



VoxPop Webinar on August 23, 2020 on food sovereignty in the EU

Comments by Jacques Berthelot (jacques.berthelot4@wanadoo.fr), September 22, 2020

PLAN

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VoxPop broadcasted on 23rd August 2020 a very interesting debate on "*Food sovereignty in the European Union in danger*" that can be listened to again¹, brilliantly animated by Nora Hamadi, but full of untruths.

The two main speakers were Thierry Pouch – in charge of studies at the APCA (Permanent Assembly of French Chambers of Agriculture) and member of the French Academy of Agriculture – and Anastassios Haniotis, Director of Strategy at the Directorate General for Agriculture (DG Agri) of the European Commission.

The participation of the EU28 and the United States (US) in world agricultural production will be analysed in turn, compared to that of China and India, which were not mentioned in the debate, before comparing in more details their agricultural and food trade and briefly addressing other issues of the debate.

I – Share of the EU, the US, China and India in world agricultural production

T. Pouch opened the debate by declaring that the EU has become the world's leading agricultural power, an assertion perhaps borrowed from the French Ministry of Agriculture² or from Christiane Lambert, the new president of COPA – the conservative Confederation of EU farmers union – and already president of the FNSEA (the French leading conservative farmers' union), who at the FNSEA Congress in March 2019 placed "*the European Union at the*

¹ <https://www.arte.tv/fr/videos/091151-022-A/vox-pop/>

² <https://agriculture.gouv.fr/infographie-lunion-europeenne-1ere-puissance-agricole-mondiale>

forefront of the world's agricultural powers"³, an assertion less precise than that of the students of Sciences-Po Bordeaux during the debate organised with her: "*The European Union is the world's leading agricultural power*"⁴. Yet this assertion is totally unfounded since Chinese agricultural production at farm gate prices in 2016 was \$1.370 billion according to the OECD, i.e. 3.6 times larger than the €366.5 million (or \$379.5 million) value of agricultural production in the EU28 and 3.9 times larger than the US \$355.5 million. One can also refer to the World Bank's indicator on the combined value added (VA) of agriculture, fisheries and forestry (APF) showing that China was by far in the lead in 2017 with 27.7% of world VA, followed by India with 13.1%, the EU28 with 7.5% and the US with 5.4%.

As national data are not available for these countries until 2019 as shown in Table 1, the averages for the period 2015-17 are compared. Two conclusions can be drawn:

- 1) Agriculture accounted on average for 81.5% of the VA of the total AFF, of which 84.2% in China, 86% in India, 76.9% in the EU28 and 79.8% in the US.
- 2) China's agricultural VA was 4.6 times higher than that of the EU28 and 5.9 times higher than that of the US. In other words, China's dominance of agricultural VA alone even exceeds that of the combined VA of agriculture, fisheries and forestry (AFF).

Table 1 - Value added in agriculture+fish+forestry: World, EU, US, China, India in 2015-19

US \$ billion	2015	2016	2017	2018	2019	Moyenne	% en 2017
According to World Bank indicators on the value added of agriculture+fish+forests (AFF)							
World	3154,651	3154,852	3317,040	3383,537	3502,550	3302,526	100%
China	927,733	905,097	918,795	978,615	1020,015	950,051	27,7%
India	340,245	375,516	433,933	418,010	459,005	405,342	13,1%
EU28	220,431	220,202	248,956	260,586	252,931	240,021	7,5%
US	189,947	175,923	178,580				5,4%
According to national sources, converted in US \$							
China							
Total AFF	968,607	958,815	972,935			966,752	100%
" dont agriculture	817,956	807,898	817,510			814,455	84,2%
" pêche	46,092	45,562	47,006			46,220	4,8%
" forêts	104,559	105,355	108,319			106,078	11,0%
India							
Total AFF	313,565	318,419	368,146	390,247		333,377	100%
" agriculture	270,082	273,086	316,934	336,913		286,701	86%
" fishery	17,459	18,972	22,773	25,660		19,735	5,9%
" forestry	26,024	26,361	28,439	27,674		26,941	8,1%
EU28							
Total AFF	222,950	221,417	244,193	240,571	246,870	229,520	100%
" agriculture	171,379	168,179	189,645	183,193	190,670	176,401	76,9%
" fishery	24,087	25,789	26,745			25,540	11,1%
" forestry	27,484	27,449	27,803			27,579	12,0%
US							
Total AFF	180,7	164,3	174,6	166,5		173,200	100%
" agriculture	146	129	139,4	129,6		138,133	79,8%
" fishery + forestry	34,6	35,3	35,1	36,9		35,000	20,2%
Total of four countries							
Total AFF	1718,565	1697,746	1793,104			1736,472	100%
"agriculture	1405,417	1378,163	1463,489			1415,690	81,5%
Agriculture/AFF	81,8%	81,2%	81,6%				81,5%
Added value of agri-food industries including fish							
China		1767,741	1655,462				
UE28		200,883	205,971				
China/EU28		880%	804%				

