



**Friends of
the Earth
Europe**

A new Food and Agriculture Policy for the European Union

**Position paper on the 2013 reform of the
Common Agricultural Policy**

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A new Food and Agriculture Policy for the European Union

Position paper on the 2013 reform of the Common Agricultural Policy

Introduction

Between now and the end of 2013, the Common Agricultural Policy (CAP) will undergo major reform. This presents a major opportunity to devise a new policy that responds to the challenges we currently face and drives a new direction for food production and consumption in the EU.

As the International Assessment of Agricultural Science and Technology for Development has identified, “business as usual is no longer an option”¹. Climate change, biodiversity loss and environmental degradation, a growing global population, food price volatility, demand for land for non-food production, consumer demand for fairer food, the loss of jobs in agriculture² and the loss of rural livelihoods reflect the need for change. We also need to respond to new evidence about the environmental and social impacts of industrial agriculture, the impact of EU food consumption and production within but also outside of the EU, and resist further commoditisation of food and farming. Friends of the Earth Europe believes that fundamental reform of the CAP provides the opportunity to create a policy that enables ecologically compatible farming and food production, supports rural livelihoods and biodiversity, and which also contributes to equitable and sustainable trade within a framework of global food sovereignty.

Agriculture policy should be an engine for change. It has a key role to play in ensuring environmental and social benefits. But these will not be secured by the market alone and that is why Friends of the Earth Europe believes there is a clear case for new innovative public support and market regulation for food and farming.

1. A new food and agriculture policy

Friends of the Earth Europe believes that new food and agriculture policies for Europe and for other regions in the world should be set in the framework of food sovereignty.

Food Sovereignty:

Friends of the Earth Europe adheres to the definition, established by the Nyeleni Forum on Food Sovereignty in 2007, as the right of peoples to healthy and culturally appropriate food produced through ecologically sound and sustainable methods, and their right to define their own food and agriculture systems.

Food sovereignty puts those who produce, distribute and consume food at the heart of food systems and policies, rather than the demands of markets and corporations. It defends the interests and inclusion of the next generation. It offers an alternative to the current trade and food regime, and directions for food, farming, pastoral and fisheries systems determined by local producers. Food sovereignty prioritises local and national economies and markets and empowers peasant and small scale sustainable farmer-driven agriculture, artisanal fishing, pastoralist-led grazing, and food production, distribution and consumption based on environmental, social and economic sustainability.

¹ The IAASTD is the largest assessment of agricultural science ever done. It brought together 400 scientists, 60 Government and multilateral organisations such as the UN and World Bank. The report called for agro-ecological production and traditional knowledge. Its main findings can be viewed here – http://www.weltagrabericht.de/reports/NAE/NAE_32.html

² 6 million are predicted to disappear across Europe by 2014. In: COM 857 final, 21th December 2006, “Employment in rural areas: closing the jobs gap” {SEC(2006)1772}

Food sovereignty does not exclude global trade, but promotes transparent trade that guarantees a just income to all peoples and the rights of consumers to control their food and nutrition as well as benefiting from the diversity of our planet. It ensures that the rights to use and manage our lands, territories, waters, seeds, livestock and biodiversity are in the hands of those of us who produce food.

For farmers to operate within a framework of food sovereignty will require support from public funds and strict implementation. It will allow the EU to maintain a sustainable and vibrant farming sector that will continue to feed people in the future and which will recompense taxpayers with healthy, quality and accessible food produced in biodiversity-rich landscapes.

Principles for a new agriculture policy

The key principles underpinning a new agriculture policy should be:

A “Common” Policy

The EU’s agriculture policy and funding must be “common” across Europe. While there needs to be room and scope for flexibility given the huge range of farming systems across EU27, there needs to be a policy framework and central funding to ensure the best outcome and to ensure we do not have a ‘race to the bottom’ as countries use the funds not for sustainability but to support the food industry and exports at the cost of environmental and social standards.

Budget based on justified public expenditure, transparency and accountability

- Where public expenditure has been justified, there should be no pressure to reduce budgets. A new Food and Agriculture Policy may require more or less funding compared to now, and this will need to be calculated after setting clear objectives and defining the instruments needed to achieve them³.
- Targeted support for farmers and farming in Europe should be based on the principle of public money for a public good (see objectives section below). This will mean developing mechanisms to support farming when it delivers social and public goods. This should include food security and maintaining farming and farmer livelihoods in certain areas or conditions.
- Decision making and the use of funds must be open and accessible to the public to avoid undue influence by interested parties and to ensure that the use of the funds is acceptable. Results must be monitored and publicised to ensure accountability.
- Red tape and bureaucracy must be minimised particularly for smaller businesses and farmers in the food chain.

Re-localised trade

- Primary importance must be given to regional and local trade and support must be provided for regional products to be brought to the market.
- A common approach to trade must be embraced to minimise the consequences of EU farm policy globally. This would include for example a ban on dumping, minimising global resource use such as ‘ghost acres’, and these principles must be applied equally across the EU.

