

Are the CAP and other EU policies coherent with food security in the Global South?

How could the EU policies better support food security and family farming in Africa ?

Presentation by
H.E. Mr Jean Feyder,
Ambassador, Permanent Representative of
Luxembourg in Geneva

Conference
World Food Crisis
8th-9th Decembre 2011
Warsaw

The scandal of hunger :

every day,
25 000 people, overall children
die out of hunger and malnutrition

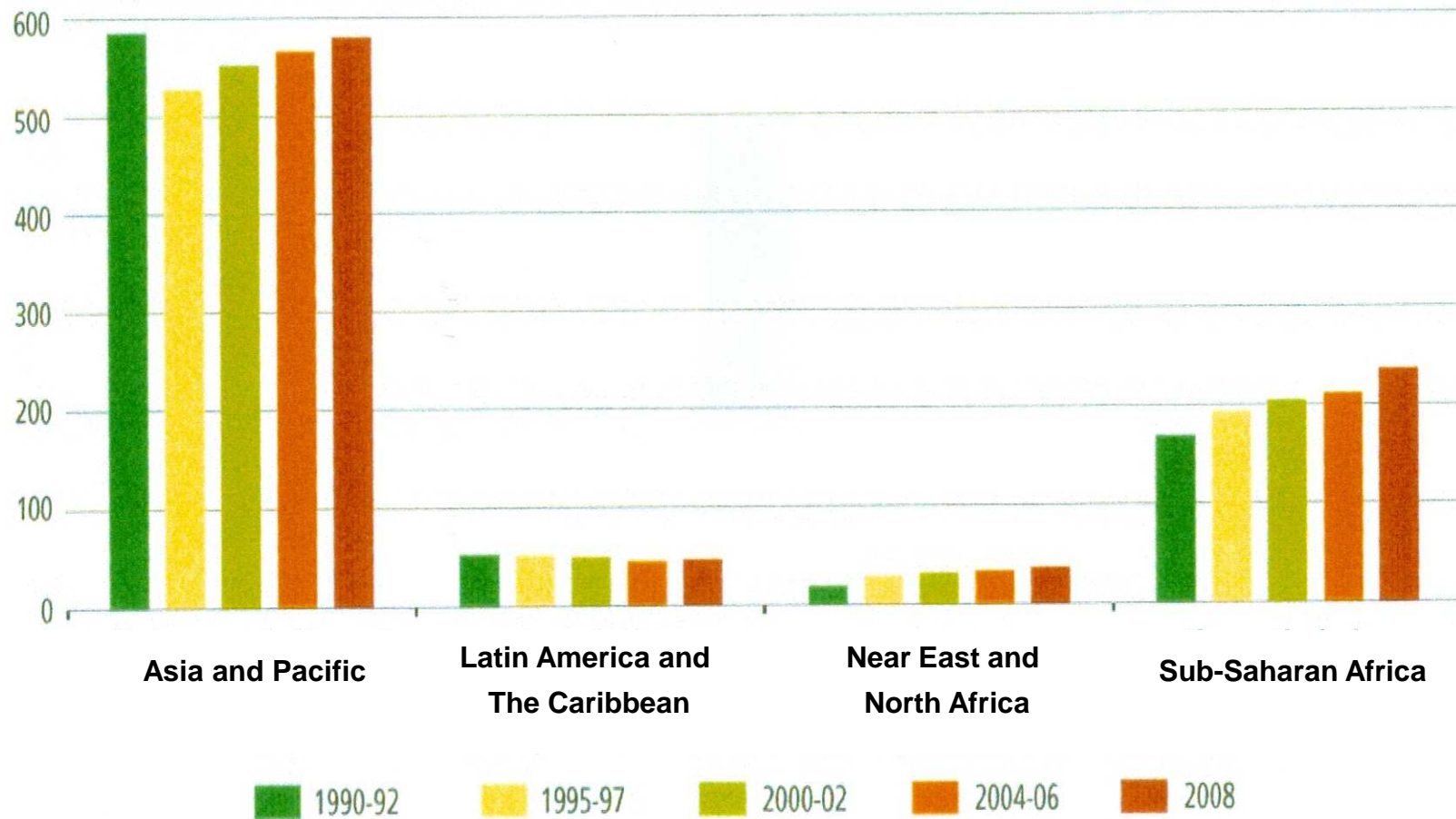
likewise, every day,
one billion people suffer from
hunger and malnutrition

Learn from the past : number of people undernourished in the world :
from 1969-71 to 2009



Increase in numbers of undernourished people round the world by region from 1990-92 to 2008

Number of undernourished people (millions)



Who is suffering from Hunger and Malnutrition

- 80% : Rural Population
 - 50% : Small Paysans
 - 20% : Landless
 - 10% : Herdsmen, Fischermen, Rural workers
- 20% : Shanty town habitants