<https://data.worldbank.org/indicator/NV.AGR.TOTL.CD>

<https://www.irs.gov/individuals/international-taxpayers/yearly-average-currency-exchange-rates>

³ "*L'Union européenne au premier rang des puissances agricoles mondiales*" <https://www.reussir.fr/christiane-lambert-pour-une-europe-en-mode-plus-et-mieux>;

⁴ <https://www.sciencespobordeaux.fr/fr/les-rencontres-sciences-po-bordeaux-sud-ouest/rencontres-2018-2019/grand-oral-de-christiane-lambert.html>

It would have been desirable to also compare the VA of agri-food industries, beyond that of unprocessed agricultural products, but here again data are lacking, especially in the US where they are mixed with the sales of agri-food firms. It is known, however, that for the years 2016 and 2017 alone, the added VA of agricultural and fisheries processing was 8.4 times higher in China⁵ than in the EU28⁶.

1.2 - Comparison of the gross agricultural production value at farm gate

FAOSTAT data for 2016 (the latest year for production value) show that China's \$535 billion (bn) farm gate value of cereals + meats exceeded by 78% the combined EU + US \$301 bn value. This is the value of gross production, not of the value added. Even though cereals and meats account for only a significant part of total agricultural production, this confirms World Bank data on China's dominance over the EU28 and the US. Despite a Chinese population of 1.414 bn inhabitants (inhab) in 2016, compared with 511 million (M) inhab in the EU28 and 323 M inhab in the US, the China's per capita production value of cereals and meat exceeds that of the combined EU28 + US by 4.8%.

Table 2 - Value, volume and prices of cereals and meat from China, EU, EU in 2016

	China	EU28	US	EU+US	China/EU	Chine/US	China/(EU+US)
Value of creals and meat production in millions of dollar							
Cereals	232447	47980	64685	112665	484%	359%	206%
Meats	302506	89843	98653	188496	337%	307%	160%
Cereals+meats	534953	137823	163338	301161	388%	328%	178%
Volume of cereals and meat productions in 1000 tonnes							
Cereals	618012	302524	503465	805989	204%	123%	77%
Meats	86779	47423	44641	92064	183%	194%	94%
Cereals+meats	704791	349947	548106	898053	201%	129%	78%
Average price of cereals and meat in US\$ per tonne							
E pricne	376,1	158,6	128,5	139,8	237%	293%	128%
Meats	3485,9	1894,5	2209,9	2047,4	184%	158%	170%

Source : FAOSTAT

The value of China's cereals was 4.8 times that of the EU28 because their volume was twice that of the EU and their price 2.4 times that of the EU. The value of China's cereals was 3.6 times higher than that of the US because their volume was 23% higher and their price 2.9 times higher.

The value of meat from China was 3.4 times higher than that of the EU because both its volume and price were 1.8 times higher. The value of meat from China was 2.9 times that of the US, as its volume was 94% higher and its price 58% higher.

A powerpoint file presenting the data for each of the three main cereals (paddy rice, wheat and maize) and the three main meats (beef, pork and poultry) is also available on SOL's website.

II – Agricultural and food trade between the EU28 and the United States (EU)

2.1 – The recurring untruth confusing agricultural trade and food trade

T. Pouch and A. Haniotis both stated that the EU28 is the world leader in both *agri-food* exports and imports and that the EU has always ensured its food sovereignty, with A. Haniotis preferring to talk about food security. Indeed, this has been a recurrent assertion of DG Agri for

⁵ <http://english.moa.gov.cn/datastatistics/>
⁶ <https://appsso.eurostat.ec.europa.eu/nui/setupDownloads.do>

many years, which, under the label of *agri-food* products, confuses *agricultural* products – as defined in the WTO Agreement on Agriculture (AoA), whose codes are those of the Harmonised System (HS) of trade, which does not include fish and preparations – with *food* products, which include them but not non-food agricultural products, and which correspond to codes 0, 11, 22 and 4 of the SITC (Standard International Trade Classification) nomenclature.

