

food ethics

EU Farm Policy

What should
we want from
reform?

Autumn 2007 | Volume 2 Issue 3 | www.foodethicscouncil.org

Wyn Grant and
Jack Thurston
**explain the
basics**

The **reform agenda**
for rural communities,
international justice,
public health and
the environment

Should we **scrap the CAP**? Mariann
Fischer Boel, Hilary Benn, Jonathon
Porritt, Barbara Young, Don Curry,
Helen Phillips, David Baldock, Hannes
Lorenzen and Michael Jack



Contents

- Analysis: background
- 05** How the CAP evolved | **Wyn Grant**
- The rich list
- 07** **Jack Thurston** examines where the subsidies go
- The big question: should we scrap the CAP?
- 10** **Elizabeth Adams** | **David Baldock** | **Hilary Benn** | **Don Curry** | **Mariann Fischer Boel** | **Michael Jack** | **Hannes Lorenzen** | **Helen Phillips** | **Jonathon Porritt** | **Barbara Young**
- What should we want from CAP reform?
- 13** Why 'not bad' is no longer good enough
Tom MacMillan & Christopher Ritson
- The reform agenda
- For rural communities
- 15** **Neil Ward, Dan Keech & Jessica Sellick**
- For international justice
- 16** **Teresa Caverio**
- For public health
- 17** **Tim Marsh**
- For the environment
- 18** **Harry Huyton with Vicki Hird**
- Columns
- Worldview
- 19** **Patrick Mulvany** on food sovereignty coming of age
- On the farm
- 20** **Gillian Herbert** on mud and maggots
- Business page
- CAP reform for flood alleviation – a bucolic dream?
- 21** **Jane Milne**
- Regulars
- 03** **From the editor**
- 04** **Letters**
- 04** **News**
- 22** **Reviews – reading**
- 23** **Reviews – eating** | **Clive Bates**
- 24** **Upcoming events**

Food Ethics, the magazine of the Food Ethics Council, seeks to challenge accepted opinion and spark fruitful debate about key issues and developments in food and farming. Distributed quarterly to subscribers, each issue features independent news, comment and analysis.

The Food Ethics Council is an independent think tank and advisory body that challenges government, business and society to make wise choices that lead to better food and farming. The views of contributors to this magazine are not necessarily those of the Food Ethics Council or its members.

Please do not reproduce without permission. Articles are copyright of the authors and images as credited. Unless otherwise indicated, all other content is copyright of the Food Ethics Council 2007.

Editorial team:

Tom MacMillan
Elizabeth Adams
Fran Luke
Jane Banham
Neva Frecheville

Design & printing:

Maxx Solutions
Brighton

Special thanks to:

Bruce Scholten
Laura Davis

Printed on at least
75% post-consumer
recycled paper

ISSN 1753-9056

Food Ethics Council
39 – 41 Surrey Street
Brighton BN1 3PB UK

T: 0845 345 8574
or +44 (0) 1273 766 654
F: +44 (0) 1273 766 653

info@foodethicscouncil.org
www.foodethicscouncil.org

The Food Ethics Council
is a registered charity
(No. 1101885)

Cover image: © iStockphoto.com/
Jurga Rubinovaite

From the editor

It is hard to get the measure of Europe's Common Agricultural Policy (CAP). Is it really a big deal or does it just look big, because you have to get up so close to make head of tail of it?

Tens of billions of euros are spent through the CAP each year. How large the numbers look depends on what you hold them up against: very large (nearly half) as a portion of the total EU budget; small (less than one percent) compared with the turnover of Europe's economy; or large again, when we zoom in on farm incomes.

Take the cost to us all as taxpayers and at the shop till. The UK government has put this at about €950 for an EU family of four. How they came to this figure isn't too clear but, if they got it right, would that seem a lot or a little? Playing fast and loose with household spending data, that's roughly twice what UK families spend on fruit and veg combined, and about the same as we fork out on booze and cigarettes. Do we want the CAP to cost that kind of money? Well that surely depends on what it achieves.

This edition of Food Ethics discusses some of the CAP's consequences. Mariann Fischer Boel, the European Commissioner responsible for agriculture, says the CAP gives us safe and high quality food, environmental protection, good animal welfare and more besides. Other contributors focus on the CAP's perversities, such as the harm it has caused to the environment and people in poorer countries.

Many of the problems are familiar, since they have preoccupied reformers for decades. Changes in 2003 addressed some complaints, but not all. We assembled this issue to take stock. Given where the CAP now is, we wanted to know from leading experts, decision-

makers and campaigners what progressive reformers should be calling for. Or, to put this as an ethical question, all things considered, what is right thing for EU governments to do?

The articles in this collection contain a great array of ideas – some immediate and practical, others longer term. While some concur, others are at odds. What stand out, though, are three points.

First, the reform agenda has shifted from being primarily about the CAP's problems to being about its prospects. Reformers are still acutely aware of what is wrong with the CAP, but they are also more interested than ever in how the resource it represents could be better used.

This is partly just pragmatism. The worry is that if we really 'scrapped the CAP', the money would be lost to rural and sustainable development altogether. While some still use that slogan, it now stands for reinventing this area of common policy so it focuses on rural communities, nutrition or the environment, not for doing away with it altogether.

Yet this change is not purely pragmatic. It also reflects a second feature of current calls for reform – a bold, outward-looking optimism that a different set of common policies around agriculture, not *for* agriculture, could help Europe square some awkward circles. A reformed CAP could help us clean up our environmental footprint without just outsourcing our pollution to poorer countries. The right policies could help tackle global poverty, no longer fuelling it, yet also benefit public health and rural communities within the EU.

If that sounds naïve, try turning it around – we certainly won't rise to these challenges without

common policies on farming, rural areas and much of the territory now covered by the CAP.

So the third point takes us back where we started, to the question of how much CAP reform matters. The thrust of the articles here is that CAP reform is necessary to achieve all sorts of aims but sufficient for few of them. The shape of international trade rules, multi-lateral environmental agreements and business regulation are among many factors that will affect how any reforms play out.

That shouldn't stunt our ambition – it should extend it. Getting CAP reform right, not just for Europe but for the world, will wipe clean one of the biggest blots on the EU's copybook and strengthen our ability to be a progressive influence in international affairs.

How do we get it right? This edition has many suggestions but also highlights some gaps. One reason there are gaps is that we face some new challenges – the Food Ethics Council sets some of these out in a discussion paper available at www.foodethicscouncil.org.

But another reason for gaps is that, as Wyn Grant writes, the CAP is so complicated that few outsiders understand it. Yet it is 'outsiders' – people from civil society groups and marginal communities – who are often closest to the constituencies reform is supposed to serve.

We make a small step towards bringing out- and insiders together in this magazine, but it would be great to see more thorough engagement. Support for civil society to work directly with people whose careers are the CAP would no doubt be richly rewarded with practical proposals for reform.

Tom MacMillan
tom@foodethicscouncil.org

letters

If you want to respond to any of the articles in this issue or raise a different point, please write us a letter. Our contact details are on the contents page.

Big retail – skulduggery or democracy?



Sir; predictably most of the writers in the Summer '07 edition of Food Ethics (*Big retail*) failed to recognise the significant, positive impact supermarkets are having in driving change.

They don't just talk about change; they actually deliver it in what they do and among customers and suppliers.

But who holds the real power in retailing? It's not supermarkets. It's not regulators or corner shopkeepers. It's customers. Every time they decide where and what to buy they're casting their vote. Our oldest food retailers have roots going back a century. Change is in their blood. They've grown by constantly improving their appeal and responding to demand in the way products are produced and sold.

Some of your authors struggle with this but retail is daily democracy in action. Retailers don't succeed through skulduggery; they succeed by getting it right for customers on a grand scale.

Take organics. The market took off when supermarket competition made organics available and affordable to most people, not just the select few. A home in France and seasonal produce from the local market is lovely but most people haven't the money or the time. That's why 80 percent of UK organic produce is bought in supermarkets.

Supermarkets are the driving force behind helping customers opt for healthier food. They have reformulated products, for example to reduce salt and remove fats; they are providing comprehensive nutritional information, not just on labels, and working with Government on initiatives such as the 'five-portions-a-day' fruit and veg campaign.

They are producing environmental benefits. They are making recycling possible. For example, retailers have just contributed £10 million to help customers recycle used electrical products, they are creating incentives for bag-reuse, reducing energy consumption in stores, making low energy products cheaper and greening their own transport fleets.

They invest in developing countries, giving their producers access to Europe's high-value markets, they continue to push-up overseas suppliers' employment practices and animal welfare standards. The list goes on.

Supermarkets are trusted by customers. Millions choose to visit them every week. Supermarkets can, and do, use that to be an influence for desirable cultural change. They recognise that, UK and European politicians recognise that, and some of your contributors need to acknowledge that too.

Andrew Opie, Director of Food Policy
British Retail Consortium
www.brc.org.uk

Summer madness

Sir; When you watched this year's wet Wimbledon I hope you spared a thought for strawberry growers. The rain dampened people's appetites just when they were expected to eat most.

You'd have thought this would dent imports and UK growers would take what market there was. Far from it. As happens to some degree every year, it was UK growers that bore the brunt of a slump in demand.

The reason is that fruit growers sell to supermarkets through marketing agents. The agents buy fruit from other countries, say the USA, to make up for predicted shortfalls in supply. While the agents take title to the imports, they only get a small commission on domestic produce – so, when it came to the crunch this summer, it was strawberries flown in from the USA that hit the shelves. I understand that in excess of 1,000 tonnes of strawberries from around the UK could not find a supermarket sale and were sold off cheap or thrown away.

How can we put a stop to this irresponsible waste? First, growers need to ask embarrassing questions. If that doesn't change anything, then we need legislation to stop this greedy and selfish practice.

William Hudson
whudson@aspects.net

news

'Food miles' or 'food minutes' – is sustainability all in the timing?

Over the past two years, food businesses and the public have been deluged with reports about the environmental footprints of food supply chains. On the face of it, however, far from simplifying the task of 'greening' that footprint, these studies seem to have made it more complicated. In particular, they have revealed that the contribution our food makes to climate change depends on how it is produced, processed and consumed, and not simply on how far it is transported.

The first meeting of the Food Ethics Council's Business Forum asked how far a focus on timing could help cut through this complexity. Timing matters because the environmental impacts of producing, processing and distributing food depend in part on whether that food is in season locally and on how quickly it perishes.

We have published a short report that highlights key points from the meeting.

To read the report visit www.foodethicscouncil.org/node/292

Wyn Grant



Analysis: background

Wyn Grant is Professor of Politics and Chairman of the Department of Politics and International Studies at the University of Warwick. You can read his CAP blog at commonagpolicy.blogspot.com w.p.grant@warwick.ac.uk

How the CAP evolved

The world in which the Common Agricultural Policy (CAP) was created sixty years ago was very different from that of today. Agriculture was a much more important contributor to national income and to employment, not least in France where it provided work for a quarter of the population. The designers of the CAP could remember the period at the end of the war when food was scarce in Europe and some people did not have enough to eat. The Cold War reawakened these fears about food supply and gave them a new edge, producing a drive for European self-sufficiency. There was a concern that if rural incomes were not brought closer to those in the towns, the rural population could provide a reservoir of support for extremist movements of the left and the right.

