

## OUR PROJECT

The agricultural policy of the European Union has negative effects on farms in the North and South, reforms are needed urgently. Therefore, the AbL (Association for Family Farming) and Germanwatch, the organisation engaged in development policy, have combined forces on the project, Reorientation of the Common Agricultural Policy in Regard to Development Policy. The goal of this project is to create a European Union agricultural policy that supports socially and environmentally sound agriculture worldwide.

### To achieve this goal:

- We analyse the agricultural policy of the European Union together with representatives from the fields of development policy, agriculture, environmental and consumer protection.
- We identify the effects of the agricultural policy of the European Union in developing countries.
- We show the necessity for redesigning the agricultural subsidy policy of the European Union.
- We design joint reform proposals to incorporate into the political process.
- We promote a broad-based European dialogue in order to gain the right to a bigger share in decisions concerning the reform process of the agricultural policy of the European Union.



Photo: ABL



Germanwatch is a "North-South-initiative" that has been actively engaged in a social and ecological design of globalisation since 1991. The so-called developing countries must get the chance for self-determined development. Food security, socially and ecologically sound development of world trade, development policy, climate protection and regulation of the behaviour of transnational companies are the central elements of our work.

### Germanwatch e.V.

Voßstraße 1  
D-10117 Berlin  
Germany  
Phone: +49 / 30 / 288 83 56-0  
Fax: +49 / 30 / 288 83 56-1  
E-mail: [info@germanwatch.org](mailto:info@germanwatch.org)  
[www.germanwatch.org](http://www.germanwatch.org)



The Association for Family Farming (AbL) is an organization engaged in socially and environmentally sound agriculture. Part of its work is to represent farmers' positions regarding legal reforms in agricultural policy.

### AbL - Arbeitsgemeinschaft bäuerliche Landwirtschaft e.V.

Bahnhofstraße 31  
D-59065 Hamm  
Germany  
Phone: +49 / 2381 / 90 53 172  
E-mail: [thomsen@abl-ev.de](mailto:thomsen@abl-ev.de)  
[www.abl-ev.de](http://www.abl-ev.de)

The joint project, *Reorientation of the CAP in Regard to Development*, is supported by the Federal Ministry for Economic Cooperation and Development.



Federal Ministry  
for Economic Cooperation  
and Development

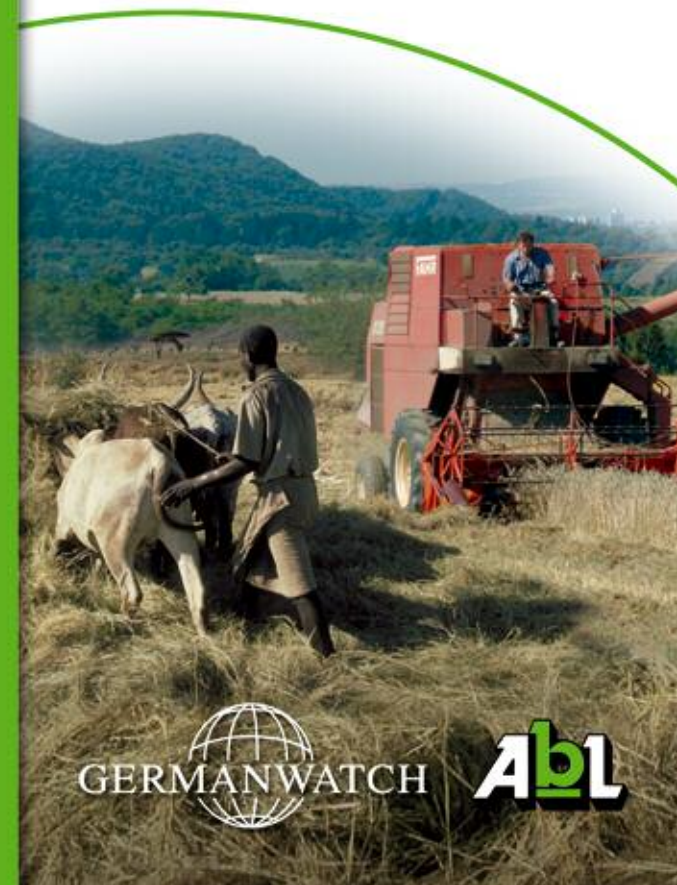
## REORIENTATION OF THE COMMON AGRICULTURAL POLICY

FOR FARMERS IN THE  
NORTH AND SOUTH

front page collage: foto left, IFAD/F. Mattioli – foto right, D. Putscher

Layout: Art: Büro Dietmar Putscher, Cologne

purchase order number: 05-1-06



## THE AGRICULTURAL POLICY OF THE EUROPEAN UNION...

...has relied on a surplus production of agricultural resources for decades. Premiums have been paid depending on production output and farm size, and in particular, growth-oriented farms have been supported.

Policy intervenes actively in price formation, i.e. the government will buy up agricultural produce, if the prices fall under a certain margin. This has caused a permanent decline in prices.



Photo: IFAD / F. Mattioli

The surpluses continue to be sold in the world market. In most cases, they are artificially cheapened by means of export subsidies (so-called dumping), which is affecting world market prices.

The victims of this policy are small-scale farmers in the South and North.

## ITS CONSEQUENCES...

### ...for countries in the South:

- Local markets are destroyed by dumping exports from the EU
- Income sources for small farmers cease
- Rural poverty increases

### ...for European agriculture:

- Prices that farmers get for their products drop
- Farms must be given up
- Mass production in agricultural factories rises
- The quality of life in rural areas declines

## .....AND ITS REFORM

The latest reform of the Common Agricultural Policy (CAP) does not reward mass production anymore. Decoupling is the central point of this reform.

This means, farmers receive direct payments independent of their output. As a result, farms get the opportunity to respond more directly to the market.

However, these steps are not sufficient. Still, surpluses are produced and exported with artificially low prices since they are subsidised. Therefore, the political framework must be designed in a way to harmoniously establish environmentally and socially sound agriculture within the EU, while keeping in mind the interests of the people, especially the farmers in the South.



Photo: IFAD / A. Hossain



Photo: IFAD / A. Hossain



Photo: D. Putscher



Photo: IFAD / G. Pirozzi

## FARMERS IN THE NORTH AND SOUTH DEMAND:

- To stop any kind of export dumping
- To eliminate the artificial surplus output within the EU
- To link EU subsidies to socially and ecologically sound criteria

### in order to

- Strengthen local production and local markets in the North and South
- Keep fair and stable product prices that guarantee adequate income for farmers
- Secure the right to food in developing countries
- Improve the situation for small-scale farmers, landless farmers and farm workers in the South

### for

## socially and ecologically sound peasant farming in the North and South!



Photos: D. Putscher



Photo: IFAD / G. Pirozzi