

A perfect moment for an improvement of the Common Agricultural Policy
Eerste concept voor een persbericht dat in de verschillende landen waar 'The European Platform for Food Sovereignty' actief is, zou kunnen worden verspreid.

In the EU there are a number of problems and potential crises that could be solved at least partially, if the CAP were reformed. It would mean a radical shift from the EU's current corporate-driven agenda, in areas such as international trade, energy security, agriculture, innovation and employment. The good news is that we don't need a bigger budget; we only need to spend the current budget more effectively in order to improve the wellbeing of all EU citizens. More jobs could be created, farmers would not be forced to leave their land, the food and energy supply would be more secure, nature could be protected, and the EU would set an example to the developed world in tackling climate change.

In this press release the European Platform for Food Sovereignty will provide an alternative at this crucial time in history.

Currently the next trends and problems are becoming evident:

1. Russia showed the EU in 2006 and 2007 that an everlasting fossil fuel supply from outside the EU is a myth. So the EU urgently needs a well thought-out and democratically approved energy policy. We need a secure energy supply and should not end up being fully independent on energy from outside the EU. As Barroso said in January: 'We need a new post-industrial revolution'.
2. A phenomenon that we will have to deal with is 'Peak Oil': the moment when worldwide oil production will reach its production peak. This may occur within the next few years. After this moment oil production will decline, while the demand for oil will increase with 75%. A recipe for conflicts, and in fact they are already happening in Iraq, Afghanistan and Sudan.
3. Al Gore and Nicolas Stern showed the western world that if we don't tackle climate change quickly, we will have to bear enormous economic costs and it will have disastrous effects on food security, nature and biodiversity all over the world.
4. The western style industrialised agricultural model uses on average ten times more (fossil fuel) energy than it produces, due to transport, production and processing, and the use of chemicals and fertilizers. In comparison traditional agriculture in Asia supplies up to 65 times more energy than it needs. Nevertheless the current trend is to replace this form of agriculture which is beneficial for humans and the environment by a western style agriculture as part of 'development'.
5. The EU is dependent for its animal feed on soy beans from Latin America, and at an alarming rate it is also becoming dependent on palm oil from Asia for its bio mass and biofuel. These imports are very harmful to food security, nature and the livelihood of indigenous people in the countries of origin.

Currently 20% of the people in the world – especially in the western world – already use 80% of all natural resources. Why is the EU always so proud that we import so much from developing countries, even though those countries need their natural resources for their own growing population and growing consumption per capita? What about the Millennium Development Goals?

