

I- THE CHALLENGE OF FOOD SECURITY

The future of agriculture is facing new pressures are growing world population , changing dietary habits, the development of agro -fuels , climate change and its instability , the depletion of energy resources of whom price directly affects the cost of production and natural resource degradation, reduction in global stocks , speculation, etc. .

In this context, global agricultural commodity prices are at high levels and that situation will remain .

The main challenges for the coming years are:

- Ensure that world prices are not too high and volatile to avoid riots .
- Reduce dependence of low-income countries which are net importers of food when this dependence is too strong.
- Changing the global food system (production, processing, and trade and consumption models) to a more sustainable model for food security of future generations.

International agreements, national or regional policies, programs, actions must address these three challenges in a coordinated manner.

Possible areas of intervention by the DG AGRI are:

- The WTO agreements and other agreements (climate, biodiversity etc.).
- Development aid
- The CAP

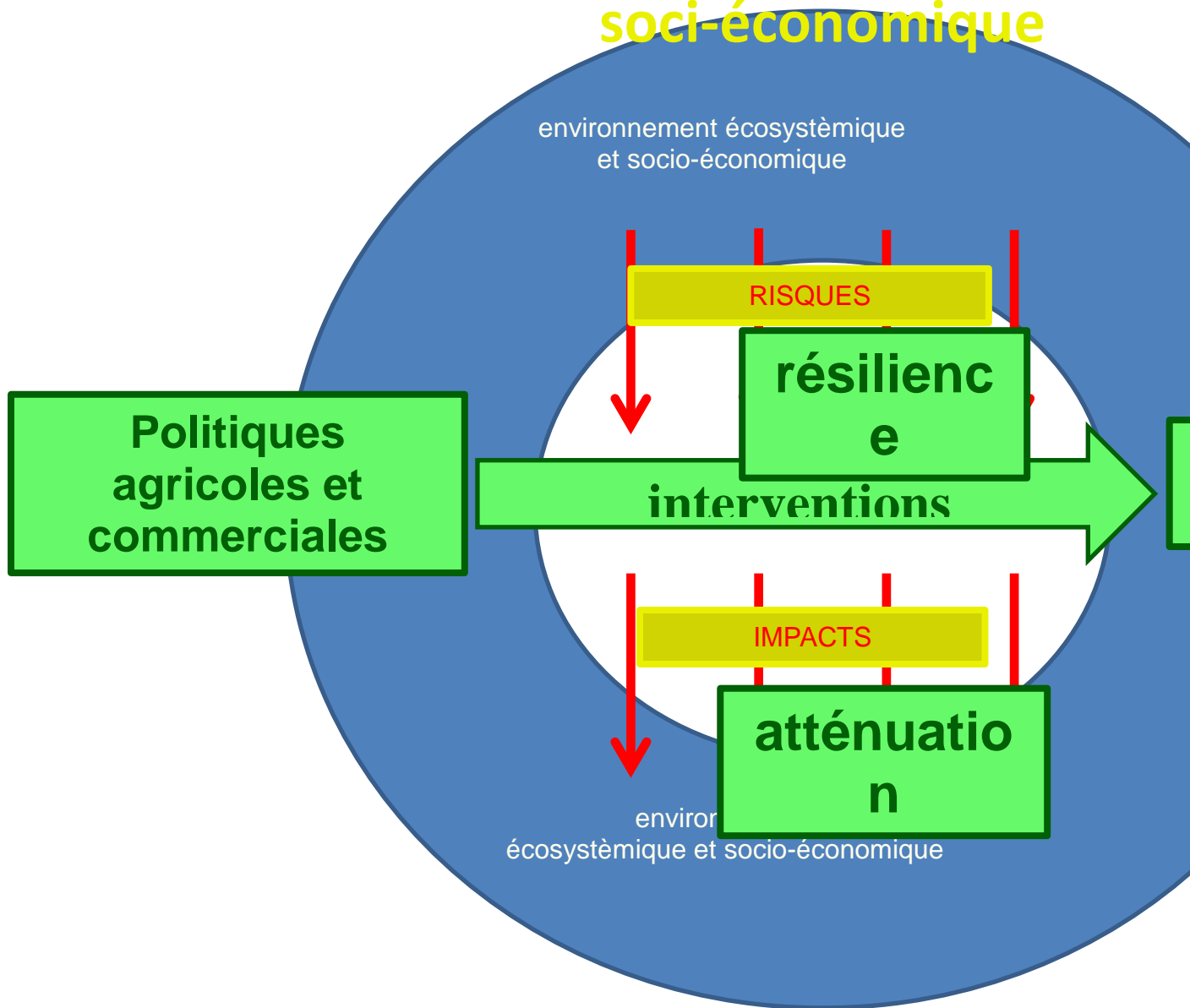
II. THE POSSIBLE AREAS OF INTERVENTION

II.1. Trade Agreements: Implications for the Doha Round

Agreement on Agriculture

It is necessary that the WTO supports the development of agricultural and food policies that allow production systems not only to adapt to new pressures of ecological and social environment (resilience), but also impact in a positive way on this environment to reduce eventual constraints (mitigation).

Relation Agriculture environnement écosoci-économique



- The Agreement on Agriculture of the Uruguay Round was signed in a period of low world prices which were under the pressure of the 300 billion subsidies equivalent mainly granted by developed countries. The context of the negotiations of the Doha Round Development has changed radically as world prices are high and will remain so.

To mitigate this increase and make the future more sustainable, the guidance to the agricultural negotiations of the Doha Round which will be re-launched following the mini-success of Bali, are as follows:

1. A "flexible" development of domestic support (*de minimis*): The Bali Decision on Food Security Public Stocks marks a turning point in trade talks for the first time: the ongoing

