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Plenary sitting

16.1.2012

B7-0013/2012

MOTION FOR A RESOLUTION

further to Questions for Oral Answer B7-0021/2012, B7-0675/2011 and B7-0676/2011

pursuant to Rule 115(5) of the Rules of Procedure

on imbalances in the food supply chain (2011/2904(RSP))

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B7-0013/2012

European Parliament resolution on imbalances in the food supply chain (2011/2904(RSP))

The European Parliament,

- having regard to its resolution of 8 July 2010 on ‘the future of the Common Agricultural Policy after 2013’¹, its resolution of 18 January 2011 on ‘the recognition of agriculture as a strategic sector in the context of food security’² and its resolution of 23 June 2011 on ‘the CAP towards 2020: Meeting the food, natural resources and territorial challenges’³,
 - having regard to the Commission Communication entitled ‘Better functioning of the food supply chain in Europe’ (COM (2009) 0591) and the various working documents attached to this communication and also its resolution of 7 September 2010 on ‘Fair Income for Farmers: better functioning of the food supply chain in Europe’⁴,
 - having regard to the Commission Decision of 30 July 2010 establishing the High Level Forum for a Better Functioning Food Supply Chain (2010/C 210/03),
 - having regard to the final recommendations of the High Level Group on the Competitiveness of the Agro-Food of 17 March 2009, and the conclusions of the Council of 29 March 2010 on a better functioning of the supply chain food in Europe,
 - having regard to Eurostat data on price indices of the means of agricultural production (input costs) and price indices of agricultural products (output prices)⁵,
 - having regard to its Declaration of 19 February 2008 on the need to investigate and correct the abuses of power by large supermarkets operating in the European Union⁶ and its resolution of 26 March 2009 on ‘Food prices in Europe’⁷,
 - having regard to the JRC report of 2008 on ‘Low input farming systems: an opportunity to develop sustainable agriculture’⁸,
 - having regard to Rules 115(5) and 110(2) of its Rules of Procedure,
- A. whereas the income problems for farmers continue to deteriorate and the price paid by consumers for products is not reflected in the price paid to farmers for their production;
- B. whereas food systems is dominated by a model of industrialized agriculture controlled by a few transnational food corporations together with a small group of huge retailers;

¹ Texts adopted, P7_TA(2010)0286.

² Texts adopted, P7_TA(2011)0006.

³ Texts adopted, P7_TA(2011)0297.

⁴ Texts adopted, P7_TA(2010)0302.

⁵ http://epp.eurostat.ec.europa.eu/portal/page/portal/statistics/search_database.

⁶ Texts adopted, P6_TA(2008)0054.

⁷ Texts adopted, P6_TA(2009)0191.

⁸ http://agrienv.jrc.ec.europa.eu/publications/pdfs/LIFS_final.pdf.

whereas this a model designed to generate profits completely fails to deliver healthy and affordable food for the people, and fair revenues for the producers while increasingly focusing on the production of raw materials such as agrofuels, animal feeds or commodity plantations;