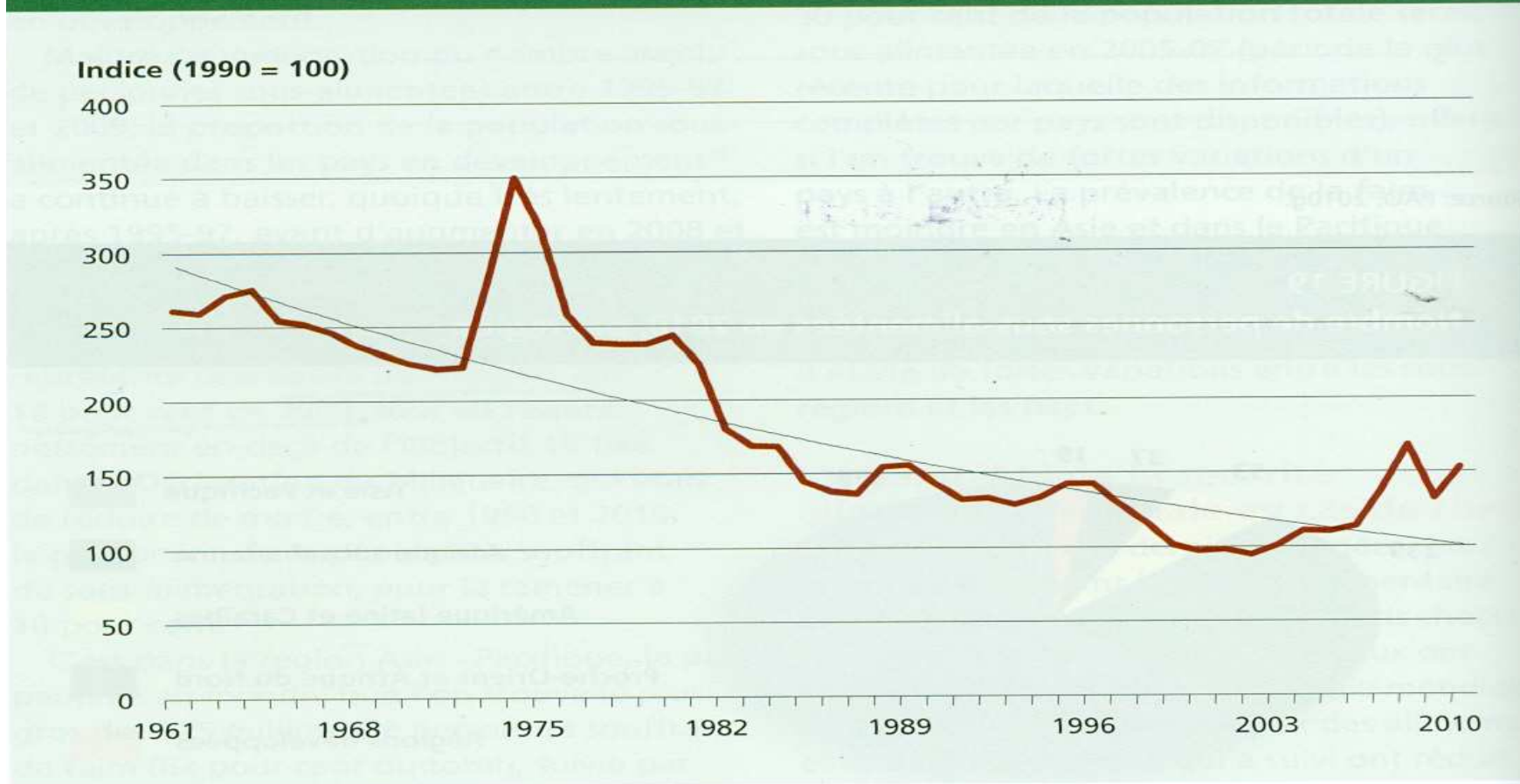
Importance of the peasant and rural population

- World Rural population : + ou – 45%, more than 3 billion people
- Between 60 et 80 % of Africans
- Between 50 et 60 % in India and China
- EU : average some 5 %
- Poland : 17 %

Farming conditions

- 30 million (2%) only : have a tractor
- Majority (600 million) : have only a hoe and a machete
- Minority (300 million) : have a horse or a donkey
- Average size of a farm : between 1 et 2 ha
- Very low use of fertilizers
- Agricultural productivity relation between the South and the North: 1: 1000
- Role of women : ensure 80% of agricultural production in Africa

