

Opinion of the European Economic and Social Committee on the European Union and the global food challenge

(2009/C 100/08)

On 25 October 2007 the French presidency of the Council wrote to the president of the European Economic and Social Committee, Mr Dimitris DIMITRIADIS, under Article 262 of the Treaty establishing the European Community, to request an exploratory opinion on

The European Union and the global food challenge.

The Section for Agriculture, Rural Development and the Environment, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 8 October 2008. The rapporteur was Mr KALLIO.

At its 448th plenary session, held on 21, 22 and 23 October 2008 (meeting of 22 October), the European Economic and Social Committee adopted the following opinion by 73 votes to 11 with 27 abstentions.

1. Conclusions and recommendations

1.1. The EESC feels that the EU should evaluate the long-term objectives of agricultural and trade policy and examine whether food supply is secure in the changed conditions which now exist in the EU and the world at large.

1.2. The EU must put the availability of food at the heart of agricultural policy which guarantees viable production in all the regions of the EU. This must be done in the context of the CAP Health Check.

1.3. Food production should be given preference over energy production. Plant-based energy production should be limited to plants and biomass which are not naturally suited to food production.

1.4. A reasonable level of producer prices provides a stable basis for the production of adequate food supplies (primary production and processing), both in the EU and globally.

1.5. Efforts should be made to establish rules for agricultural trade which guarantee food supplies in all countries and in all circumstances. Developing countries should be accorded trade advantages that support the strengthening of national production.

1.6. The EU should increase cooperation and support efforts to modernise food chains in the developing countries and make them more effective.

1.7. The EESC emphasises that the EU must make efforts to strengthen the activities of producer associations and market

organisations in the developing countries and in this way support the basic conditions for food supply. The EU must stick by the proposal to provide support totalling one billion euros to farmers in the developing countries.

1.8. The EU should step up investment in new technologies, including biotechnology, so that applications can be developed for production.

1.9. The future strategy must be to improve the quality of food products, and the safety of food products must be increased through transparent country-of-origin labelling and consumer education.

1.10. Consumer prices should not be lowered artificially; rather, price compensation should take place via social policy.

1.11. The UN and other international organisations should make food production a first priority as the basis for eradicating poverty.

1.12. To ensure the availability of food, a worldwide stock-holding obligation programme should be created, along the lines of the scheme established for storing oil in the EU.

1.13. In order to establish security of supply in the EU, a better basic storage system needs to be put in place for key products and production inputs (protein, fertilisers, seeds, pesticides) and active measures need to be taken to strengthen cooperation between Member States, the EU and commercial players.

1.14. In order to ensure food supply, training in this field needs to be increased to meet the new challenges posed by the food crisis, both in the EU and especially in the developing countries.

1.15. The EESC thinks that the EU should set up joint ventures in the agriculture and fisheries sector in the developing countries in order to improve economic conditions in these countries.

1.16. The EESC suggests that the Commission submit proposals aimed at getting the Member States to invest more in RDI in the fisheries sector, and especially in the construction and maintenance of oceanographic research vessels. Their studies and work will contribute both to the maintenance and development of a sustainable fishing sector and to improving the food situation and socio-economic conditions in the less advanced countries.

2. Introduction

2.1. The health of European citizens and their concern about the future, the recent sharp rise in the prices of agricultural and food products and the burning issue of world hunger in general have placed the global food challenge at the heart of public debate. Raw material prices in the agricultural and food products sector had been falling since the 1970s. The upward adjustment during the past three years is a welcome development in the right direction which has, however, brought about difficulties for consumers, the weakest link in the chain. In some cases, the price that consumers are having to pay for basic foodstuffs is a mark-up substantially higher than the price originally received by the farmer. Although some parts of the European agricultural sector have been able to benefit from the rise in prices, it is important to remember that European livestock farmers are in a critical situation because they cannot afford the rise in the price of animal feed, or pass on the cost to consumers either. This draft opinion examines food challenges from the EU perspective and considers the social effects of EU action more widely⁽¹⁾.

