

European interview

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«The Common Agricultural Policy (CAP) has to be replaced by a Common Food, Agricultural and Territorial Policy»

1. You are the Chair of the Council of the FAO. Just days before the end of your term in office can you round up what you have achieved over the last four years in this organisation?

My term in office has in fact been a double two year mandate that was renewable once. It was quite an extraordinary experience from a personal point of view. During my career (FNSEA, APCA, etc.), I have succeeded in developing close relations with the Foreign Offices of all of the countries (192 countries, in the Council, governing bodies and during my foreign trips). It was indeed a true opportunity. Moreover I came at a time when the FAO had launched in-depth reform of its governance. Previously the Chair presided over the Council three times yearly over a one week period. Now he has to live six to eight months in Rome so that he can moderate the Council, manage relations between the States, the secretariat and civil society. In a way he is a relations mediator. However it is important to stress the specific nature of this presidency since the Chair and the Director General are equally legitimate and are equals. The Director General is elected in the same way as the Chair. Each has his tasks to undertake. The Chair takes care of governance, budgetary control and programme preparation. The Director takes care of general management, external relations, of the staff and policy implementation. This new mode of governance was difficult to set in motion at first but everything is now running smoothly.

The most positive point during my term in office was the introduction of the reform whereby members became permanent players in the way the FAO is run and works. Previously there was a conference every two years.

Ministers and Ambassadors came, discussed, defined guidelines and at the end of the conference everyone shook hands and said "see you in two years time to see what has been done." The reform aimed for countries to become players in the definition of the budget, guidelines, the way the FAO was run and it targeted decentralisation. This reform was implemented during my term in office. Moreover I had to help in the choice of a new Director which is quite an extraordinary process in this establishment because the two former Directors were each in office for 18 years. This change has led to renewal. Another positive point was that I belong to civil society. It was the first time that a Chair came from civil society. During the last Council a framework was approved for "normalised" relations between civil society and private businesses. This is important because the FAO can only exist if it operates close to the field, close to those involved.

I have one regret and that is that during my presidency in terms of absolute results in reducing hunger in the world, there are still 870 million starving people in the world. Over the last four years the world population has certainly increased but there are still as many suffering even if the percentage decreases daily. I was also happy to implement the G20's guidelines after the food crises, notably the decision for better knowledge of stocks and production. I also witnessed the introduction of a rapid response fund.

2. The food crises of the last few years, typified by hunger riots in many developing countries and the more general rise in the price of natural resources, have brought the issue of the rarification of natural resources to the fore. The increase in the world's population and its

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growing consumption are leading to greater pressure on limited resources, in spite of an increase in production capacities. How can these developments be managed in your opinion?

My first observation would be that the world's present population lies at 7 billion inhabitants and it is estimated that in 30 to 40 years time the 9 billion threshold will have been reached. In 1960 there were only 2.5 billion of us in the world, in other words in 50 years; from 1960 to 2010 we have fed 4.5 billion more people. The question is whether we can feed 2 billion more with the same methods as before. The answer is "no" because of the rarification of resources and available land. Indeed too much land is being wasted. There are reserves in Africa and elsewhere. However we have to have the means to produce enough for 9 billion inhabitants but the reason for the sharp rise in prices is particularly linked to a lack of available land.

How do you explain the hunger riots?

Firstly over the last 30 years there has been disinvestment in the agricultural sector worldwide. We should just recall one figure: in 1980 20% of world development aid was affected to food and agriculture; in 2010 this figure lay at 3% only and now it totals 5%. Secondly there has been high world demand, linked to the continued growth of populations together with an improvement in living standards, particularly in China. As a result consumption has risen sharply. Thirdly the use of non-food goods has increased notably make ethanol. Fourthly urban populations, which are growing constantly, depend either on food aid or the international market and have seen a phenomenal rise in prices, which have sometimes multiplied by three.

Varying theories have tried to explain why these hunger riots occurred. I believe that speculation is the consequence of this situation. Indeed if we'd produced too much there would not have been speculation. However we are not sensible. In 2010 more than the world's production of cereals was sold 45 times. On paper we speculate on production. It is criminal to speculate on people's lives. However we can learn one thing from this speculation – governments of the most industrialised countries are now aware, at least for the time being, that behind food penury some parts of the

world and certain countries are being destabilised. After the hunger riots, stocks rose in 90 days. The situation is almost stable although prices have increased to some degree.

3. What role can the European Union play in the fight to counter famine, malnutrition, under-nutrition, whilst its development aid towards food is also subject to budgetary constraints?