Index FAO food prices in the real value, 1961-2010

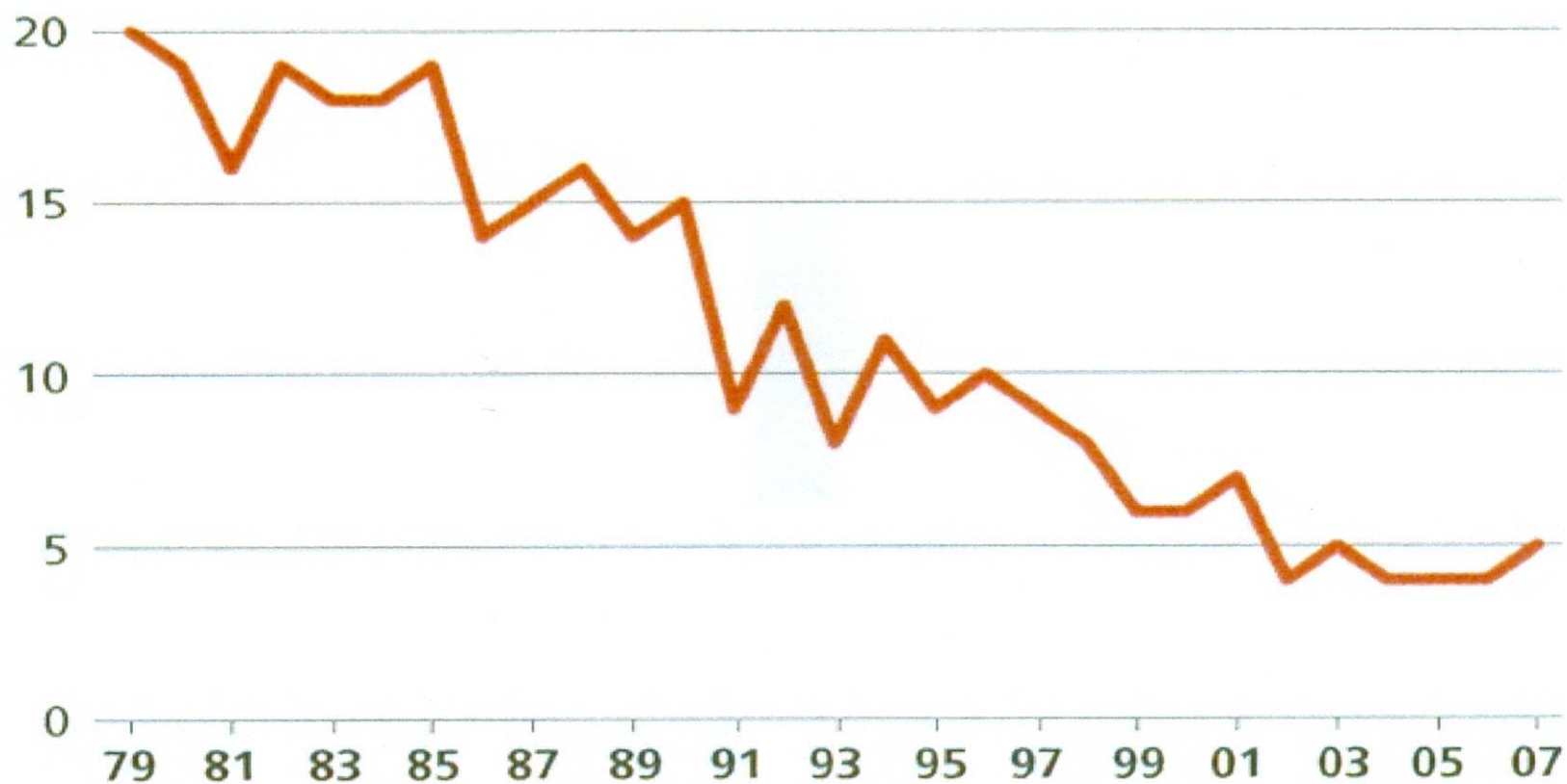


Notes : calculated on the basis of the international prices of cereals, pulses, meat, dairy products and sugar. The FAO food prices index has been regularly established from 1990 to the present day; in this figure, this index dates back to 1961, using supplementary information on the prices. This index measures the variation of international courses, which does not necessarily follow the fluctuation of domestic prices. USA's GDP deflator have been used to express the price index of food in the real value, rather than nominal.

Source: Calculations by FAO

Dramatic fall of ODA for Agriculture

Part of ODA for Agriculture (%)



ODA : Official Development Aid

Source : OCDE

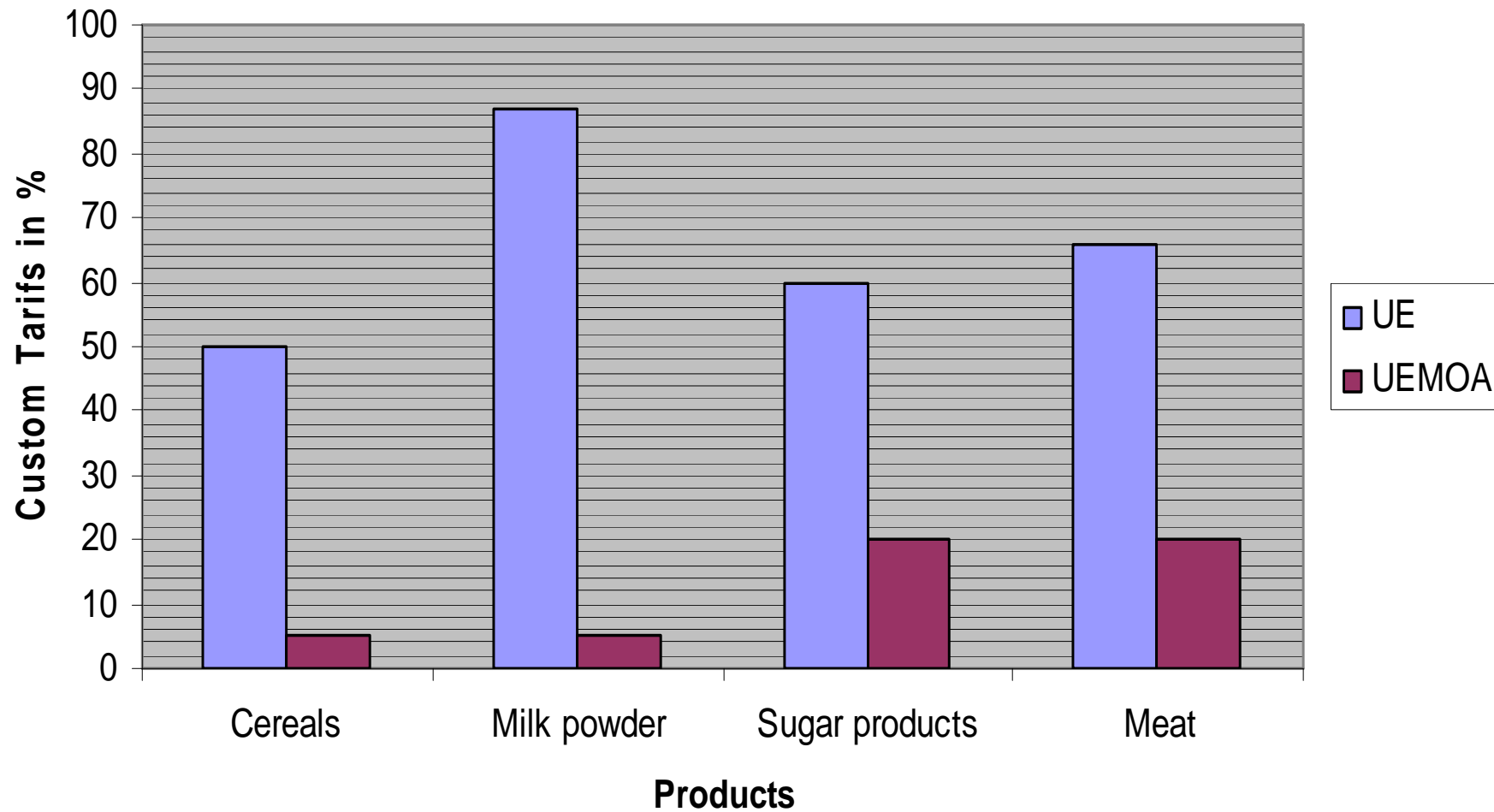
The urban bias

- Political, economic and financial power is dominated by the urban elites
- Indifference, often contempt towards peasants
- Peasants living far from the city, have poor access to education and information, are poorly organized and mobilised

