

FROM A COMMON AGRICULTURAL POLICY TO A COMMON FOOD POLICY

BEUC's updated response to the Commission's
consultation on the reform of the CAP

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Process

This is an updated outline paper of BEUC, the European Consumers' Organisation on the future of the Common Agricultural Policy (CAP). BEUC represents 43 independent national consumer organisations from 31 European countries.

This paper is based on an initial document prepared by BEUC in the context of the workshop organised by the Commission on 3rd June 2010. As already announced then, the initial document had to be detailed and extended with regard to the Commission's stakeholder conference on the CAP reform on 19 and 20 July 2010.

Introduction

BEUC acknowledges that Agriculture has a crucial role to play in creating and maintaining a sustainable environment for European citizens, in many respects, including biodiversity and rural development. From a consumer perspective, the major elements of agriculture that are relevant are related to food: food security, food safety and quality, sustainable food, affordable food.

The EU Common Agricultural Policy has to be assessed with regard to these crucial functions from the consumer perspective. However, public interest role played by agriculture in the life of Europeans should not prevent the organisation of an open public debate on the efficiency and legitimacy of the Common Agricultural Policy as it has been designed in the past and as it has developed over the decades.

Do consumers need a CAP? The need to shift from a common agricultural policy to a common food policy

The current CAP has to pursue many objectives (sustainability, climate change, rural tourism, water quality, food security, etc.), that may be conflicting. It is therefore crucial to ensure that the CAP is embedded in an integrated policy approach, and that assessment takes place with regard to the compatibility of different objectives : how can they meaningfully and efficiently be put together : how can other community objectives be built into the CAP in a coherent and fruitful way?

BEUC supports a common agriculture policy in Europe. However, when designing the future CAP, policy makers have to take account of the legitimate expectations of European consumers, in order to define an approach that corresponds more closely to consumers' needs and wishes. In the context of agriculture, consumer expectations are oriented towards food related priorities: security, health and safety, quality, choice, affordability and sustainability should be guiding principles in the definition and roll-out of the new CAP, which should become a **common food policy** within the EU. This change of approach, should then not only be reflected in political statements, but should have major implications in terms of allocation of resources.

Why should we reform the current CAP and how can we make it meet society's expectations?

While previous reforms have led to an opening up of CAP towards rural and environmental strategies, more focus should be put on the importance to tackle climate change and other issues linked to sustainability, not limited to environmental aspects. Also, and more fundamentally from the consumer perspective, the current CAP is a farm policy rather than a food policy: there is still no EU food strategy, aiming at secure provision of high-quality, nutritious, safe food. The policy should be consumer-focused, and not producer-driven. The future policy needs to support healthy diets, eg by promoting consumption of fruit, vegetables and whole grain for human consumption.

What tools do we need for tomorrow's CAP?

The CAP is a large and complex policy, extending to aspects of rural development, hygiene and veterinary standards, food safety, and the environment. However, despite reforms the CAP continues to reflect its origin as a price support system, featuring devices as intervention, quotas, production controls, import levies and export subsidies.

A **profound** overhaul of current agricultural policies is needed, which meets consumer concerns as explained below. The policy should improve its internal coherence in presence of sometimes conflicting objectives but also its external coherence with other EU policies, such as promotion of public health measures, eg in the area of fight against obesity and chronic diseases.

Major consumer expectations

Safe, Healthy and Nutritious Food

Above all, consumers want safe food and full compliance with safety standards, whether for food produced in the current EU, in the candidate countries or anywhere else.

When it comes to food safety, it is important that information about the use of new technologies in the production and processing of food be made available.

Consumers these days are asking more questions about the food they are eating, how it is produced and with which ingredients.

Food production is still far from being transparent: consumers and authorities hardly know how a product is being produced. Food distribution chains are so long that there is little overview, supervision or traceability. Inspection and enforcement regimes are divided and often inefficient.

Beyond food safety, it becomes more and more obvious that consumers need to have access to healthy food, taking account of public health challenges linked to bad eating habits. If public money is to be spent on promotion it should be oriented toward improving diet and nutrition and not to the promotion of specific products. Consumers need to have clear information, advice and the means to choose a

healthy diet. This has to encompass clear labelling and effective regulation of nutrition and health claims.

Above all no public money should be devoted to promotion of particular products just to clear markets or to avoid surpluses.

Access to variety of food, including sustainable food

BEUC considers that it is not up to the CAP to decide on consumer preferences. It is up to the market to define the type of food that should be produced, on basis of preferences expressed by consumers. The EU's policies of encouraging certain types of production through subsidies have often led to market distortions and malfunctioning (eg biofuels, subsidies to beef and dairy production). The role of the EU should be to promote appropriate consumer information and the promotion of a competitive single market in both food and primary agricultural produce which can deliver the range and quality of products, value and choice which consumers expect.

