Resolution on rising food prices

2011/2538(RSP) - 17/02/2011 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution on rising food prices.

The resolution had been tabled by the EPP, S&D, ALDE, Greens/EFA, ECR and GUE/NGL groups.

It notes that food prices have peaked for the seventh consecutive month between 2010 and 2011, reaching the historically high levels. Commodity price hikes have become a destabilising factor in the global economy. In this context, Parliament affirms that global food security is a **question of the utmost urgency for the EU and the developing world.** It calls for immediate and continual action to ensure food security for EU citizens and at global level. It stresses that food should be available to consumers at reasonable prices, while at the same time a fair standard of living for farmers should be ensured.

Members consider that the right to food is a **basic and fundamental human right** and they emphasise the **importance of the CAP** as a means to secure food production in the EU. They draw attention to declining farm incomes in the EU, caused by rising production costs and price volatility. They stress that farmers must be compensated for the additional costs of meeting the highest food safety, environmental, animal welfare and labour standards in the world.

(1) Climate change: Members stress the urgent need for climate change mitigation actions and adaptation measures aiming at increasing environmental and economic sustainability. They urge Member States to set up **adequate risk prevention and management measures** to limit negative consequences of natural disasters for agricultural production. The Commission is asked to monitor closely implementation of climate change-related legislation in Member States.

Parliament calls for coordinated action and better cooperation on climate change between the EU and developing countries, particularly technology transfer and capacity building.

(2) Improved development aid: Parliament highlights the importance of developing agriculture in the developing world and of allocating an appropriate share of EU overseas development aid to the agriculture sector. It calls on the Commission to prioritise agriculture in targeted, accountable, effective and transparently managed development aid, including assistance to farmers in accessing markets. Members call for significant increases in the amount of development aid going to agriculture, and for investment in training, improved extension services and decentralised research in agriculture for developing countries. They call on the EU and developing countries to **promote land ownership** as a tool for reducing poverty and guaranteeing food security. Parliament also points out that it is necessary to introduce **better agricultural production methods** in developing countries, including low-cost technologies. It underlines that it is important that food assistance should take into account the local production, distribution, transport and marketing capacities of these countries, contributing to building the bases for their long-term food security.

(3) Transparency on commodity markets and action against speculation: the resolution welcomes the current attempts to raise awareness of food-commodity price formation mechanisms at international level (in particular the initiative of the G20 French Presidency, and the 3rd Berlin Agriculture Ministers' Summit). It asks the Commission to seek greater clarity on all the factors that affect short- and long-term food commodity price fluctuations. Parliament asks for greater transparency, better quality and timeliness of information on food commodity reserves and stocks, and price formation at international level. It requests that abuses and manipulations of agricultural prices be fought at international level, and **condemns the abusive activities of speculators in global commodities, agricultural raw materials**

and energy. Members support, in this context, a revision of the existing legislation on financial instruments, which should provide for more transparent trading. They ask the Commission to take measures to abuses in commodity markets.

The resolution calls on **the G20**: i) to coordinate the creation of preventive mechanisms against the excessive fluctuation of prices; ii) to work towards regulation, specifically designed to tackle food and agricultural crises; and iii) to ensure convergence of food and agricultural commodity regulation and to involve countries that are not part of the G20. Parliament also invites the Commission to reflect upon the possibility of giving the European Securities and Markets Authority (ESMA) more powers to prevent manipulation and abuses in commodity markets. It considers that a **targeted global system of decentralised regional and local food stocks** (both emergency stocks to reduce hunger and regional stocks to be used to regulate commodity prices and to ease hunger in times of price spikes) would be beneficial, warding off recurring protectionism and easing the pressure on world food markets.

(4) Trade: Parliament demands that EU negotiators integrate non-trade issues as part of WTO negotiations, so as to ensure that agricultural imports from third countries provide European consumers with the same guarantees in terms of environmental protection, animal welfare, food safety and quality as provided by EU farmers. Lastly, it calls for national governments, in line with the FAO recommendations, not to adopt export restriction measures, as they provoke greater uncertainty in the markets and disrupt world markets, and therefore have the potential to drive prices up further at global level.