6. The WTO negotiations have stalled, the EU doesn't want to decrease import tariffs and trade-distorting agricultural subsidies and the US doesn't want to decrease such subsidies either. Developing countries rightly oppose more liberalisation in industrial goods and services, and want to protect their agriculture and food security.
7. ACP countries (mainly former colonies of the EU) oppose the current negotiations which will lead to Economic Partnership Agreements (EPAs). Rightly so, because the EU wants full market access to these countries, while imposing a 'WTO-plus' agenda encompassing regulations on investment, government procurement and competition.
8. The whole WTO, bilateral and regional trade agenda is dominated by (mostly transnational) corporations who fight for a larger share of the world market, access to cheap raw materials and products, and freedom to invest in developing countries. These efforts can be measured by the number of lobbyists in Brussels: 10.000 of the 15.000 lobbyists are paid by corporations.
9. This export-driven agenda, based on competition on a 'free' world market is enhanced by the most powerful 'world religion' - neoliberalism - as it is preached by the World Bank, OECD and the central banks and departments of Economic Affairs in all western countries. In this 'religion' economic growth and profits for a minority and prevail over the supply of basic needs and the well-being of all living beings. There are many examples that a pursuit of growth of the average GDP per capita, has negative effects for this supply of basic needs and conservation of nature and environment.
10. The effects of this neoliberalist policy (liberalisation, privatisation and deregulation) are:
 - a. local economies and markets are destroyed;
 - b. small and medium enterprises lose out, while TNC's profit;
 - c. natural resources in the South are exhausted to supply luxury needs in the North;
 - d. food security and job security are under threat;
 - e. nature and biodiversity are destroyed.
11. The CAP-reforms since 1992, which made this corporate-driven WTO-agreement possible have led to a crisis among EU-farmers; arable, dairy and beef farmers are forced to produce below production costs, and leave the country side in huge numbers. Instead of the fair prices they used to get, they now get low prices partly compensated by direct payments. 20% of the farmers get 80% of the agricultural subsidies; in Eastern Europe this is even worse.
12. The EU keeps on saying to the public that these reforms are beneficial for the environment, landscape and nature. But farmers who get a lower income are unable to improve their green services to society. The opposite occurs: because farmers have to reduce costs landscape and nature are less well attended to. Small farmers whose work resulted in an attractive and sustainable countryside are the first to move out of business.
13. The largely increased agricultural budget after the first reforms in 1992, is mainly used to improve Europe's market share on markets in other countries which were at one time supplied by local farmers. Export subsidies are replaced by direct payments and so dumping goes on, because these payments make trade under cost price possible. Also the EU refuses to implement effective supply management to prevent over production.
14. The multinationals (TNC's) in food processing retail and trade are profiting because they get products for these to low prices. Because of the huge concentration in the food chain, not consumers profit from lower prices, but these companies, while they apply pressure on producers to decrease prices.
15. Many small producers in developing countries and Eastern Europe are unable to deliver according to uniform and hygienic standards applied by the EU and TNC's. So in Eastern Europe they are pushed of the local market which they supplied for centuries. In stead once sustainable farmers have to grow bigger (or stop) and implement a western style agriculture, which is highly depended on fossil fuels. (see point 4)

16. In 2007 and 2008 there will be a Health Check of the CAP. Some member states, for instance Great Britain, have already said that the current agricultural budget needs to decrease. It is becoming more and more difficult to legitimize the current CAP to the public.
17. In 2008 it will also be decided whether the system of milk quota will be continued after 2015. The indications are that the European Commission and some member states would like to abolish this system. Due to the CAP-reform of 2003 the guaranteed prices to dairy farmers have been decreased so much, that the EU's previously effective policy is becoming untenable and vulnerable for critics. Again it shows that the EU is listening to corporations who want a bigger share of the world market for dairy products, rather than to people pleading for a sustainable dairy production, cows in the field and a fair income for dairy farmers in the North and the South.

Change now!

For all these reasons this spring is the right time to oppose the current policy and provide an alternative. Farmer's movements, consumers and environmental organisations, development NGO's and trade unions should unite in this opposition. They represent the majority of the EU citizens, but see that current EU policy runs against their interests. The following proposals could be an effective and efficient alternative for the current policy:

Original goals of the CAP still standing

Reform the CAP in line with the goals of the treaty of Rome (1957) which is the base of the original CAP;

- stabilise agricultural markets,
- enhance productivity,
- ensure a fair income to farmers,
- food security for all European citizens,
- a fair price for consumers.

The main instruments to reach these goals were:

- a price floor for products, i.e. the EU intervened if prices fell too low, and paid the difference to farmers,
- import tariffs on products from abroad.

This policy was successful, except for the fact that it caused one problem: overproduction and consequently dumping in developing countries with the help of export subsidies. The EU decided to solve this problem only partially, and by taking the wrong measures. Instead of effectively managing supply Europe decided to lower prices and replace export subsidies by direct payments, in order to maintain its export position on the world market.

So let's now correct the mistakes that were made, and let's make the original CAP more effective. The health check of the CAP is a good moment to add new elements, which society demands from agriculture. So besides the goals mentioned above, the EU should also aim for a sustainable food production by European farmers, nature conservation and an attractive landscape. Moreover small-scale farmers in less favoured areas, especially in Southern and Eastern Europe, need to be guaranteed a livelihood and they should be paid for taking care of nature and the landscape.

