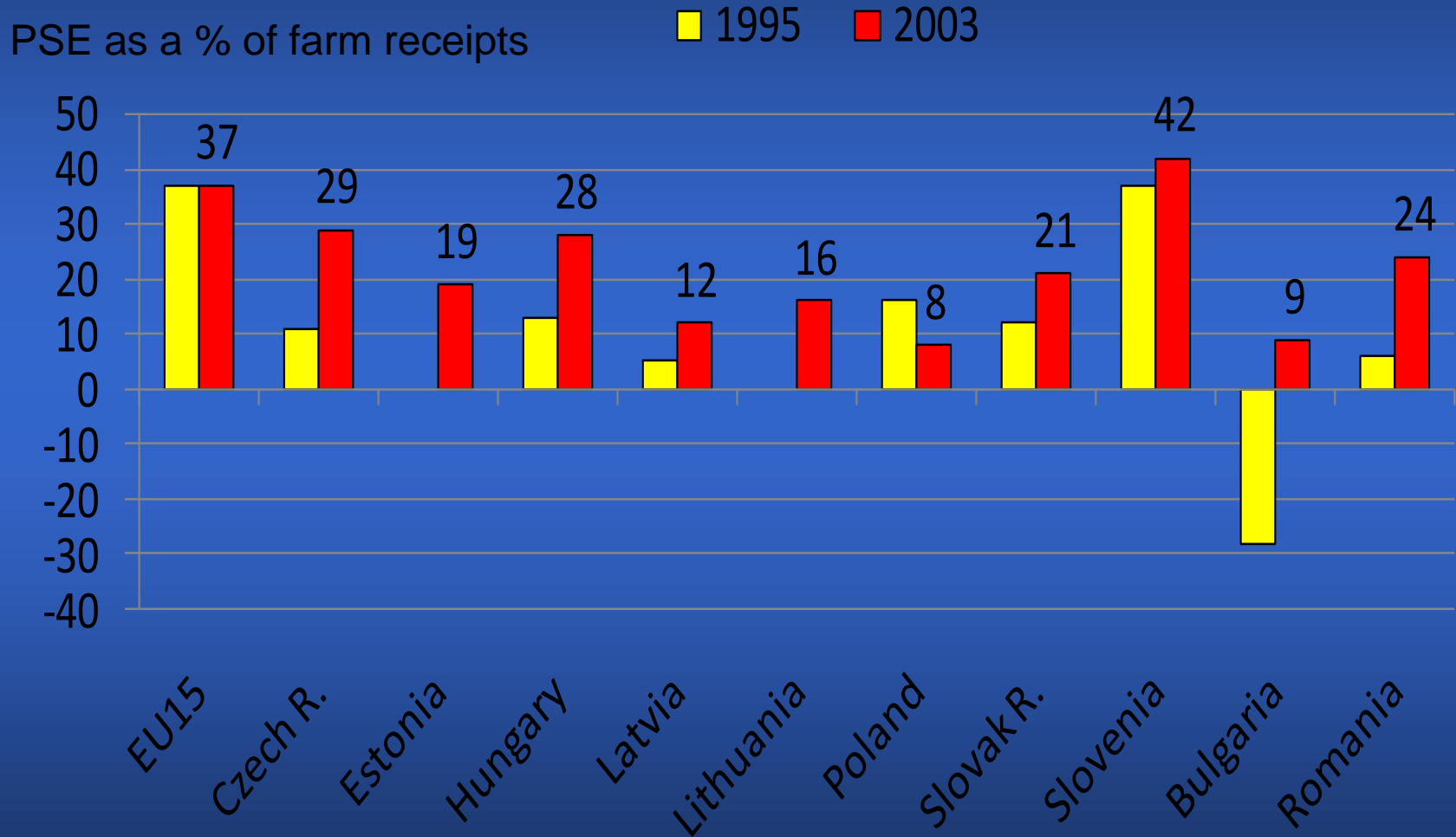


Template

Measure	Labels 1 to i	Payment source			Values		
		EU	National	Sub-nat.	1986	to	2007
Payments based on capital fixed formation							
Farm modernisation EU	x x x	x			--	--	--
Farm modernisation nat.	x x x		x		--	--	--
Irrigation national	x x x		x		--	--	--
Irrigation regional	x x x			x	--	--	--
Payments based on current area, etc.							
LFA EU	x x y	x			--	--	--
LFA national	x x y		x		--	--	--
Top-up	x x x		x		--	--	--