Excluding fish and preparations from *agri-food* trade is all the more incoherent since, even though there is a Common Fisheries Policy, it only concerns the conservation and sustainable exploitation of fisheries resources since fisheries policy depends on the Ministries of Agriculture of the largest countries for EU fisheries: France, Germany, Spain, Italy, Belgium, Ireland, Poland, Sweden, Finland, Lithuania, Latvia, Croatia. It is these ministries that manage the Common Fisheries Policy funds under the EAMF (European Maritime Affairs and Fisheries Fund) and the EAFRD, and the funds allocated to fisheries in the EU's outermost regions come under POSEI, one of the chapters of the EAGF. There is also an Agriculture and Fisheries Council within the Council of the EU.

This recurring speech by DG Agri has misled the highest officials of the European Institutions and Member States, to the point that the previous President of the European Commission, Jean-Claude Juncker, stated on 6 December 2016, in his opening speech at the Conference on the EU Agricultural Outlook: *"We must remember – but who remembers? – that until 1964 Europe was not yet self-sufficient in terms of food... A country, a continent which cannot feed itself, from a geostrategic point of view, is a country, even a continent, in perdition because it depends on the will of others. I do not want a Europe that depends on the will of others... With the entry into force of the common agricultural policy in 1962, Europe has given itself the means to acquire its autonomy in terms of food production. And we can actually be proud of the journey made since"*⁷.

He echoed the EU Commissioner on agriculture Phil Hogan's speech on 4 June 2015 at the Milan World Expo: *"I know you are all very familiar with the key data on present and future challenges, with some 795 million people worldwide still suffering from chronic hunger. And with global population growth continuing rapidly, the world will have to produce 60% more food by 2050... Today I wish to deliver the clear and decisive message that the European Union recognises its global responsibilities and is ready to act"*⁸. The European Court of Auditors itself has shared this assertion by stating in March 2018 that *"The EU produces more food than it consumes, and has become a net food exporter"*⁹.

The webinar also projected the statement of President Emmanuel Macron on 12 March 2020 that *"delegating our food... to others is madness"*. Thierry Pouch also stressed in an article dated 25 November 2019 that *"France's contribution to the world's major food balances and, consequently, to the world's geopolitical stability, is one of the key points of its international influence"*¹⁰. Hence the need to bring these agricultural economists back to reality.

⁷ http://europa.eu/rapid/press-release_SPEECH-16-4285_fr.htm

⁸ http://ec.europa.eu/agriculture/commissioner-speeches/pdf/hogan-expo-milan-04-06-2015_en.pdf

⁹ https://www.eca.europa.eu/Lists/ECADocuments/Briefing_paper_CAP/Briefing_paper_CAP_EN.pdf

¹⁰ Thierry Pouch, *La balance commerciale agroalimentaire française : excédentaire mais menacée*, 25 novembre 2019, <https://www.vie-publique.fr/parole-dexpert/271841-balance-commerciale-agroalimentaire-francaise-un-excedent-menace>

2.2 – Comparison of agricultural trade between the EU28 and the United States

In order to compare the relative ranks of the EU and the US in world food and agricultural trade, it is first necessary to adjust the EU data on the same basis as the AoA. The EU includes in agricultural products raw rubber (HS code 4001) and hides and skins (code 41) but not spirits (code 2208) or processed tobacco (codes 2402 and 2403). After aligning the US codes with those of the AoA, and after converting US dollars into euros, *agricultural* trade (Table 2) from 2015 to 2019 is compared with *agri-food* trade (Table 3), which adds fish to agricultural products. While on average EU28 agricultural trade has been much higher than that of the US, on average US imports have exceeded EU28 imports in 2019, but they have also exceeded its own exports in 2019.

However, a comparison of per capita agricultural trade between the EU28 and the US shows that the EU28 only accounted for an average of 70.5% of EU exports, 79.7% of which in 2019, and 58.9% of EU imports, 55.6% of which in 2019. The fact for T. Pouch and A. Haniotis' assertion that the EU is strengthening its position as the world's leading agricultural power underscores a pure economic and not very humanistic vision of the agricultural economy, which is however certainly widespread.