process of liberalization has been "broken" as it was granted to developing countries to increase their trade-distorting support rather than reduce it , and that, to achieve food security objectives . This Decision should set a precedent on the basis of which we can imagine additional "mechanisms" and more appropriate trade rules. The first one would be **to vary the " de minimis " according to the evolution of world prices**. This principle would build on the mechanism of the European Central Bank which varies the interest rate to stimulate the economy.

2. Flexible border measures for LDCs: their budgets are limited and they are looking for tools adapted to their situation: the only tools that could protect producers from low prices and consumer from too low prices are flexible , transparent and predictable import and export taxes. But for now, the "flexibility" (since the demise of "variable import levies " the former PAC) has become a taboo subject in the WTO. Seen with the dispute between Chile and Argentina in 2002-2004: WTO condemned the Chilean practice of a rate of duty that varied within the range of bound rates.

3. Binding export taxes: Some "mitigation" measures of export restrictions should apply at least to the major exporting countries and "sensitive" products for food security. As tariffs, export subsidies should be subject to binding (maximum rate not to exceed) , thereby mitigating price increases in the event of shortages. The ban on exports would be prohibited.

4. WTO Members should make commitments to reduce the domestic support measures to the production of meat from processed cereals. The transformation of plant animal calories causes destruction of plant calories. The aim should be a reduction in caloric intake based on animal calories.

5. Supports program development of agro fuels should be transparent notifications to the WTO and subject to continuous monitoring.

6. Domestic support should further promote the improvement of the energy performance of the agricultural sector, reducing post harvest losses and losses in the processing and marketing.

7. Meanwhile, models less energy consumption and more compatible with public health goals should be promoted (diets of 3,000 calories / person / day).

Agreement on Services

WTO Members should open specific quotas for the movement of persons (Mode 4 of the Agreement) considered as climate refugees.

Intellectual Property, Sanitary and Phytosanitary Measures , Technical Standards

Monitoring the evolution of these measures when they are linked to seed .

II.2 . CAP Reform and the design of Development Projects in Developing Countries, Aid for Trade and Development Assistance.

Develop and implement policies, programmes and projects related to stated objectives.

End