Would this be against international regulations? Not against the original international regulations! The GATT (forerunner of the current WTO) made it possible for each country to protect its own food production by means of import tariffs as long as it didn't harm the livelihood of farmers in other countries by means of subsidised exports.

We should resort to these effective policies to provide an answer to the current crises in agriculture. Moreover this could encompass policies to provide energy security and to counter climate change.

Integration of policies for agriculture, energy and environmental protection

We can reach the goals mentioned above, if EU farmers produce mainly for the EU market; not only food but also all feed, and also part of the sustainable energy which needs to replace fossil fuels in the next decade. To reach these goals we should first and foremost save energy, both in and outside agriculture. That in itself might make the EU independent on energy supply from outside the EU. But because of the threat of climate change the EU – and European agriculture – should also drastically decrease its addiction to fossil fuels. This is possible by a replacement of fossil fuels by solar power, wind power and small scale biofuels. Moreover we should tax fossil fuels instead of labour, localise food production and use less fertilizers and chemicals. The effect will be that the price of food will increase, and consumers have to pay a fair price. However, society as a whole will stand to gain because the threat of climate change and other social and environmental problems will be reduced. These important gains cannot be achieved if competition on a ‘liberalised’ world market is allowed to go on, because this will lead to an all-destroying race to the bottom.

How to achieve this integration of policies?

- This much-needed change is only possible when EU farmers get a fair price for a product that meets all requirements from society in the field of the environment, nature and landscape. And this fair price is only possible by re-imposing import tariffs and supply management on all arable, dairy and beef products. This managed trade is especially necessary for products, which up to this day are exported with direct or disguised trade-distorting subsidies, or which are stored because of over production.
- In exchange for this fair price, all direct payments and export subsidies can be abolished. In contrast to what the general public thinks farmers don't need subsidies, they want a fair remuneration for their efforts to provide society with safe food and feed, conservation of nature, an attractive landscape and sustainable energy. This means that for this fair price, they can comply with even higher standards regarding the environment, labour and animal welfare.
- This fair price will not be paid by the EU, but by the retail and food processing companies, and ultimately by the consumers. As a result the current agricultural budget in the first pillar of the CAP – price support, storage, export subsidies and trade distorting direct payments – can be reduced drastically. And the budget for the ‘second pillar’ (rural development) could be raised. This EU-budget for rural development could be used mainly for paying a minority of farmers for their green services to society and the environment. These include organic food production, nature and landscape conservation, sustainable energy production; solar and wind power and small-scale bio energy production. Moreover farmers in less favoured areas could be paid from this budget. Member states need to co-finance these green services.

Results and strategy

This will lead to more instead of less employment in the countryside, a more energy-friendly and localised food and energy system, and last but not least: a drastically decreased demand of scarce natural resources in developing countries for our luxury consumption. In this way it's perfectly possible to legitimize the maintenance of an agricultural budget in a reformed Common Agricultural Policy to the public.

The EU could set an example for the US and other developed countries by means of this reform. In a drastically reformed international trade system each country (or region) would

have the ability to produce its own basic needs in a sustainable way for its own markets. Don't forget that just like the EU most developing countries are loosing out on a liberalised world market, not only in agriculture but also in industry and services. This doesn't mean that international trade would be impossible, but it means that the overwhelming majority of small en medium enterprises and farmers in the world - who produce for their local and national markets - would be able to make a living making use of the base of their own natural resources.

This alternative may not sound very realistic yet to a lot of policy makers, because it's a radical change from current policy and WTO-negotiations. But hopefully its sounds realistic to the general public who like to be well-informed after many years of neoliberal rhetoric. Only when we make new alliances among farmers' movements, environmental and consumer organisations and development NGO's, we can achieve that that the well-being of the majority comes first and foremost, and the not the money and power of a small minority.

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