



**Excerpts from SOL's answers to the DG Agriculture questionnaire
"Modernizing and simplifying the common agricultural policy (CAP)"**

Monday, 01 May 2017

12 – What are the main problems/obstacles preventing the current policy from successfully delivering on its objectives? What are the drivers behind these problems?

- The current CAP, at the service of the agro-food industries, is opposed to the food sovereignty of the EU and the developing countries.

- The massive dumping of its exports linked to the allegedly decoupled domestic subsidies and the refusal to deal with them in its free trade agreements and to amend their rules in the WTO negotiations. The EU has allocated €215 million (€M) of subsidies to its exports of cereals in West Africa (WA) in 2016 and €169 M to its dairy products and the WA EPA would decrease the import duties on these two products from 5 % to 0 as of year 5. The EU forbids ACP countries to raise their import duties in EPAs when its own are much higher on its dairy and meat products.

- Promotion of intensive livestock farming in the EU dependent on soybean imports that destroy the environment in South America when EU protein autonomy could be developed.

- The EU does not limit land grabbing and deforestation in developing countries, particularly for palm oil (its rapeseed oil being largely used for biodiesel).

- Rebuild farm incomes on remunerative prices, as before 1993, by variable levies but with ceilings on farmers' rights to produce with agro-ecological systems.

- Reducing the consumption of animal products with higher food prices for quality products protecting the environment and rural employment, and subsidizing collective catering.

13 – Which elements of the current CAP are the most burdensome or complex and why?

- If there is an excess of administrative formality to carry out the requests for aid and its conditionality, a minimum of conditions is essential to achieve a sustainable development.

- Non-capping of aid, based on hectares, promotes farm concentration and industrial livestock farming, which penalizes agricultural and rural employment and greener agriculture. We must stop excluding small farms and the most diversified farms.

- Lack of support and promotion of agro-ecological production systems, especially organic farming.

- Non-recognition of the productivity of pastoral areas, including wooded areas.

- Impossibility to put in place regulation tools, production ceilings and an efficient import protection because of the WTO and free trade agreements.

16 – Do you see the need to add objectives for a modernised CAP; if yes, which ones?

- Defend, in the WTO and bilateral agreements, food sovereignty for all countries, the right to an effective import protection through variable levies guaranteeing stable agricultural prices at a remunerative level.

- Do not harm the rest of the world by refusing to recognize the dumping effect of domestic subsidies that also benefits exports.
- Continuing to base most agricultural incomes on allegedly decoupled aid (basic payment) is an increasingly risky bet, since a prosecution in the WTO cannot be ruled out, including by the United States of Donald Trump, which would take them out of the green box.
- Promote agro-ecological production systems, short marketing channels, the fight against climate change and a balanced development of rural territories.
- Review of competition law to allow for concerted pricing mechanisms.

32 – Do you have concrete ideas for simplifying the CAP and reducing the administrative burden for farmers, beneficiaries (or public administrations)? Please specify and explain the reasons behind your suggestions.

- In a context of high volatility of world prices, accentuated by exchange rates volatility and speculation, and pending the re-founding of the CAP on stable and remunerative prices through variable import levies, stabilize farm incomes by replacing fixed basic payments by strong anti-cyclical aids when world prices are low and low when they are high.
- Simplify the administrative nature of conditionality by evaluating results rather than means.
- Risk management tools (heavily subsidized insurance, futures) are too expensive and would only benefit large farms.
- Open the agro-ecological measures throughout the EU.
- Establish a CAP that is relevant in terms of employment, quality of food, preservation of the environment and territorial life, which is stable over time (no change in the rules of the game at all times).

33 – Do you have more ideas for modernising the CAP?

- To rebuild the CAP and the agricultural policy of all countries on food sovereignty, the EU must stop aligning itself with the United States in the WTO negotiations, with a long-term vision (2050) where the population of Sub-Saharan Africa will explode. The EU needs to challenge the WTO agricultural rules it had formulated with the US to change the CAP since 1992. The GATT definition of dumping should be changed (no dumping as long as export prices are the same as domestic prices) which decided the EU to reduce its guaranteed agricultural prices, offsetting these reductions by semi-decoupled aids (blue box in 1992 and 1999) and then decoupled aids (2003), which have a large import-substitution effect. Knowing that developing countries cannot finance large subsidies while the IMF, WB and EU have forced them to lower their agricultural tariffs, including in the EPAs.
- But the WTO's definition of dumping in the Dairy Products of Canada case (December 2001 and December 2002) must be recognized: there is no dumping if exports are made at a price equal to the national average cost of production of the WTO member without subsidy.
- Since remunerative prices cannot compensate for all handicaps, we must help disadvantaged farms and promote agroecological systems as long as they are not exported at a price lower than the national average production cost.
- Promote quality food for all and involve citizens in decision-making bodies.