2.2. The key issue is food supply and security of supply. The aim is to identify the global challenges and suggest ways of responding to them. The dramatic market changes have prompted some radical comments: several sources have even suggested the decoupling of agricultural and food issues from the WTO negotiations and a return to support tied to production at EU level. Finally, we examine the implications of these challenges and possible responses for the most important social questions: what do they mean for the European consumer? What do they mean for developing countries' long-term food supply? And how do they contribute to the dynamism of the countryside?

⁽¹⁾ In connection with the drawing up of the opinion, a hearing was held at the EESC on 22 September 2008 entitled *What are the real prospects for agricultural and food prices?*

2.3. We start with a brief review of the development of EU agricultural and food production and policy and outline the framework within which agriculture and food production currently operate in the EU. We then consider the significant external forces for change, which create pressure to develop the existing framework. On the basis of this analysis we produce a summary highlighting the most important future challenges to EU agriculture and food supplies and setting out available alternative approaches for action. Finally, we assess these approaches and the role of the EU in global food supply, as both producer and consumer.

3. EU agricultural and food policy and trends in the sector

3.1. EEC/EU food and agriculture objectives and sector and market trends

3.1.1. Agricultural and food production in the EU has developed over the decades in line with developments in the rest of society. In the early years the focus was on increasing output, with the result that there were significant surpluses for export in the 1980s. This was a decade which saw the emergence of environmental problems in agriculture, such as the issue of spreading manure in areas of intensive farming and water supply problems.

3.1.2. Organic farming emerged as a response to intensive cultivation and environmental problems and is one example of product differentiation: some consumer groups are prepared to pay more for food produced using methods deemed to be environmentally friendly. The 1990s will be remembered as the decade of animal diseases and zoonoses, when the EU cattle farming sector and food industry was hit by mad cow disease and swine fever. Food safety emerged as an important factor in food supply, and many countries started to devote more resources to matters such as tackling and preventing salmonella.

3.1.3. These problems and the measures taken to address them have helped to shape agricultural and food policy in the European Union. Topical issues that have arisen in recent years include the production of bioenergy from agricultural raw materials, i.e. agriculture as a source of bioenergy raw materials.

3.1.4. Another aspect that has come to the fore is the nutritional quality of food and its importance for public health, with the focus of discussion on food composition and the extent to which the food industry is to blame for the growing problem of obesity in the West. This is a matter which the food sector needs to take into account in, for example, planning and marketing products and which consumers have to consider in their consumption decisions. Responsible consumption must be supported through consumer education.

3.1.5. The burning issue at the moment is the sharp rise in the price of foodstuffs and agricultural inputs and finished products: whether this is a lasting increase and the effects on worldwide food supplies and the living conditions of the poor. Decision-makers should also consider the change in market conditions: are policy measures geared to markets where food prices are low and continually falling still valid in the new circumstances?

3.2. *Changes in EU agricultural policy and fisheries*

3.2.1. EU agricultural policy has been based on a strong internal market and market regulation via subsidy schemes, the aim being to ensure stable food supply in all countries and in all circumstances. The EU has based its policy on a European agricultural model which protects agricultural diversity and ensures that farming is profitable even in the EU's disadvantaged regions. The aim has been to produce high-quality, safe food at reasonable prices for EU consumers.

3.2.2. The internationalisation of agricultural policy as part of globalisation has brought new challenges to the reform of the common agricultural policy. These include growing competition and the problem of managing policy on farmers' incomes. For years, the problems of the agricultural markets have been caused by the low prices of products, which EU agricultural reforms have tried to address.

3.2.3. The agricultural reforms of 1999 and 2003 saw a move towards a more market-oriented system, with the abolition of the intervention systems, a reduction in administrative costs and an end to the link between direct subsidies and the volume of output. Reforms of the market organisations in many products followed, which caused difficulties for some EU farmers. These changes laid the basis for the EU's targets in the ongoing WTO round of trade talks.

3.2.4. The EU is currently preparing a 'health check' for the common agricultural policy, which should be an opportunity for some fine-tuning. The main objectives of this review are to assess the implementation of the 2003 CAP reform and to incorporate into the reform those adjustments needed to simplify the policy, to allow it to grasp new market opportunities and to prepare it for new challenges in the market and in society. It comes at a time of great turbulence on the world markets for agricultural products when food supplies have been seriously jeopardised.