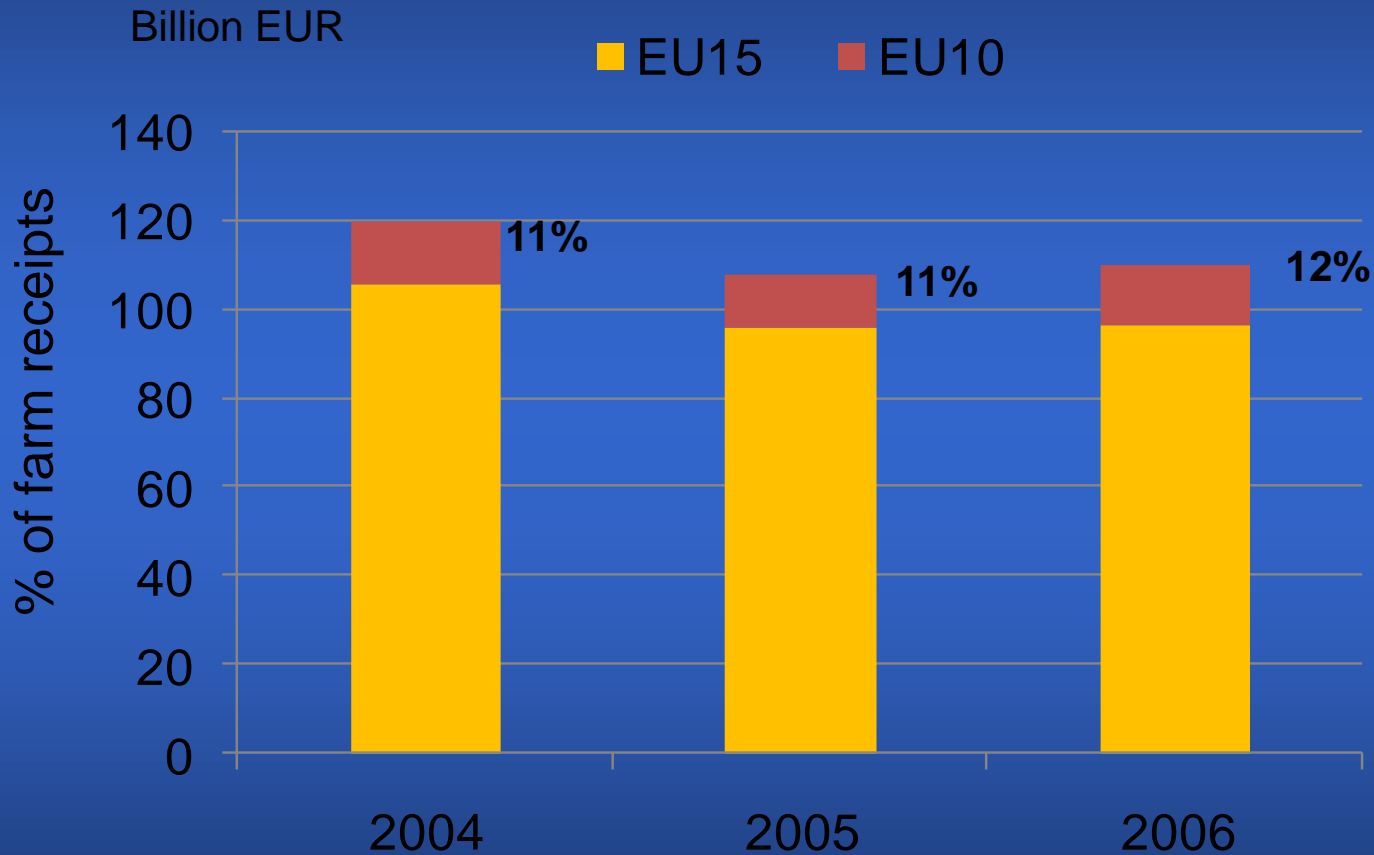


Producer support before accession





Producer support after accession