In this context, the possibility for consumers to have access to sustainable food must be guaranteed. In order for them to make sustainable choices, they should be better informed about production methods and their genuine impact on the environment. More generally, they should have the right and practical possibility to make ethical and qualitative choices, for example in relation to new technologies used in the food production process.

Affordable food prices

The previous and current CAP have led to consistently high food prices for consumers (who, being also taxpayers already support the CAP subsidies) with episodes of extreme market volatility. The burden of high food prices falls disproportionately on low income consumers, as they spend a considerably higher proportion of their income on food than wealthier households.

In the meantime, the gap between (high) food prices and (low) farmers income from food production is ever increasing. The role of the processing industry, as well as other intermediaries in the food supply chain, should be well analysed and give rise, where appropriate, to market compliance measures to prevent/sanction abuse of dominant positions or market power. In this context, decision makers should consider the opportunity to support and/or to encourage short food supply circuits and to address concentration of power in the food supply chain.

Food security

It is essential to have in place a range of policies that will help to ensure over the long term an adequate supply of food to European consumers, even in time of economic, natural, environmental, technological or political crises. This is certainly an argument for preserving a good productive capacity in Europe. It is not an argument for self-sufficiency, in the narrow sense of seeking to source all food from Europe.

Security of supply is best assured by having a range of options. Therefore a general policy of self-sufficiency in the narrow sense is not the best way to ensure security of supply. Future supplies of food for European consumers will be more secure in the long term if we diversify our sources of food, than if we try to "put everything in the one basket" of self-sufficiency.

Other elements of concern

Need for sound impact assessment

The future policy in the agricultural sector should be based on a sound impact assessment, where due weight should be granted to non-farmer and production related issues, such as consumer needs and expectations, environment and the impact on third countries.

Beyond the consumer perspective: sustainability

In parallel to the specific consumer needs that have to be met under a common policy, the reform must aim at integrating sustainability in a holistic way. In its present form the CAP is unsustainable financially, socially, economically and environmentally. Money should be spent on better and more sustainable agricultural practices, improved environment, rural development, animal welfare.

In environmental terms this means (to put it at a minimum) avoiding environmental degradation and preserving productive capacity and diversity for future generations. All forms of public, consumer or taxpayer support for agriculture should be subject to a sustainability check.

So far, high price supports have encouraged farmers to define 'efficiency' solely in terms of maximising output, with little incentive for concern about the long-term sustainability of limited resources, such as energy or the land, or for environmental pollution and damage.

Community aid must favour farms that take environmental aspects into account. Community action should focus on agro-environmental measures, by developing the concept of "reasoned agriculture" or good agricultural practice and by supporting organic agriculture.

Greater use of renewable energy, a more sustainable use of natural resources and reduced atmospheric and water pollution are essential and priority elements of a strategy for sustainable development.

The CAP's current two pillar system leads to policy inconsistencies (first pillar supporting intensive agriculture and second pillar supporting reduction in intensity). These inconsistencies should be abolished. There should be a system where farmers are remunerated for real efforts and benefits to the environment.

Beyond the consumer perspective: global fairness

Subsidies and other supports for exports that make it possible to dump food on the world market at less than the cost of production must come to an end finally with this reform.

European consumers and taxpayers pay for the CAP. They do not want to be forced to pay for policies that are unsustainable, and unfair and damaging to third countries, including developing countries.

Supporters of the CAP argue that export supports account for a relatively small (and declining) proportion of the total cost of the CAP. Perhaps in European terms the amounts involved may seem small, but they still have a devastating impact on poorer countries and on food exporting countries that cannot compete with our subsidies. Also, the grabbing of land in third countries, by foreign interests, for the

production of food can also lead to unfair practices that are devastating to the economic interests of those countries, let alone the issues linked to their environmental impact.

The EU should adopt a more consumer-oriented and less trade-distorting agricultural regime. BEUC calls for a more concrete commitment to this objective, and also for countries other than Less Developed Countries to be considered. It would be very much in the mutual interest of consumers and developing countries to do away with many unfair trade-barriers in the developed countries'. The Commission's wish to improve qualitative requirement in EU markets must not be used as an excuse to impose disproportionate restrictions on imports from third countries. Consumers should be able to make their own decisions based on clear and comprehensive labelling. Therefore there is a need to a consistent approach between CAP and trade policy, and it needs to be stressed that consumer demands towards safety and quality of food apply across the board, both to domestic and third-country production. Restrictions to products from third countries should be based on safety risk assessments and not on protectionist analyses.

Beyond the consumer perspective: rural development

Rural development is an important objective of public policy that may not be achieved by market forces alone. Not enough resources are allocated to rural development, and the CAP remains too oriented to providing "across the board" supports for farmers rather than to looking at rural development in overall terms, taking into account all the different elements of rural society.

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