3.2.5. Along with agriculture, fisheries are an important part of our food supply. In 2005, total world fisheries production reached nearly 142 million tonnes, providing a per capita fish supply of 16.6 kg and more than 15 % of world production of animal meal. Fishery products play an important role in food supply. In addition, activities related to fisheries and aquaculture are an important source of nutrition, jobs and income in both Europe and the developing countries. The European Union should seek to ensure that the developing countries are also able to manage and utilise their fish reserves in the most effective way possible.

3.2.6. The EU action in this field should be focused on a comprehensive approach combining sustainable use of fish resources and poverty reduction and guaranteeing a balance between the developed and developing countries based on the following considerations:

1. The EU should develop local fishing methods and support the expansion of sustainable and responsible fisheries and aquaculture.
2. The EU should continue to import fishery products and to strengthen food safety and consumer protection practices.
3. The EU should support fishing by European fishing communities in third country waters provided that it is indisputably in the interests of these countries and their citizens.
4. The oceans and seas are part of the Earth's natural resources and our global heritage. The EU must see to it that it does not over-fish its waters or the waters of non-EU countries.

3.3. *The need for change: external factors influencing EU agricultural and food policy*

3.3.1. The framework of EU agriculture and food policy has evolved over the past 50 years as described above, and is the product of both its own objectives and possibilities and external factors. External factors which have helped to change and shape policy include, in particular, EU trade policy – the current Doha Round of WTO trade talks – technological development and environmental challenges and trends in food markets.

3.3.2. The multilateral WTO trade talks in the Doha Round have already lasted for nearly seven years. Some partial solutions have been achieved in the negotiations but overall progress has been very slow. The EU has been very active in the process across the broad range of issues covered by the negotiations. Some countries did not want to see progress that would lead to a successful outcome. The EU has made significant concessions, for example in agriculture, industry and questions relating to the developing countries. Finding a negotiated solution would be important for the functioning of the international trade system.

3.3.3. Agriculture has traditionally been a sticking point in the negotiations because most countries defend their own production on the grounds of basic security. Other parties to the negotiations are very big exporters, but do not want to free up their imports. The EU is a major exporter of certain products, but also the world's largest importer of food. In 2007 the EU food industry exported food products worth EUR 54.6 billion while EU imports of processed foods amounted to EUR 52.6 billion.

3.3.4. If the Doha Round talks do reach a conclusion in the near future it will mean a new situation for the EU's agricultural markets. On the basis of the offers currently on the table, export subsidies will be abolished by 2014 and protective tariffs will be cut by more than 50 %. This could mean an economic loss of over EUR 20 billion for the EU agricultural sector. The recent rise in agricultural prices will affect the structure of trade and the impact of the final outcome.

3.3.5. The EU has raised a number of important factors associated with agricultural trade, such as environmental and social standards and animal welfare (i.e. non-commercial factors). Unfortunately, these proposals have not made any headway. Production regulations and standards should be harmonised in order to create a level playing field for world trade.

3.3.6. In the negotiations the EU has made significant concessions to the poorest developing countries by lifting import tariffs, which is expected to improve their opportunities for agricultural trade. It is also important that developing countries' own agricultural production benefit from more resources, preferential treatment and technical aid. The EU should also back initiatives which support production for the home market in developing countries and promote the organising of rural players. The developing countries differ widely in terms of their trade conditions, and this should be taken into account in the new trade rules.

3.3.7. The recent radical change in the state of world markets for agricultural products will affect the trade in food and the way it is structured. If the price rises are permanent this will

indirectly affect the new trade policy agreements and terms. Indeed, the EU has started to extend the bilateral trade agreements it has with many trading partners, partly because of the difficulties with the multilateral talks, but also because of the rapid changes, for example in food and energy markets. The aim must be to achieve an agreement and an intervention mechanism which could be used to reduce fluctuations in product prices and balance markets.