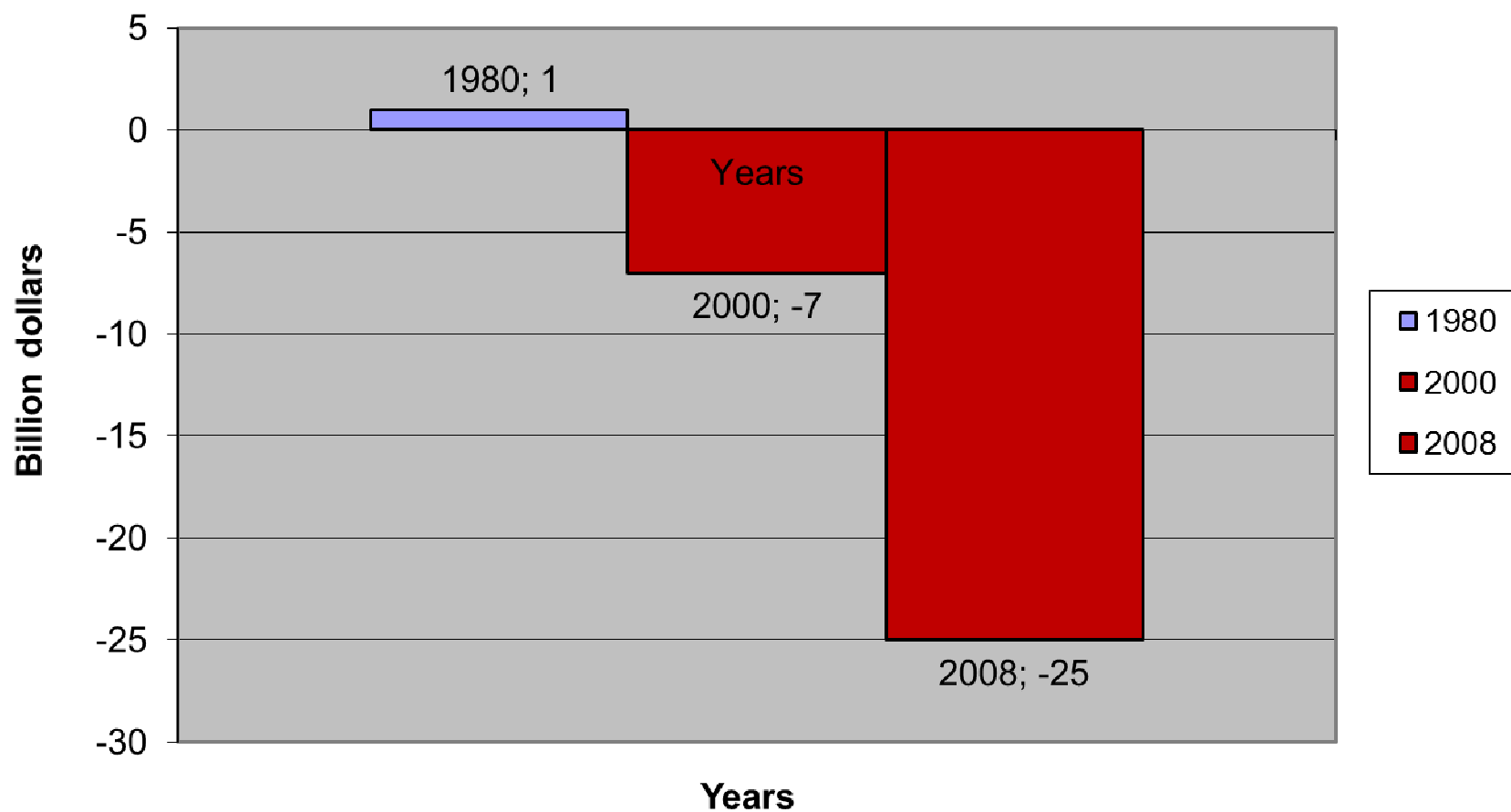
Wrong Strategies

- The debt trap
- The Structural Adjustment Programs (SAP)
- Washington consensus : privatization, dereglementation, liberalization
- SAP Impact on agriculture and peasantry
 - Privatization of all public enterprises for agricultural production, agricultural supplies, processing and marketing of agricultural products
 - Reduction or removal of all policies in support of land reform, price stabilization, investment and purchase of agricultural inputs
 - Priority to export production (coffee, tea, cotton, palm oil, flower cut, bananas, etc.) at the expense of staple food agriculture
 - Liberalization of the markets

Custom tariffs in the EU and the UEMOA (West African Economic and Monetary Union)