Table 3 - Comparison of agricultural trade between the EU28 and the United States from 2015 to 2019

En millions d'€	2015	2016	2017	2018	2019	Moyenne
EU28						
Exports	129347	131455	137734	137763	151580	137576
Imports	115948	114486	118834	118184	121343	117759
Balance	13399	16969	18900	19579	30237	19817
1000 inhabitants	509844	510906	511901	512739	513358	511750
X in €/inhab	253,7	257,3	269,1	268,7	295,3	268,8
M in €/inhab	227,4	224,1	232,1	230,5	236,4	230,1
Balance in €/inhab	26,3	33,2	36,9	38,2	58,9	38,7
United States (US)						
euro/\$ exchange rate	0,937	0,94	0,923	0,848	0,893	
Exports	124859	126815	127291	118419	121952	123867
Imports	111248	113229	117469	115532	124977	116491
Balance	13611	13586	9822	2887	-3025	7376
1000 inhabitants	320878	323016	325085	327096	329065	325028
X in €/inhab	389,1	392,6	391,6	362,0	370,6	381,2
M in €/inhab	346,7	372,9	391,5	416,5	425,3	390,6
Balance in €/inhab	42,4	19,7	0,1	-54,5	-54,7	-9,4
Comparaisons EU28/EU						
X in €/inhab	65,2%	65,5%	68,7%	74,2%	79,7%	70,5%
M in €/inhab	65,6%	60,1%	59,3%	55,3%	55,6%	58,9%

Sources : USDA, USITC et Easycomext, X: exports; M: imports

And, since the webinar focused on the concepts of food sovereignty and food security, Table 2 adds fish trade and preparations to agricultural trade, which can then be described as *agri-food*, before analyzing purely food trade in Tables 4, 5 a 6 (SITC codes 0, 11, 22 and 4).

Taking into account fish trade, Table 4 shows that the average surplus of €19.8 bn of EU agricultural products has totally disappeared and that the €30.2 bn surplus of 2019 has collapsed to €9.5 bn. Similarly for the US the average agricultural surplus of €7.4 bn has become a deficit of €7.6 bn and the deficit of €3 bn in 2019 has collapsed to €19.2 bn. In €/inhab, the EU28's agri-food exports and imports are still a third lower than those of the US.

Table 4 – Comparison of agri-food trade between the EU28 and the United States from 2015 to 2019

In € million	2015	2016	2017	2018	2019	Moyenne
EU trade in fish and preparations						
Exports	4241	4492	4968	5170	5447	4864
Imports	21901	23911	25217	25600	26141	24554
Balance	-17661	-19419	-20249	-20430	-20693	-19690
EU agri-food trade (agricultural + fish)						
Exports	133588	135947	142702	142933	157027	142440
Imports	137849	138397	144051	143784	147484	142313
Balance	-4262	-2450	-1349	-851	9544	127
1000 inhabitants	50984	510906	511901	512739	513358	511750
X in €/inhab	262	266	279	279	306	278
M in €/inhab	270	271	281	280	287	278
Balance in €/inhab	-8	-5	-3	-2	19	0
United States						
US trade in fish and preparations						
Exports	4903	4774	5019	4484	4387	4714
Imports	18338	19093	20714	19896	20547	19718
Balance	-13435	-14318	-15695	-15412	-16160	-15004
US agri-food trade (agricultural + fish)						
Exports	129762	131589	132310	122903	126339	128581
Imports	129586	132322	138183	135428	145524	136209
Balance	176	-732	-5873	-12525	-19185	-7628
1000 inhabitants	320878	323016	325085	327096	329065	325028
X in €/inhab	404	407	407	376	384	396
M in €/inhab	404	410	425	414	442	419
Balance in €/inhab	0	-3	-18	-38	-58	-23
Comparisons EU28/US						
X in €/inhab	64,9%	65,4%	68,6%	74,2%	79,7%	70,2%
M in €/inhab	66,8%	66,1%	66,1%	67,6%	64,9%	66,3%

2.3 - Comparison of agri-food trade between the EU28, the United States and China

It is interesting to compare the situation of the EU28 and the US with that of China, a major importer of agricultural products and the world's largest exporter of fish, even though its fish imports have increased sharply in 2019. As only 2018 and 2019 data were found on the Chinese customs website¹¹, it is not necessary to make a table. It can be seen that China has dethroned the EU28 as the world's largest importer of agri-food products in 2019, at €147.988 bn – including €133.846 bn of agricultural products and €14.143 bn of fish and preparations – after only €126.133 bn in 2018, including €115.946 bn of agricultural products and €10.187 bn of fish and preparations. Although its agri-food exports increased from €85.920 bn in 2018 – including €67.264 bn of agricultural products and €18.657 bn of fish – to €88.317 bn in 2019 – including €70.166 bn of agricultural products and €18.152 bn of fish –, its agri-food deficit increased from €40.212 bn in 2018 to €59.671 bn in 2019.