Firstly there is Europe's attitude towards its own inhabitants. I was shocked to see Europe decrease its internal food aid sharply even though for legal reasons this was understandable. I believe in a Europe that can rise politically beyond these legal aspects. I also regret that there are 18 million Europeans amongst the 870 million hungry worldwide.

However Europe has not disengaged from the poorest on the planet in spite of the financial crises. Within the context of the FAO it is not the USA which provides the greatest contribution but Europe as a whole. 42% of the FAO's budget comes from the European Union. Over the last three years there has been strong commitment by the EU notably in terms of the work undertaken by Development Commissioner Andris Piebalgs and the Commissioner for International Cooperation, Humanitarian Aid and Crisis Response, Kristalina Georgieva. Moreover the European Parliament is increasingly and progressively interested in knowing about the decisions that are taken on these issues. Until a few years ago aid was a somewhat national question. Now there is a real European policy which is positive.

4. Isn't the drive to develop agriculture for the industrial use of its products (energy notably) a threat to its primary mission, that is to provide food?

My motto is "everything lies in quantities", in other words everything depends on what we do. If we look at the last century a significant share of agricultural production was used for energy, notably on farms or during industrial processing. Agriculture has always produced to devote a share of its production to energy or industrial goods.

In the USA 40% of the area used to grow corn serves

the production of ethanol. The Brazilian position in terms of sugar cane, which is the best as far as energy transformation is concerned, is limited however. What Europe does on the whole in terms of development is reasonable even though I might criticise biogas production here. 800,000 hectares of German corn are not used for milking or meat producing cows and go directly for use in biogas plants. I do not think this is sensible and it could cause a problem.

There is also the danger that some countries or some multinationals invest in areas of the world to develop agricultural production solely for energy or oil purposes, such as palm oil for example. There is a two-fold problem here. The first is humanitarian, in other words local populations might not be respected. The second drawback is that these countries might not be able to guarantee minimum food security. In fact there is a danger that the use of land might be based on the production of oil – “I’ll pump it out. When there’s none left, I leave”. But if things were undertaken sensibly then it would be useful to modernisation.

The FAO adopted a text in May last year on the regulation governing land use. The problem is that the FAO, like all international structures, has to respect States’ sovereignty, this means that they might vote an FAO text unanimously but then they have to want to implement it in their country. Unfortunately it is not always the case.

5. At present there is debate between the supporters of a more productive agriculture and those who want better quality, for example in terms of the position to grant to GMO’s? How do you reconcile these two views?

Firstly you cannot contrast quality against quantity. Health standards must be the rule for all the citizens in every country in terms of access to food. Secondly marks of quality must not be exclusive. No consumer should be excluded. Thirdly the rejection of GMO is not necessarily a question of quality. It is about the poor mastery of new GMO technologies and there is also a political debate on the monopolisation of patents by private companies. Europe has left these debates whilst other countries continue to step up research. Some countries in Europe have made the mistake of

not making an adequate difference between production and research. Of course we should not accept everything. But we must not forget that in terms of GMOs, fifteen years ago both France and Europe were on the leading edge. But now there is no longer any research ongoing here. Europe is certainly missing out in terms of modernisation. A major European research plan would be quite justified.

6. You were the Chairman of the FNSEA. Negotiations over the next European budget 2014-2020 are now being finalised. How do you see the Common Agricultural Policy and its development? What can justify this highly criticised policy?

First and foremost, as a convinced European, I was shocked to see the governments of Europe trying to reduce the European budget. Indeed saying that they “want more Europe” and at the same time reducing the budget is not a strong political sign as far as the emerging countries are concerned. Over the last four years in office in Rome I have seen the weight of European countries and the OECD decline in the face of the BRICS (Brazil, Russia, India, China, South Africa). Europe is vital for its Member States to have the power resist against the emerging countries.

At present the European agricultural budget totals 40% of the whole. I would support the replacement of the CAP by a Common Food, Agriculture and Territorial Budget. When we say that 40% of the budget goes to agriculture, in reality it goes to the consumer. The main beneficiary is the citizen not land-use planning. The CAP is vital. We have to come to a balance either we are competing directly with the emerging countries where production costs are lower, or we run the risk of being dependent on countries like Argentina or Australia which suffer drought every three years which makes prices shoot up – we should not be surprised about what happens next.

Then, as far as the reform is concerned, I was quite shocked that someone had suggested following 7% of the land at a time when we lack food in the world. Of course Europe is not going to feed the whole world but it helps by feeding its own population and also by taking part in bringing an economic and political food balance to the world. If Europe relinquishes its position as an agricul-

tural exporter this means we are leaving it up to others to provide that food balance (Brazil, USA, New Zealand). Politically Europe has a role to play in this area.

