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MOTION FOR A RESOLUTION

further to Question for Oral Answer B6-0321/2007

pursuant to Rule 108(5) of the Rules of Procedure

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on behalf of the Verts/ALE Group

on the rise in foodstuff prices

European Parliament resolution on the rise in foodstuff prices

The European Parliament,

- having regard to recent warnings from the FAO that globally rising feed and food prices could put sufficient access to food at a serious risk, especially for poor people,
 - having regard to the Council's decision to reduce the rate of compulsory set-aside for 2008 to 0% as an ad hoc measure to relieve the market from decreasing supplies of cereals and oilseeds (12965/07),
 - having regard to the Commission's intention to suspend import duties and tariff-rate quotas on cereals, in reaction to the exceptionally tight situation on cereal markets, and to suspend all export subsidies that still exist in the sector,
 - having regard to the impact assessment on the 'biofuel' strategy carried out by the Commission in 2006, which forecast increased competition and prices for agricultural raw materials, especially animal feed,
 - having regard to the OECD study published in September 2007 on the impact of the boom in 'biofuel' production on global food prices, food security and biodiversity,
 - having regard to Rule 108(5) of its Rules of Procedure,
- A. whereas prices for agricultural products, especially wheat and oil seeds, have substantially increased in the EU and worldwide in recent years and whereas public and private cereal stocks have fallen to the lowest level in the past 40 years,
- B. whereas in the wake of this development the food and feed industry has also increased prices of processed products, sometimes beyond a reasonable percentage of purchased agricultural raw materials,
- C. whereas farm-gate prices for agricultural products have been decreasing for many years in the EU as a result of earlier market intervention policies which favoured large farms and the food processing industry and did not cover the production costs of many small producers, especially in the milk and plant production sectors,
- D. whereas now, owing to cereal price increases, some stock breeders face substantially increased costs for purchased animal feed,
- E. whereas the CAP reform of 2003, including decoupling of direct aid to production and support for market-oriented production, has allowed farmers in other sectors to receive a higher share of their income from the market rather than from direct public payments,
- F. whereas dietary changes and increased feed demand in emerging economies such as China and India have substantially contributed to the growing demand for cereals and other

feedstuffs on increasingly globalised markets,

- G. whereas the fall in supply, above all due to changing climatic conditions (droughts and floods), and a general global slowdown in yield productivity have contributed to price increases on the world market,
 - H. whereas the OECD study published in September 2007 on the impact of 'biofuel' production on global food security and biodiversity warns that competition for land and resources between food and feed production could increase food prices to an extent that would undermine access to food for the poorest people and regions,
 - I. whereas the temporary lifting of compulsory set-aside for 2008 mainly brings marginal and less productive soils back into production, which often include ecologically sensitive areas, with little effect on increased supply,
1. Welcomes the fact that farm-gate prices in certain sectors have reached a level which allows farmers to cover their costs and realise a higher share of their income from the market;
 2. Welcomes the fact that the phasing-out of EU market intervention policies and the growing influence of the market increasingly allows farmers to consolidate their bargaining position against the growing market power of the feed and food industry;
 3. Is aware, however, that further sharp increases in cereal and oil seed prices indicate an insufficient supply of feed and food in the EU and on the world market, which may provoke disruptions or shortages of food supply, especially in developing countries;
 4. Calls on the Commission to inform Parliament and the Council of the reasons for, and effects of, current feed and food price increases in the various farming and food-producing sectors that depend on cereals and oil seeds for their final products;
 5. Calls on the Commission to analyse carefully the effects of supply shortages of cereals and oil seeds on the most vulnerable food producers and consumers in the EU and third countries, including proposals for instruments and measures to prevent disruptions in food supply and the inflationary effects of further price increases;
 6. Calls on the Commission to inform Parliament of any possible abuses of market power positions on the part of the feed and food industry in the form of price increases that go beyond reasonably reflecting cost increases in their agricultural raw materials;
 7. Calls on the Commission to carry out an environmental and food-security impact assessment which takes account of existing competition for land and resources between food and plant-fuel production, including the impact of climate change and possible measures to avoid further depletion of food-production resources;
 8. Calls on the Commission to undertake a stocktaking exercise of possible supply-management and food-security measures which could avoid further extreme volatility of feed and food prices and unsustainable competition between food and fuel production;

9. Instructs its President to forward this resolution to the Council and the Commission.