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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 GUE/NGL Group

on the rise in foodstuff prices and consumer protection

**European Parliament resolution on the rise in foodstuff prices and consumer protection**

*The European Parliament,*

- having regard to Rule 108(5) of its Rules of Procedure,
- A. whereas over the last few years significant rises in the prices of basic foodstuffs have been registered in EU Member States, giving rise to considerable unease among consumers, who are now calling for immediate action,
- B. whereas these rising prices affect all food products, whether fresh, processed or industrialised, and have an especially harsh impact on the lower-paid thanks to their adverse pressure on household incomes,
- C. whereas foodstuffs are a major component of household budgets, of which they account in the EU's less advanced Member States for over 20% or even 30%, with negative effects on social cohesion in the Member States,
- D. whereas the especially harsh rise in the prices of such basic food products as bread, milk, potatoes, fruit and vegetables is ten times higher than the general inflation rate,
- E. whereas higher foodstuff prices severely reduce living standards for, in particular, low-income households, swelling the ranks of the poor and the socially excluded,
- F. having regard to the rise in the prices of animal feedingstuffs, which have all but doubled in recent months, generating a crisis in the stockbreeding sector,
- G. having regard to the mobilisations of stockbreeders in numerous EU Member States in protest against a policy which is forcing small and medium-sized stockbreeders out of business and is resulting in the concentration of meat and milk production,
- H. whereas the food sector is, in terms of both production and distribution, becoming ever more concentrated and ever more controlled by big companies which make huge profits while asking consumers to pay prices at a level several times that of the producer prices,
- I. whereas the first to suffer from rising prices of foodstuffs and of the raw materials for their production are consumers and small and medium-sized producers; whereas the latter are not in a position to survive the present market conditions, characterised as they are by an increased risk of cessation of agricultural and stockbreeding activity and rural depopulation,
- J. whereas the recent revision of the common agricultural policy (CAP) is targeted on the reduction of agricultural production via cutbacks in producer aid; whereas this has a knock-on effect on the rise in food prices and also generates speculative activity,

- K. whereas the recent CAP reforms, linked to the phased introduction of open markets, the gradual weakening of the market regulation mechanisms for farm products and the globalisation of agriculture, are increasing instability on the European markets, thus making new crisis management mechanisms necessary,
- L. whereas the reform of the CAP decided in Maastricht was intended to lead to the elimination of 1 700 000 farms; whereas this reduction in the number of farms has resulted in a constant rise in food prices,
- M. whereas the structural causes of rising prices are directly linked to rural depopulation in the southern European countries and the new Member States; whereas this problem is likely to become worse with the introduction of the single payment regime (SPR) for individual farms, while those causes are essentially social and economic,
- N. whereas the considerable growth in non-food use of agriculture products, above all biofuels, is resulting in the substitution of food products in agricultural production, and this is happening without a proper study of the effects on food self-sufficiency and sovereignty,
- O. whereas restricting the production of agricultural and stockbreeding products creates favourable conditions for a rapid increase in imports and speculative activity, placing food companies in a dominant position and directly affecting Member States' food sovereignty,
- P. whereas climate change is already beginning to bite, for instance in terms of falling cereal production, thanks to which the Commission has already been obliged to allow a derogation for set-aside in 2008 and forecasts a fall in wine production in Europe of some 18 % arising from the need to bring forward the harvest in numerous regions: whereas in the light of this the Commission's proposal to grub up 200 000 hectares of vineyards as part of the reform of the common organisation of the market (OCM) in wine no longer makes any sense,
1. Considers that the first to suffer from this rise in food prices are low-income households, who have to devote much of their budget to food; believes it is necessary to take direct measures to reduce food prices;
  2. Expresses its concern over rising prices of both animal feedingstuffs, since these directly affect stockbreeders, and food products, since these affect consumers, especially those on low incomes;
  3. Expresses its solidarity with small and medium-sized farmers and stockbreeders; endorses their demands for a cut in the prices of the raw materials used in their production, and calls for suitable measures to be taken;
  4. Considers that producer prices for agricultural and stockbreeding products are not aligned with raw material price increases, with the result that small and medium-sized farms risk disappearing, with adverse effects on the volume and quality of production and resulting in a concentration process leaving only a small number of undertakings;

5. Insists in particular on the need to act to reduce the gap between consumer and producer prices, by setting limits on speculative movements and combating the control of the market by a handful of big European or international firms;
6. Views the decision in favour of provisionally waiving compulsory set-aside for 2008 and the Commission's proposal to suspend import duties on cereals as piecemeal measures which do not meet the needs of stockbreeders and consumers and will have no long-term effects;
7. Notes that the recent partial revision in the milk sector will not stop milk prices from rising at the consumer end, even if producer prices remain low; adds that this revision's reduction in aid is leading to angry reactions from stockbreeders and consumers, who are suffering the fallout from commercial agreements reached between the big industrialists in the dairy sector;
8. Notes that the recent measures for the potato and fruit and vegetables sectors and the cutbacks in producer aid have already impacted adversely on the prices of those products and have led to price increases;
9. Stresses that the main purpose of agricultural activity is food production; observes that non-food use of agriculture products, notably of biofuels, does not necessarily contribute to the extension of agricultural activity and may not offer a satisfactory response to rural desertification; notes that such production may end up replacing food production, with negative consequences for the volume of food production and food sovereignty;
10. Stresses that the collection of biomass waste needs to be regulated so as to ensure that it does not worsen desertification by reducing organic substances and undermining soil quality;
11. Urges the Commission to re-examine the objectives of the CAP with a view to boosting food production, supporting small and medium-sized farmers and stockbreeders and reducing consumer prices, by strengthening the intervention mechanisms and guaranteeing adequate intervention prices;
12. Notes that the sharp reduction in resources for rural growth is obstructing attempts to devise action plans, and calls for the prioritisation of national or regional development projects targeted on combating erosion, hydraulic projects, water-saving agricultural and environmental measures and, more generally, improving the conditions for maintaining the productive capacity of small and medium-sized farmers and stockbreeders;
13. Asks the Commission not to give in to pressure, be it from the big companies which control the production and distribution of food products or from the US or other countries in the WTO framework, but, rather, to support the interests of farmers, stockbreeders and consumers in both the EU Member States and the least developed countries;
14. Calls on the Commission to examine and propose short- and long-term measures to relieve the situation of small and medium-sized farms, on the basis that their present situation raises the question of their viability and tends to encourage their abandonment, especially in the case of farms located in structurally disadvantaged regions, with the associated

social, environmental and economic risks;

15. Calls on the Commission to consider, additionally, measures to counteract other factors which impact negatively on food prices, such as higher oil prices, costs of financial administration and loans, etc;
16. Calls on the Member States to take the necessary measures against speculative activity and those controlling the food markets, as well as against the creation of agri-food cartels which exploit the lack of proper infrastructures, the dearth of producer and consumer organisations and the absence of monitoring mechanisms and whose sole purpose is to increase their own profits by squeezing producer prices and imposing high prices on the consumer;
17. Instructs its President to forward this resolution to the Council, the Commission and the Governments and Parliaments of the Member States.