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MOTION FOR A RESOLUTION

to wind up the debate on statements by the Council and Commission

pursuant to Rule 103(2) of the Rules of Procedure

by Hannes Swoboda

on behalf of the PSE Group

on rising food prices in the European Union and developing countries

European Parliament resolution on rising food prices in the European Union and developing countries

The European Parliament,

- whereas this year marks the 60th anniversary of the Universal Declaration of Human Rights,
 - having regard to the Conclusions of the 1996 World Food Summit and the objective of reducing by half the number of people suffering from hunger by 2015,
 - having regard to the obligations contained in the UN International Covenant on Economic, Social and Cultural Rights, particularly Article 11 thereof on the right to food, which all European Union Member States have signed and ratified,
 - having regard to the European Consensus on Humanitarian Aid of 18 December 2007,
 - having regard to the ongoing ‘CAP health check’,
 - having regard to the reports of the Intergovernmental Panel on Climate Change (IPCC),
 - having regard to the current negotiations on the Doha Development Round,
 - having regard to the Kigali Declaration of 22 November 2007 for development-friendly Economic Partnership Agreements (EPAs), adopted by the ACP-EU Joint Parliamentary Assembly,
 - having regard to Rule 103(2) of its Rules of Procedure,
- A. whereas increases in world wheat prices reached 181% over the 36 months leading to February 2008, rice prices have increased by 141% since January and overall global food prices have increased by 83%,
- B. whereas 854 million people in the world are hungry or malnourished (food insecurity), with 4 million more joining their ranks annually; whereas 170 million children are undernourished and 5.6 million children die each year as a result of malnutrition; whereas the demand for food is rising as the world’s population increases,
- C. whereas the right to food cannot be at the mercy of international speculation,
- D. whereas, according to the FAO, food represents 60-80% of consumer spending in developing countries and about 10-20% in industrialised nations; whereas the rise in food prices impacts most heavily on low-income households,
- E. whereas the price rises are leading to what is called the ‘new face of hunger’, with people no longer able to afford the food they see on sale; whereas the current crisis is not only a

question of availability, but also of accessibility,

- F. whereas there is a certain tension between the need to finance ‘short-term measures’ and the need to finance more structural, long-term measures and to tackle the wider issues of nutrition, health and a decent life, and whereas it is, therefore, fundamental to ensure coherence,
 - G. whereas the World Food Programme has indicated that only 260 million of the 750 million US dollars needed to cover 2008 requirements have so far been firmly pledged,
 - H. whereas many developing countries are producing only a third or even a quarter of their potential food output themselves,
 - I. whereas food price inflation is one of the main reason why the ECB has left its main interest rate unchanged at 4% since last June and is not expected to announce any change in the near future,
 - J. whereas there is a need for an integrated political response to, and a comprehensive strategy for, the food problem which encompasses better living conditions, social policies, agricultural productivity, sustainable development, trade, technology, agrofuels and short-term aid for poor countries; whereas this strategy must consider the need to reconcile objectives, but whereas global cooperation can deliver the macro-economic framework and incentives needed to address this issue in a lasting manner,
 - K. whereas, if not well managed, this food crisis could provoke a cascade of related crises affecting social progress, trade, economic growth and even political security around the world,
1. Stresses the fundamental nature of the right to food and the need to improve access for all people at all times to enough food for an active, healthy life; underlines that States have the obligation to protect, respect and fulfil this human right; points out that the fact that 2 billion people still live in dire poverty and 850 million human beings are hungry daily demonstrates systematic violations of the right to food, as enshrined in international human rights law;
 2. Invites the Council, therefore, to step up its commitment to the Millennium Development Goals (MDGs) by reaffirming funding commitments and adopting an EU MDG Agenda for Action at the June European Council; this EU Agenda for Action should identify specific milestones and actions within time frames in key areas such as education, health, water, agriculture, growth and infrastructure, which will contribute to ensuring the achievement of the MDGs by 2015 with a view, among other objectives, to eradicating hunger by 2015;
 3. Urges the Council to ensure coherence of all food-related national and international policies with the obligations under the right to food; notes that, in particular, policies on agriculture and fisheries, trade and investment, development and energy, should contribute to promoting, and never undermining, full implementation of the right to adequate food; stresses in this connection the role of the EU in contributing to solving the global food crisis and guaranteeing long-lasting food security not only within the EU, but also in

developing countries;