There was a concern that the rural population could provide a reservoir of support for extremist movements

The objectives of the CAP, set out in the Treaty of Rome, are one of the few substantive parts of the treaty that have not subsequently been revised. In everyday language the objectives were to:

- Increase agricultural productivity
- Ensure a fair standard of living for the agricultural community
- Stabilise markets
- Assure the availability of supplies
- Ensure that supplies reached consumers at reasonable prices

These objectives had a number of problems inherent in them. It was not clear which were most important and, to some extent, they contradicted each other. There was no attempt to define what was meant by 'a fair standard of living' or 'reasonable prices', hence it was not possible to measure progress towards these objectives.

Agricultural productivity was increasing in any case because of mechanisation, improvements in agronomy and husbandry, and the extensive use of fertilisers and agrochemicals. Given that the European population was not increasing that rapidly and, after a while started to age, production incentives created by the CAP produced a structural surplus of products like milk and dairy produce. In the long run, these surpluses were disposed of on the world market, raising tensions with other agricultural producers and particularly affecting farmers in least developed countries.

The CAP essentially represented a deal between France and Germany. Italy took little part in the discussions, Belgium and Luxembourg largely followed the French line, and the pleas of the Netherlands for a more modern approach to agriculture had little impact. Things might have been different if Britain had been part of the discussions. As it was, France wanted to protect its agricultural sector, while Germany wanted access to a wider market for its industrial products. As it happened, German farm prices, particularly grain prices, were relatively high and these were translated into relatively high Community prices, an outcome that did not displease the French.

The CAP was based on three main policy instruments. First, intervention purchasing meant that any surplus product that met quality standards was purchased from farmers by the Community. This led to the infamous grain and butter mountains, which have now largely disappeared, although the wine lake is still to be drained. The idea was to meet the stability objective by ironing out the fluctuations in agricultural supply largely driven by weather conditions. What was created was a risk free market for farmers who then maximised production to claim as much subsidy as possible.

This risk free market would have been challenged if cheaper produce from elsewhere in the world had been allowed to

enter the European market. So, second, the Community erected a set of variable import levies which ensured that its own farmers were not undercut. This did not particularly suit the United States, but it was prepared to go along with it so that it could maintain its own subsidies without challenge and because its broader strategic objectives required a prosperous Europe.

The surplus product stored in Europe had eventually to be disposed of and this was achieved by a system of export subsidies. This had a distorting effect on the world market, encouraging the United States to introduce new forms of subsidy for its own exports so as not to lose out in third country markets. Commodities like skimmed milk powder being dumped in the global South undermined local dairy farmers and drove them out of business.

The CAP was so complex that few outsiders understood it, making it difficult to mount an effective critique

All this might seem testament to the power of the farm lobby, but the reality was more complex. The European-level farm lobby, COPA, lost influence over time because of internal divisions, although national farm lobbies were able to influence the conduct of agriculture ministers in the Farm Council. What one should not underestimate is the influence of the multinational companies that provided inputs to the farm sector: the producers of farm machinery, agrochemicals, fertilisers and veterinary medicine, and the providers of farm finance. The food processing industry had a rather complex set of divergent interests in relation to the CAP, depending on the raw materials it was using. Moreover, the CAP was so complex that few outsiders understood it, making it difficult to mount an effective critique. The first challenge to the CAP came from its budgetary cost, at one time around 70



“Cutting-edge analysis that prompts real debate.”

Zac Goldsmith, director of *The Ecologist*

"...a welcome forum for a debate we urgently need to have."

Professor Peter Singer, author of *Eating*

Think critically, keep informed, subscribe today!

Our offer to subscribers

Four issues of *Food Ethics*

Covering one major theme each quarter, the magazine is designed to be essential reading for anyone with an active interest in food and farming. Each issue includes analysis, debate, reviews and upcoming events. Subscribers receive the magazine in print and can download it online.

Free publications

The Food Ethics Council provides research and analysis to promote better food and farming. As a subscriber you will receive free copies of any printed reports that we produce.

To subscribe visit www.foodethicscouncil.org or call us on 0845 345 8574.

Alternatively, please fill and send the form below.



I want to subscribe to *Food Ethics*

Name	<input type="text"/>
Organisation	<input type="text"/>
Address	<input type="text"/>
Town	<input type="text"/>
Postcode	<input type="text"/>
Country	<input type="text"/>
E-mail	<input type="text"/>
Phone	<input type="text"/>

We will keep this information in a database as long as you subscribe. We will not pass your details to any third party without your permission.

Annual subscription rates:

Non-UK: please add £5 for postage to Europe, £10 for rest of the world

<input type="checkbox"/> £15 – unwaged	<input type="checkbox"/> Please invoice me
<input type="checkbox"/> £25 – individual	<input type="checkbox"/> I enclose a cheque for a total of £ <input type="text"/> payable to 'Food Ethics Council'
<input type="checkbox"/> £35 – non-profit/educational	
<input type="checkbox"/> £95 – business (3 copies)	

Card payment preferred – subscribe directly at www.foodethicscouncil.org

percent of the whole Community budget. Even now it takes around 45 percent of all EU spending. One response to the rising bill was to introduce dairy quotas in 1984 in an attempt to halt further increases in production. This was achieved at the expense of giving a windfall capital gain to existing farmers, making it more difficult for new entrants to join the industry.

Other pressures were building up on the CAP. There was an increasing awareness of the fact that around 80 percent of the benefits went to 20 percent of the farmers – producers who were prosperous anyway. The negative environmental effects of the encouragement given to intensive production were increasingly apparent, particularly in terms of the pollution of streams and rivers. Above all, the Uruguay Round trade talks threatened to stall over the question of the CAP – this posed a threat to German industrialists, which led to a decisive German intervention to persuade France to moderate its position (although not by that much).

This window of opportunity was seized by farm commissioner Ray MacSharry, who introduced a set of reforms in 1992 which have provided the basis for all subsequent reforms. What was different about them was the idea of 'decoupling', breaking the link between the provision of subsidy and production. The food scares surrounding dioxin, salmonella and BSE provided further impetus for a new approach to farming, while the impending accession of the new Member States led to new budgetary pressures.

The EU is now operating a dual model of agriculture

The wily Austrian, Franz Fischler, who was farm commissioner from 1995, took reform further. Pretending to be a simple farmer from the Alps (he was even portrayed in his yodelling kit on his website), Fischler blended vision with an acute sense of political tactics. He forced through another set of reforms that were put into place in 2003. Most payments to farmers are now made in the form of a 'single farm payment' that is a potentially more transparent form of income subsidy. Considerable emphasis has now also been placed on the 'second pillar' of the CAP which supports rural development and agri-environmental schemes. Farmers don't receive their subsidies if they don't demonstrate 'cross compliance' with a range of Community measures covering such matters as animal welfare and environmentally friendly farming.

The EU is now in effect operating a dual model of agriculture. In the most internationally competitive areas, highly productive and intensive farming continues, for example in grain producing areas such as the Paris Basin or East Anglia. In more marginal and peripheral areas, the emphasis is on preserving traditional landscapes, ecotourism, biodiversity and high-value-added, high-quality niche products such as specialist cheeses.

What does the future hold? Within Europe, the unfunded accession of Bulgaria and Romania is putting increasing strain on the budget. On the global scene, the Doha Round trade talks seem to have failed, but the 'Everything but Arms' agreement with least developed countries will open up trade to some extent anyway. Meanwhile, the CAP faces a 'health check', although that is presented largely as a tidying up exercise. So, while the case for reform remains strong, the present arrangements are likely to remain in place until 2013 and subsidies are unlikely to disappear even then. There will probably be growing emphasis on rural development and greener forms of farming, but that's what many consumers are demanding anyway.

Please return this form to:

Food Ethics Council, 39 – 41 Surrey St., Brighton BN1 3PB UK

The rich list

If we knew where farm subsidies went, would we still spend them?

Jack Thurston
examines the menu for reform (and goings-on in the kitchen)

Eight years ago, I was working as a political aide to the then UK Agriculture Minister Nick Brown. It was a difficult time for British farming. Prices were down, the tail end of mad cow disease was still affecting the livestock sector, the strong pound was hitting exporters and there was a sense of discontent in many rural communities. At the same time, European Union countries were negotiating a reform of the Common Agricultural Policy (CAP), the collective name for all the support programmes that exist to give a helping hand to European farmers.

We were having real difficulties getting across our argument that out-dated production-linked subsidies were part of the problem for British farming, not the solution. Economic studies told us that most farm subsidies went to a small number of large farm businesses, and that the principal effect of untargeted subsidy payments was to increase land values, rents and input costs. This was making it much harder for new entrants to get into farming and for successful, entrepreneurial farmers to grow their businesses. We also knew that farmers were making their production decisions with one eye on the market and another eye on the subsidy payment, and that subsidy-driven over-production was leading to imbalances in supply, environmental damage and poor animal welfare.

Yet the inequality and the waste at the heart of the system were not registering with most farmers or with the public at large. People still thought that the CAP was a system of aids for small family farms. One rainy afternoon, and in part out of pure curiosity, Nick Brown and I asked the top civil servant in the Ministry of Agriculture to produce a list of the 20 biggest recipients of farm subsidies in the UK. It read like a page out of Burke's Peerage. If the public knew about the six and seven figure

annual payouts to the likes of the Duke of Westminster and the Earl of Buccleuch, and big food companies like Nestlé and Tate & Lyle, would they see things the same way?

At the time, British data protection laws prevented release of this information, but once I had stopped working for the government I began to push from the outside and, in 2005, the data were finally released under new legislation on public access to information. While the CAP has undergone some significant policy changes over the past few years, the distribution of payments remains more or less the same. In the UK, the top ten percent of recipients get half of all farm subsidies. Subsidies are concentrated in intensive arable regions like Lincolnshire and the Fens that are practically devoid of biodiversity.

The list of 20 biggest recipients of farm subsidies in the UK reads like a page out of Burke's Peerage

This campaign for transparency has snowballed across Europe and is having a real impact on the debate on the future of Europe's farm policies. Cross-border collaboration has led to an online database of payments so that anyone with an internet connection can access the data in a user-friendly way. There are now 19 countries that have revealed data on farm subsidy recipients (see table overleaf) and, last December, all EU countries signed up to new transparency provisions for all CAP payments starting at the end of 2008. Next year's 'health check' will be the first time that the CAP has been up for review in the new era of transparency. Yet it is important to remember

Jack Thurston is former UK government special-adviser, a co-founder of farmsubsidy.org and a contributor to caphealthcheck.eu, the leading blog about the future of the Common Agricultural Policy. mail@jackthurston.com

How much data on CAP spending do governments release?

Country	Transparency Index %
Sweden	81
Slovenia	64
Denmark	64
Slovakia	54
Netherlands	51
Estonia	51
Portugal	46
Belgium	43
Czech Republic	40
United Kingdom	36
Latvia	34
Italy	25
Spain	22
Hungary	19
Lithuania	14
France	5
Germany	5
Ireland	5
Finland	2
Austria	0
Cyprus	0
Greece	0
Luxembourg	0
Malta	0
Poland	0
Bulgaria	0
Romania	0

Source: Farmsubsidy.org

that transparency is only partial: governments of powerful countries like France, Germany and Poland are continuing to keep their citizens in the dark and the governments of the UK have refused to release sufficiently detailed data to allow proper policy analysis.