- C. whereas there is a progressive loss of bargaining power for agricultural producers and agro-industries against the power of the large retailers in the EU in determining the price level along the value chain - from primary production, through processing to the final consumer;
 - D. whereas food sovereignty give to the people the right to define their agricultural and food policy based on the needs of the population and its environment and not from international trade rules issued by WTO;
 - E. whereas there are increasing imbalances among Member states with productive systems with different relative stages of development, leading to growing deficits and a higher food dependence in the countries with more fragile productive systems;
 - F. whereas farmers are not guaranteed a fair price for their production, thus encouraging many of them to leaves the sector;
 - G. whereas the Commission doesn't tackle 'big buyer' abuses in the food supply chain;
 - H. whereas the relationship between food producers retailers and suppliers is clearly unbalanced leaving the seconds holding the bulk of any downturn while the firsts keep their margins;
1. Strongly opposes to the current concentration of power in the hands of retail and big industry and demands solutions to halt and reverse it namely through a proper regulation of the food supply chain;
 2. Reminds that the food supply chain, agriculture, the agri-food industry and distribution represent 7% of the total employment in the EU and is worth €1400 billion per year - a figure greater than in any other manufacturing sector in the EU;
 3. Asks for a fair, decent wage for farmers must be an EU priority and demands a significant increase in the bargaining power of Farmers and their organisations;
 4. Asks for fairness and transparency in the food supply chain to avoid big-buyer abuses and calls on the Commission to provide the possibilities for farmers to be fully informed about the proposed prices of producers and dealers;
 5. Strongly asks for a clear, rigorous and objective definition of abusive and unfair practices;
 6. Calls to re-localise food production as much as possible and put an end to the stranglehold of big retailers and industry on the food chain;
 7. Advocates the establishment of effective regulation mechanisms in the food supply chain

aiming at defending producers, introducing clear contract relationships, especially for small and medium producers, the agricultural employment and the reduction of imports, both at national and community level;

8. Urgently asks for fair and remunerative prices for agricultural production to farms and to strengthen a multi-level safety net, including a safeguard mechanism 'in cases of crisis' in order to reduce the volatility of output prices caused by financial speculation on agricultural commodities;
9. Calls on the decentralization of food chains, promoting diversified markets based on solidarity and fair prices, and short supply chains and intensified relations between producers and consumers in local food webs to counter the expansion and power of central purchasing departments;
10. Asks the Commission to maintain the system of production quotas in the milk or sugar sectors, among others; the quota systems should be adapted to the needs of each country and to their productive system' relative stage of development, allowing the relative development of the Member states with higher deficits;
11. Defends the establishment of maximum trading profit margins, particularly for big supermarkets and retail companies, taking as reference the price paid to producers, as a way to promote a fair distribution of the added value along the food supply chain;
12. Advocates the granting of support to the establishment and functioning of national systems for monitoring the formation and evolution of prices in retail and supermarkets;
13. Denounces the price manipulation and price combination by large sectors of distribution and calls for urgent action to put an end to this situation and make transparent the process of price formation to the final consumer;
14. Considers that food security, food safety, ecosystem preservation and the enhancement of economic and social fabric in the primary sector in different Member States require the rejection of trade liberalization and to change the orientation of international trade to a logic of complementarities instead of competition;
15. Stresses the importance of short food supply chains, and considers the EU should actively support the local and regional production and local and regional markets, as well as to promote the shortening of the production-consumption cycles, as a pre-requisite for social, economic and environmental sustainability;
16. Advocates the immediate adoption of measures in order to stop dumping operations between Member States, like it is happening, for instance, in the milk sector;
17. Recalls that agriculture policy must enable small and medium sized farmers, including family farmers, to earn a decent income, to produce food that is sufficient in quality and quantity, at affordable prices to consumers, to create jobs, to promote rural development and to assure environmental protection and sustainability;
18. Asks for legal frameworks that: guarantee stable and fair prices for food producers;

promote environmentally-friendly agriculture; internalise external costs; and implement land reform;

19. Strongly criticises the European Commission's proposal for CAP reform and its deregulation vision goals; argues that this will intensify the current huge imbalances in the food supply chain; defends an agricultural policy having as principles:
 - the right to food security and food sovereignty, meeting the needs of each country and taking into account its specificities,
 - the existence of market regulation instruments, to tackle instability of productive sectors due to fluctuations in production and consumption and to ensure fair prices for producers,
 - a fair distribution of subsidies among farmers, productions and Member States, as well as a production aid scheme duly modulated at national, regional and sectoral level;
20. Calls on the Commission to urgently stop financial speculations in food sector and in commodity prices as well as bio fuel sector, which influences food supply chain more than ever;
21. Instructs its President to forward this resolution to the Council and Commission.