

## **AES 2018 workshop: Agricultural Market Prospects and Policy Challenges**

1. The global agricultural outlook and the policy environment. Presenter: Jonathan Brooks, OECD.
2. The impact of environmental constraints on agricultural production: Ireland in an EU context. Presenter: Trevor Donnellan, Teagasc.
3. Impacts of Alternative Post-Brexit Trade Agreements on UK Agriculture. Presenter: Myles Patton, FAPRI.

This workshop will consider the links between agricultural market prospects and policy challenges at the global, European and UK levels.

At the global level, food prices increased sharply in 2007-08, sparking fears about food security as well as about the earth's capacity to produce enough food for a growing and increasingly wealthy population.

Since then, world agricultural markets have stabilised, with prices of most commodities well below the peaks of a decade ago. The return to lower prices has led to resurgent demands for agricultural protection, with several large emerging economies now adopting policies previously pursued by high income countries.

Markets also remain vulnerable to periodic shocks, and many countries have sought to find ways of managing the risks such shocks pose to both producers and consumers, often via policies that may have a significant impact on world markets (such as public stockholding)

Over the next ten years, the demand for most agricultural commodities is projected to slow. This will provide some relief to the supply side challenge of feeding a rising world population, and provide greater room for policymakers to focus on the parallel requirements of using the earth's natural resources sustainably and making an effective contribution to climate change mitigation.

Within such a context, the European Union is grappling with a range of issues internally, terms of its own reform process, and externally via ongoing trade negotiations with Mercosur and other partners, and of course Brexit.

At the same time, environmental constraints and the expectation that agriculture will need to make a contribution to climate change mitigation, may affect the Outlook for the sector. What are the likely effects of such constraints, and how are they likely to vary among EU member states?

In the United Kingdom, the process of leaving the EU is likely to have profound implications for the agricultural sector. The final impacts of leaving the single market will depend on the kind of trading relationship that follows, be that one which establishes a bespoke agreement with the EU, a situation of unilateral free trade, or a situation in which the UK adopts higher tariffs reflecting its default WTO obligations. For each potential outcome, the impacts are likely to vary across sectors, depending on whether the UK is a net importer or exporter and the degree of competition within the sector.

This workshop will address at the global, European and UK levels, the potential responses to evolving market and policy conditions, and how the impacts of such responses can be evaluated within sectoral modelling frameworks.