3.4. *Environmental change and technological development*

3.4.1. Environmental issues

3.4.1.1. The most important environmental factor is the changes caused by climate change and, in particular, the policy measures it gives rise to. Climate change *per se* leads to changes in global climatic conditions and production has to adapt to these new conditions, which reduces agricultural productivity. Another, indirect effect operates through policy measures: action taken to slow climate change requires changes in production structures and techniques, which themselves reduce productivity. In addition to agriculture, climate change also has a major impact on the options available to the food industry and its profitability.

3.4.1.2. Special mention can also be made of bioenergy production based on agricultural raw materials. Food markets are now closely interlinked with energy markets, as bioenergy production and food production compete for the same raw materials and also because agricultural production today relies heavily on the use of fossil fuels. As a result of this competition, price developments in energy markets and policy measures affecting them have a direct impact on food markets.

3.4.1.3. The use of raw materials that are suitable for food as raw materials in the production of bioenergy has the effect of boosting demand for agricultural products and pushing up their prices.

3.4.1.4. The greenhouse effect is an all-pervasive environmental issue which overshadows many other environmental questions, of which, however, biodiversity is important as it is a global issue. In the EU, the protection of a diverse genetic base is taking on increasing importance in the preservation of protected areas and original plant and animal species as a part of or in addition to production and as a gene bank activity. Outside Europe the needs are essentially the same but the range of species may be many times more diverse and the economic opportunities fewer.

3.4.1.5. Besides biodiversity, contagious animal diseases and zoonoses and alien species are problems which are coming increasingly to the fore because of international trade, transport and cooperation. In the EU swine fever, BSE, FMD and salmonella are probably among the most familiar of such biosecurity problems whilst at global level bird flu is an epidemic which is giving cause for concern. Diseases and pests each spread in their own individual way – what they share in common is the fact that they affect food production directly or indirectly and are a source of uncertainty when it comes to consumers' buying decisions. Moreover, they have an important long-term effect as a factor undermining security of supply.

3.4.2. New technologies

3.4.2.1. Demand for agricultural products as a raw material for bioenergy production has increased primarily as a consequence of policy measures taken to address the threat to the environment, but also as result of technological development. Biotechnology offers a wealth of new opportunities for more effective production and processing of products in food and non-food markets. In the energy field, cellulose-based bioenergy is emerging alongside starch-based energy as a marketable product.

3.4.2.2. Biotechnological innovations have brought with them a whole range of new production methods. The advances in biotechnology are seen as major step forward in improving the efficiency of production. This process should be supported through R&D efforts. The advantages aside, there is also a need to take into account the potential risks to health and the environment. The problem is that, in many cases, the potential side effects of biotechnology applications on the health of animals, plants and ecosystems are still not clear.

3.4.2.3. The lack of sufficient data and studies proving the secondary effects of modern biotechnologies on health and the environment have shaped consumer perceptions with regard to the introduction of biotechnology applications. Serious attention must be paid to consumer opinions and concerns in development efforts and market products labelled appropriately.

3.5. Price developments in food markets

3.5.1. Over the past two years the prices of agricultural commodities and several important basic foodstuffs have risen sharply. This is due to a number of reasons, including increased

demand resulting from population growth, higher energy prices, a worldwide reduction in stocks and the investment and speculative interest this has generated in agricultural commodities, and climatic conditions, both local weather shocks and the threat of more permanent change.

3.5.2. It is difficult on the basis of forecasts to say how markets will develop in the future. The fall in prices in recent months offers no indication as to what level prices will ultimately settle at. In any case, the price movements are having a marked impact in the developing countries and the effects are also being felt in the developed world, including EU countries.

3.5.3. In the EU higher world market prices have created the perception that there is slightly larger margin for manoeuvre in agricultural and food policy than before. To food buyers the rise in food prices appears to be fast and indeed it has already had an impact on overall inflation in EU countries. A similar pattern, albeit more dramatic, is clearly evident in the developing countries – in many countries there have recently even been reports of riots related to food availability and prices. At the same time it has become apparent that the price rise has had a positive impact on some production sectors – in many cases local producers are now, for the first time in years, able to compete with food imported at world-market prices. In the long term this could boost food production and also provide production opportunities for the local population. To succeed, this requires economic growth such that provides consumers with enough money to buy food.