As the Chinese population increased from 1.428 bn inhabitants in 2018 to 1.434 bn in 2019, its per capita agri-food exports increased from €59.9 to €61.9 and its per capita imports from €88 to €103.7. Per capita exports in 2019 were therefore only 20.2% of those of the EU28 and 16.1% of those of the US. Per capita imports were 36.1% of those of the EU28 and 23.5% of those of the US. The EU28 and the US should therefore be a little more modest in claiming to be the world leaders in agri-food trade. By being much more self-focused on its agri-food trade than the EU and the US, China is thus better respecting the Sustainable Development Goals, even if it depends too much on its soybean and pork imports.

¹¹ <http://english.customs.gov.cn/statics/report/monthly2019.html>

2.4 - Comparison of food trade between the EU28 and the United States

Table 3 shows that, while the US food deficit has been on average 3 times higher than the EU28, in 2019 food imports from the US were higher than the EU28 average. On the other hand, as in the case of agricultural trade, per capita food exports from the EU28 were 33% lower on average than those of the US (of which 23.8% in 2019) and food imports from the EU28 were 37.5% lower on average (of which 38.7% in 2019).

Table 5 – Comparison of total EU28 and US food trade from 2015 to 2019

En 1000 €	2015	2016	2017	2018	2019	Moyenne
EU28						
Exports	114564	117648	123445	123671	136557	123177
Imports	122887	124189	129187	128582	132035	127376
Balance	-8322,7	-6540,9	-5741,4	-4911,3	4521,9	-4199
1000 inhabitants	509843,7	510906,3	511901,4	512739,1	513358,1	511750
X in €/inhab	224,7	230,3	241,2	241,2	266,0	250,6
M in €/inhab	241,0	243,1	252,4	250,8	257,2	248,9
Balance in €/inhab	-16,3	-12,8	-11,2	-9,6	-8,8	-8,2
United States						
Exports	118484	120611	120211	110061	114800	117071
Imports	123492	126290	131532	128335	138021	129791
Balance	-5008	-5679	-11321	-18274	-23221	-12720
1000 inhabitants	320878	323016	325085	327096	329065	325028
X in €/inhab	369,3	373,4	369,8	339,5	348,9	360,2
M in €/inhab	384,9	391,0	404,6	392,3	419,4	398,4
Balance in €/inhab	-15,6	-17,6	-34,8	-52,8	-70,5	-38,3
Comparaisons UE28/US						
X en €/hb	60,8%	61,7%	65,2%	71,0%	76,2%	67,0%
M en €/hb	62,6%	62,2%	62,4%	63,9%	61,3%	62,5%

Sources: USDA, USITC, Easycomext, X: exports; M: imports

Table 6 dissociates food trade between those with developed countries – assimilated to the 9 western OECD countries (Australia, Canada, United States, Iceland, Israel, Japan, Norway, New Zealand, Switzerland) plus Russia – and with developing countries (DCs, the other countries). For the US, it is obviously the EU28 that replaces the US in the 9 Western countries.

Table 6 - EU28 and US food trade with developed and developing countries, 2015 to 2019

En 1000 €	2015	2016	2017	2018	2019	Moyenne
EU28						
X/developed countries	46385	48882	52294	53304	57525	51678
X/DCs	68179	68766	71151	70367	79032	71499
% X/DCs	59,5%	58,5%	57,6%	56,9%	57,9%	58,0%
M from develop coun	32212	32736	32820	34010	34141	33184
M from DCs	90675	91453	96367	94572	97894	94192
% M from DCs	73,8%	73,6%	74,6%	73,5%	74,1%	73,9%
Surplus on develop	14173	16146	19474	19294	23384	18494
Deficit on DCs	-22496	-22687	-25216	-24205	-18862	-22693
United States						
X/developed countries	44671	43189	43669	42997	42484	43402
X/DCs	73813	77422	76542	67064	72316	73669
% X/DCs	62,3%	64,2%	63,7%	60,9%	63,0%	62,9%
M from develop coun	53713	53961	55561	53282	58356	55056
M from DCs	69779	72329	75971	75053	79665	74735
% M from DCs	56,5%	57,3%	57,8%	58,5%	57,7%	57,6%
Surplus on develop	-9042	-10772	-11892	-10285	-15872	-11654
Deficit on DCs	4034	5093	571	-7989	-7349	-1066

The EU28 is much more dependent on the DCs to ensure its food security: €94.192 bn on average, or 73.9% of its food imports, compared to €74.735 bn for the US, or 57.6% of its imports. The food deficit of the EU28 vis-à-vis DCs was on average €22.7 bn compared to €1.1 bn for the US, i.e. 21 times more, even if the gap has narrowed considerably in 2019: €18.9 bn compared to €7.3 bn, i.e. 2.6 times more.