So what can we expect to see on the reform menu next year? The first thing to stress is that this is not being billed as a major policy change along the lines of the 'Fischler reforms' of 2003, which accelerated the decoupling of payments from production and the shift towards payments for 'environmental stewardship'. The next realistic opportunity for such a fundamental reform will be the 2008-09 EU budget review and the settlement of the post-2013 budget. The CAP 'health check' is more of a fine tuning exercise and EU Agriculture Commissioner Mariann

Fischer Boel has already pre-announced a good amount of the agenda. She wants to remove the last vestiges of coupled subsidy payments and intervention buying so that farmers are freed to farm according to market demand rather than government diktat. She will also signal a permanent end to production-limiting tools like arable set-aside and milk quotas, which will be left to expire at the current end date of 2015. There will also be a proposal to limit individual payments to a maximum level (the Commission has previously proposed €300,000 although there is talk of a more sophisticated sliding scale this time around) and to exclude the very smallest claims (e.g. for very small hobby farms and pony paddocks) on the basis that the administrative costs are greater than the amount payable.

Becoming a net contributor will fundamentally change the outlook of the French government

Possibly the most controversial element of the 'health check' will be a proposal to shift funds from the 'traditional CAP' of payments for farm-based environmental stewardship, rural infrastructure and enterprise development. Farmers do not like the idea of 'their money' being used for broader environmental conservation and rural development objectives and can be expected to resist these proposals with all their might. However, the more the European public learns about the limits of income support policy to support those farms in real need or to deliver anything tangible for rural communities, the more likely that reformers will be able to garner the support for such a shift in spending priorities.

Another hotly contested issue for the 'health check' is the environmental and animal welfare conditionality that applies to farm subsidy payments. As things stand, farmers are by and large paid for doing what they are already required to do by law. It is hard to see what extra value the

taxpayer is getting from the substantial investment it puts into European farming every year. Environmental NGOs are certain to be pushing for a more rigorous approach to conditionality, although in recent months the Commission has appeared minded to do exactly the reverse and further weaken compliance requirements.

Looking beyond the 'health check' and towards the EU budget review, it is becoming clear that the days are numbered for the CAP as a large centralized instrument for agricultural market management and farm income support. Ever since the mid-1990s, progressive thinkers have been talking in terms of a European rural policy, of which farming is an important though not dominant element. The EU of 27 Member States is so diverse, from peasant farming in Romania to highly industrialized livestock operations in Denmark and the Netherlands, from the forests of Scandinavia to the arid lands of the southern Mediterranean. It is clear that a one-size-fits-all policy cannot meet the diversity of need that exists.

There is no new money for the European project on the horizon - since agriculture accounts for the largest single chunk of the current budget the vultures are starting to circle

Sometime in the next five years France, the country that has done the most to defend a unified European farm policy, will move from being a net beneficiary of the CAP to become a net contributor, paying in more than it is getting out. This will fundamentally change the outlook of the French government towards the 'financial solidarity' of the CAP. The new government of President Sarkozy has already signalled a desire for more national responsibility for the financing of agriculture policy. This is code for French taxpayers paying for French farmers but not for Spanish, Polish or Romanian farmers. Such a renationalisation has always been strongly opposed by the



© iStockphoto.com

Brussels institutions as an attack on the European project itself, though it is hard to see how they could resist a call for greater co-financing, particularly in an era where contributor countries are unwilling to dig deeper into their pockets to fund the EU. Brussels is gradually waking up to the fact that there is no new money for the European project on the horizon, so any new initiatives such as economic competitiveness, research and development or a European defence force will have to be funded from within existing budgets. Since agriculture accounts for the largest single chunk of the current budget, the vultures are starting to circle.

Those of us who want to see a more sustainable European food production

system can only expect the CAP to be part of a much bigger food policy agenda that takes in regulatory policy, education and basic consumer food choices. With the notable exception of the current rush to biofuels, the era when governments told farmers what to produce is finished. Yet the financial expenditure that

What can we expect to see on the reform menu next year?

accompanied the old command-and-control systems remains: around a third of European farm revenue is derived from one form of government subsidy or another. The challenge is to make that public investment in farming work

much harder to achieve the things that the public wants, but that the market does not provide. Public payments for particular environmental or rural development objectives are preferable to untargeted income support payments that ultimately serve to enrich Europe's largest landowners and boost the profits of farm machinery and agro-chemical companies. With commodity prices finally on an upward trend, now is a very good moment to wean farmers from permanent reliance on state support. Europe's best farmers, whether big or small, can do well by farming to the market – we need to abandon the mentality that the taxpayer owes every farmer a living.

Should we scrap the CAP?

Is it time to replace or re-nationalise European policies on agriculture? What should the policy landscape look like after the end of current budget commitments in 2013? We asked some of the people who will shape that future...

Hilary Benn

British farming, and the food it produces, is a very important part of our economy. It also has a huge influence on our landscape.

To best support it we need a policy framework for European farming, which allows farmers the freedom to be successful entrepreneurs, whilst maintaining high standards in food and non-food production – a framework in which the farming sector is profitable without subsidies or a high level of tariff protection, which have both proved to be damaging to developing countries and to the environment. I would like to see a shift in the focus of CAP funding away from market intervention and direct payments, to delivering public benefits such as protection of the environment.

In a rapidly changing world, a successful farm will have found a market which brings it the best financial return, will use resources efficiently and, crucially, it will manage risk effectively. It will be flexible and adaptable, keeping pace with consumer preferences, the expectations of society, new technology and innovation. Viewed like this, climate change is as much of an opportunity as it is a threat.

The farmer who achieves these things will be in charge of a resilient, profitable and socially responsible enterprise which is no longer dependent on subsidy for its viability. We have already taken some major steps in this direction by reconnecting farming with the market and establishing schemes through which farmers can also help the environment.

Over the next few years we have a major opportunity to make substantial further improvements to European agricultural policy. The forthcoming CAP 'health check' is the first such opportunity. Governments really have the chance to fulfil their part of the partnership with farming and the public – if we make the most of the reviews ahead.

That is the long term contract which we need to agree with our farmers – and which we commit ourselves together to achieving.

The Rt Hon Hilary Benn was appointed UK Secretary of State for Environment, Food and Rural Affairs in June 2007. Before that he was Secretary of State for International Development.
www.defra.gov.uk

Michael Jack

Yes. As the Environment, Food and Rural Affairs (EFRA) Committee said in its recent report on *The UK Government's 'Vision for the Common Agricultural Policy, the objectives of the CAP set out in the EU Treaty have remained unchanged for decades and are now an anachronism*. They have nothing to say about some of the key challenges facing agriculture and the rural economy: animal welfare, protection of the environment and biodiversity, or protection against animal diseases.

The UK Government should grasp the fresh opportunity presented by the CAP 'health check' and lead the debate towards scrapping the existing

CAP and replacing it with a 'Rural Policy for the European Union'. This should have greater emphasis on environmental protection, climate change and wider rural issues.

The EFRA Committee sees the only long-term justification for future expenditure of taxpayers' money in the agricultural sector as being the provision of the public benefits - environmental, rural, social - that the public wishes to enjoy.

The winds of change are already blowing. Farmers deserve to be given early notice of the changes that are coming. Decisions on CAP reform could be made in 2008, during the CAP 'health check', and then implemented in 2014, on the basis of a financial agreement reached in the budget review in 2013.

The Rt Hon Michael Jack is Member of Parliament for Fylde, Lancashire, and chairs the UK House of Commons Environment Food and Rural Affairs select committee.
www.parliament.uk

Helen Phillips

No, but we should only keep the CAP if it can be transformed into a policy framework which will help secure the future of the rural environment across Europe. It needs to evolve into a mechanism for paying farmers and other land managers for the forms of land management necessary to maintain and restore our environment, which cannot be secured in other ways.

The current CAP is no longer fit for purpose in light of the pressures our natural environment faces, particularly the need for a Europe-wide, strategic approach to enabling our natural environment to adapt to climate change. In some countries, CAP is still part of the problem rather than part of the solution.

After 2013, EU policy will need to provide a framework that enables the land to be used and managed wisely, flexibly and sustainably. We need a framework that reconciles the need for food, energy and water, whilst allowing natural systems such as floodplains to function and maintaining landscapes rich in wildlife for people to enjoy.

This policy framework should help to build a new social contract between farmers and the rest of society – a contract where farmers see one of their primary roles being to manage the environment, and where the public see farmers as guardians of the environment and are happy to pay them for these 'public goods' through taxation.

This contract would also involve farmers moving towards more environmentally and economically sustainable production of food that consumers want to buy and are prepared to pay a fair price for.

Dr Helen Phillips is Chief Executive of Natural England.
www.naturalengland.org.uk

Mariann Fischer Boel

Its goals may have changed, but the Common Agricultural Policy (CAP) is as important for Europe now as it ever was. So my firm belief is that we should definitely NOT scrap the CAP, not now and not for the foreseeable future.

The CAP in 2007 performs many functions:

- It ensures the production of safe and high quality food.
- It guarantees the respect of high standards of environmental protection and animal welfare.
- It ensures that farming remains at the heart of the rural economy.
- It contributes to economic diversification in rural areas, mainly through rural development policy.

And, thanks to recent reforms, our farm support is largely trade-friendly. But we should not rest on our laurels. The policy must continue to evolve to keep pace with a changing world. That is why I plan a 'health check' of the CAP in 2008, to streamline and simplify the policy, and deepen the reforms already undertaken.

The following year, I plan a debate on what the policy should look like post-2013. I believe there will still be a role for direct payments, linked even more closely to farmers' fulfilment of 'public goods' like environmental protection. There will be no place for the old interventionist and trade-distorting support measures of the past. Rural development policy must be extended to maximise the economic potential of our rural areas. And the CAP must remain a common policy with a common budget and common rules.

I am opposed to re-nationalisation, which I believe would be a mistake and would not achieve what its proponents believe.

Mariann Fischer Boel is European Commissioner for Agriculture and Rural Development.
blogs.ec.europa.eu/fischer-boel

Hannes Lorenzen

No. We keep the C for Common and we add an R for Rural. The European Common Agriculture and Rural Policy (CARP) would have three major goals:

- First, to preserve the Common goal of food security – one of the pillars of European integration after the war. More than ever, we should encourage farmers and consumers to move towards more sustainable farming practices and consumption patterns.
- Second, to cure Agriculture from industrialisation; European agriculture must be based on animal welfare, cultural and geographical diversity, and the sustainable use of genetic resources as a rule, not as an exception.
- Third, Rural development is much more than agriculture – it includes the heritage of landscapes and biodiversity, the diversification of rural economies and the principle of solidarity. It needs to balance between historically and geographically advantaged and disadvantaged regions, and between small and big farms and enterprises.
- Fourth, Policies, especially European, are not in fashion these days – but it makes no sense to re-nationalise agricultural and

rural policy in the context of increasingly globalized markets. On the contrary, in times of climate change and increased pressure on natural resources, Europe needs to work on common ground towards more sustainable use of its resources and towards trade rules which favour social and environmental inclusion.

'Scrap the CAP' might sound sexy in the UK. Tony Blair, during his presidency of the European Council, told the European Parliament to give up the CAP in order to invest the precious money in research and education. "Europe is not an agricultural region any more", he said.

He is wrong. Europe needs the CARP in order to withdraw from dumping practices such as export subsidies. Farmers need the CARP for sustainable practices in order to produce wholesome food sustainably for all and to be careful with 'bio'-fuels, which might soon call global food security into question. Consumers and citizens need a CARP that is more transparent and democratic so they can stop financing Queens and Princes for their properties. And the UK needs the CARP in order to find peace with its European continental neighbours.