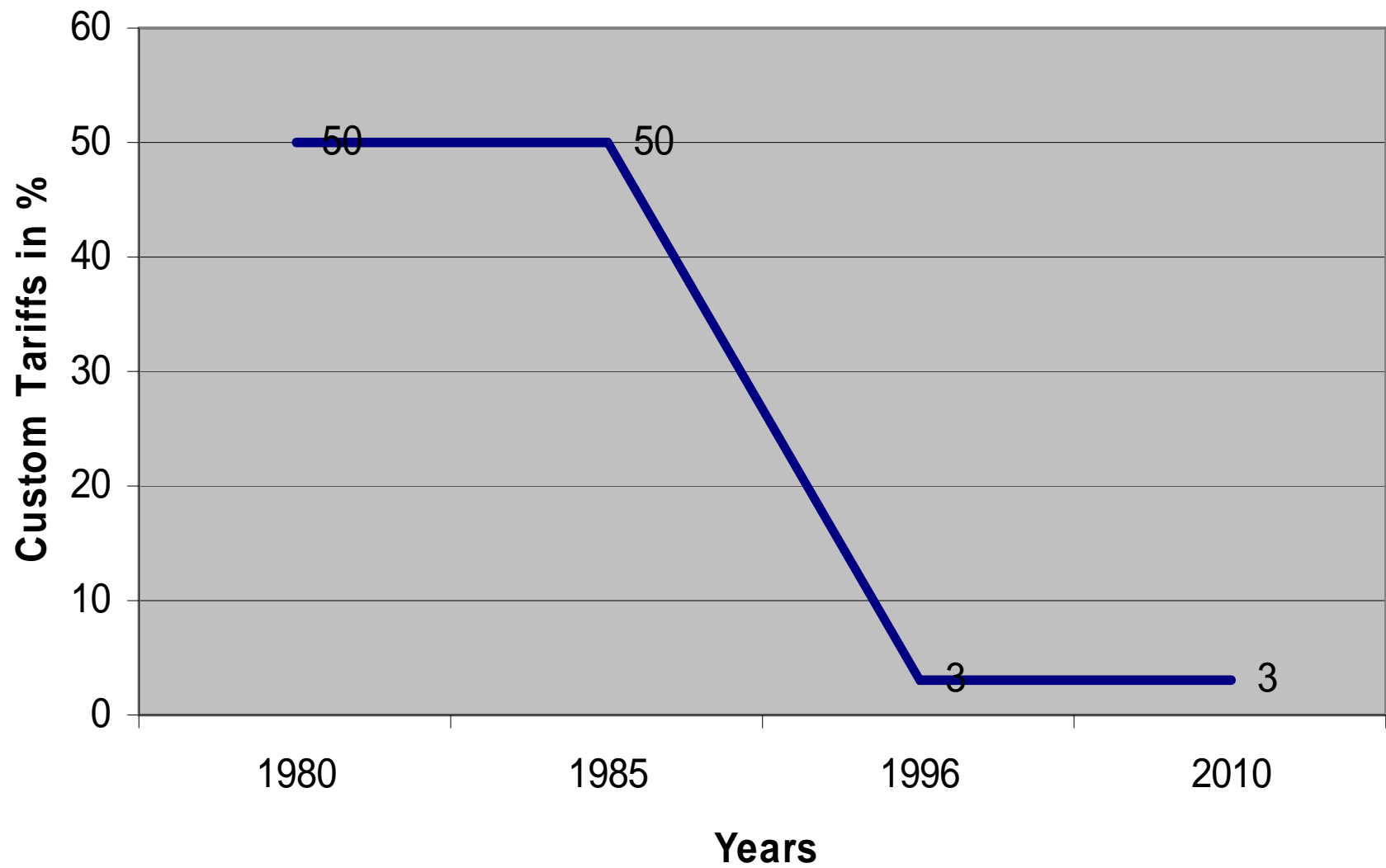
Growing deficit in the Trade of Food Products of Least Developed Countries (LDC's)