With regard to food security, beverages cannot be considered as basic food products and Table 7 shows that without beverages, the food deficit in the EU28 is much higher, increasing on average from €4.193 bn to €27.974 bn, of which from €4.522 bn to €22.426 bn in 2019. And the deficit vis-à-vis DCs increase from an average of €22.693 bn to €31.849 bn, of which from €18.862 bn to €28.909 bn in 2019. And the surplus on developed countries fell from an average of €18.494 bn to €3.875 bn, of which from €23.384 bn in 2019 to €6.483 bn.

Table 7 – EU28 and US trade in beverages with developed and developing countries, 2015 to 2019

En 1000 €	2015	2016	2017	2018	2019	Moyenne
EU28 beverages trade						
X of extra EU28	27139	27497	29564	30586	32938	29545
X to developed countr	16155	16625	17827	18398	20121	17825
X to DCs	10984	10872	11737	12188	12817	11720
% X to DCs	40,5%	39,5%	39,7%	39,8%	38,9%	39,7%
M from extra-EU28	5547	5560	5751	5999	5990	5770
M from develo countr	3161	3114	3234	3302	3220	3206
M from DCs	2386	2446	2517	2697	2770	2564
% M from DCs	43,0%	44,0%	43,8%	45,0%	46,2%	44,4%
Surplus extra-EU28	21592	21937	23813	24587	26948	23775
Surplus/develp countr	12994	13511	14593	15096	16901	14619
Surplus on DCs	8598	8426	9220	9491	10047	9156
EU food trade balance without beverages						
Déficit extra-EU28	-29915	-28478	-29554	-29498	-22426	-27974
Surplus/develp countr	1179	2635	4881	4198	6483	3875
Deficit on DCs	-31094	-31113	-34436	-33696	-28909	-31849
United States beverages trade						
X of extra US	4884	4691	4754	4415	4446	4638
X to developed countr	3374	3245	3255	2917	2819	3122
X to DCs	1510	1446	1499	1498	1627	1516
% X to DCs	30,9%	30,8%	31,5%	33,9%	36,6%	32,7%
M from extra-US	19591	20730	21455	20878	23214	21174
M from develo countr	13969	14587	15000	14472	16022	14810
M from DCs	5623	6143	6454	6406	7192	6364
% M from DCs	28,7%	29,6%	30,1%	30,7%	31,0%	30,1%
Deficit extra-US	-14707	-16039	-16701	-16463	-18768	-16536
Deficit on devel count	-10595	-11342	-11745	-11555	-13203	-11688
Deficit on DCs	-4112	-4697	-4956	-4908	-5565	-4848
US food trade balance without beverages						
Balance extra-US	9699	10360	5380	-1811	-4453	3816
Balance/devel countr	1553	570	-147	1270	-2669	34
Balance on DCs	8146	9790	5527	-3081	-1784	3782

2.5 – Comparison of agricultural and agri-food trade in France

T. Pouch wrote in November 2019 that in 2018 France was "*the world's second largest exporter of agricultural and food products, behind the United States*"⁵, with €62.3 bn – of which €14.9 bn of unprocessed agricultural products and €47.4 bn of processed products, but French Customs had to update these figures since they give only €61.313 bn, of which €13.647 bn of unprocessed products¹² and €47.666 bn of processed products¹³. This compares with China's exports of €67.264 billion of agricultural products, and is even more significant for agri-food exports (agricultural + fish) since France exported only €1.576 bn of fish and preparations in 2018 (and €1.553 bn in 2019 and €1.526 bn on average from 2015 to 2019¹⁴), so a total of €62.889 bn of agri-food products in 2018, 28% less than China's €85.9 bn.

And, as beverages are not basic food products, France does not ensure its food security since, without beverages, it would have had an average agri-food deficit of €8.429 bn from 2015 to 2019, of which €9.006 bn in 2018 and €8.852 bn in 2019. Unfortunately, publicly available

¹² https://lekiosque.finances.gouv.fr/site_fr/A129/data_brutes.asp?id=IA01Z_S20AZ_S1002

¹³ https://lekiosque.finances.gouv.fr/site_fr/A129/data_brutes.asp?id=S20C1_S1002_S1002

¹⁴ https://lekiosque.finances.gouv.fr/site_fr/A129/data_brutes.asp?id=IA03Z_S20AZ_S1002

French Customs data do not allow us to identify the distribution of food trade between developed and developing countries.