Hannes Lorenzen, from North Friesland, Germany, is advisor to the Committee on Agriculture and Rural Development in the European Parliament. He is Chair of the PREPARE organizing group, a Europe wide network of national rural movements.
www.preparenetwork.org

David Baldock

No. Unless responsibility for trade policy unexpectedly reverts to the Member States an agricultural policy for Europe will be needed. Payments to many farmers will diminish but the challenges governing a nexus of agrifood and bioenergy supplies will not. The EU's position as a huge market, major supply zone, influential trader and political player needs to be harnessed to the goal of a sustainable and just food system.

Rapid, unfettered liberalisation would shift food and bioenergy production to the cheapest suppliers; in few cases are these low-income developing countries. Instead, trade policy needs to be attuned to development priorities and to the likelihood of rising commodity prices as governments promote bioenergy supplies.

The EU should not shrink from setting standards where these are needed, for animal welfare, use of GMOs and the protection of biodiversity, for example. There is a legitimate case for applying these to imports as well as to domestic production – and for compensating European producers where this is not possible. Pursuit of demonstrable public

Number crunching

From 2000 to 2006, **€322 billion** was spent through the CAP. This is about **45 percent** of the EU budget. **Ninety percent** of the funds were paid to farmers as direct production-related subsidies under 'Pillar 1', while only around **ten percent** were made available to all Member States for rural development under 'Pillar 2'. However, the total EU funding for rural development over 2007-13 has increased from **€32 billion** to **€78 billion**. Of this, the UK has been allocated **€1.9 billion**, which it will double to **£3.9 billion** through other funding streams.

Elizabeth Adams

References at www.foodethicscouncil.org

interest and a willingness to negotiate around conflicting priorities are key. The CAP's reputation for thinly disguised protectionism should be buried.

Internally, there is a need to focus on public goods such as sustainability, nutritional coherence and the management of biodiversity, which is heavily dependent on agricultural management. Payments should be linked to such goals rather than to historic entitlements. Equity between producers in old and new Member States will be long overdue by 2013. Agricultural, energy and climate policy will need to work more closely together, informed by a strategic approach to land use, tempering a flood of intensive biofuels. Behind the tarnished acronym of the CAP lies a Hydra's head of new agendas.

David Baldock is Executive Director of the Institute for European Environmental Policy www.ieep.eu

Barbara Young

The CAP is one of the most powerful environmental as well as economic and social influences in Europe. The CAP focussed on production and caused big environmental damage, yet a chance by-product of the policy – large areas of set-aside land – has been the single most important salvation for declining farmland birds and plants. So the CAP is too potent an influence on the environmental impacts of land management to throw away lightly – don't scrap the CAP.

The positive environmental outcomes we need from farming cannot be secured without a strong common policy. And we need to prepare for new environmental pressures too, not least tackling climate change.

I believe CAP should transmute into a large-scale, long-term public funding mechanism that helps deliver a healthy rural environment, where:

- Agriculture is profitable and provides net environmental benefit as part of a thriving rural economy.
- Land managers have adapted to climate change, reduced flooding impacts and planned for drought.
- They understand their impacts on land, air and water and are supported in work to reduce adverse consequences.
- Agricultural production uses low carbon techniques to produce food, and fuel and waste streams that generate energy without damaging the environment.

But in the UK all this needs to be founded on a debate about what land is for as it becomes one of the scarcest commodities in the temperate world in the face of climate change.

Barbara Young is Chief Executive of the UK Environment Agency and is a Life Peer in the House of Lords. www.environment-agency.gov.uk

Jonathon Porritt

The CAP is many years past its sell-by date. It commands a ludicrous share of the EU's total budget, fails to help those farmers that most need help, damages the interests of many developing countries and, despite all the good stuff achieved through various agri-environment measures, still has a predominantly negative impact on the EU environment.

So, this time around, I really do hope that Europe's decision-makers will bite this particular bullet and move to phase out the CAP *altogether* within a defined period of time.

Agricultural policy (as such) could then be repatriated to member countries, subject to the same kind of 'state aid' restrictions that obtain in almost all other sectors of the economy. And of course to any compliance issues as regards the WTO.

That would leave the way clear for a strategic reconsideration of what would now constitute an appropriate form of intervention for the EU around land use, food production, and resource management. Funding for agri-environment measures could be significantly enhanced, allowing for much more variation in national policy priorities.

Beyond that, a new fund should be established to help member countries (and individual farmers and land owners) to get properly on top of the challenge of climate change, both from a mitigation and an adaptation perspective. There is so much that now needs to be done to encourage carbon-friendly farming (geared to maintaining and increasing levels of CO₂ in soils and biomass), and to adapt land management practices to support flood control and 'managed retreat' strategies.

Why do we need this? The problem is that the market is currently completely incapable of paying for these critically important 'services', providing a compelling rationale for governments to use public expenditure until such time as every single facet of our economy is subject to paying a proper market-based price for carbon. And that could still be some time away!

Jonathon Porritt is Founder Director of Forum for the Future and Chairman of the UK Sustainable Development Commission. www.forumforthefuture.org.uk | www.sd-commission.org.uk

Donald Curry

No. But it needs to look quite different to meet the needs of the 21st century. After 2013, the EU policy landscape should be:

- Focussed on public goods – the only long term justification for public support for agriculture lies in the public goods that farming delivers. We need to start thinking now about what those public goods are and how much we want to pay for them. We need to include in this analysis things that we currently take for granted, but which may not be produced in the future without public support, such as management of uplands.
- Dynamic and strategic – we need a better understanding about the way in which our environment works. There will be increasing tension between food, energy production and good environmental practices. Technological innovation and novel markets will mean that we will need policies which can be flexible enough to respond to new developments whilst providing a long-term strategic direction that gives industry a foundation to work on.
- Making best use of the market – in the widest sense of the word, not just in food. Creating a market in environmental goods can drive innovation within industry and raise baseline levels of environmental performance, reducing the need for regulation.
- These are big asks and there is a danger that they will be considered 'too hard'. We need to be courageous about the changes we are seeking because further radical reform of the CAP will enable us to be forward-looking and innovative players on an increasingly competitive global stage.

But all this assumes we have got a profitable farming industry to deliver the public goods we are seeking! Whilst I stand by the Policy Commission recommendation for radical CAP reform and an end to direct payments, I also know that we need a phased approach to ensure that we achieve a sustainable transition. Let's be bold with our ambition, but not forget that people need support along the way.

Sir Donald Curry chairs the UK Sustainable Farming and Food Strategy Delivery Group. www.defra.gov.uk/farm/policy/sustain/deliverygroup

Why 'not bad' is no longer good enough What should we want from CAP reform?



Opinion: Tom MacMillan & Christopher Ritson

Come November, the gargantuan, gothic St. Pancras station will become London's impressive new gateway to Europe, the terminus for the Channel tunnel rail link. It is salutary to think that, in 1962, there were plans to flatten it. In retrospect it seems better renovated than demolished.

Of course, it is not just the Channel that separates Britain from France – there is a much stronger appetite in London for scrapping the Common Agricultural Policy (CAP) than in most of our continental neighbours. The logic is that the CAP has many problems and so less of it, and less of those problems, should be better.

But we would do well to remember St. Pancras. For all its troubles, the CAP is a significant resource – a huge investment not only in money but also in political co-operation. We may gain more by renovating the CAP to fit the EU's future needs, ambitions and responsibilities, than we ever could by simply dismantling it.

The original objectives of the CAP are an anachronism but the call to make it about something different than agriculture seems to miss the point

To give would-be wreckers their due, they actually fall in two camps, each with a quite different philosophy. Some, like the UK Treasury, see reform as a single trajectory towards freer trade with non-EU countries and fewer spending commitments. This is the traditional path of CAP reform – at issue is how fast it happens and how much of the CAP is left at the end. For traditionalists, reform = the same, but less of it.

Others, like the UK House of Commons select committee that recently called for the CAP to be scrapped,¹ are altogether more radical. They do not want to dismantle the edifice completely but instead gut it and

then change its purpose so fully, say to a Rural Policy for the EU, that it can no longer be described as an agricultural policy at all. They differ from traditionalists because they make a strong, principled case for active policy intervention. The issue for them is to what ends it is directed. For radicals, reform = different.

The traditionalists' one-track approach to reform looks increasingly blinkered and outdated. It is a modeller's view of the world – SimCity™ without the graphics – where agricultural markets work smoothly without erratic price shocks, regulatory standards are tightly enforced, rich countries meet ambitious international development commitments and, so long as GDP is on the up, everyone is happy, wealthy and well.

The radicals, by contrast, know that common policies and substantial public spending will probably always be needed to provide what people want from European agriculture: biodiversity, a carbon sink and other environmental public goods; thriving rural communities; a positive contribution towards international development; high standards of animal welfare; a resilient food system; and supply-side support for public health policies. The trouble is, while they believe common policies are needed and that these should no longer focus on promoting EU agriculture as such, they cannot agree what their new common policy should be about instead.

Thus, some want the CAP scrapped in favour of a common policy on rural areas or communities, others on land use, sustainable development, public health or food. They are right that the original objectives of the CAP are an anachronism, but the call to make it about something different than agriculture seems to miss the point. Of course the aim of the CAP cannot be to bankroll *farmers*, but the reason that the hook for this common policy should still be *farming* is precisely because agriculture touches all of these different concerns. Whatever the CAP turns into should not be *for* agriculture but it will inevitably be *about* it - whether a radically reformed policy is called the CAP or

something different is in part just semantics. Really radical reform = different, yes, but still a common policy about agriculture and more besides.

So the new case for agricultural exceptionalism - for a policy that treats farming differently - is no longer to boost agricultural productivity or increase agricultural earnings, as the founding 1957 Treaty of Rome would have it. Rather it is that, compared with other businesses, farming has a disproportionate social and environmental footprint – on land use, the environment, animal welfare, public health and the livelihoods of people in poorer countries – yet it is insulated from public priorities and consumer demand because of its close dependence on ecological processes and because of the structure of food supply chains. The ambition for CAP reform should not simply be to reduce the externalities of agriculture and agricultural policy, but to switch their polarity from negative to positive.

The ambition should not simply be to reduce externalities but to switch their polarity from negative to positive

Why a common policy, not just national ones? First, because the planet needs all of European farming to subscribe to a fairer, more sustainable agenda. It is no longer sufficient for CAP reform to be seen in this country as being solely about what happens to farming and the rural economy in the UK. Second, because only a common EU policy will muster the levels of public spending, investment and outward-looking political co-operation needed to help make European agriculture part of the solution to today's biggest challenges, including climate change and global poverty. National finance ministries would probably spend a whole lot less on either the environment or rural development than proponents of radical reform would like. Third, because, without common policies, national governments would be tempted to adopt measures to secure

short term competitive advantages against other EU countries, rather than longer term sustainable development.

A renovated CAP needs new design principles. Instead of mixing up means and ends, like the Treaty of Rome's original objectives, it needs a sharply defined public purpose. It should aim to make sure Europe's agriculture:

- Promotes public access to safe and nutritious food.
- Enables viable, diverse and dignified rural livelihoods.
- Respects the biological limits of natural resources, combats climate change and is a net positive contributor to the environment.
- Achieves consistently high standards of farm animal health and welfare.

Finance ministers should not start rubbing their hands quite yet

The target is to capture 'win-wins', where these aims complement each other, and to make trade-offs between them rationally and fairly. But that is not enough – the hardest part is to pursue these aims even-handedly, so we do not have double-standards that short-change future generations, poor countries or people who are not farmers. That means pursuing our aims:

- Now, yet also sustaining the social, economic and natural resource base into the future.
- Within Member States and for all third countries that the CAP affects.
- Recognising that agriculture supports and depends on other aspects of rural development.