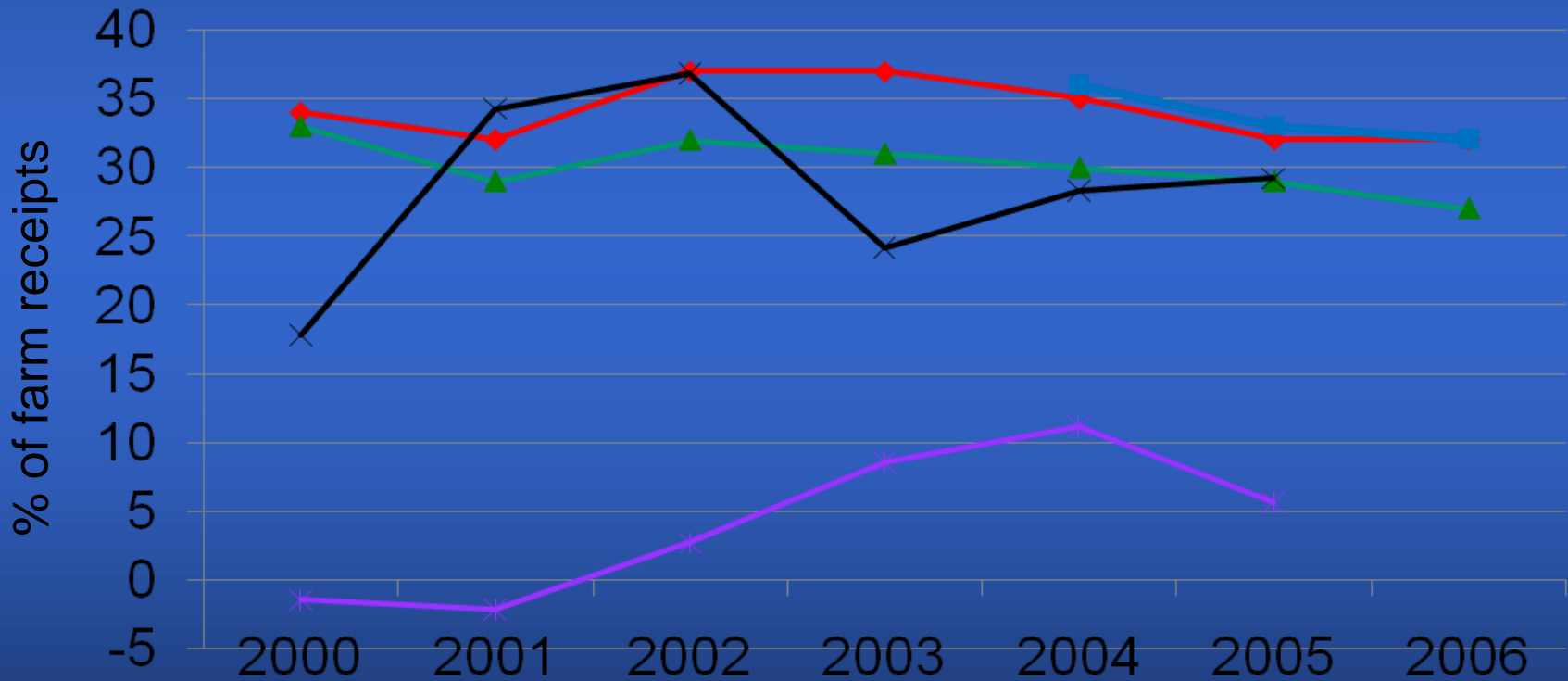


Share of EU10 in the value of EU25 agricultural production: around 11%.