Table 8 – Comparison of agricultural and agri-food trade in France from 2015 to 2019

En millions d'€	2015	2016	2017	2018	2019	Moyenne
Echanges agricoles						
Exports	59,168	57,867	60,190	61,313	63,282	60,364
Imports	49,343	50,953	53,738	53,609	54,513	52,431
Balance	9,825	6,914	6,452	7,704	8,769	7,933
Echanges de poissons						
Exports	1,425	1,526	1,551	1,576	1,553	1,526
Imports	5,263	5,643	5,987	5,961	5,978	5,766
Balance	-3,838	-4,117	-4,436	-4,385	-4,425	-4,240
Echanges agroalimentaires (agricoles + poissons)						
Exports	60,593	59,393	61,741	62,889	64,835	61,890
Imports	54,606	56,596	59,725	59,57	60,491	58,197
Balance	5,987	2,797	2,016	3,319	4,344	3,693
Echanges de boissons						
Exports	14,575	14,876	15,889	16,273	17,089	15,740
Imports	3,199	3,419	3,634	3,948	3,892	3,618
Balance	11,376	11,457	12,255	12,325	13,196	12,122
Echanges agroalimentaires (agricoles + poissons) sans boissons						
Exports	46,018	44,517	45,852	46,616	47,746	46,15
Imports	51,407	53,177	56,091	55,622	56,599	54,579
Balance	-5,389	-8,66	-10,239	-9,006	-8,852	-8,429

III – Other issues of the debate

3.1 – The EU permanent food deficit, except in 2019

Contrary to T. Pouch's claim that the EU's food self-sufficiency "*has been achieved very quickly*" – which he had already pointed out on April 3, 2020, disputing criticism of the CAP's shortcomings on environmental protection¹⁵ –, the EU evolutive trade since 1962 has only been in surplus once, in 2019, with a surplus of €4.522 bn, compared to the average deficit of €9.4 bn over the 32-year period 1988-2019 for which Eurostat has published data, with a maximum deficit of €25.1 bn in 2008. For the years from 1962 (beginning of the CAP) to 1987 only partial data on agricultural trade are available in the European Integration Archives of the University of Pittsburgh¹⁶, for the years 1960-65, 1968, 1973, 1975, 1976, 1978, 1980, 1981 – for which the European Commission data are in US dollars, which have been converted into ECU (euros) – plus 1983 and 1984 where the data are in ECU (euros). During this period the data do not clearly differentiate between food and agricultural products, but since the average deficit over 14 years was €17.934 bn, the food deficit was at least €14 bn per year.

3.2 – No mention of the impact of the CAP international trade on the environment and human rights

A. Haniotis thus argues for the maintenance of soybean imports – regardless of the fact that it destroys the environment and human rights in the Americas – because it is not profitable to produce soybeans in the EU (nor implicitly other oil-protein crop substitutes) while the EU has comparative advantages in producing and exporting more wheat. But neither he nor T. Pouch alluded to the fact that EU agricultural exports were heavily subsidized and that without these subsidies the EU would not have been competitive. And it is not enough to say that the US subsidizes so much to remove the impact of EU dumping on poor countries.

¹⁵ *Au revoir la PAC... tu n'es plus la bienvenue en Europe*, <https://www.pleinchamp.com/actualites-generales/actualites/au-revoir-la-pac-tu-n-es-plus-la-bienvenue-en-europe>

¹⁶ <http://aei.pitt.edu>

The original sin of the CAP, the source of 90% of its productivist, budgetary and dumping dysfunctions, was to agree to import duty free animal feed during the Dillon Round (1961-62) (soybeans) and the Kennedy Round (1963-67) (cassava, corn gluten feed), in exchange for the protection of its cereals, a concession that was later extended to other exporters, particularly from Latin America. And his second mortal sin – above all or DCs – was to co-write the rules of the Agreement on Agriculture (AoA) with the US at the end of the Uruguay Round while radically reforming the CAP and the Farm Bill based on the criminal definition of dumping in the GATT, according to which there is no dumping as long as exports are made at the domestic market price. This led the EU and the US to drastically reduce their minimum guaranteed prices – *intervention price* in the CAP, *loan rates* in the Farm Bill – by compensating farmers with heavy subsidies that the developing countries were not in a position to grant, given the much greater importance of their agricultural employments and their very limited budgetary means.

3.3 - Concentration of farms would be inevitable

In response to the question of the presenter on the fact that CAP subsidies are essentially based on hectares and not on jobs, both T. Pouch and A. Haniotis found nothing to complain about, because the concentration of farms in the EU would be inevitable for several reasons: 1) the many retirements expected in the coming years and the lack of attractiveness of the profession due to the insufficiency and volatility of agricultural incomes; 2) the need to achieve economies of scale to remain competitive in the globalized world.

