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Ongoing Agriculture crisis

chronicle of a disaster foretold

The European Parliament will today hold a plenary debate with Agriculture Commissioner Hogan and the Council on the ongoing agricultural crisis. This debate takes place following the European Commission and Council agreement to provide dairy and pork farmers with a one-off subsidy of [€500mn](#) to compensate for the economic loss caused by the current crisis in these farming sectors.

The current crisis: a home-made recipe by the agro-industry and market deregulation

The cause of the crisis and of farmers' discontent is sinking prices and overproduction in the dairy sector - [especially since the end of the quota policy last 1st April](#) - and the price crisis in the pork sector.

With their permanent production of structural surpluses of raw material, the big players in the food industry occupy the comfortable position of driving farm prices to the bottom, which leads to farmers being unable to sell their production for a fair price. Indeed, in the logic of current EU agricultural policy, farm product prices are fixed downstream of agriculture itself and farming costs are determined upstream. Farmers are therefore squeezed between increasing production costs and frozen farm prices.

European agriculture also suffers from the deregulation of food markets. Market intervention, external protection and supply management have been dismantled. The end of the European Commission's milk quota earlier this year was the latest step in a deregulation agenda which accelerates structural change and is supposed to conquer new global markets for agribusiness. Here again, structural surplus production pushes farm prices further down and makes farmers more vulnerable to volatile global agricultural prices.

Commission's crisis management method: a stick-on plaster that won't solve the vicious cycle

To compensate farmers' economic loss in the dairy and pork sectors, the Commission proposed to offer €500mn as compensation and investment aid. Choosing this solution as a crisis management tool is actually more of the same wrong policy. No sign on the horizon of taking quality measures into account or of innovation in supply management, strengthening farmers' position in the food supply chain, or more local or regional connections with consumers for a better balance between farmers' new challenges and consumers' expectations.

Likewise, the Commission's rallying cry to conquer "new markets" abroad makes no sense. To

compensate for the crisis, the Commission wants to open new markets in third countries for the surplus production. The new targets are now supposed to be China or Vietnam, which have in fact already started to develop soya-fed mega dairy farms intended for the Russian market and which appear to have been around long enough to be able to provide enough to meet China's internal demand, without EU's helping hand.

In the same vein, the Commission proposals to increase private storage of milk powder, cheese and pig meat, thus taking off the market what cannot be absorbed today is simply a postponement of the problem to a later day. These products will be let into markets when prices for farmers might have recovered, thus pushing prices down again and re-starting the vicious circle of crises.

This long-running crisis cycle discourages new applicants to jobs in agriculture and entrepreneurship in rural areas. Low incomes and lack of perspectives force young people to leave rural areas. So despite EU investments and repeated compensating measures, young people find farming unattractive and unprofitable and move away, leaving empty villages, closed schools and abandoned land.

Turn the crisis into an opportunity: switch to sustainable production rather than continued industrialisation

The current crisis is further evidence that EU Common Agricultural Policy is outdated. It ignores the real challenges facing farmers and the food sector today.

We need to limit production first rather than look for elusive new markets. This is why the Greens/EFA firmly reject the Commission proposals on the current crisis.

Greens believe instead that the current crisis should be turned into an opportunity, and that it must open EU decision makers' eyes on the urgent need for a paradigm change towards agro-ecological farming practices and resilient food systems as the norm. A comprehensive system would include compulsory crop rotation, balancing crop and animal production; be based on biodiversity; living healthy soils; renewable energies and resource-recycling; agroforestry; climate mitigation and protection of landscape and flora and fauna. This shift must be based on humane policy measures, with diversified and vibrant rural economies; consumer education; and coherence between policies on farming, public health, environment, and development and trade policies.

Rather than continued industrialisation, it is resilient food systems based on local and renewable resources, long term fertility and productivity, short food supply chains and no food waste that will lead to a sustainable future for our farmers and agriculture.

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