So much for new principles – how would we put them into practice? Well, even a radical overhaul of the CAP would include some familiar elements of previous reform: that EU export subsidies need to go, quickly, and import tariffs should be reduced; and that the rationale for direct support is shaky, so CAP spending in future should be less like 'Pillar 1' (direct and market support) and more like 'Pillar 2' (rural development). In general, a much greater share of CAP funds should pay for environmental benefits and support sustainable rural development, while Member States and regions should have more say in exactly how that money is spent.

Among some reformers, at least, consensus is emerging that what we want from the CAP may not come cheap, even if it is good value

for money, so those finance ministers should not start rubbing their hands quite yet. The usual way to express this is in the new lingua franca of reform, as environmental and social 'public goods and services' – the cost of paying for these benefits through the CAP may seem high, but it is lower than the cost of paying for them any other way. While the concept of public goods has helped put the environment and rural development on the mainstream policy agenda, we must recall that some things people value and that we need from CAP reform, like social justice and autonomy for people in poorer countries, fall outside its bean-counting logic. Public goods are crucial but they are not all that matters.

So far, so familiar. But we also need ways to meet new challenges – and here are three ideas. First, without going back to the bad old days before 'decoupling', when subsidies supported surplus production, we should recognise that measures promoting environmental and social benefits *from* productive land uses, not just *instead* of production, offer some of the best value that taxpayers could hope for. Helping red meat producers shift to biodiverse forage, for example, is good for the environment as well as steering them towards producing less of a higher-value, healthier product.²

Second, we could place a greater emphasis on investment (say in efficient small-scale processing facilities, risk management schemes, organisational resources and training) and on support for marketing (of sustainably produced fresh fruit and vegetables, for example). This may be more effective than direct support or complex audit systems at making EU agriculture more sustainable and the sum of its products healthier.

We must put our money where our mouth is on international development

Third, we must put our money where our mouth is on international development. This means reallocating a major portion of current CAP spending for aid and investment that helps producers in poorer countries to gain from market access to the EU and to build sustainable local markets. Support should go to rural communities harmed by preference erosion, to environmentally-sensitive and equitable trade that actively supports sustainable development, and to capacity-building to help poorer producers meet EU animal welfare, food safety and other regulatory standards.

Combine elements like these and some of biggest puzzles start to look more doable. How, for example, can we shrink the huge

footprint of dairy, meat production and synthetic fertiliser use in Europe, without being unfair to farmers here or in poor countries, and without simply outsourcing our environmental impacts to elsewhere? Could investment in low-input, high-quality production and marketing, higher environmental and animal welfare standards, with substantial support for poorer countries to meet those standards, help put us on the right track?

We need a much broader range of reform scenarios than have been on the negotiating table to date

If the history of the CAP tells us just one thing, though, it is that even good intentions can have unintended consequences. The outcome of CAP measures will depend on their context. That context has changed since the last reforms in 2003 and it will doubtless be different by 2013. For instance, though decoupling has not completely banished concerns about dumping or the need for mechanisms to safeguard against it, it looks like the trouble in future may be that Europe drives *up* world prices – say through its biofuels commitments – posing a risk to food security in some of the poorest parts of the world.

So we need a much broader range of reform scenarios than have been on the negotiating table to date – broader in perspective, seeing the world beyond Europe, and broader in the policy instruments and contingencies they consider. This will help us rebuild the CAP so it no longer looks inwards and backwards, but sees out beyond our borders and is ready for tomorrow's challenges. A bit like that train station really.

This article draws on deliberations of the Food Ethics Council held in July 2007.

Tom MacMillan is Executive Director of the Food Ethics Council.
tom@foodethicscouncil.org

Christopher Ritson is Professor of Agricultural Marketing at Newcastle University, and a member of the Food Ethics Council.

¹ EFRA Committee (2007)

Fourth report of session 2006-7. HC 546-1.

² Eating biodiversity project.

www.relu.ac.uk/research/projects/Buller.htm

For rural communities

We need investment but not just in farming



Neil Ward, Dan Keech &
Jessica Sellick

Our starting point is a concern for the social and economic wellbeing and environmental sustainability of rural areas and communities in the UK and the rest of the EU. Rural Europe is experiencing profound change, but is extremely diverse, with a wide range of local socio-economic development challenges. Some areas are geographically remote and sparsely populated. Others are economically buoyant, with strong development pressures and people wishing to move into them. Yet the CAP is one common experience across the whole of the rural EU.

Historically, the EU, through the CAP, has emphasised the role of agriculture in rural development. Too often this has resulted in damaging consequences, both through the intensification of agriculture leading to environmental degradation, and by making rural economies less flexible and competitive, so creating an economic dependency.

Now, in theory, CAP reform is changing the nature of agricultural support, reflecting a view that farming should be valued beyond its food-producing role to include its contribution to environmental management, food safety and animal welfare. In practice, however, 'rural development' measures beyond the 'farm gate' are given short shrift because the emphasis continues to be on agricultural support, increased competitiveness and the mitigation of environmental impacts, so payments go to farmers rather than other types of recipient.

Our vision for CAP reform, through a 15 to 20 year transition period, is based on the replacement of the CAP's 'Pillar 1', whose primary objective of boosting farm production and productivity is now defunct, by 'Pillar 2' measures designed to foster balanced territorial development of rural areas.

To do this, we need to go back to first principles: what is the CAP for and what is agricultural support for? We believe they should be for supporting socio-economic development (and structural adjustment) in rural areas first and foremost. Environmental management and competitiveness comes under that heading and might be priority areas for spending in some Member States. Crucially, however, rural development is a broader yet more profound objective than agricultural support for its own sake.

There will remain a need for a common European policy but it should centre on the following objectives:

- To invest in the wider rural economy. We believe that CAP support should be directed at the wider rural economy, not just agriculture, and used to assist rural communities to develop local economies that are more diverse, dynamic and resilient.
- To encourage the provision of valued environmental goods and services. Carbon use and habitat destruction are just two examples of how farming practices have implications within and across Member States, and often extend far beyond the reach of EU regulations. Public funds must not be used to support these processes, but instead should aid the environmental modernisation of farming and land management industries. Farming and sustainable environmental management must become synonymous.
- To give support where it is needed. Direct payments under the CAP cost around €30 billion each year and can lead to perverse economic outcomes. The historic basis for subsidy continues to favour larger farmers, rather than supporting rural communities in diversifying and developing local rural economies. It also exacerbates the unhelpful conflict between local and national interests, and the opportunities for international development through trade.
- To invest in civil society. Farming and environmental lobbies are both relatively strong, while wider rural development interests are relatively weak and poorly organised at European level. This is not necessarily optimal for the development of rural areas or the economic wellbeing of rural communities. CAP reform should address this imbalance, by opening up new possibilities for public, private and voluntary sectors to work together. Much good practice pioneered by the third sector has already been appropriated within the mainstream agrifood system. Yet

the capacity of the third sector needs to be strengthened so it can emerge from its current dual role as an unpaid market innovator and an underpaid social safety net.

Achieving these objectives will require improved prospects for Pillar 2, with specific progress on three fronts:

- First, significantly greater resources must be allocated to Pillar 2 by shifting resources from Pillar 1. Without significant planned growth in Pillar 2 funds, this alternative approach is likely to stagnate.
- Second, Pillar 2 needs to be radically simplified to allow Member States much greater flexibility, so people in very different parts of Europe can all make the best use of this instrument.
- Third, a Pillar 2 CAP needs updated delivery structures. We suggest the third sector, and wider local business interests within rural communities, must be integrated in this reform. The role and functions of Pillar 2 need to be fundamentally reviewed in line with a progressive vision for growing the second pillar eventually to replace Pillar 1.

We want to see a fairer, more objective base for allocating EU rural development money to Member States – one founded on social justice, wellbeing and environmental sustainability rather than on historical spending or efforts to maintain the status quo. Requiring Member States to co-finance Pillar 1's Single Farm Payment would also help to bring a new and stronger impetus for further progressive reform to strengthen Pillar 2.

Neil Ward is Professor of Rural and Regional Development and Director of the Centre for Rural Economy at Newcastle University.
www.ncl.ac.uk/cre

Dan Keech and Jessica Sellick work on food and farming at the New Economics Foundation.
www.neweconomics.org



For international justice

Time to meet our promises

Europe's Common Agricultural Policy (CAP) faces a credibility crisis. How long will taxpayers tolerate spending close to half the EU's total budget on a system that pays farmers for being unproductive and harms small family farms within the EU? In Spain alone, in 2002, 37,000 family farms disappeared. In the same year, seven big land owners received together over €14 million from the CAP – as much as the smallest 12,700 farms combined.

It is a perverse set of policies, long overdue for profound reform. What is also clear, though, is that Europe's taxpayers and small farmers aren't the only losers from CAP. It is people in poor countries who pay the heaviest toll. The urgent challenge is to change the CAP so it balances European needs with those of poor countries, contributing to a fairer and more environmentally efficient global food system, improving rural livelihoods in the EU and beyond, and combating climate change. No amount of nostalgia for European agriculture should blind us to the benefits of further, more serious reform of the CAP.

The CAP regulates the EU's position in international negotiations on agricultural trade. In 2001, the EU committed at the World Trade Organisation (WTO) summit in Doha to preserve the interests of developing countries in negotiations towards trade liberalisation, but its defensive position on agriculture subsequently played a major part in the meltdown of the Doha Round negotiations. While the EU wants trade liberalisation for everyone else, aggressively demanding access to markets for non-agricultural products and services, it insists on high domestic support for agriculture and has only marginally opened up access to its own markets. In its hunger to protect its commercial interests, the EU is now taking the same tack in bilateral trade negotiations with the African, Caribbean and Pacific countries, which include most of the poorest countries in the world.

Trade policy cannot adequately address all the obstacles to successful small-scale agriculture in developing countries, which include such problems as lack of infrastructure, lack of credit, underdeveloped markets, high-cost inputs, chronically low farm-gate prices and the weak bargaining position of farmers. However, trade policy can either support or

undermine efforts to overcome them. The EU needs to help developing countries protect their own weak markets because this can support poor people's livelihoods, promote food and income security, and achieve other development goals. Right now it is doing quite the reverse.

CAP reforms in 2003 didn't meet the EU's Doha promises. The reforms were short-sighted, more concerned with European farmers and their electoral clout. They were also based on a fallacy – that direct support to farmers, such as decoupled subsidies, does not distort international trade. How come the level of subsidies farmers receive can't influence their production decisions? In fact, instead of reducing production, decoupling has concentrated intensive production on large farms. Direct payments still influence production and prices, and some sectors, such as cattle, milk, poultry, fruits and vegetables, are still highly protected. Some of these sectors are precisely the ones where developing countries could be more competitive.

Rich countries are largely responsible for climate change – they must start compensating for the damage it causes in poor countries

The EU urgently needs to adapt the CAP to meet the real challenges Europe faces in a globalising world while also, crucially, attending to the needs of developing countries. Reformers should not obsess with liberalisation, but should focus on creating a coherent package of measures that enhance wellbeing and support sustainable production, bringing net benefits to citizens around the globe. To achieve this, CAP reform needs to:

- Eliminate agricultural subsidies that allow European agricultural exports at below the cost of production, going beyond the current compromise to eliminate export subsidies by 2013.
- Unconditionally open European markets to agricultural imports that sustain the lives of millions of poor farmers in developing countries, not only reducing import tariffs but also simplifying import requirements. Health and environmental standards should be rationalised, and genuine technical and financial support should be provided to developing countries to fulfil them.