4. Strongly condemns the activities of speculators in global commodities, agricultural raw materials and energy who contribute to accentuating the volatility of prices and to deepening the global food crisis; considers that even in an open market economy with international financial fluxes, it is not acceptable that the hunger of some is used to the profit of others;
5. Strongly recommends, therefore, that all necessary measures are taken, in particular the suspension of certain 'cours' in order to guarantee moderate prices as an immediate way out of the crisis and, in the longer run, the creation of appropriate rules to better frame speculative activities; also recommends an examination of the powers and competences of national supervisors in the field of food commodities in order to make sure that they are in a position to guarantee stable and secure markets and that speculation does not violate the right to food;
6. Points out that this food crisis is closely interconnected with the financial crisis in which liquidity injections made by central banks to prevent bankruptcies may have increased speculative investments in commodities; calls on the IMF and the Financial Stability Forum to assess this 'side-effect' and take it into consideration when proposing global remedies; regards as outrageous the investment policies openly pursued by KBC and Deutsche Bank, among others, in food markets under the present circumstances and their invitation to clients to participate in speculation, and recalls its strong support for ethical investments; in this connection, invites the Commission to propose as a matter of urgency concrete measures aimed at prohibiting the offering, diffusion or promotion in the EU of financial instruments, including insurance and insurance products related to investment funds, when their profit results entirely or partially from speculation on food commodities;
7. Recalls that those suffering the most from this crisis are the less-favoured layers of the population living in developing countries and low-income households; stresses, in this connection, that rising food prices are increasing inequalities not only in the context of the North-South divide, but also within our own societies, because the poorest are the most affected by the crisis, which may lead to global social unrest;
8. Stresses the need for strong social policies to empower poor or deprived populations and mitigate the effects of the current food crisis; calls on the Commission, therefore, to put forward progressive proposals in the field of Social Europe; calls on Member States not only to support and promote such proposals, but also to take immediate steps to help their populations who are faced with rising food prices; underlines, in this context, the essential role of redistribution, aid and subsidies to at-risk consumers to enable them to get better access to high-quality food;
9. Supports in this context the mechanism of aid for deprived persons in the EU, and welcomes the current public consultation launched by the European Commission in this area; calls on Member States to participate in and adhere to this EU mechanism; stresses that budget appropriations for this mechanism for the years 2008 and beyond should follow real needs and new needs arising from the current food crisis; asks the Commission to provide full information on the type of expenses financed under the budget line 'aid for deprived persons';

10. Calls on the EU Member States to provide additional funding for food aid operations outside the EU in order to confront the urgency of the current food crisis; considers, nevertheless, that dependence on food aid operations needs to be reduced, and stresses, therefore, the need for mid- and long-term action to prevent more damaging consequences and to tackle the root causes of this crisis;
11. Calls on the Commission and the Council to look at reinforcing the food aid budget in 2008 and 2009 and to work together with Parliament in this area; underlines that this reinforcement must not come at the expense of the humanitarian aid or development aid budgets, as these resources will also come under strain from the new food security and climate change challenges, or of any other EP political priorities;
12. Calls on the Commission also to analyse in its 2009 report on the functioning of the Interinstitutional Agreement of 17 May 2006 the situation of food aid funding in the current Multiannual Financial Framework (2007-2013);
13. Observes with great concern the increasing and diverging trends in inflation, linked notably to higher food and energy prices, within EMU and across the European Union as a whole; calls on ECOFIN, the Eurogroup, the European Commission and the ECB to develop together as a matter of urgency – in close cooperation with the European Parliament and the social partners – a proactive macroeconomic and disinflation policy, including proactive investment and wage policies, as well as interest rate cuts, towards stabilising economic growth and demand; calls on the Member States, furthermore, to counterbalance the negative social impact of increasing food and energy prices;
14. Considers that the factors contributing to rising food prices need to be addressed in an integrated and comprehensive way and not in an isolated manner, as these are interconnected; stresses that the impact of food prices needs to be dealt with globally;
15. Welcomes, therefore, the establishment of a UN Task Force on the Global Food Crisis, under the leadership of UN Secretary-General Ban Ki-moon, to coordinate efforts and to develop a coherent international response to the crisis that indeed constitutes a global challenge; also welcomes the UN Secretary-General's call to world leaders to attend the High-Level Conference on Food Security to be held in Rome (3-5 June), and encourages them to participate;
16. Recalls the specificity of agricultural markets and the need to ensure internal and global regulation in the interests of consumers' purchasing power, farmers' incomes and processing industries; recognises that the solution to the current crisis is an improvement in access to food for the world's poorest people, not an increase in agricultural subsidies or in protectionist measures; calls on the Commission to include these considerations through the CAP 'health check' and to assess the suitability of existing instruments for the new global realities; recalls, in this connection, that the primary goal of the CAP is to guarantee market stabilisation, supply security and reasonable prices for consumers, and underlines the need for the CAP post-2013 with a view to ensuring the EU's sustainable food policy while respecting the sustainability, security and quality of agricultural products; considers that the EU should take a leading role in promoting a new rural model of universal agriculture that would separate food policy from measures covering non-alimentary products;

