MARKET REGULATION AND THE CAP

Why do we need market regulation?
For ECVC, ensuring farmers receive fair prices for their work is central and changes the way they can produce food. If they are constantly put under pressure from other actors in the supply chain to sell at cheaper prices, as is the case now, they are left with little option but to cut costs, for example by trying to improve yields in the short term by using chemical fertilisers, relying on harmful industrial methods and techniques and producing lower-quality and less nutritious food, or reducing labour costs by employing workers in illegal or insanitary conditions.

Consumption. The less the product travels, the better the quality. If there is no prejudice between farmers in different countries. What do we want?
Tariffs and customs duties should be placed on imports from third countries to ensure that the cost of these products is not below production costs in the EU and any other country at international level. A minimum entry price should be set, and these products should meet the same costs of production. For example, France and Germany have low production costs on dairy products because of its agro-climate conditions and have developed a very strong dairy industry, while Spain and Italy have lower productions costs on fruits and vegetables because of weather conditions and level of wages for agricultural workers. This leads to a specialisation of production: Spain’s dairy production is declining, while France there is reduced fruit and vegetable production. This destroys jobs, increases the distance between producers and consumers, is bad for the environment, and also leads to intra-EU dumping. At present, market regulation measures are used on a non-compulsory basis to manage sectoral crises, but this kind of safety net does nothing to resolve the precarity and unsustainability that farmers face in terms of making a fair and decent living.

What are the main issues?
Third countries (countries not in the EU) are able to produce more cheaply due to lower production costs, often implying lower social, labour and environmental standards, and less stringent health and safety measures. When imported to Europe the price competition with European products is huge and detrimental to regional production. If products are sold at unfairly low prices in this way it is called dumping.
It’s also problematic when the EU dumps products in third countries at prices that are lower than production costs of the country exported to. At present, surplus products are being dumped by EU countries in third countries, because EU Common Agriculture Policy subsidy mechanisms partially compensate for low prices and overproduction. This is causing a lot of environmental and social damage in the EU and beyond.

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The EU common market, internal to the EU, is set up to boost competitiveness among the countries and regions. This competitiveness has negative impacts on farmers, citizens and the planet. Production is concentrated and delocalised, particularly as not all countries have the same costs of production. For example, France and Germany have low production costs on dairy products because of its agro-climate conditions and have developed a very strong dairy industry, while Spain and Italy have lower productions costs on fruits and vegetables because of weather conditions and level of wages for agricultural workers. This leads to a specialisation of production: Spain’s dairy production is declining, while France there is reduced fruit and vegetable production. This destroys jobs, increases the distance between producers and consumers, is bad for the environment, and also leads to intra-EU dumping. At present, market regulation measures are used on a non-compulsory basis to manage sectoral crises, but this kind of safety net does nothing to resolve the precarity and unsustainability that farmers face in terms of making a fair and decent living.

What do we want?
One solution is to control production and assure minimum prices for farmers. In the past this was done with quotas per farm, industry or country. If these quotas are exceeded, sanctions would be given. For ECVC, reducing production during sectoral crises must be compulsory and proportional to the size of the company; the larger the company, the higher the percentage reduction to be applied with special attention to protecting small and medium farms that are harder hit by market fluctuations. Furthermore, EU food supply chains should be designed and controlled to support the creation of cooperatives of farmers or other similar cooperative structures, and notably young farmers, especially to allow small-scale farmers to access the market for processed products, instead of being reliant on large supermarkets to buy and process their raw products.

The monopoly of the retail sector must come to an end, as must the neocolonial practices inside Europe that impose outrageously low prices on farmers not only in eastern Europe. Farmers should not depend on subsidies to live, as it is not sustainable. Therefore, well-balanced EU marketing regulations and market organisation must make room in the food chain for farmers.