- Redistribute CAP funding to support job creation in rural areas and sustainable ecological production in the EU. Opportunities may not be directly related to agricultural production but could include forestry or e-business, for example.
- Mitigate climate change by reducing greenhouse emissions from agriculture and right along agricultural supply chains, taking into account the full range of inputs and externalities, and strengthening geographical comparative advantages that improve environmental efficiency.
- Help developing countries adapt to climate change. Rich countries are largely responsible for climate change – they must stop causing further harm and start compensating for the damage it causes in poorer countries.
- Guarantee the rights of migrant workers. Poverty, inequality, conflicts and climate change are some of the reasons behind the massive movement of workers around the world. Migrants are vital the economic growth experienced in many countries today, many of them working in the agricultural and food production sectors. The future CAP should accommodate these workers.
- Contribute to a joined-up development policy that does not just provide development aid, but also ensures that European agricultural, trade and industrial policies do not interfere with the opportunities and development efforts of poor countries. Europe must stop taking with one hand what it gives with the other.

Teresa Cavero is a Senior Policy Researcher at Intermón Oxfam, where she leads the research programme in Economic Justice. She has a Master in Public Administration degree in International Development from the Kennedy School of Government, Harvard University.
tcavero@intermonoxfam.org

For public health

How could the CAP help make it easy to eat well?



Tim Marsh

One of the founding principles of the Common Agricultural Policy (CAP) was to ensure a steady supply of affordable food – a clear public health priority. Since then, however, public health concerns seem to have fallen by the wayside. It is time the public health community joined with environmentalists to promote a healthy and sustainable food system for Europe.

Why? According to the World Health Organization (WHO), four percent of the overall disease burden and nearly 30 percent of the coronary heart disease burden in developed countries is caused by low fruit and vegetable consumption.¹ The WHO says the seven leading risk factors for chronic disease in Europe are tobacco use, hazardous alcohol use, low fruit and vegetable intake, high cholesterol, being overweight, high blood pressure, and physical inactivity.² Some estimates show that one third of cardiovascular disease deaths in Europe are linked to poor nutrition.³

The Eurodiet Core Report laid out population goals for nutritional intake to reduce the disease burden.⁴ These include: at least 400 grams per day of fruits and vegetables; less than 30 percent of energy from fat; at least 55 percent of energy from dietary carbohydrates; and at least 25 grams per day of fibre. The WHO made similar recommendations, calling for 400-500 grams of fruit and vegetables a day.⁵ Only four EU nations have 50 percent or more of the population meeting the fruit and vegetable target, while Portugal is alone in having more than half its population meet goals for dietary fat and saturated fat intake.⁶

Although a number of factors influence diet, time and time again studies show that people's choice of food is largely determined by price and availability.⁷ Price and availability, in turn, are shaped by the terms of production and trade, including the CAP. The relationship between production support and what people eat is complex – EU policies have until now kept sugar prices high, for example – but the stark mismatch between CAP support and healthy eating recommendations is a heavy hint that we could spend much better from the point of view of public health. So, it has been estimated that CAP support amounted to just 3.4 percent of the market value of fresh fruit and vegetables, compared with 30.9

percent for cereals (much of which is used as animal feed) and 26.5 percent for beef and veal.⁸ The bottom line is that however this support actually influences prices, taxpayers shouldn't be supporting sectors that are detrimental to their own health.

Because public health hasn't been a priority, it's no surprise recent reforms have been a mixed bag. The single decoupled payment scheme, a key part of the 2003 reforms, applies to growers of cereals, beef, goats, sheep, olive oil, and some other commodities, but producers receiving decoupled payments can't grow fruit and vegetables. Even though the single payments aren't a direct incentive for production, precisely because they're decoupled, excluding fruit and vegetables may discourage producers considering a switch to horticulture. To shift to new crops requires training and capital investment for producers. In January 2007, the EU proposed reforms to the fruit and vegetable regime that, if implemented, will at least include the fruit and vegetable sector in the single decoupled payment system.

Many consumer groups advocate scrapping the CAP altogether, removing all subsidies which result in food price distortions, so agriculture is driven by the market like other sectors of the economy. This may not be in the best interest of Europe's public health: a market-led food economy might promote the production and consumption of cheap energy-dense foods, high in fat, salt and sugar. Fruit and vegetable growing is a risky business – as this summer's floods and droughts across Europe have shown – and without incentives and income guarantees production could diminish, and prices rise still further, as our climate becomes less predictable.

What we really need is not to scrap the CAP, then, but to re-invent it from first principles to address the challenges of the 21st century, not least the increasing burden of diet-related chronic disease which, if unchecked, could have devastating economic impacts beyond the agricultural sector. The challenge for reform is not simply to make the CAP less bad for our health, but to use it to support healthy eating in ways that are in keeping with sustainable development. The market and regulation simply won't meet that challenge alone.

Evidence from Canada, where researchers have modelled how a small change in the price of fruit and vegetables would affect health, suggests that even a one percent decrease could prevent thousands of heart attacks and strokes.⁹ They calculated the cost per statistical life saved at \$1.29 million, which compares well with many government health programmes.

The fact is that public health has been on the back burner so long when it comes to the CAP, that top of the public health wish-list for CAP reform is research. As a priority, the European Commission must carry out a proper Health Impact Assessment, similar to one carried out by the Swedish Institute of Public Health in 2003 but larger in scale.¹⁰ This means moving beyond the usual focus on how EU prices compare with world markets to understand how the relative costs of different foods affect what ends up in people's bellies. As well as aiming to eliminate perverse incentives and rules, it should identify interventions that make it easier for consumers to eat a healthy diet – perhaps, for example, by reducing business risks for horticulture and supporting the marketing of fresh fruit and vegetables that have a low environmental footprint.

This impact assessment needs to be supported by a firm political commitment to implement change.

Tim Marsh is Associate Director of the UK's National Heart Forum that promotes policies that prevent coronary heart disease, representing nearly 50 other organisations.
tim.marsh@heartforum.org.uk

¹WHO (2003) Technical Report Series 916.

²WHO (2005) *European health report 2005*.

³WHO (2004) European Series No. 96.

⁴Eurodiet Core Report (2000) Nutrition & diet for healthy lifestyles in Europe.

⁵WHO (2003) Technical Report Series 916.

⁶Lobstein, T. (2004) *Eurohealth* 10:1, 8-12.

⁷HMT/Defra (2005) *A vision for the CAP*.

⁸Lobstein, T. (forthcoming) NHF Paper on CAP, WTO Treaties and Health.

⁹Cash, S. et al. (2005) *Acta Agriculturae Scand. Sect. C* 2: 167-174.

¹⁰Schäfer Elinder, L. (2003) *Public health aspects of the EU CAP*. National Institute of Public Health.

Harry Huyton with
Vicki Hird



For the environment

The CAP needs to support biodiversity and be climate-proofed

It's easy to take farming for granted. Take a walk in the countryside and you forget that the landscape is forged by farming and the wildlife has, over the millennia, evolved alongside agriculture. Corn flower, harvest mouse, corncrake? All part of our heritage, but their existence depends on sympathetic farming continuing.

This is why farming is different. It produces 'public goods' that we all benefit from - wildlife, landscapes, but also clean water and healthy ecosystems. But, like us, the market takes these for granted, rewarding farmers only for producing food and, increasingly, fuel. As a result, we lose them: farmland birds, for example, have declined by half over the last 25 years in the EU, and species such as the tree sparrow have crashed by as much as 91 percent in the UK.

Government intervention is needed to correct this market failure and ensure that these benefits are delivered. This principle is increasingly recognised by policy makers in the UK and in the EU. As a result, the system of public support for agriculture is slowly changing as the vast amount of funds spent subsidising farming is shifted slightly towards supporting public goods. Nowhere is this more apparent than in England, where 50 percent of farmers are now part of the new environmental stewardship scheme, which pays farmers to introduce environmental measures, benefiting wildlife and supporting good soil and water management.

But this has been a gradual shift, and the CAP remains overwhelmingly a policy of subsidy with few strings attached. Seventy-eight percent of the €48 billion spent each year on the CAP goes to the Single Farm Payment (SFP) - a subsidy that has no clear aim whatsoever. Increasingly, its supporters refer to it as income support, but it doesn't go to those farmers who actually require financial help. Far from it, as in most parts of the EU it is allocated according to historic subsidy receipt, i.e. what individual farmers used to receive in the good old days of production subsidies. This results in huge inequalities: 85 percent of the payments going to just 18 percent of farmers, with the largest, most intensive farmers benefiting the most.

It is true that farmers must now meet a set of minimum environmental standards - known as cross compliance - in order to receive their subsidies, but Member States have been given so much flexibility in setting these standards that they are completely inadequate in most countries. In many, you can destroy hedges, plough up natural grasslands and still claim your subsidy.

Increase the funds allocated to rural development significantly and reform cross compliance so that it is fit for purpose

So, the backbone of the CAP delivers little more than an easy way of disposing of almost £50 billion of public money.

The one redeeming feature of the CAP, however, is the 'second pillar', which is dedicated to rural development. This pillar includes agri-environment schemes, such as England's Environmental Stewardship, which, along with effective regulation, is key to delivering higher environmental standards on farmland through paying farmers to deliver public benefits. Already, agri-environment has successfully averted the extinction of ciril buntings in England, and has reversed the fortunes of the great bustard in Castro Verde, Portugal. It has also been used in many countries to address water pollution, soil erosion, and even to improve public access to the countryside.

Yet, agri-environment - the one part of the CAP that is able to deliver something that society wants, enjoys and benefits from - receives only five percent of the CAP pot. Clearly, we are still a long way from the CAP being a force for sustainable farming, and radical reform is needed to abolish the SFP in favour of better quality rural development and agri-environment.

At this stage, policy-makers usually point to the 2003 reform and say "slow down, let's get used to the new system", but further reform is an urgent imperative. Biodiversity loss continues rapidly, with a decline already evident in the new Member States just three years after their accession. Meeting the Gothenburg target of halting this by 2010 looks doomed to failure. Water pollution and unsustainable irrigation

are becoming increasingly damaging. Soil erosion threatens the productivity of nine percent of EU farmland.

Then there is climate change, which will exacerbate all of these trends and, as a result of the dash for biofuels, put our land resource under increasing pressure over the coming decade - the European Commission recently claimed that 18 percent of our agricultural land should be used for biofuels by 2020. The CAP needs to be climate-proofed so that it supports farming systems which minimise greenhouse gas emissions (CO₂, methane and nitrous oxides in particular) whilst providing other benefits. Two major targets should be livestock production and fertiliser use - both major sources of emissions. We will need other policy measures to ensure farmers get a fair deal from food industry buyers. This is essential to ensure that sustainable farming systems and livelihoods are viable.

The message to produce and intensify will also be amplified by increased demand from a global population that is growing in size and affluence, and increasing livestock consumption, whilst Europe's agricultural land will continue to be lost to new homes and increased water scarcity.

If we are to overcome these challenges, the CAP needs to be transformed into a new policy that is dedicated to securing higher standards, greater sustainability and public benefits. The CAP 'health check' in 2008 must firmly put the EU on this path by increasing the funds allocated to rural development significantly and immediately, and through reforming cross compliance so that it is fit for purpose. The subsequent EU budget review provides the opportunity for radical reform.