17. Welcomes the New Deal proposed by the President of the World bank, Robert Zoellick, as a way to combat world hunger and malnutrition through a combination of emergency aid and long-term efforts to boost agricultural productivity in developing countries; hopes that this represents a shift from past policies prescribed by the World Bank, including conditionality and fast-tracked liberalisation in the agriculture sector, which left many countries more vulnerable;
18. Recalls that, in order to compete with world agricultural market prices, developing countries are encouraged to focus their production on a restricted number of products intended exclusively for export; recalls also that the development of monocultures in which this results leads to the relinquishment of traditional food-producing methods necessary to the food supply of the local population and to a growing dependence on imports of primary products and sensitivity to uncontrollably fluctuating world markets;
19. Supports countries, in particular developing ones, in their endeavours to secure access to food for their local populations; believes that viable policy space must be further strengthened to allow for national rules and measures for the development of this sector; considers Malawi to be a positive example of a developing country where food production has been doubled in the last three years and underlines that the EU plays a role in supporting this development; calls on the European Union to provide assistance with making this phenomenon known, so that it can be taken as an example in other developing countries;
20. Calls for an urgent and substantial increase in investment in agriculture, rural development and agribusinesses in developing countries, focused on poor farmers and small-scale farming based on agro-ecological food production systems; recalls that 75% of the world's poorer population lives in rural areas, but that only 4% of official development assistance (ODA) is dedicated to agriculture; calls, therefore, on the Commission and the Member States to address the issue of agriculture more effectively in their development policies; underlines the role of NGOs and local authorities in bringing innovative agricultural solutions in partnership with the populations of developing countries and calls on the Commission and the Member States to support and promote their projects;
21. Stresses the need to give small farmers in poor countries, who are mainly women, access to land, financial services and credit, high-yield seeds, irrigation systems and fertilisers; stresses that investment in the agricultural sector needs to focus more on irrigation, rural roads, research and local knowledge, clean drinking water and education, and on enhancing local production and market exchanges; calls on the Commission, therefore, to reinforce these areas in its actions and to support producer organisations, microcredit and other financial service programmes and increased investment in agriculture;
22. Demands that the promotion of sustainable agricultural policies be included in all enlargement and neighbourhood instruments;
23. Points out that climate change could accelerate diminishing access to natural resources; calls on the Commission to consider further measures with a view to adapting to new challenges in ensuring food security and energy supplies; stresses the need for Member States to use rural development funds to enhance adaptation to climate change in agriculture and forestry; believes that adaptation measures in these sectors must work

towards reducing vulnerability and increasing sustainability from both an environmental and an economic point of view; underlines, in this connection, the need for adequate crisis prevention and risk management measures; considers that gradual adaptation of the farming sector to the new needs resulting from climate change should be examined as part of the CAP 'health check';

24. Stresses the need for cooperation on climate change between the EU and the developing countries, particularly the need for technology transfer and capacity building; emphasises that climate change must be mainstreamed into all EU development cooperation, underlines that some simple safeguards would help farmers protect crops from droughts and other disasters, and calls on the Commission to explore them;
25. Is aware that agrofuels are pointed to as one of the factors contributing to rising food prices; considers that the agrofuel factor cannot be addressed in an isolated manner, but needs to be dealt with in an integrated response to the current food crisis; stresses, however, that food needs should prevail over agrofuels;
26. Considers that the social, economic and environmental effects of increases in first-generation agrofuels need to be better studied; considers further that the impact and commercial viability of next-generation biofuels also needs to be permanently monitored and that research efforts need to be strengthened in this area; recalls that the effects of biofuels should be evaluated with reference to their overall environmental impact and their social aspects, taking into account the risk of competition between energy security and food security which is a particular concern in the case of staple food crops also grown as agrofuels such as maize and corn, as illustrated by the USA, where strong encouragement of corn production for agrofuels has directly and indirectly influenced the rise in food prices, according to the OECD; calls on the Commission to look at the possible detrimental effects of subsidies for agrofuel crops;
27. Is aware of the need for energy efficiency and diversification of energy supply; calls on the Commission, therefore, continuously to re-assess the social, environmental and economic costs and benefits of agrofuels and of all biomass for energy purposes, as well as of other forms of renewable energy, and to adapt its proposals accordingly, paying special attention to regions with a high risk of energy deficit;
28. Stresses that the production of all biomass for energy purposes needs to comply with ambitious and strict social and biodiversity sustainability criteria and should not result in negative social impacts and land use competition; notes the potential of sustainably produced agrofuels, for instance from waste or degraded land; notes that the current 10% by 2020 biofuels target can fulfil its purpose only when it functions as an incentive for the development of second- and third-generation biofuels; notes in this connection the Commission's proposal on 'double-counting' of next-generation biofuels for compliance with the binding 10% target; is prepared to take on board the proposal on limiting imports of agrofuels to those importers that have ratified 'at least ten' international treaties out of a list of twelve – including four treaties related to environmental issues (Kyoto included) and eight concerning the right to work (non-exploitation of child labour, trade union freedom, etc.) – as set out in a Commission working document in its legislative work;
29. Considers that the opening up of agricultural markets needs to be progressive, in

