

To: Trade Ministers, Agriculture Ministers, Development and Energy Ministers
MEPs and National Parliamentarians of EU Member States

CC: EU Trade Commissioner Peter Mandelson
EU Agriculture Commissioner Marianne Fischer Boel
EU Development Commissioner Louis Michel
EU Energy Commissioner Andris Piebalgs

Subject: Further deregulation and liberalization of agriculture and trade will Not Solve
the Global Food Crisis – Time for Real Solutions

Dear Minister,

The global food system is in a state of structural crisis. Millions of people can no longer afford to access the food they need, increasing the already unacceptable levels of global hunger and malnutrition. Short-term mitigation measures would only temporarily dampen the effects of fundamentally destructive policies. The current food price crisis is the result of three decades of market deregulation in agriculture, of agricultural policies which have promoted industrialized agriculture rather than sustainable smallholder farming, and of structural adjustment measures which have wiped out government support for food production in the developing world – Africa in particular¹.

The EU has a major responsibility in today's food crisis:

- Its unsustainable Common Agriculture Policy has impacted negatively for years on developing countries' productive capacities and blocked their farmers' access to their local markets, thus helping to make these countries dependent on food imports ;
- Its External Trade Policy seeks to further open developing countries' markets through both negotiations at the WTO and bilateral Free Trade Agreements;
- Its cooperation programmes include promotion of input-heavy production models, like the so-called "Green Revolution", which increase the dependence of small-scale farmers on highly volatile and rising oil prices;
- Its energy policies promote agrofuels for transport, contributing to the sharp surges in the prices of food crops².
- It lends an open ear to the agribusiness lobby, thereby supporting the corporate takeover of global food systems.

The signing social movements and civil society organizations are deeply concerned with the European Commission's proposals to deal with the current crisis. A deeper deregulation of food production and trade and the maintenance of the EU 10% agrofuel target – which are reiterated in the proposed response of the EU to be discussed at the coming EU Council of Ministers meeting in June - are not the answer.

¹ As argued by the representatives of rural producers and civil society organizations who met in Rome from 1 to 4 June in parallel to the FAO High Level Conference which dramatically registered the world community's failure to address the crisis. See final statement of "Terra Preta: Forum on the Food Crisis, Climate Change, Agrofuels and Food Sovereignty".

²The IMF has commented that increasing demand for biofuels explains "20 to 30%" of recent food price increases. This is corroborated by the International Food Policy Research Institute (IFPRI) which puts the contribution of biofuels to the crisis at 30%. The Commission's conservative estimate that the EU 10% target will lead to a 3-6% price increase in cereals could result in up to 100 million extra people in hunger by 2020.

These proposals will not solve the food crisis for the following reasons:

1. Existing WTO and bilateral or regional trade agreements push across-the-board liberalization, which worsens volatility of food prices leading to increased dependence on international markets and decreased investment in local food production.³ Two-thirds of the developing countries are now net food importers. As M. Barnier, French Agriculture Minister, recently suggested⁴: *"If free-trade had reduced hunger in the world, we would know it"*.
2. High food prices provide enormous benefits to the transnational retailing sector, agribusinesses and the commodity cartels that control trade in food and agriculture.⁵ The Doha Round would provoke further market concentration and strengthen the position of transnational companies in agricultural markets.
3. Trade "liberalization" does not tackle the major challenges facing the global food system, which include climate change, natural resource depletion, the quadrupling of oil prices, the lack of competition in world commodity markets, financial speculation, the rapid expansion of unsustainable agrofuels production, massive violation of peoples' right of access to land and water.
4. The CAP health check proposals, proposing more of the same failed policies, do not take the present crisis into account. The Commission is taking the risk that, unless it wins greater social and environmental legitimacy, the CAP could be retired from the scene in the debate for 2013 instead of being reformed to meet the needs of European farmers and citizens.
5. Maintaining the EU agrofuels target will continue to put pressure on land and give a positive signal to the international financial speculation gambling with food.

We are calling for agriculture, food, energy and trade policies that will stabilize food production and distribution to meet the global demand for healthy, adequate, and affordable food and that privilege development, employment and food security objectives. The EU must start to take a long-term view of the challenges facing agriculture.

We believe that, in order to take steps towards a real solution of the food price crisis, the EU Commission and EU Member States must:

- Help shape trade rules that are supportive of the food sovereignty and food security interests of developing countries. This implies a radical review of the EU's external trade policy and a commitment to stop forcing further trade liberalisation on developing countries;
- Step back from the mandatory target on agrofuels by 2020 and support the development of strategies and proposals aimed at reducing overall energy use and

³ Trade liberalization has eroded the ability of a number of developing countries to feed themselves, for example Mexico, Bangladesh, Indonesia and Mali. The removal of tariff barriers has resulted in dumping of heavily subsidized commodities in developing countries such as Ghana, Kenya, the Philippines, Jamaica and Honduras, while undermining local food production.

⁴France Inter, 7/9, May 31st, 2008

⁵ One of the largest global grain traders, Cargill, announced in April 2008 that its third quarter profits rose 86% to US\$1.03 billion, in the midst of the global food crisis. Bunge saw its profits in the last quarter of 2007 increase by 77% compared with the same period in 2006. Archer Daniel Midland's (ADM's) profits in 2007 rose by 65%.

increasing the energy efficiency of all modes of transportation – notably improving public transport systems and increasing the regionalization and localization of economies;

- Use the opportunity of the ongoing Health Check of the Common Agriculture Policy to reinforce or re-introduce regulatory policy measures which help stabilize agricultural prices in the interests of farmers and consumers and which strengthen socially and ecologically sustainable food, fibre and fuel production.
- Take steps to regulate the financial market, in particular to limit the possibilities of institutional investors to invest in the commodities market.

We look forward to discussing these issues further with you, and to seeing the EU propose real solutions to the global food crisis.

Sincerely,

The signatory organizations

1	ActionAid International	International
2	Afrique-Europe Foi & Justice Network	International
3	Aitec	France
4	Association for the Development of the Romanian Social Forum	Romania
5	Attac Austria	Austria
6	Attac France	France
7	Attac Maroc	Maroc
8	Campania per la Riforma de la Banca Mondiale	Italy
9	CPE – European Farmers coordination/Coordination Paysanne Européenne	Europe
10	Center for Encounter and active Non-Violence	Austria
11	Coalition of the Flemish North-South Movement – 11.11.11	Belgium
12	Corporare Europe Observatory	Netherlands
13	Crocevia	Italy

14	Eccologistas en Accion	Spain
15	Fair	Italy
16	Food and Water Watch Europe	Europe
17	Friends of the Earth England, Wales and Northern Ireland	England, Wales and Northern Ireland
18	Friends of the Earth Europe	Europe
19	Global Responsibility – Austrian Platform for Development and Humanitarian Aid	Austria
20	Manitese	Italy
21	OeIE-Kaernten	Austria
22	RegenWald	Germany
23	Solidariedad Imigrante	Portugal
24	Soya Alliance	United Kingdom
25	Terra Nuova	Italy
26	Terre Contadine-ItaliAfrica	Italy
27	Trade Watch	Italy
28	Transnational Institute	Netherlands
29	Via Campesina Austria	Austria
30	Vredeseilanden	Belgium
31	War on Want	United Kingdom
32	Watch Indonesia! Working Group for Democracy, Human Rights and Environmental Protection in Indonesia and East Timor	Germany
33	WEED - World Economy, Ecology &	Germany

	Development	
34	WIDE	International
35	World Development Movement	United Kingdom