On the volatility of agricultural incomes, T. Pouch noted that the US has great flexibility to adapt the level of aid to the economic situation, whereas A. Haniotis claims that, on the contrary, it is the maintenance of decoupled aid in the CAP, which the Farm Bill has abandoned since 2014, that has guaranteed greater income stability in the EU. This is another theoretically and practically questionable assertion, since counter-cyclical aid in the US is better adapted to market conditions and has in fact increased significantly – from \$9.8 bn in 2014 to \$22.4 bn in 2019 (and \$37.2 bn expected in 2020) – while the CAP decoupled payments have decreased from a maximum of €39.720 bn in 2014 to €35.506 bn in 2019. Even if this decrease was partly compensated for by voluntary coupled payments that have fallen from €3.838 bn in 2015 to €3.990 bn in 2019, this proves that decoupled aid does not stabilise incomes even if the large farmers do not want to do without it, and especially the European Commission because it has so far succeeded in notifying them in the WTO's green box, blocking any possibility of WTO reform for the benefit of developing countries.

On the recurring question of the low income of farmers, particularly French farmers, a quarter of whom are said to live below the poverty line – a debate that is similar to that sparked by the 2017 report of the MSA (Mutualité Sociale Agricole), according to which a third of farmers have incomes of at most 350 euros per month – it is not a question of denying the reality of the weakness and high inequality of farm incomes linked to the high concentration of CAP subsidies, but we forget that, fortunately, farmers with low farm incomes often have other activities and/or receive social minima benefits. This is also in line with the attitude of many high-income farmers who, due to the decoupling of the majority of aids not attributable to a particular agricultural product, focus their demands on the inadequacy of agricultural market prices, ignoring the decoupled aids.

Finally, it is deplorable that neither T. Pouch nor A. Haniotis reacted to the shocking testimonies of small Slovak farmers dispossessed of their land by the "agricultural barons" of their country, precisely because the subsidies were based on hectares. This is also a damning testimony

against the lack of control by the DG Agri and the EU Court of Auditors, since these land thefts occurred over many years.

Conclusion

This comparative analysis of agricultural and food production and trade in the EU28 and the US has shown that:

Far from the EU to be the world's leading agricultural power, Chinese agricultural production at farm gate prices in 2016 was 3.6 times larger than that of the EU28 and 3.9 times than that of the US. And China's agricultural value added was 4.6 times larger than that of the EU28 and 5.9 times higher than that of the US on average from 2015 to 2017. And the value of China's gross agricultural production at farm gate was 3.6 times larger than that of the EU28 and 3.9 times larger than that of the US in 2016. Specifically, the value of cereals in China was 4.8 times higher than in the EU28 because its volume was twice as much and its price 2.4 times higher. And the value of meat in China was 3.4 times larger than in the EU because its volume and price were 1.8 times higher. The value of cereals in China was 3.6 times larger than in the EU because their volume was higher by 23% and their price 2.9 times higher. And the value of Chinese meat was three times larger than in the EU because its volume was higher by 94% and its price higher by 58%.

Per capita agricultural and food exports and imports of the EU28 are much lower than those of the US. In 2019, China's exports per capita were only 20.2% of those of the EU28 and 16.1% of those of the USA, and its imports per capita were 36.1% of those of the EU28 and 23.5% of those of the US. Being much more self-centred in its agri-food trade than the EU and the US, China is therefore better able to meet the Sustainable Development Goals.

Far from ensuring its food security, let alone helping to reduce hunger in the world, the EU receives structural food aid from developing countries (DCs) that is much higher than that received by the US. The EU assertion that its high food imports from DCs contribute to their economic growth and employment is based on a free trade vision that is pushing them further and further into extraversion and underdevelopment.

Since beverages are not a basic food product, even though they are the leading food product exported by the EU28, deducting them from food trade greatly increases the EU's food deficit, particularly vis-à-vis the DCs. The same applies to France's agricultural and agri-food trade.

A fortiori would the food deficit of the EU28 and France with the DCs be much higher if we exclude the massive domestic agricultural subsidies from which they have always benefited and the reduction in customs duties imposed by the EU (especially France) in its bilateral free trade agreements, particularly the EPAs (Economic Partnership Agreements) with the ACP countries. Yet this webinar did not make the slightest mention of the massive agricultural dumping by the EU and the US and the pressure from the West and international institutions to prevent ACP countries from increasing their import protection.

No mention was made of the impact of the EU agricultural trade on the environment and human rights in DCs. As for the view that the concentration of farms in the EU would be inevitable in order to remain competitive in the globalised world, this position contradicts the Sustainable Development Objectives for the EU itself.