³ It should be noted that EU citizens are not necessarily demanding a reduction in the budget and so public opinion should not be mis-used to push for budget cuts. In the recent Eurobarometer survey around 6 in 10 (58%) feel that this budget should either stay the same or increase over the coming years, compared to just 18% who think it should decrease. Furthermore, the share of respondents thinking the budget should increase has risen (by +3 points). 13.3.09.

http://ec.europa.eu/agriculture/survey/index_en.htm .

- Objectives and instruments for a new policy must be completely based on their ability to deliver for citizens and the environment rather than for their compliance with an international trade agenda.

Policy coherence

- Coherence with international environmental goals to reduce climate emissions, biodiversity loss, and resource use, and to protect natural ecosystems.
- Coherence with international goals to tackle hunger and poverty as outlined in the Millennium Development Goals.
- Coherence within the EU policy structure to ensure the goals of sustainable agriculture and food sovereignty are followed in all areas including health, environment, development, economic and climate policy⁴.

2. Objectives for a new EU food and agriculture policy

The existing objectives of the CAP – outlined in the Treaty of Rome⁵ - will need to be revised to achieve food sovereignty and ensure production systems that take into account protection for the climate and biodiversity and sustainable water management.

This will include a number of policy objectives:

Within the EU

- Food security and healthy food including local/regional and seasonal products;
- Adaptation to new challenges, in particular, climate change;
- Improved biodiversity and landscape conservation;
- Water protection and efficient water management;
- Protection of grasslands, wetlands and moorland;
- Rural development and thriving rural farm economies;
- Higher standards of farm animal welfare;
- Increased consumption of local and regional produce. Where food and feed are traded globally they must be based on principles of equity, social justice and ecological sustainability;
- Measures to ensure that sustainable consumer demand matches sustainable production.

At the global level

- Minimised global environmental impact of EU food and farming sectors;
- Policy space and support for developing countries to enhance their capacity to produce sustainably to feed themselves and their regions. This will require the EU to stop dumping its exports and surplus production and work towards a ban against dumping at the global level.
- All countries, Europe included must be allowed to protect their own agricultural development by whatever instruments they consider suitable and not be forced to open up markets or reduce support for their farmers.
- Significantly increasing European self-sufficiency for vegetable proteins used for animal feed. This will also require effective regulations to reduce surplus production of milk and meat exports.

⁴ The focus of this paper is not policy coherence, however a certain minimum level of coherence between EU policies and at the global level is essential if a new food and agriculture policy for the EU is to succeed. Therefore reference to policy coherence is required within the principles of a new policy

⁵ Article 39 of the Treaty of Rome sets out the objectives of the CAP as follows: to increase agricultural productivity by promoting technical progress and by ensuring the rational development of agricultural production and the optimum utilization of the factors of production, in particular labour; thus to ensure a fair standard of living for the agricultural community, in particular by increasing the individual earnings of persons engaged in agriculture; to stabilize markets; to assure the availability of supplies; to ensure supplies reach consumers at reasonable prices.

In order for the above objectives to be met, agriculture policy must be developed in a completely transparent way and there must be opportunities for public debate on the issue among all EU member states.

There will also be a need for transition policies to support farmers and businesses along the supply chain to function within a new system and also to protect certain sectors before current market failures are addressed in the long term:

- Consulting and education services for agri-environmental and animal welfare programmes.
- New research, through revised European and national research programmes, to develop the scientific understanding of sustainable farming methods / traditional knowledge (following the recommendations of the International Agriculture assessment report⁶) and how existing farmer knowledge can be used to develop new systems. This will require reprioritisation of existing research and development budget or new funding.
- Implementation of emergency measures to protect key public goods which may be lost in the years before full reform in 2013 e.g. permanent grasslands, small farming systems and high nature value areas, especially in eastern Europe..

3. Instruments for a new Food and Agriculture Policy for the European Union

Once the principles and objectives have been set the following suite of instruments will need to be developed as part of a new EU policy anchored in the concept of global food sovereignty and with a strong focus on environmental sustainability.

There are three policy instruments which FoE Europe believes the EU should use to deliver on the goals described above. All three must be implemented as any one on their own would create significant problems.

3.1. A strong legal basis for a Common Food and Agriculture Policy

A strict common policy applied to the entire food supply chain with strict legal monitoring and implementation requirements to meet with the objectives of food sovereignty and environmental protection and to prevent abuse. This must have flexibility for different farming systems across Europe.

Minimum standards should be set for environmental protection for example:

- Compulsive rotations with a minimum of three different cultures and 20% protein crops including clover grass. This serves to protect the climate (humus balance), biodiversity, water, resources and increases the supply of home grown protein crops.
- Biodiversity preference on 10% of every farm area⁷ (no use of fertilizer or pesticides; saving or planting hedges, flower stripes, etc).
- A complete halt to land use change of permanent grass land cover.
- No use of genetically modified organisms.
- Equalised nitrogen balance at a farm level⁸.
- Strict implementation of the polluter pays principle.