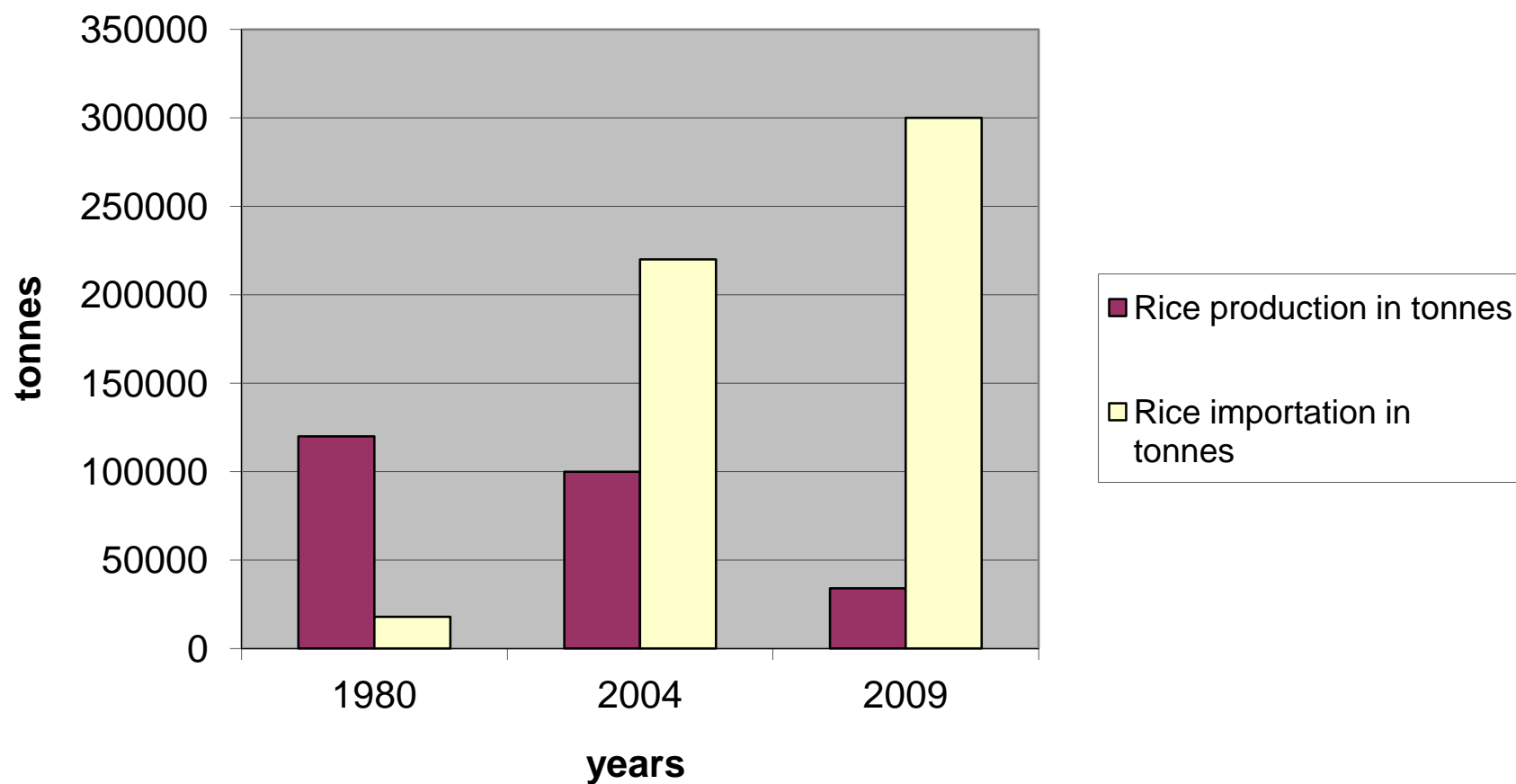
Rural exodus

- Every year, some 50 million people – mainly peasants and their families – are leaving the rural areas to go to the slums in the cities.

Haïti : Custom Tariffs evolution from 1980 to 2010



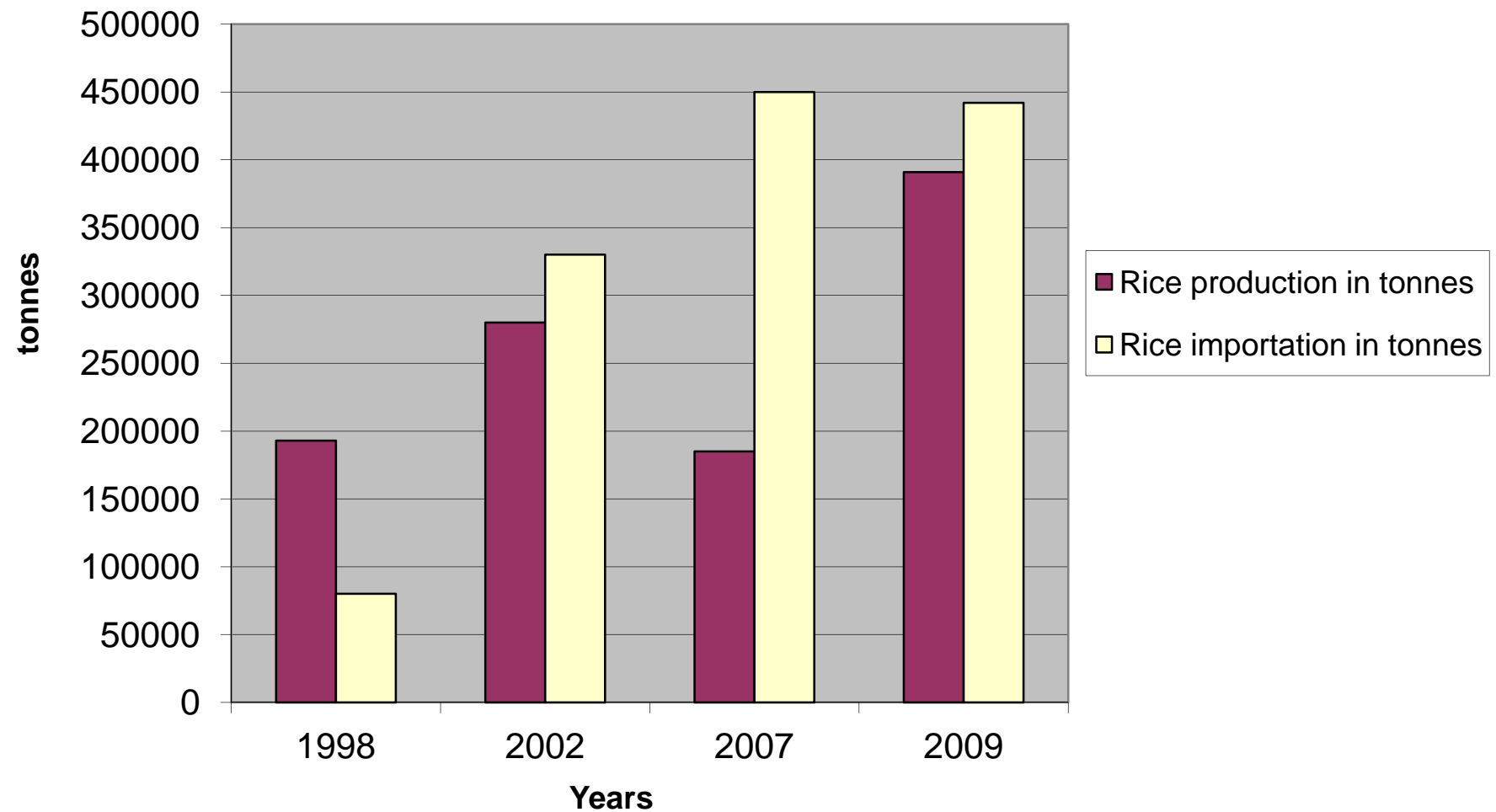
Haiti : Rice national Production - Importations 1980-2009