3.5.4. The rise in world-market food prices is, as such, likely to increase the volume of food production. However, higher prices could exacerbate world hunger as the poor find it increasingly difficult to buy essential food items and especially if a larger proportion of crops is used for non-food products. In any event, the new situation is clearly impacting on income distribution within countries and is therefore a politically sensitive issue. The attitude of world organisations with regard to future developments is still unclear.

3.5.5. Clearly, this is not simply a question about markets for final products – as the prices of final products rise there is a tendency for production inputs to become more expensive, and vice versa. The same is true now – energy and fertiliser prices have risen and so farmers are not necessarily any better off than before. If the food industry is unable to keep its relative share of the price of final products unchanged, it too will suffer from the effects of higher raw material prices.

3.5.6. The price rise reflects the new market equilibrium, which is due to many different factors. In practice, it depicts the ability of the world food industry – global security of supply – to feed people according to their needs. In the past it has often been contended that world hunger is not the result of lack of production opportunities but rather the result of national and international policy. This conclusion will be subject to review in the near future: are continuing population growth, climate change and non-food products (against a background of depleting fossil energy sources) changing the situation in such a way that in the future food shortages will no longer be simply due to policy but also increasingly to limitations to the overall scope for production?

3.5.7. Tackling the issue of price trends for basic foodstuffs ultimately requires examining it painstakingly in all its complexity, as it is essential to bring transparency to bear on price formation at each stage of the agrifood value chain. In this regard, it is the responsibility of governments to act to improve price traceability, by introducing appropriate checks that can disclose specific unfair practices on the part of some operators, and by themselves playing a strongly educational role in order to provide consumers with accurate and full information.

3.6. *Food quality, food safety and nutritional properties*

3.6.1. In addition to food quantity, food quality, food safety, nutritional properties and consumer preferences are important factors on food markets. Food safety is governed by standards which are overseen by the EU Food Safety Agency (EFSA).

3.6.2. Nutrition is a complex concept, where consumer choices are guided not only by health factors but also by culturally related behaviour. The health effects of food products and who is responsible for them are the subject of ongoing debate and market players have not reached consensus on this matter.

3.6.3. Consumer preferences are based on personal values and opinions (e.g. organic food) and cultural factors which are not commensurable. Nevertheless, their importance as a factor influencing food markets should not be underestimated.

3.7. *Position and role of consumers*

3.7.1. Responsible consuming and sustainable consumption, including recycling, must become general practice. This applies to both the supply chain and consumers. This objective can be achieved with the aid of a wide-ranging societal debate.

3.7.2. European consumers take it for granted that food must be of good quality and reasonably priced. In addition to price, freedom and range of choice are important considerations for consumers. As a rule, people are not prepared to compromise over food safety.

3.7.3. In practice, however, many consumers make compromises when it comes to the safety of food products and their cultural significance. Moreover, the specific characteristics of food product are important to many consumers – e.g. organic production and GMO raw materials affect the selling price of products.

3.7.4. Quality issues underline the importance of information guidance: consumers must be told about the significance of the risks and advantages attached to different production methods and inputs in a way which clarifies the risk thinking associated with products. We have to get away from 'black-white' thinking so that consumers can weigh up the pros and cons of a particular product themselves.

3.7.5. It is of vital importance for the consumer to know what the quality on which he/she bases his/her choice is founded on. Easy consumer access to information on the quality of products is a prerequisite for building confidence. There have been many demands from consumers for, among other things, a return to country-of-origin labelling, also for European food products. European products fare well on European markets thanks to good consumer education and transparency. Paying due attention to consumer policy is a key factor for the future development of food production.

3.8. *Development policy and food production*

3.8.1. Numerous political decisions concerning the eradication of the problem of global hunger have been taken in international forums, most recently in connection with the Millennium Development Goals. To date, the practical results have been rather modest. The number of hungry people has continued to rise and there are still about a billion people in the world who suffer from hunger. Higher agricultural production has not been enough to match population growth and it has not been possible to deal effectively at global level with the new situation in food production. The EU has been involved in these efforts both in international organisations and bilaterally with developing countries. It has sought to play an active role in both development cooperation and trade policy with a view to improving the position of food production in developing countries.