Recent evolution of support levels

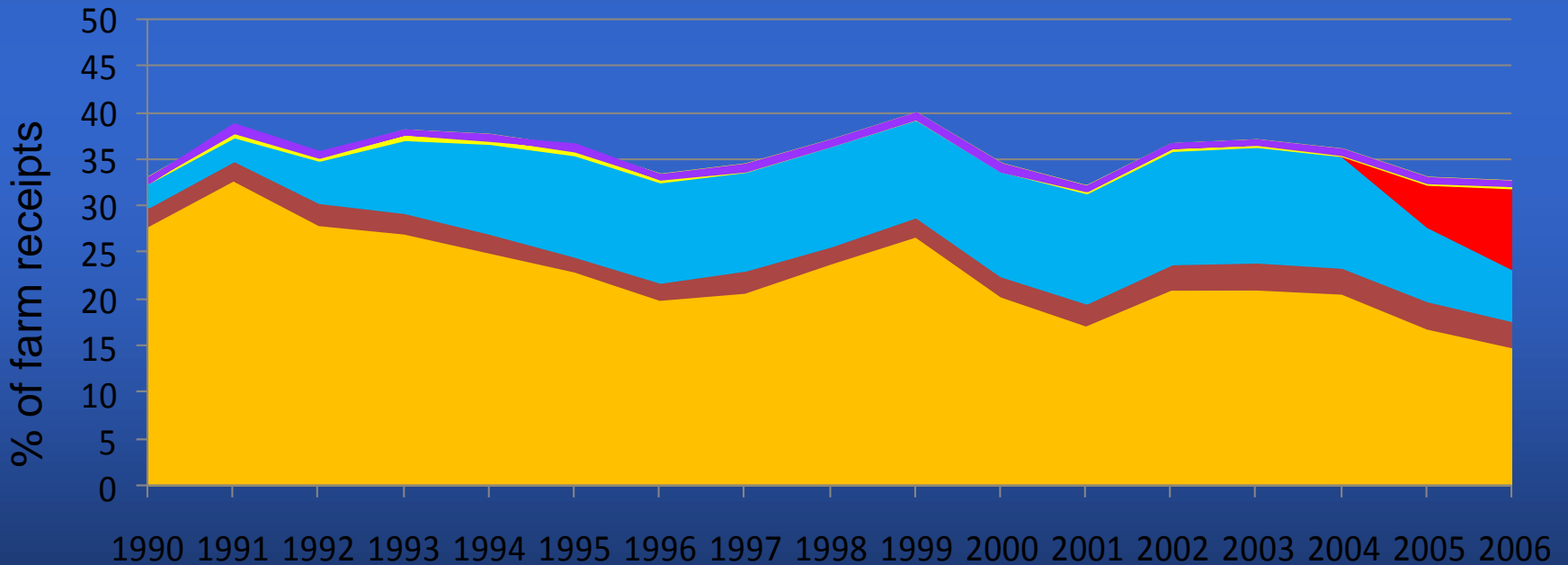
EU15 EU25 OECD Romania Bulgaria





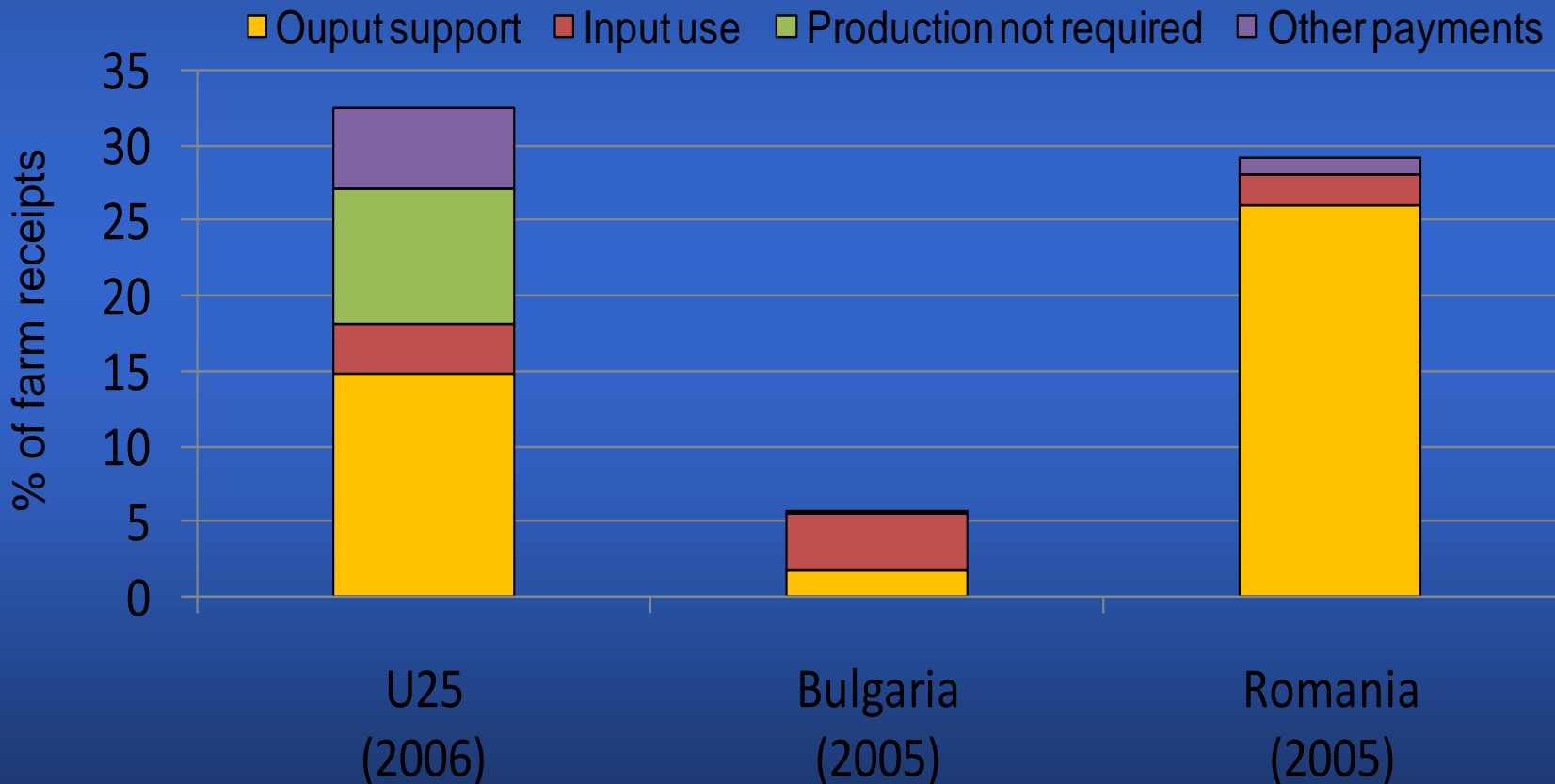
CAP reform as reflected in the level and composition of support in the EU25

- Commodity Outputs
- Input Use
- Current A/An/R/I, production required
- Non-current A/An/R/I, production required
- Non-current A/An/R/I, production not required
- Non-commodity criteria
- Miscellaneous





Composition of support in EU, Bulgaria and Romania





Future developments

- Update support estimates for Bulgaria and Romania up to 2006 (in October 2007)
- Include Bulgaria and Romania in the EU27 aggregate from 2007 in the 2008 “At a Glance” report
- EU27 data and text on policy developments in Bulgaria and Romania in the 2009 “Monitoring and Evaluation” report



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Thank you!

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