

## **An Insatiable Global Market – is Agribusiness Destroying Our Planet?<sup>1</sup>** **Event Report**

Agribusiness – agriculture driven by strictly commercial principles - is shaping the food production and supply not only in the European Union but also on the global market, leading to inequalities and degradation of the ecosystems. Through demand and supply, European agricultural production and consumption is having a strong impact on the Global Market. The German chicken exports to Western Africa and South American soybean import to the United Kingdom could be given as two of the most prominent examples. The increasing trade relations between countries are shaping the global market and development policy. Against this background, national and European agricultural, development and trade policy, as well as consumer behaviour play a crucial role and raise the question of responsibility in a global context.

The Heinrich Böll Foundation European Union and the representation of North Rhine-Westphalia (NRW) to the EU organised an evening debate on “*An Insatiable Global Market – is Agribusiness Destroying Our Planet?*” on 20<sup>th</sup> April and invited Horst Becker (Ministry for Climate Protection, Environment, Agriculture, Conservation and Consumer Protection, NRW), Peter Jahr (Member of European Parliament (MEP)), Dr. Anton Hofreiter (Chair of the Green Parliamentary Group in the German Bundestag), Willi Kampmann (German Farmers’ Association), Britta Gallus (Metro Group), Peter Möhringer (Fair Trade Advocacy Office), Faustine Bas-Defosse (European Environmental Bureau) and Jean-Pierre Halkin (DG DEVCO, EU Commission) as key speakers from diverse background. In an interactive setting, the discussions critically shed light on the practice and impact of agribusiness in Europe, focusing on interrelations and responsibility concerning global and development policy. An interested audience of more than 100 people took part in four interactive Round Tables and a final panel, which ensured a rich and broad debate.

### **Intensive agriculture in Germany and Europe**

Intensive agriculture in Germany and Europe affects not only the regional and national environment but shapes global interrelations. In this context, the first speaker highlighted the declining biodiversity and the increasing environmental damage caused by agribusiness and globalization as major issues of critical concern during the first roundtable. Against this background, he called for an increased share of organic agriculture. He also emphasized the European responsibility for global agricultural structures referring to examples of soy bean imports from South America to the UK and the questionable vegetarian feeding of pigs in Europe. The panellist expressed concerns about the resulting structural shortcomings like an

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<sup>1</sup> The event took place at the Representation of North Rhine–Westphalia to the EU in Brussels on 20<sup>th</sup> April 2016 at 18.30 pm

overarching bureaucracy and imbalance in favour of direct subsidies for farmers, instead of funding more wildlife conservation initiatives.

In the follow-up discussion the excess production in the EU was criticised continuously, while the participants did not reach an agreement about the causes for this oversupply and the possible solutions. The global division of labour and the vegetarian movement were only some of the aspects determining European agriculture. Therefore, the reduction of direct subsidies and the Greening of agriculture (first pillar of CAP) in favour of indirect support for the protection of environmental public goods (2<sup>nd</sup> pillar of CAP) were considered as political options by some.

### **The global dimension**

European agriculture and food production affects countries in the Global South. Although both panellists in this roundtable acknowledged this fact, they disagreed on the size of its impact and the actions required to mitigate the negative effects of this trend. The first speaker ascribed the responsibility for the damaging impact of a globalized agriculture more to the highly developed economies than to the exporting developing countries. Highlighting the connection between European production and consumption, on the one hand, and destroyed livelihood of farmers in e.g. Africa, on the other hand, he called for global standards and political solutions that can shift the discriminating factors of the current political framework. EU agricultural policy towards developing countries needs to be more coherent with SDGS and licenses like soy bean – certificates have long been overdue. In addition, the second panellist also supported the extension of funding in the framework of CAP 2<sup>nd</sup> pillar initiatives. The second speaker described the effects of a global agricultural market as a typical consequence of globalisation, which provides for wealth, employment, investment and modernization. In his view, the countries in the South were responsible for their own declining agriculture. The global opening of their markets, sometimes coupled with protective regulations under the framework of WTO-regulations and Good Governance, was seen by him as the only way to overcome poverty. Although the speaker was critical about EU-funding initiatives based on 2<sup>nd</sup> pillar policies, he agreed on the necessity of a soy-certification system. Despite the divergent views on the global impact of European agriculture and the issue of responsibility, both speakers and the audience agreed on the importance of soy bean – certificates.

### **The role of trade and consumers**

The role of trade and consumers on the global market is shaped by the equal responsibility in ensuring sustainability and food security. Producers and trade companies can be held accountable for not providing sufficient information about the purchased goods. Both panellists in this roundtable pointed out that the percentage of fair-trade-certification and voluntary commitment of corporations for certification has been increasing, which is generally a favourable trend. However, they disagreed on the need for further regulation by legislative authorities. While the second speaker supported further regulation and supervision, the first one argued that trade companies have undertaken sufficient autonomous

commitments to ensure that the products comply with the standards. However, it is essential to distinguish between the articulated intention of supporting certified products and the actual consumer behaviour, which is reflected in the lower compliance percentage. The so-called intention-action-gap has been acknowledged as problematic by both speakers and the audience.

### **Food security as a sustainable development goal / SDG 2**

The last roundtable discussion focused on the EU role in fulfilling the second SDG goal, namely “end hunger, achieve food security and improve nutrition and promote sustainable agriculture”, and the coherence between development, food security, climate protection and sustainability goals. The central argument of the first speaker was that food security is intrinsically linked to securing natural resources upon which farming relies (water, soil, biodiversity). Yet, over recent decades, changing farming practices and the intensification of unsustainable agriculture across the EU have driven the destruction of natural resources, endangering the future food chain and threatening Europe’s ability to produce the food and the resources it needs. As a result, Europe will not be able to achieve its goal of preventing biodiversity loss by 2020 and conserve its natural capital. Furthermore, she claimed that the current CAP was not in line with the SDG 2 goal and that urgent changes would be needed to improve the ecological performance of EU agriculture and deliver on its global commitments. To urge EU policy-makers to analyse and enhance the coherence of CAP with other policies such as development, environment, health, more than 110 NGOs called for a Fitness Check of the CAP to address these inconsistencies.

The second speaker emphasized the major role of agriculture for solving world hunger and highlighted the general achievements of EU agricultural policy in this context. He, therefore, claimed that EU development aid is following these principles and promoting rural development. The panellist highlighted that 20% of EU-funding for development aid is already allocated to environmental and climate initiatives and that sustainability management has been introduced in many policy fields. One of the major issues of critical concern in developing countries in his view is the increasing food gap and rising import rates of food products from developed countries, which makes the first dependent on imports from the EU and other OECD countries. In order to increase the quantity and sustainability of production in these countries, he highlighted the need for innovation and more investment in this sector.

Both speakers agreed on the EU’s responsibility to support an increase of production and the implementation of eco-friendly standards in developing countries in order to counter social injustice and malnutrition caused by environmental and economic problems.

### **Conclusion**

The interactive sessions and panel discussions brought together a broad range of policy-makers and stakeholders with different expertise and institutional background that addressed the complexity and various aspects of the topic. Despite the controversial positions and

different political views being represented, consensus was reached among most participants and speakers on a couple of major points:

1. The coherence between the EU agricultural, development, environmental and climate objectives and policies need to be enhanced.
2. The ecological performance and effectiveness of CAP needs to be improved and made more consistent with the SDG goals.
3. Production and consumption are interlinked, and therefore, consumers and the trade industry have a shared responsibility and important role to play in this process.
4. The need to improve the efficiency and sustainability of EU agricultural policy and trade practices deserves further attention and in-depth discussions.