3.8.2. Food security must be put at the top of the agenda in international development policy so that poverty can be reduced. The development of food production should be the cornerstone of national policy in the developing countries. Each developing country should have its own national agricultural policy, which would lay the ground for organising the supply of basic foodstuffs for its citizens.

3.8.3. The achievement of this goal requires the creation of adequate training, advisory and research resources in the developing countries. The international community and the EU should make more determined efforts to take these goals on board in development policy programmes.

3.8.4. Farmers in the developing countries should be helped by supporting producer organisations in their efforts to develop domestic production, marketing and processing and to strengthen their market position. Management of risks should be enhanced as part of efforts to improve production conditions in the developing countries. In addition to production, attention also needs to be paid to social issues. Similarly, the UN system needs to take more effective action to improve food supplies.

3.8.5. As regards trade policy, it must be possible to guarantee the developing countries a genuine opportunity to have their own 'green support' scheme. Achieving this goal calls for major know-how inputs in administration in the developing countries in establishing trade rules and systems. The EU could further step up its role in developing skills in the developing countries. A clearer grouping of the developing countries into LDCs v major exporting countries would improve the position of the very poorest countries. The EU has been promoting these goals as part of the WTO negotiations.

4. Possible courses of action for the EU and limiting factors

4.1. The last few decades have seen a shift in EU concerns and the food debate away from overproduction towards environmental issues, animal welfare and, subsequently, animal and human health problems and public health. In the future – not necessarily even a distant future – we are likely to see a 'return to roots': in Europe the debate is shifting back to the availability and price of food, a trend which has already been discernible for some years now.

4.2. At the same time, it is clear that the EU is not an island: poverty and the difficulties it gives rise to will continue to be the main problem in the developing countries – global poverty will not disappear in the short run. The EU still bears a responsibility in efforts to eliminate poverty.

4.3. The fundamental concern in the EU – and also in the food sector – is the availability of energy. The food sector in its present form is based on heavy energy use, and as such this requires the securing of energy supplies. Another limiting factor is water, especially at global level. Efforts must be made to ensure their availability.

4.4. There are several possible courses of action open to the EU. For example, it could boost the efficiency of EU agriculture and fishing, but in so doing it would have to take into account environmental considerations, animal welfare and public health. As part of its efforts to make production more efficient, the EU could increase the size of farms and production units but again this would have to be done in accordance with environmental and animal welfare requirements – not forgetting also producers' well-being and the need to keep the countryside populated.

4.5. The EU could strengthen its security of supply by building up stocks and, inter alia, diversifying its energy sources. The production of bioenergy must be increased but not at the expense of food supply.

4.6. The EU must also continue to be guided by humanistic principles and shoulder responsibility for emigration issues and the problems of the developing countries, whilst also minimising the possibility of conflicts in neighbouring regions by seeking to ensure that people have a chance to make a living in their home localities, both within and outside the EU.

The EU should support producers in the developing countries and their efforts to organise so that, by working together and learning from each other, producers can better meet food supply needs in their regions. European producers should take part in farmer-to-farmer cooperation. In July 2008 the EU made a decision in principle to make available one billion euros under the agricultural budget for improving farming conditions for farmers in the developing countries.

4.7. It is also important to develop globally responsible consumption and healthy eating habits: a diet rich in vegetable products would enable mankind to meet its food needs with substantially lower energy inputs than a diet rich in animal protein. On the production side, it is important to continue the development of production and strengthen scientific know-how. The EU must be pro-active in all these areas, both in its own activities and in international arenas.

5. Security of supply – the foundation for food supply in the EU

5.1. Security of supply is a key mechanism for combating risk and ensuring food and medical supplies in exceptional circumstances. National security of supply arrangements vary considerably between EU Member States. EU membership usually means a decrease in national security of supply as the EU believes it is capable of bearing overall responsibility for security of supply in managing crises. The EU's internal market provides a good basis for achieving this goal. The crises that have occurred in recent years have been qualitative by nature and have not involved shortages of basic commodities.