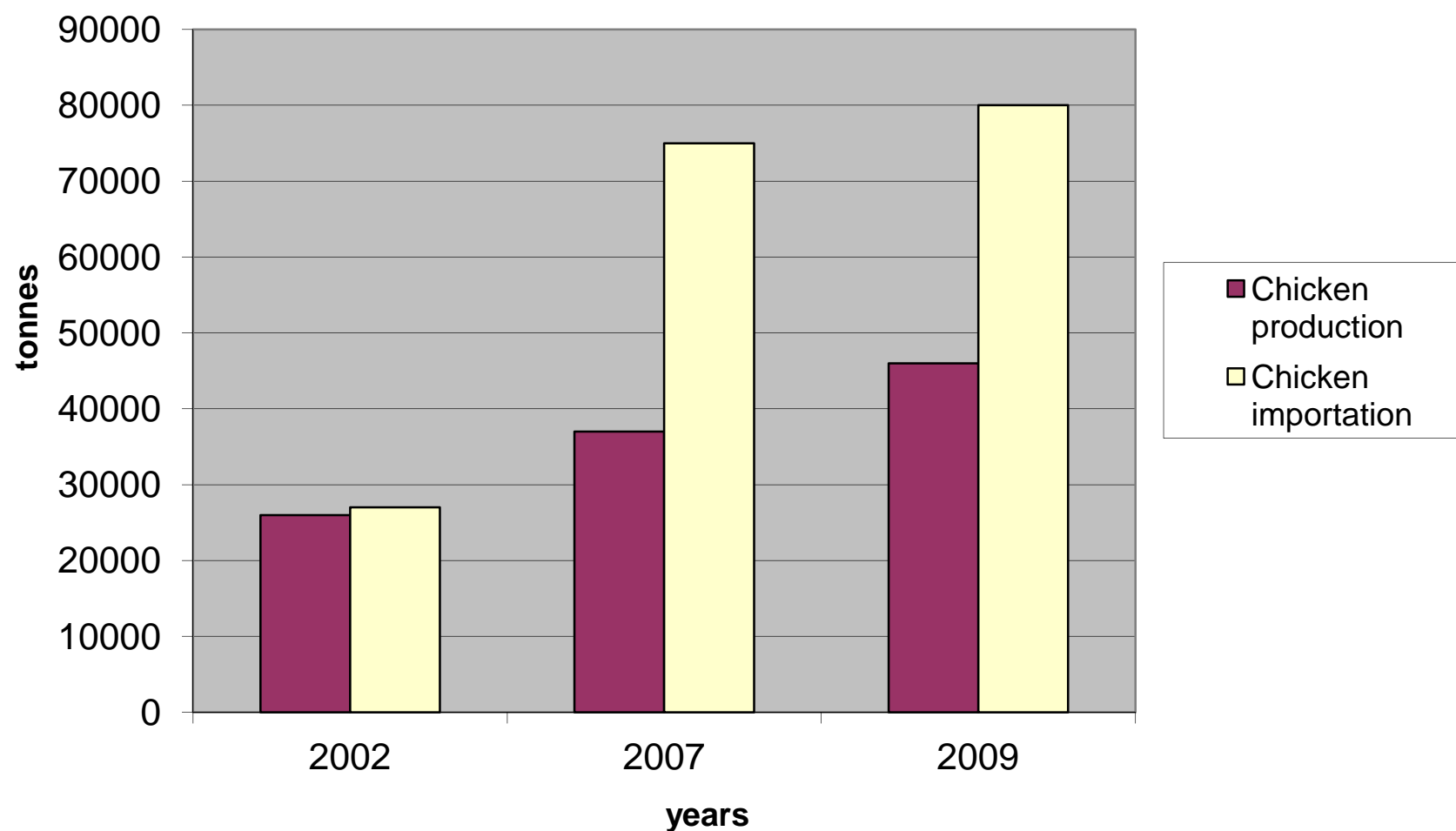
Bill Clinton statements

- On world food day 2008 concerning African agriculture : «we blew it up»
- Before a US Senate Committee, March 2010 :This policy towards Haiti I did support as former US President, «it was a mistake».

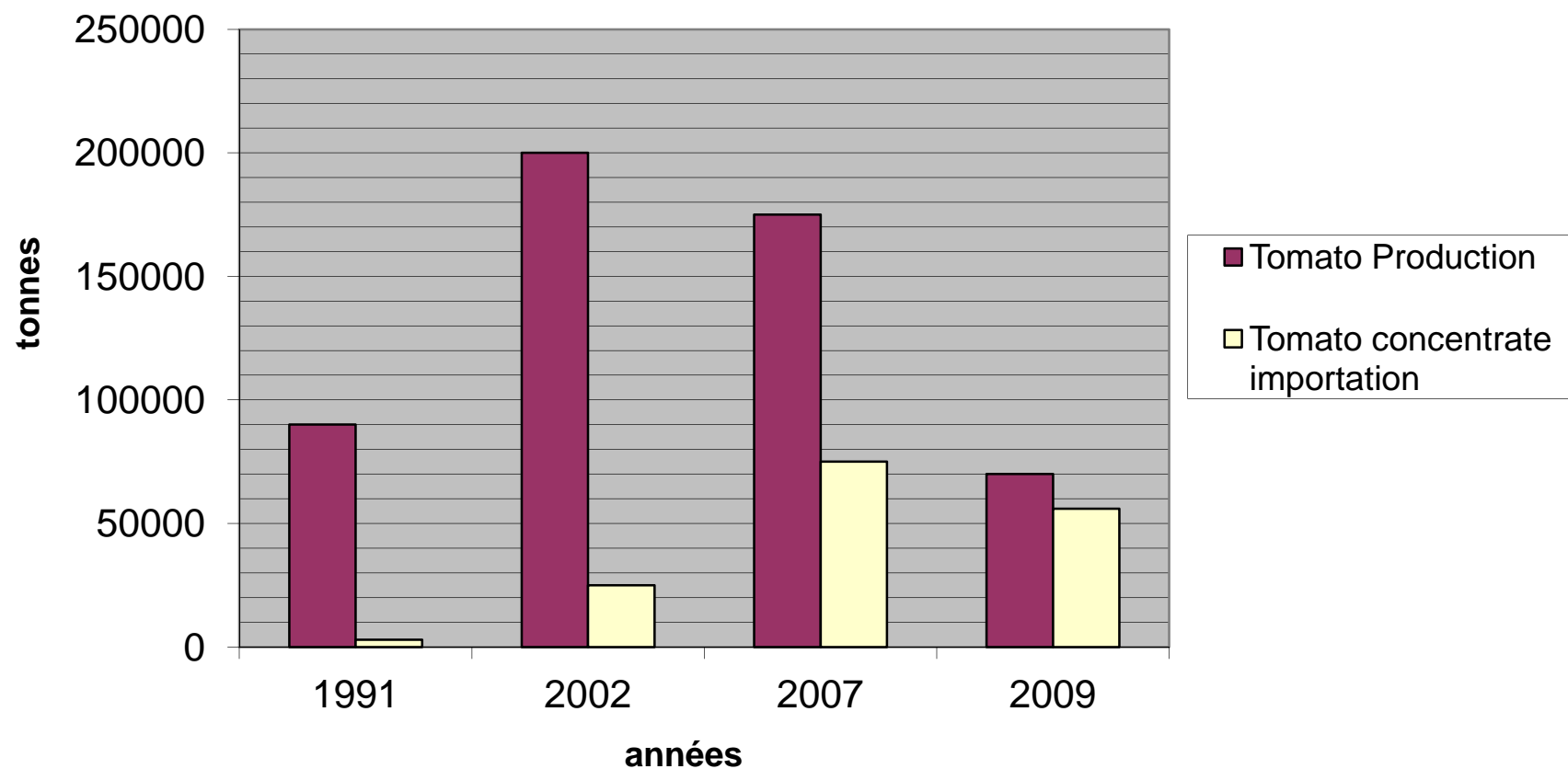
Ghana : Rice production and importation : 1998-2009



