

Recognition of agriculture as a strategic sector in the context of food security

2010/2112(INI) - 01/12/2010

The Committee on Agriculture and Rural Development adopted the own-initiative report drafted by Daciana Octavia SÂRBU (S&D, RO) on the recognition of agriculture as a strategic sector in the context of food security.

The committee stresses that a strong and sustainable agricultural sector across the EU and a thriving and sustainable rural environment, ensured by a strong CAP, are vital components of meeting the food security challenge. It affirms that the EU has the highest standards of agricultural and food production in the world with a strong emphasis on food safety, food quality and the environmental sustainability of agriculture. It takes the view that we will need to make use of all forms of farming in order to be able to feed Europe and third countries.

(1) Food security in Europe and the world: Members believe that the right to food security is a **basic human right**. It affirms that the EU has a duty to feed its citizens and that continuing farming activity in the EU is key in this regard.

The report draws attention to declining farm incomes in the EU and on the costs that European farmers have to bear in meeting the highest food safety, environmental, animal welfare and labour standards in the world. Members stress that **farmers must be compensated for these additional costs** and for providing public goods to society. They underline that food from **third countries** entering the EU must meet the same high standards, so that European producers do not suffer in terms of competitiveness.

Recognises that guaranteeing an adequate supply of food is an essential component of food security, Members also acknowledges that access to food and affordability of food requires that attention be given to the **provision of an adequate standard of living**, particularly for those with insufficient economic resources, who are often children, elderly persons, migrants, refugees and unemployed persons. In this regard, Parliament supports the formula Food Security - Nutrition - Quality - Proximity- Innovation – Productivity.

The committee considers that the EU should create better conditions for the implementation of nutrition programmes such as School Fruit and School Milk in the Member States, as well as better support for education and awareness-raising about the origin of products and nutrition. It calls for more dietary support programmes, which should have a reduced administrative burden, and for the budget for those programmes to be increased.

Conscious of the great challenge **climate change** poses to achieving food security, Members stress the need to tackle water management and climate change as a matter of urgency. Member States are called upon to develop and implement programmes containing concrete agricultural measures aimed at mitigating and adapting to the effects of climate change.

The committee encourages measures that incentivise farmers to become **more energy efficient** and develop alternative energy supply sources. It recalls that more consistent support for research development and advisory services is needed. It considers, however, that the increased drive to develop renewable energy sources must take into account the impact on food production and supply.

The Commission is called upon to propose a technical solution to the problem of low-level presence of **GM material** in non-GM imports and to propose a faster approval process within the EU for the importation of a new GM feed variant once it has been proved safe, while also looking into the possibility of authorising the use of production methods brought to bear in third countries.

The report calls on the Commission and Member States to **ensure that the public have access to information** on the outcome of food security controls in order to increase transparency at European level.

(2) Agriculture, financial markets and price volatility: underlining the interdependence of the financial and agricultural markets, Members consider that a European response alone is no longer sufficient and that **Europe should act in concert with third countries and international organisations** on the issues of price volatility and food security. They endorse the action taken towards this end by the G20 Presidency. The Commission is urged to introduce **permanent and robust measures to address volatility** in agricultural markets as a matter of urgency.

Members note that speculative behaviour has accounted for up to 50% of the recent price hikes. They support, in this context, a **revision of the existing legislation on financial instruments**, which should provide for more transparent trading and minimum thresholds for the operators allowed to trade on these markets.

The committee is in favour of **bolder European action to tackle the problem of speculation**, including through a mandate issued to regulators and oversight bodies to restrict speculation. The Commission is called upon to ensure that dealing with food commodity derivatives is restricted as far as possible to investors directly linked to agricultural markets.

The report stresses that **increased transparency and fairness in the food supply chain** is required to ensure a fair return for farmers, fair profits and pricing along the food supply chain and a viable agricultural sector that will deliver food security. The Commission is urged to come forward with tangible and effective proposals to address this issue.

(3) Global food stocks for global food security: the report notes that at present the total global food supply is not insufficient and that it is rather inaccessibility and high prices which deny many people food security. It notes, however, that global stocks of food are much more limited than in the past.

Members consider, therefore, that a **targeted global system of food stocks** (both emergency stocks to reduce hunger and stocks to be used to regulate commodity prices) would be beneficial, helping to facilitate world trade when price spikes occur, warding off recurring protectionism and easing the pressure on world food markets. These stocks should be managed by a **common body** under the aegis of the United Nations, or by the FAO. The Commission is called upon as a matter of urgency to study and report to Parliament on the most effective way to achieve this.

Members reiterate the importance of **developing agriculture in the developing world** and the importance of allocating an appropriate share of EU ODA to the agriculture sector. The Commission is invited to **analyse the possibility of introducing an instrument to help fight famine in the world**.

(4) A new CAP to respond to challenges: the committee reaffirms its commitment to a **strong agricultural and rural development policy** which ensures food security for all. It also emphasises the need for further simplification and debureaucratisation of the CAP in order to reduce the implementing costs for beneficiaries.

The report stresses the role that must be played by **young farmers** in the future CAP and favours strengthening measures beneficial to young farmers such as installation premiums, subsidised interest

rates on loans and other incentives which have been implemented by Member States through their rural development budgets.

The Commission and the Member States are called upon to avail themselves to the full of the opportunities offered by the Seventh Framework Programme for Research and Development in the field of **research and technological innovation** so as to improve productivity while respecting energy efficiency and sustainability criteria.

The report stresses the importance of **diversity in European agriculture** and of ensuring the coexistence of different agricultural models, including small-scale farming which creates jobs in rural parts of the EU, as well as that of the diversity and quality of food, including small-farm and non-industrial products in short supply chains. The Commission is called upon to address the diverse European agricultural models in its future CAP proposals, including a consideration of the possibility of creating **special financial incentives** and identification schemes.

Lastly, the committee calls for the EU to recognise the importance of supporting the agricultural sectors of developing countries, particularly by ensuring that agriculture is prioritised in developing countries and in the EU's overseas development aid budget.