One last point, agricultural policy as it stands deserves in-depth reform. But I fear that this is not being done thoroughly enough, notably regarding the balance between the various types of production. It is no longer acceptable for a citizen to see a favourable cereal market situation and at the same time not to expect a readjustment of the aid system. It would be normal for cereal aid to be reduced when market prices are extremely high. The danger is – and we can see this in France – is that many producers specialised in the livestock or crop sector give up their production to enter the cereal market. They work less and earn more. It is dangerous for territorial development, for employment and for the French food balance. For example in the wake of the debate of horse meat it was decided that we would only make lasagne with French meat. In reality this is impossible because we don't have enough. This is a paradox in a big country like ours and it might very well continue like this. Therefore a new balance has to be found so that farmers can earn more.

7. As an agricultural power has the European Union had its time? How can we protect the economy and the quality of our agriculture in the face of new agricultural powers, notably Brazil, Argentina, Russia and even China?

At the FAO we usually say that to rise to the challenge of the future 9 billion inhabitants we need all types of agriculture. Above all each country has to define a minimum supply threshold to maintain main food independence. This means having a high yield that enables local communities to sell to each other. The European Union, which has often been accused of exporting at low prices, is in the biggest import area. There are 500 million consumers, and I think that it is our task to provide for these 500 million Europeans at least. We are not necessarily competitive on all products, notably the basic ones across the world.

Moreover, on the world market, there are still a great number of markets to win. For example India and China represent 2.5 billion inhabitants 20% of whom have the same income levels as Europe.

I think that economically not only does Europe have a role to play in international trade but also politically, in taking part in the food balance. Two years ago during the drought the Russians closed their borders suddenly – fortunately in Europe, notably in France, we have adequate stocks to supply countries like Egypt.

Europe is fortunate enough to be an area of peace, with a varied climate that allows us to cultivate anything we like. Moreover there are not many natural disasters that endanger 30% of the production (unlike Australia and New Zealand with 50% less production over the last five years). Of course Europe will not feed the world, but to my mind it is a vital factor in the world food balance. This is not necessarily the present discourse held by European Commissioners and some leaders, especially in the north of Europe. This is why we need a common Agricultural, Food and Territorial Policy because it is the best way to encourage countries in the north, who have little interest in agriculture but who place food at the heart of the debate, to assume their responsibilities. These countries feel that spending on agriculture does not concern them. But they do as consumers. This is both a tactical and communication issue that deserves to be developed.

8. The liberalisation of agricultural trade is planned by the Transatlantic Trade and Investment Partnership (TTIP). The opening of the markets is a cause of concern in certain EU Member States, notably in France. What is your position on this?

Firstly we cannot approach agriculture on a world level, whether from a bilateral or multilateral point of view in the same way as we would mobile phones and manufactured goods. This is why I think that agriculture is not completely at home in the World Trade Organisation. I might remind you that although 11% of the world's agricultural production is traded between countries, 89% is consumed in the producer country. I plead therefore in support of an agreement between the WTO and the FAO on governance in this area.

Secondly the market cannot regulate food goods from agriculture or fishing alone since fluctuations in production are linked to several factors, climate amongst others. Unlike industrial production in which we close a factory when a specific type of goods no longer works, we cannot

do the same in the agricultural sector. The market alone cannot therefore regulate this.

Regarding the multilateral agreements that are being negotiated right now, I say, why not? However we have to have absolute transparency regarding agricultural support and aid mechanisms. We have had problems with the USA for the last 25 years in terms of international negotiations because we never speak of the same thing: on the one hand Europe has supported agriculture with support mechanisms whilst the USA introduced direct aid mechanisms. In the end, with the GATT and the first part of the WTO, they managed to convince the Europeans to enter into the same system. This is based on direct aid, which is no longer linked to production. In the USA 66% of the agricultural budget is used for food aid. It is a way of supporting the markets. If we really want absolute transparency we might discuss this. The same goes for talks with other countries. We need the convergence of social, health and environmental rules.

Europe has always been naive about international trade. In the GATT then the WTO Europe believed that it faced

honest people. They put forward suggestions and the others just piled them up and so the progress hoped for was not made. We are in a situation in which, as long as Europe does not make it clear, as American President Obama does, that agriculture and fishing are vital factors in European integration, we will remain in a weak position. We have regarded the agricultural policy as an aspect of budgetary costs for too long.

To conclude I personally believe that multilateral agreements are better than successive bilateral ones. But on the other hand I am not sure that the WTO's negotiations will resume in a satisfactory manner.

Interview undertaken by Pauline Massis Desmarest

Luc Guyau

Former Chairman of the FNSEA,
Chair of the Council of the FAO (2009-2014)

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