

## Cheap food has high price

A report into European farming policy 'Does the CAP still fit?\*' co-authored by Lincoln University Professor of Farm Management Alison Bailey, says there is overwhelming evidence at local, national and global levels that food systems need to change. The paper was for the Food Research Collaboration on the European Union's Common Agricultural Policy (CAP) which provides support to Europe's farmers.

Professor Bailey says that, although the CAP is subsidy-based, the report contains messages for the New Zealand farming community. 'Agricultural policy across the globe has always tried to do a number of things under the umbrella of supporting the farming community in commodity production.

'A model of one policy objective one policy tool becomes a complex mix of multiple policy objectives achieved through the implementation of additional policy tools,' Professor Bailey says. 'This never thoroughly addresses the original, nor additional, objectives.'

Key points in the report include:

- The CAP has gone through at least seven rounds of reform since it began in 1962. It has changed and cut subsidies and become a major funder of environmental gains – the report summarises these rounds of reform and what has motivated them.
- The EU's Directorate-General for Agriculture and Rural Development in Brussels has only 1000 civil servants, yet accounts for over a third of the total EU budget. The Department for Environment, Food, and Rural Affairs in the UK has 2000 staff for England alone.
- Although considerably below the 70% seen in the 1980s, the CAP now absorbs less than 40% of the EU budget and this is set to decline further.
- In the UK, farmers receive only £10 billion of the £198 billion that UK consumers spend on food per year. Many farmers rely on the additional income from subsidies to keep them in farming.
- Four broad options about CAP's purpose and preparations for the next phase of reform are explored in which CAP: (a) weakens significantly; (b) evolves pragmatically; (c) becomes a rural development policy; or (d) becomes a 'Common (Sustainable) Food Policy'.

The authors state that not all reforms have been beneficial, CAP has 'many problems' and it must be changed 'radically'.

The paper also states that the evidence for overhauling international food systems is 'overwhelming' but the public health impact of farm output is not taken seriously enough. The authors argue 'politicians and policy makers seem unable to grasp the enormity of what needs to change'.

The report says that for a number of reasons – environmental, public health, economic and social – the model of food based on producing ever more food, ever more 'cheaply', has had serious negative impacts. These include the environmental costs of intensive farming and biodiversity loss, while overall food production is a major cause of climate change. This is true for both Europe and New Zealand, Professor Bailey says.

The report calls for the CAP to move away from focusing on farming to become a Common Food Policy. 'We should not continue to eat diets which add to climate change, pile on costly burdens of disease, and maintain a fantasy that food systems can continue to be fossil-fuel based in an era of rapid climate change.'

CAP was still too focused on farming when it needs to reconnect with public health, ecosystems and feeding people well, Professor Bailey says.

The United Kingdom, like all European Union (EU) member states, needs to review its entire food system, regardless of the outcome of the referendum on EU membership, the report says. Professor Bailey says New Zealand could well do the same.

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\* The briefing paper, *Does the CAP still fit?* by Professor Alison Bailey, Professor Tim Lang and Dr Victoria Schoen was published on the Food Research Collaboration website on 9 June 2016: <http://foodresearch.org.uk/does-the-cap-still-fit/>