Harry Huyton is Agricultural Policy Officer at the Royal Society for the Protection of Birds, Europe's largest conservation charity.
harry.huyton@rspb.org.uk

Vicki Hird is Senior Food Campaigner at Friends of the Earth.
vicki.hird@foe.co.uk

Food sovereignty comes of age

Africa leads efforts to rethink our food system

WORLDVIEW



Patrick Mulvany

Patrick Mulvany is senior policy adviser at Practical Action and is chair of the UK Food Group, the principal network of UK NGOs concerned with global food and farming issues.

patrick.mulvany@itdg.org.uk

“Africa can feed itself” was a ringing cry at *Nyéléni 2007 – Forum for food sovereignty*, held earlier this year in Mali. But, the spokesperson for the African Region added, “three successive globalisations have obstructed us”. He then outlined the waves of colonial interventions that have successively undermined smallholder family farmers and local food provision in the continent: European empires, extractive international market-led growth policies and now Free Trade and Economic Partnership Agreements.

This new globalisation can be promoted because many people in industrialised countries still have the perception that African countries could not produce enough food to feed their people or that the land and waters are mostly unproductive. “But Mali is an eye opener,” commented a Thai journalist present at the forum, “the ecologically friendly agricultural practices have provided food sovereignty to the people”.¹ This theme was echoed by President Amadou Toumani Touré in his opening address to the forum. These were key reasons why Mali was selected to host the Forum for Food Sovereignty, named after the legendary Malian goddess of fertility, Nyéléni.

The National Coordination of Peasant Organisations of Mali (CNOP) welcomed to the forum more than 500 people representing organisations from over 80 countries: women, men, young, old from all sectors of food providers

– farmers, pastoralists, fisherfolk and indigenous peoples – together with environmentalists and consumers, among others. They gathered in a purpose built centre in the Malian countryside some four hours’ bus ride from Bamako, the capital. For five days there were multilingual exchanges and debates between sectors and regions about how to achieve food sovereignty. Outcomes included the *Declaration of Nyéléni* and a *Synthesis report* within which the ‘Six pillars of food sovereignty’ are recorded (see box). These ‘pillars’ are inseparable principles of food sovereignty, all of which must be equally respected.

Importantly, the differences often asserted between North and South, when it comes to food sovereignty, were resolved. It was agreed that these principles of food sovereignty apply in all regions although the *contexts* are clearly different. Food sovereignty is a common struggle against corporate, industrialised food systems and a common determination to achieve socially, ecologically and economically benign models of production, processing and distribution in all societies. It is not a North-South battle.

In solidarity with other regions, European delegates resolved to incorporate food sovereignty principles into their existing campaigns and to work towards a Common Agricultural Policy based on food sovereignty that would promote community supported agriculture systems, strengthen local markets and break the armlock of supermarkets.

Nyéléni 2007 has set the agenda for the future of our food – a countervailing approach to the dominant globalising food system that defends, often violently, its monopoly privileges and controls over territory, technology, markets, livelihoods and private profits. Rooted in local realities, Nyéléni 2007 has provided all of us with the framework within which we can now re-assess food policies and practices in order to ensure that not only Africa but also the rest of the world will be able to feed itself in future generations. In the cradle of civilisation, food sovereignty has come of age.

Six Pillars of Food Sovereignty (abridged)

Focuses on Food for People, putting the right to food at the centre of food, agriculture, livestock and fisheries policies; *and rejects* the proposition that food is just another commodity or component for international agri-business.

Values Food Providers and respects their rights; *and rejects* those policies, actions and programmes that undervalue them, threaten their livelihoods and eliminate them.

Localises Food Systems, bringing food providers and consumers closer together; *and rejects* governance structures, agreements and practices that depend on and promote unsustainable and inequitable international trade and give power to remote and unaccountable corporations.

Puts Control Locally over territory, land, grazing, water, seeds, livestock and fish populations; *and rejects* the privatisation of natural resources through laws, commercial contracts and intellectual property rights regimes.

Builds Knowledge and Skills that conserve, develop and manage localised food production and harvesting systems; *and rejects* technologies that undermine, threaten or contaminate these, e.g. genetic engineering.

Works with Nature in diverse, agroecological production and harvesting methods that maximise ecosystem functions and improve resilience and adaptation, especially in the face of climate change; *and rejects* energy-intensive industrialised methods which damage the environment and contribute to global warming.

¹Supara Janchitfah (2007) ‘An unconventional gathering’ *Bangkok Post*, 18 March 2007. www.nyeleni2007.org/spip.php?article318.

For all reports mentioned and the unabridged ‘six pillars’ see www.nyeleni2007.org.

Mud and maggots

Bad weather reminds us
how hard – and important – farming can be

ON THE FARM



Gillian Herbert

Gillian Herbert studied economics before spending 15 years in a senior post with the McLaren F1 motor racing team. She and her family now farm rare breed pigs, sheep and poultry in Herefordshire gillian@hareleyfarm.co.uk

“The wettest summer on record”, say the Met Office. Living at the sharp end of the weather forecast, we have no doubt about it. Most people consider they live in houses but farmers would, I think, consider they live outdoors and the house is reserved for sleeping and doing paperwork.

Our Gloucestershire Old Spots pigs, which would normally be playing and sunbathing in their runs, bicker inside the sties. The barns, which should now be brimming with hay and silage to feed stock through the winter, are all but empty. The pasture looks green but if you part the grass down to the soil, the bottom 10 cm is yellow, as are the maize plants in the surrounding fields, all rotting gently in the ground. Cattle have had to be housed, increasing the workload and eating winter rations – in July!

Any brief sunny spell sees flies swarming to lay their eggs

The sheep's fleeces have regrown sufficiently since shearing for greenbottle maggots to cling on, so any brief sunny spell sees flies swarming to lay their eggs. Once they hatch, more flies are attracted to the site and a sheep can be literally seething with maggots within a couple of days. The fleeces are too wet to use a pour-on preventative, which would be diluted beyond effectiveness. We've been housing our flock of Southdown sheep in batches for two days to dry them off, treating them, then leaving them in the shed for another couple of days for it to dry and begin working its way through the fleece, to stop flystrike for ten weeks. This is not an option for those with larger flocks or smaller sheds, so infestations are a widespread animal welfare problem in the county at the moment.

The housed sheep have also been eating their way through our remaining stock of 2006 hay, now down to just 14 small bales. Our two fields of cutting grass that haven't been grazed since April have passed the most nutritious meadow hay stage. Even if the rain stopped right now, it would take fields a week to dry out properly, and then five days of sunny weather and warm nights to make hay of a reasonable quality. Without it we won't have enough feed for the sheep once

the grass stops growing in the autumn. If we leave the fields uncut and allow them to graze over the winter, the grass would be rank and of very low nutritional value by then.

Potatoes are a major crop here in Herefordshire, but the half-grown crop is already suffering as soil is washed from around the tubers, leaving them to go green and poisonous. Around 25 percent of the wheat and barley crops have been flattened, losing not only the grain crop but also the straw crop that would be used for bedding over the winter and to feed cattle. Young fodder beet plants have been washed out of the ground, despite 16cm roots, and lie in heaps at the lowest point in the fields.

On the other side of the planet, the drought in Australia has now reached the point where food parcels and water tankers are supplying outback townships. Australian farmers, overwhelmed by debt because they have nothing to sell, their stock destroyed and their farm turned into a giant orange dustbowl, are committing suicide at an average rate of one every four days.

Farmers have been told by the EU that they're not a special case

Producing food is hard, wherever in the world you farm, and sometimes it's impossible. The supermarket shelves are full but this doesn't mean there's an overall abundance of food. Farmers have been told by the EU and by the government that they're not a special case, that they must live without subsidy and adapt to market forces. The farming press is filled with farm sales and stock dispersal sales every week, as farmers give up the struggle to make ends meet because prices remain low and costs continue to increase, while they struggle with the never ending tide of paperwork and leave the industry. They take with them the sum of generations of expertise in animal husbandry, crop production and land management. Think of your own list of Most Important Jobs: Doctor, Nurse, Policeman...? One thing everyone's list will have in common is that the people on it have to EAT!

The Business Page

CAP reform for flood alleviation – a bucolic dream?

Jane Milne

Farming losses in this summer's floods were significant and widespread. A Lincolnshire farmer lost one million chickens, about half the British pea crop and perhaps the same proportion of potatoes are rotting in the fields, and some livestock farms lost all their winter forage production. The National Farmers Union vice president, Paul Temple, commented that "this summer's floods demonstrated if this extreme weather becomes more frequent then we need to have schemes that work for the environment, tackle the challenges of climate change as well as support viable business". So, why not farm floods?

The summer's events brought misery to around 60,000 insured households and businesses, and uncounted others who were uninsured. Clean-up and repairs will take well over a year. Insurers estimate that damage and consequential business claims will reach around £3 billion. The Government is applying to the EU Solidarity Fund to cover some of its costs. Farmers have called for government compensation for their uninsured flood losses, yet farming practices encouraged by the Common Agricultural Policy may actually have exacerbated the flooding.

The link between agricultural practices and flood risk is well established. In the South Downs there were 60 incidents of property damage, nearly all due to run-off from newly planted winter cereal crops, during the winter months of 1976-93. In Wales, upland areas with traditional grassland management release rainwater over a much longer period than similar areas in intensive management. In Norway, changes in farming practices from cereal and grass rotations to intensive cereals have increased the risk of flood damage from erosion and subsequent sediment deposition. Around 200 hectares of topsoil were stripped during a flood in 1995, removing one million m³ of soil which was then dumped on 500 hectares of land downstream.

In the Broadlands, North Kent and the Thames Valley, between one and two thirds of wet grassland was lost between the 1930s and 1970s. Nationally, around 500 Sites of Special Scientific Interest are under threat

from low water levels brought about by intensive land drainage, affecting species as diverse as snakeshead fritillaries and breeding snipe. Reversing post-War trends in land use in critical parts of river catchments could not only avoid flood damage but also increase biodiversity.

The case for paying farmers to produce these public goods is far stronger than the case for taxpayer-funded compensation for them failing to insure their crops and livestock.

What exactly could farmers do that would make a difference? First, let's acknowledge the limits. A proportion of the recent flooding could not have been avoided through changes to farming. During intensive rainstorms it makes no difference whether the land surface is woodland, grass, bare soil or concrete. The rain cannot infiltrate quickly enough and there will be run-off.

However, there are measures that could avoid flooding in low duration, more frequent events, and some that could provide a partial solution even during exceptional storms. The critical function would be to reduce the peak run-off and enable gradual release of rainwater. This would enhance the effectiveness of engineered solutions elsewhere, currently being eroded by climate change.

Effective land use measures include:

- Improving rainwater infiltration by changing tillage practices and adopting more extensive cropping and stocking patterns.
- Reducing run-off by introducing 'barriers' such as grass buffers and temporary ponds.
- Providing more vegetative storage by increasing mature forestry areas with build-up of leaf litter.
- Slowing drainage by breaking up field drainage systems, re-establishing 'boggy areas'.
- Providing flood storage through creating wetlands and washlands.
- Increasing river channel flood flow capacities by reinstating natural water courses and reducing or setting back flood protection for agricultural land.

- Avoiding sediment damage by banning winter cereals or bare ploughed land in rapid run-off zones and floodplains.

A comprehensive package of measures would be needed to make a real difference. For example, a medium sized catchment such as the Cherwell above Banbury, covering an area of about 20 km², would need 5 million m³ of storage (or 250 hectares flooded to 2m) to take 25 percent of a 100 mm rainfall event. On 2 July 2007, 127 mm fell in 24 hours in Oxfordshire. So catchment-wide, integrated schemes would be necessary and funding constraints should not be allowed to result in half measures which fail to deliver the intended benefits.