5.2. One of the main objectives in managing security of supply is to safeguard the production of raw materials for food. In the event of a crisis, food distribution can be regulated and controlled. Here cooperation between farmers, trade, industry, authorities and other bodies is crucial.

5.3. As a crisis continues over time, access to basic agricultural production inputs becomes essential. These include fertilisers, energy sources such as oil, plant protection products, seeds, animal medicines, water, etc. Under legislation, the authorities are required to ensure the supply of production inputs under exceptional circumstances. This calls for a clear division of labour and plans between different players. National schemes and the level of preparedness of security of supply vary. The EU is in the process of establishing new schemes, especially as the range of international risks is broadening.

5.4. The security of supply of the EU food sector needs to be bolstered by putting in place stronger machinery and arrangements than at present so that the Union can prepare for new potential risks. Stockholding schemes that are sufficiently large and cover the entire EU are the essence of security of supply. Stable and well-functioning markets for agricultural products in Member States and the EU's internal market form the basis for security of supply. In the event of a crisis, the reliability and speed of response of the various parties involved are crucial for ensuring security of supply.

Brussels, 22 October 2008.

The President
of the European Economic and Social Committee
Mario SEPI

APPENDIX

to the Committee Opinion

The following amendments which were supported by more than a quarter of the votes cast, were rejected:

Point 3.4.2.2

Amend as follows:

'Biotechnological innovations have brought with them a whole range of new production methods. The advances in biotechnology are seen by some seed and chemical producers as major step forward in improving the efficiency of production. ~~This process should be supported through R&D efforts. The advantages aside, there is also a need to take into account the potential risks to health and the environment which must be taken seriously, with funds allocated for research. The problem is that, in many cases, we do not completely understand the potential side effects of biotechnology applications on the health of animals, plants and ecosystems are still not clear.~~

Voting

For: 41, Against: 49, Abstentions: 18

Point 1.8

Amend as follows:

'The EU should step up investment in ~~new technologies consonant with sustainability criteria, including biotechnology,~~ so that applications can be developed for production. On the issue of biotechnology, the Committee shares the view of the International Assessment of Agricultural Science and Technology for Development (IAASTD), an initiative set up by the World Bank, the FAO and other public bodies, which noted in April 2008 that world food problems, which, after all, are emerging outside the EU, must be resolved not by genetic engineering, biotechnologies and a further chemicals-based approach to agriculture, but above all by traditional farming practices and organic farming.

Voting

For: 39, Against: 47, Abstentions: 19

Point 3.4.2.1 and 3.4.2.2 (*)

Amend as follows:

'3.4.2.1 Demand for agricultural products as a raw material for bioenergy production has increased primarily as a consequence of policy measures taken to address the threat to the environment, ~~but also as result of technological development an increasing world population and changed eating habits (such as higher meat consumption). Biotechnology offers a wealth of new opportunities for more effective production and processing of products in food and non food markets. In the energy field, cellulose-based bioenergy is emerging alongside starch-based energy as a marketable product.~~

3.4.2.2 ~~Biotechnological~~ Innovations in the development of environmentally and socially sound breeding methods (such as smart breeding) and crop growing have brought with them a whole range of new production methods. The advances in biotechnology are seen as major step forward in improving the efficiency of production. This process should continue to be promoted and supported through R&D efforts. The advantages aside, there is also a need to take into account the potential risks to health and the environment. The Committee shares the view of the International Assessment of Agricultural Science and Technology for Development (IAASTD), that food problems, which have become more acute across the world, albeit outside the EU, can only be resolved by methods adapted to local conditions, i.e. with traditional farming practices, organic farming etc., and explicitly not by genetic technology.

Voting

For: 34, Against: 53, Abstentions: 21

(*) Translator's note: There is a discrepancy in the numbering of these sections in the English and German versions. In the original English-language version, the two points are separately numbered. In German, they are grouped together as point 3.4.2.1, while the sentence: 'The problem is that, in many cases, the potential side effects of biotechnology applications on the health of animals, plants and ecosystems are still not clear.' sits on its own as point 3.4.2.2.