

**EISA/FNL Farmers Exchange**  
**“The CAP Leading to Sustainability**  
**in Agriculture:**  
**Farmers Communicate with the**  
**Public”**

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**Does the EU boost food prices?**

**Experts discussed in Hildesheim/Germany**

**FNL (Bonn):** "Do EU policies and their implementation lead to rising food prices"? On 5<sup>th</sup> September 2008, EISA (the European Initiative for Sustainable Development in Agriculture) invited experts from Germany and other European nations to a critical debate on this provocative question. Participants shared the view that in the past, several measures had had an impact on food prices. The current situation, however, was judged quite controversially.

Dr Martin Scheele from the Directorate General for Agriculture and Rural Development of the European Commission described the subject of the debate more as an 'assumption' than as being based on any historical political approaches. He said that the decoupling of agricultural premiums from production and reducing the intervention system has led to prices which are now determined by the markets. According to Dr Scheele: "they move up and down". He also made clear that there would be no return to the former system of subsidies. Recent price increases would be due to other factors. As examples Dr Scheele mentioned last year's drought in Australia, changes in consumer habits, investors' speculations and interventions of some nations in cereal trading.

In contrast, Mrs Claudia Michel, Senior Manager at the European Crop Protection Association (ECPA), was convinced that there was some argument for the priceboosting effect of EU policies, at least indirectly. In view of an 80 million annual growth of the world population, politics would have to ensure that the potential for efficient production could be fully utilised. She therefore spoke in favour of a further increase in production on agricultural areas already in use. Taking account of environmental protection, this would make more sense than focussing on areas, which were either used only little or not at all. "However," according to the Brussels expert, "the current discussion on the future European policy on plant protection products, for example, thwarts all efforts to raise the efficiency in land use". As a consequence of such laws, it could be anticipated that European politics would continue to have an impact on the food prices in the future.

"Prices will go down a bit, but not to the level of the past few years. Also in the future, food will be affordable for German consumers." said Mr Udo Hemmerling from Deutscher Bauernverband – DBV (German Farmers Union). It would have to be taken into account that last year's prices for input factors such diesel, plant protection products and fertilizers increased considerably. However, he could not see that these increases were a direct result of EU politics.

On the other hand, the EISA Chairman and Farmer from the UK, Mr Tony Worth, expressed concerns about repercussions of a heavily regulated European agricultural policy. With regard to the urgently needed increase in efficiencies – in the sense of Integrated Farming, i.e. going hand in hand with an ecologically and socially responsible approach to nature and environment – it would seriously worry agricultural practice if farming were subject to more and more restrictions. „With regard to food security and at the same time the desired price stability, it is necessary" said Mr Worth "to full use the complete "tool box" of Integrated

Farming. If measures and “tools” available to practical agriculture are narrowed down too strongly, negative impacts on consumers will have to be expected at any case.

”Mr Mark Thomasin-Foster, President of the European Landowners Organization (ELO), stated: „We have a global responsibility, and an increase in productivity is inevitable“. The highest global rises in productivity per person, he said, were recorded 20 years ago. Since then productivity increases had been decreasing. This presented many challenges to agriculture and agricultural policies, particularly as besides food security, the generation of energy, the protection of soil, water, the environment and the conservation of the countryside would have to be kept in mind as well. „Furthermore, one has to anticipate that in the context of climate change, in the future yields will fluctuate more strongly and thus markets will be more volatile“, said Mr Thomasin-Foster. European politics should consider models to guard against failure of crops. At a political level the course should be set in the direction of an efficient as well as sustainable agriculture, thus ensuring appropriate food prices and price stability.

„Currently, Mexicans are being hit a lot harder by price increases, compared to EU countries,“ explained Dr. Gibfried Schenk from Fördergemeinschaft Nachhaltige Landwirtschaft e.V. – FNL (the German Association for the Promotion of Sustainable Agriculture). Looking at the global responsibility of European agriculture, he said that a complete change in mind set would be required. ”We need an agricultural revolution, new technologies and a boost in productivity to fulfil our tasks“, urged Dr Schenk. In order to achieve this, a public discussion would be required to enable society to take decisions in the right direction.

EISA, the European Initiative for Sustainable Development in Agriculture, is a European farmers’ organisation with 6 national associations (Austria, Germany, France, Luxemburg, Sweden and United Kingdom) for the development and promotion of sustainable development in agriculture and in particular the holistic concept of Integrated Farming as Full Members

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