accordance with the development progress of each individual developing country and based on quality; notes that sensitive products that basic needs for people in the developing countries or of particular importance to food security and rural development in developing countries should be excluded from full liberalisation in order to prevent irreversible damages to local producers;

30. Recognises that liberalisation of trade in agricultural food products and agricultural primary commodities has exposed small-scale farmers in developing countries, particularly LDCs, to many new challenges; notes that small-scale farmers are largely women, who carry the main responsibility for feeding their families and the local communities, and that it is of fundamental importance to help them cope with external competition;
31. Calls emphatically for greater coherence between trade and development policies, for the share of the profits from global trade in goods received by small producers and workers to be increased substantially, for food security to be enhanced, and for steps to be taken to ensure that unfair trade does not hinder sustainable development;
32. Takes the view that, in order to guarantee food security, sustainability and to help fight poverty, all European and international legislation should be adopted with this in mind and that economic and social rights, including the right to food, should be taken into account in international trade rules and agreements; believes that both the EU and the international community should include these objectives in their overall policies; emphasises that the global crisis underlines the need to improve global governance of food, trade and aid;
33. Stresses that the EU must promote a preferential and asymmetric system in trade negotiations with developing countries in order to allow them to keep certain supply-management and other development tools in their markets;
34. Stresses that, in current Economic Partnership Agreement (EPA) negotiations, the Commission's priority must be to respond to the development needs expressed by ACP countries; warns that EPAs as currently conceived risk severely constraining developing country policy space, preventing them from supporting agriculture and increasing productivity, and introducing shock competition from European products, which are far more competitive, which could destabilise local ACP agricultural markets and increase the food dependency of ACP countries; recalls that, in order to meet this challenge, EPAs must be accompanied by the promised new funding for Aid for Trade (€2bn a year by 2010) and by the promotion of regional integration;
35. Stresses the need for a successful pro-development outcome of the Doha Round; stresses also that the developed world should reinforce its commitment to reforming its farm subsidies through a world trade deal; underlines that there is a need for discipline on subsidies that lead to dumping or reduce export opportunities for developing countries; stresses that there is also a need for trade facilitation and cooperation to help food move more quickly and cheaply to where it is needed; recalls, in this connection, the efforts of the Commission to secure a trade deal at the WTO that would help boost developing countries' income and alleviate the problem of access to food, because in a less distorted market and with the necessary accompanying measures food supply will increase in

response to higher prices; stresses that the results of the Doha Round should give positive incentives to the developing countries to invest in their agriculture and food production;

36. Considers that domestic policy measures to correct distortion without jeopardising the supply are needed, but that export restrictions should be dropped; is concerned in this context about suggestions of a rice 'cartel';
37. Invites the Commission to support proposals to include an action on staple food prices in the current WTO negotiation round;
38. Renews its call on the Commission and the Council to promote Fair Trade and other ethical schemes that contribute to raising social and environmental standards by supporting small and marginalised producers in developing countries, guaranteeing fairer prices and income, and encourages public authorities in the European Union to integrate Fair Trade and sustainability criteria into their public tenders and purchasing policies;
39. Calls on the Commission to investigate the impact concentration that the EU supermarket sector is having on small businesses, suppliers, workers and consumers, and to assess any abuses of buying power resulting from such concentration and, in particular, its effects on food prices; welcomes in this connection the report on the reasons for the malfunctioning of retail services that will be prepared for 2009 in the framework of the 'Single Market Review', and requests the Commission to propose appropriate measures, including rules to protect consumers, workers and producers from any abuse or negative impact identified;
40. Underlines that the current food crisis demonstrates the need to promote political stability, regional integration, democracy and human rights, not only within the EU, but also worldwide; calls, therefore, on all relevant stakeholders to promote human and democratic values and the rule of the law when addressing the current food crisis and tackling long-term food security problems;
41. Instructs its President to forward this resolution to the Council, the Commission, the governments and parliaments of the Member States, the Co-Presidents of the ACP-EU Joint Parliamentary Assembly and the Pan-African Parliament (PAP).