⁶ http://www.agassessment.org/docs/SR_Exec_Sum_280508_English.pdf

⁷ German Advisory Council on the Environment (SRU), 2009: Towards a Common Agricultural Policy that meets today's challenges.

http://www.umweltrat.de/cae/servlet/contentblob/910692/publicationFile/57130/2009_11_Statement14_Common_Agricultural_Policy.pdf

⁸ Council Directive 91/676/EEC of 12 December 1991 concerning the protection of waters against pollution caused by nitrates from agricultural sources

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31991L0676:en:HTML>

3.2. Market regulation

Supply and demand management to ensure fair prices for farmers and sustainable production levels.

- Regulation of retailer pricing and marketing policies and greater reference to competition policy to remove monopolies and ensure diversity in food retail.
- Ensure the inclusion of the external costs of farming in Europe. Market measures should lead to a system with the best market options for products with the least resource use. The European Commission should strongly encourage member states to implement green taxes to remove some of the tax burden from labour, and introduce taxes on transport and chemical inputs in agriculture. Taxes on pesticides and fertilizers should be introduced and gradually increased in order to internalise external costs, minimise use and provide an incentive for sustainable methods of farming.
- Manage demand throughout the food chain. This will require new measures to increase awareness of how to eat sustainably and healthily and of why changes will be beneficial, as well as new measures to reduce the influence of food processing and agribusiness industries.
- Product pricing to accurately reflect social and environmental impacts and marketing policies for companies to shape consumer demand for healthy, sustainable and quality food⁹.
- Major awareness raising programmes, including food labelling to improve market access for quality, sustainable and regional products for example.
- Change public procurement towards sustainable products and regional sources. Existing programmes like the school milk and fruit programmes¹⁰ should be strongly supported and enlarged.

3.3. Targeted subsidies and support

The current system of financial intervention should be dropped. Instead payments for farming should be in the form of a new style of “contract” between farmers – who would produce food and manage the land – and the public, which would be positive, justifiable and effective. This would require a new way of calculating public goods not just in terms of environmental goods but also including wider social goals, global environmental effects, and food sovereignty in the world. The following suite of proposals could be considered:

- A payment for farmers based on a strict mandatory range of standards. These payments must be maintained for farmers as long as market prices do not reflect environmental and social costs incurred.
- Higher incentives for the delivery of public goods, with a decrease in levels of member state co-financing and increased common funding where it creates benefits for the broader public.
- Whilst the emphasis should be on market regulation measures that allow access to markets for the smallest and most remote farms, targeted and simplified financial support for the smallest and most remote farmers should exist to ensure their livelihoods.
- Limits on payments per farm, reducing as size increases and labour decreases.
- Phasing out of direct and indirect export subsidies and any subsidies to food processing and export companies.
- Top-ups for organic farming, processing, direct marketing and craft processing.
- Nature conservation payments for special agricultural regions with very high nature value.
- Support for sustainable protein crops:

⁹ DG Agriculture is already running such measures through paying for the school fruit scheme which aims to influence consumer demand.

¹⁰ For example: http://ec.europa.eu/agriculture/markets/fruitveg/sfs/index_en.htm

- Development and expansion of sustainable protein crops in the EU which will also lead to a reduction in nitrogen imports. The reduction of negative impacts on water, climate, and social conditions in third countries is of key importance here.
- Incentives for farmers to change to grassland meat and dairy production.
- Farmers who do not achieve the policy standards don't receive funding, in accordance with the EU's Polluter Pays Principle.
- A funded programme of new work with developing countries to build on existing farmer knowledge north and south, helping countries to comply with higher welfare, environmental, labour and food safety standards.

3.4 New global trade measures - Europe as a trader and negotiator

A new trade model is required which puts livelihoods and food sovereignty at its core and ensures that agricultural support and trade policies are fair and sustainable (see measures above); and which ensures sustainable and equitable trade at international fora. Our fixation with export-led growth must end. In particular:

- Primary focus should be on regional markets and trade in all regions of the EU;
 - All countries including Europe should be able to protect their agriculture sector with the most suitable instruments;
- All trade should be based on environmental and social protection.

4. Conclusions

Previous reforms of the CAP have failed to ensure a sustainable food supply for EU citizens. The bulk of funding and policy measures still continue to support large farms and reward industrial production which is resulting in increased climate emissions, biodiversity loss, environmental pollution and contributing to hunger and social conflicts. Funding to support environmental goods and rural development is inadequate – and too often is re-directed elsewhere.

Nowhere is this more true than in the EU meat and dairy sector where our dependence on imported animal feed, particularly soy, has contributed to the growing demand for land, leading to deforestation and the displacement of communities in South America. While at the same time smaller producers in the meat and dairy sector in the EU are struggling to survive.

There is a deep incoherence between the EU's stated aims and its actions in food and agriculture policy that has led to a loss of legitimacy for European policy in this area. CAP reform 2013 is a vital opportunity to reassess objectives for food and farming policy in Europe and devise instruments that are fit for purpose and that have the full support of European citizens. Friends of the Earth Europe is glad to contribute to this debate.

For a full discussion of FoEE position on the CAP please see the longer version of this paper to be published in mid June.