Ghana : Chicken production and importation : 2002-2009



Ghana : production and importation of tomatoes and tomato concentrate : 1991-2009



What could the EU do ?

A) Policy objectives

- Lisbon Treaty, article 208 : reduction and even elimination of poverty
- European Consensus on Development : pursuit of the Millennium Development Goals
- Clarify long term interest of EU: genuine development requires the building an effective economic fabric or production capacities in all economic fields thus creating jobs and income
- A solution to the migration challenge is at this price
- Be consistent : allow developing countries to have at least the same food sovereignty that we practice in the EU

What could the EU do ?...

B) Development policy

- New priority for agriculture development
- Boost staple food agriculture
- Develop human capacities
- Facilitate access to inputs, infrastructure, knowledge, credit
Including micro-finance
- Participation of peasants associations

What could the EU do ?...

- Promote Access to land and land reform for landless peasants
- New challenges
 - Development of agro-fuels
 - Land-grabbing

What could EU do ?...

Important facts

- The EU is exporting food products (chicken, milk and tomato concentrated, etc.) to developing countries markets under the cost price (dumping)
- The EU is thus destroying the livelihoods of millions of small peasants and their families
- Economic partnership agreements (EPAs) would lead to a new wave of liberalization and opening of the markets of ACP countries

What could the EU do ?...

C) Official Development Assistance

- Respect the 2005 ODA commitments : reach a ODA level of 0,7 % of GNP by 2015 and 0,56 % by 2010
- Increase part reserved for agriculture; Food facility 1 billion euros for two years : is this sufficient ?
Example of Belgium : 10 % of ODA for agriculture, 15 % in the long term
- Respect the G- 8 commitments taken at L'Aquila Summit 2009 : 20 billion dollars in three years

What could the EU do ?...

D) Trade policy : Implement policy coherence

Legal basis : Article 208 of the Lisbon Treaty :

“The Union takes into account the objectives of development cooperation when implementing policies that can affect the developing countries”.

- ▶ meaning : don't take away with the left hand what you give with the right hand
- ▶ Include **trade as a priority sector** in the ongoing policy coherence work
- ▶ Setting up an **EU monitoring mechanism** to assess the impact of existing trade rules, of CAP and EU agricultural exports to developing countries and their local markets
- ▶ The **EU Parliament** should
 - Assess this policy coherence on the basis of regular reports about the functioning and results of this mechanism
 - Organize regular **hearings with farmers associations** in developing countries

What could the EU do ?...

- ▶ **Europeans Partnership Agreements (EPA) : review the development dimension** – these agreements should help the rebuilding of staple food agriculture in ACP countries
- ▶ Assist ACP countries to **protect small scale farmers** against International and often trade distorting competition
- ▶ **Support policy of stable and fair prices for the producers**
 - Increase customs tariffs
 - Develop marketing boards
 - Set up national and regional food storages
- ▶ Apply **non-reciprocity** in trade as long as the productivity gap is so huge

What could the EU do ?...

- ▶ Review tariff structure to facilitate the development of a food processing industry in developing countries
- ▶ Favour the regional integration process

E) Common agricultural policy review

- **Fair and stable price system**
- **Support biological farming**
- **Limit production**
- **Ban all export subsidies**
- **Stop all dumping exports including through a revision of the green box criteria**
- **Reduce soja import and increase food production for cattle.**
- **Ban' GMO's**

The lessons of History

1. How did Europe develop? : We always relied on protection

- a. Today : EU customs tariff levels for sensitive products (Cereals, milk products, meat) between 50 and 85 %; in addition to strong internal aid
- b. Source : Erik Reinert : Why are the rich countries rich, why do the poor countries stay poor?

2. The lesson of the Marshall plan

- a. Substantial US aid
- b. No european market opening for US products
- c. Asymmetric treatment in favour of Europe's industrial products

3. The lesson of the East Asian countries : China, South Korea, Taiwan etc.

- a. ambitious land reform: led to redistribution of 30-40% of cultivable land to small peasants
- b. strong state involvement of the state in development
- c. balanced support for industry and agriculture
- d. substantial US aid as for South Korea
- e. High Import Protection for decades
- f. result : fast and balanced development