The CAP has used set-aside to reduce agricultural surpluses, but short-term set-aside doesn't deliver environmental benefits or reduce flood risks. Other EU policies – Habitats, Water Framework and Floods Directives – make commitments that could be met through the kinds of measures described above. Common sense and prudent public expenditure demand a more integrated approach. The Dutch and Irish have identified similar benefits. This is one CAP reform that should attract wide support. The result could be a bucolic idyll, familiar to Hardy and Elliot, that rewards farmers for reducing others' risks instead of sharing in them.

Jane Milne is Head of Property at the Association of British Insurers. jane.milne@abi.org.uk

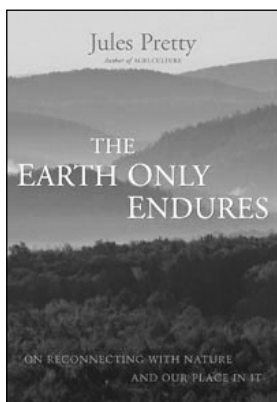
Next issue - December

The future of meat



To receive your copy subscribe now at www.foodethicscouncil.org

preview reading



The earth only endures Jules Pretty | 2007 | Earthscan

Early in this beautifully written discussion of man's relationship with nature, animals and places, Jules Pretty observes that we risk 'being the first species to change our environment to make it less favourable to life'. City dwellers may still visit green spaces for recreation but we no longer have any real connection to the land and all the stories it contains. Pretty argues that this loss of our collective memory of green places, croplands and animal husbandry has impoverished both our physical and mental wellbeing.

In a series of rigorously researched and often poetic essays, we learn of successful small-scale projects that have transformed

exhausted and arid lands into fragrant orchards and abundant vegetable cultures. We witness evolution in progress as foxes dip their tails into newly created fishponds, and whisk out a trout at the first bite. We understand the vital importance of maintaining diverse environments, as opposed to monocultures, in order to safeguard a wide-ranging gene pool.

For the future, and to sustain the world as a fruitful and fertile place, we are urged to 'reinhabit' the land and to turn our vision towards a reconnection with nature. If we do this, we could all become careful and watchful custodians of the earth once again. JB

Fair trade: the challenges of transforming globalization

Laura T. Reynolds, Douglas Murray & John Wilkinson (eds.) | 2007 | Routledge

A wide-ranging analysis of the challenges fair trade faces by working both within and against the market. The collection includes case studies by leading researchers from around the world. EA

Global governance of food production and consumption

Peter Oosterveer | 2007 | Edward Elgar

An exploration of how to regulate food supply chains that cross countless international borders, yet also need to meet exacting environmental and health standards. The book sets out to evaluate the innovative measures that companies, NGOs and governments are putting in place to stop gaps in more traditional regulatory frameworks. EA

The new green consumer guide

Julia Hailes | 2007 | Simon & Schuster

Plain-speaking inspiration and advice on how to live greenly and cleanly, from a member of the Food Ethics Council. The book covers pretty much anything we do from cradle to grave, including what we eat along the way. It has lists and stats galore for campaigners and trivia buffs. EA

Pathways to sustainability

2007 | STEPS Centre

A set of seven pamphlets asking how we get from where we are to a world that's more sustainable. The collection sets the agenda for a major new research centre that brings the Institute of Development Studies together with people from SPRU (which used to stand for the Science Policy Research Unit but now just stands for, well, SPRU). This is some of the most exciting work around on innovation, with tonnes to say about agriculture, poverty and the environment. EA

Petis propos culinaires 83

2007 | Prospect Books

An intriguing and broad-ranging collection of essays, book reviews and food history. This journal has been published three times a year for the past 21 years and, if you find this edition interesting, all the back issues are available online. EA

Planet chicken

Hattie Ellis | 2007 | Sceptre

An unrelenting critique of today's chicken farming and factories. This is an easy and informative read that follows how we led chickens out of the jungle and up the garden path, and then started cramming them in sheds. It's packed with facts, some of which may put you off your dinner. EA

Quality management in food chains

Ludwig Theuvsen, Achim Spiller, Martin Peupert & Gabriele Jahn | 2007 | Wageningen Academic

A heavyweight collection of studies analysing and evaluating quality management initiatives introduced in the wake of successive food crises. It will be of most interest to readers with a professional interest in quality assurance. EA

Slow trade – sound farming

Wolfgang Sachs & Tilman Santarius | 2007 | Heinrich Boll Foundation

A report proposing a provocative new framework for sustainable markets in agriculture. Based on a series of transcontinental dialogues, it critically analyses the principles of trade, the problems with current free-trade thinking and concludes with elements of a trading system that would work for the poor and for the environment EA



preview eating

By Clive Bates

Clive Bates was Head of Environmental Policy at the UK Environment Agency and is about to become the Head of the UN Environment Programme in Sudan.
baconbutty.blogspot.com

Stocks Farm outlet

Stoke Newington
Farmers market
Every Saturday
10:00 - 14:30

How I rate it:

Overall ****

Fairness ***

Health **

Animals **

Environment **

Taste ****

Ambience ****

Value for money *****

(maximum five stars)

I'm supposed to review a restaurant that has something to do with the Common Agricultural Policy, but I'm in a bind. The CAP costs each family about €950 a year through direct payments to farmers and inflated prices from rigging the market – but as someone sitting open-mouthed at the end of the food chain, I haven't the faintest where all this money goes. It's a wasteful and pointless regime, but more to the point, how do you do a themed restaurant review about something so opaque?



© Clive Bates

Declining to report on the lifeless fodder of the Defra canteen or go undercover to the National Farmers' Union café, I headed for the one place I actually meet real live farmers – the Stoke Newington farmers market. First, the week's crucial personal food security purchases – a supply of smoked back bacon, some chilli, garlic and paprika sausages and about 8 inches of black pudding from the Stocks Farm stall. From there, I move on to their fast food outlet, which claims its bacon sandwiches are “the best in London”.

I opt for a bacon and sausage roll (£3.50). Let us consider the elements of this glorious experience one at a time. First, the Soviet-style queuing and slow service arising from the complete absence of high-powered retail business process engineering. So far so good: a chance to relax and anticipate the joys to come.

Then the choice. One type of bread (a soft white roll), then any mix of bacon, sausage and eggs and you have the menu. I tend to agree with Barry Schwartz in *The paradox of choice* that there is too much choice in life and this forces us to “invest time, energy, and no small amount of self-doubt, and dread” in making unnecessary choices.

Now the meat. Sublime and delicious. Three slices of thick cut bacon, only lightly cooked (at my insistence) and tender with a strong taste and great restoring properties. None of that white stuff that leaches out of factory bacon (what is that, by the way?).

I wouldn't normally touch sausages, as I see them as part of the waste management regime for the meat industry – where the hapless punter does the job of landfill. But these people make sausages designed for pure eating pleasure. Meaty, fragrant and with a hint of peppery spice – a fine addition to the sandwich.

What about condiments? Three squeegee bottles: HP sauce, ketchup and English mustard. I made a spiral of mustard on the bread whilst waiting for the meat. Here I do think there was scope for more imagination – perhaps some other products from the market would have helped: wild mushrooms, chutneys or even pesto.

Was it the best bacon sandwich in London? Well, a lifetime of devoted research could not resolve that huge question. But on the strength of this one it would be rewarding to find out.

1st – 2nd Sep '07	Soil Association Organic Food Festival Soil Association www.soilassociation.org/festival Bristol, UK
8th – 9th Sep '07	Oxford Symposium on Food and Cookery: Food and Morality Oxford Symposium www.oxfordsymposium.org.uk Oxford, UK
10th – 12th Sep '07	BES Annual Meeting British Ecological Society draft.britishecologicalsociety.org Glasgow, Scotland
10th – 14th Sep '07	Interdisciplinary Aspects of Nanobiotechnology Interdisciplinary Institute TTN www.ttn-institut.de/call.pdf Munich, Germany
13th – 15th Sep '07	Bioethics in the Real World European Association of Centres of Medical Ethics www.ethik.unizh.ch Zurich, Switzerland
13th – 15th Sep '07	EurSafe 2007: Sustainable Food Production and Ethics European Society for Agriculture and Food Ethics www.eursafe.org Vienna, Austria
16th – 19th Sep '07	World Conference on Research Integrity European Science Foundation www.esf.org Lisbon, Portugal
17th – 19th Sep '07	Pathways to Legitimacy? The Future of Global and Regional Governance Centre for the Study of Globalisation and Regionalisation, University of Warwick www.csgr.org Warwick, UK
20th Sept '07	SRDN Annual Sustainable Development Research Conference Sustainable Development Research Network www.sd-research.org.uk London, UK
23rd – 26th Sep '07	Harnessing Science for the Evolving Consumer: the Fit of Agricultural Biotechnology Agricultural Biotechnology International Conference www.abic.ca/abic2007 Alberta, Canada
27th – 30th Sep '07	Daily Telegraph Greener Living Show Daily Telegraph www.greenerlivingshow.co.uk London, UK
2nd Oct '07	The Real Cost of Flowers and Veg? Women Working Worldwide kate.women-ww@mmu.ac.uk London, UK
3rd – 5th Oct '07	International Seminar on the Right to Food and Food Sovereignty CEHAP & SOAS cehap.bellinux.net Cordoba, Spain
13th Oct '07	Bristol Schumacher Lectures 2007: Crisis & Opportunity Schumacher UK www.schumacher.org.uk Bristol, UK
17th Oct '07	Carbon footprinting versus food labelling Food and Drink Innovation Network www.fdin.co.uk Daventry, UK
18th – 19th Oct '07	Technology, Innovation and Change in Health and Healthcare Brocher Foundation www.brocher.ch/archives5/symposium.htm Geneva, Switzerland
21st Oct '07	Apple Day Common Ground www.England-in-particular.info Various locations, UK
23rd – 24th Oct '07	Healthy Foods European Summit New Hope Natural Media www.healthyfoodssummit.com London, UK
24th – 25th Oct '07	European Nano Food Forum 2007 Epsilon Events www.epsilonevents.com Brussels, Belgium
24th – 27th Oct '07	Aquaculture Europe 2007: Competing Claims European Aquaculture Society home.scarlet.be/marevent/AQUA2007.htm Istanbul, Turkey
25th – 26th Oct '07	Genomics and Society: Today's Answers, Tomorrow's Questions Economics and Social Research Council www.genomicsforum.ac.uk London, UK
31st Oct – 1st Nov '07	Sustainability: Creating the Culture Sustainable Development Research Centre www.sustainableresearch.com Inverness, Scotland
31st Oct – 4th Nov '07	Pathways to Human Dignity: from Cultural Traditions to a New Paradigm European Science Foundation www.esf.org/conferences/07235 Vadstena, Sweden
7th Nov '07	Unlocking Change in the Food Chain RELU www.relu.ac.uk/events London, UK
13th – 14th Nov '07	1st Annual European Climate Change Conference Epsilon Events www.epsilonevents.com Brussels, Belgium
19th – 21st Nov '07	Food in a Future Climate – Conference on Sustainable Food Systems Centre for Sustainable Agriculture www.cul.slu.se/english/conference/index.html Norrköping, Sweden
5th – 6th Dec '07	Theoretical Population Ecology and Biocontrol: Bridging the Gap Association of Applied Biologists www.aab.org.uk Warwick, UK