



# African smallholders in focus – a voice in EU trade policy



Rewriting the Rules ... to secure our future food

8 thesis about the threats for fair agricultural  
trade

Kerstin Lanje, senior advisor for trade, Germanwatch



# Germanwatch e.V.

**Objective: To change the structures in the "North" to improve the conditions of people in the "South".**

- Founded in 1991.
- about 500 members.
- 15 employees in offices in Bonn und Berlin
- Focal points:
  - **Climate:** climate negotiations: adaptation, mitigation, CCS, traffic...
  - **World trade and food:** agricultural trade, EU-common agricultural policy, setting guidelines for international enterprises.
  - **Development policy:** development cooperation.



**Background:**  
**hunger, food and nutrition**  
**worldwide**



**Justice is, when no one starves.  
Smallholders are the most important group to solve  
the hunger and nutrition problem.**



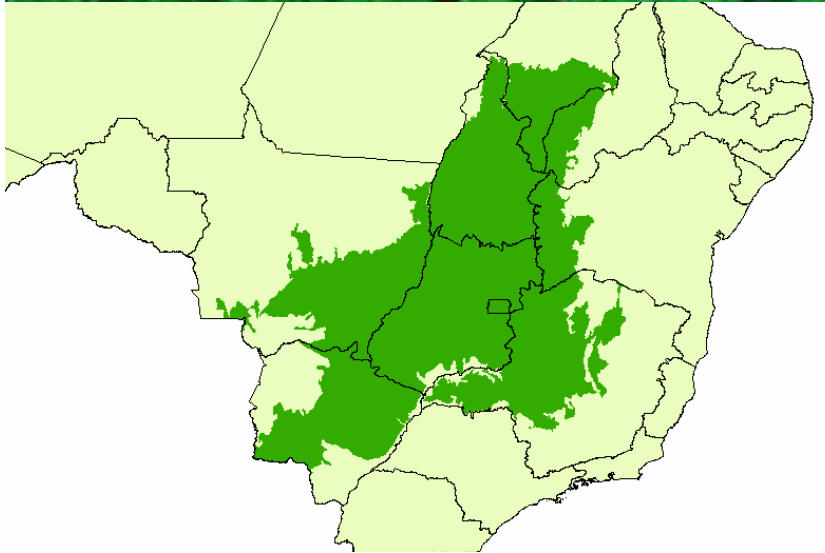
# Thesis 1: Our consume habits destroy Africas markets.

Example 1: Poultry makes hungry

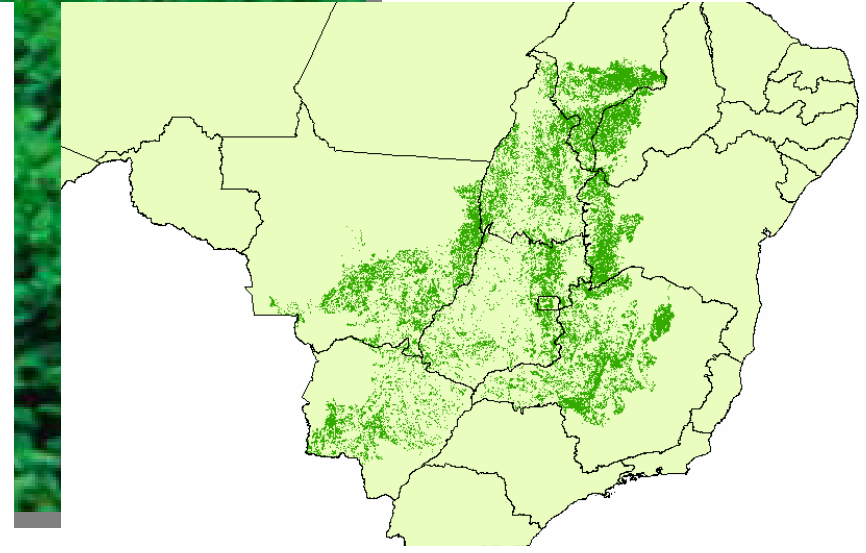




## Thesis 2: The eating habits in the industrialised world is consuming too much land and resources



Cerrado, Brazil 1900



Cerrado 2005 (Machado 2005)

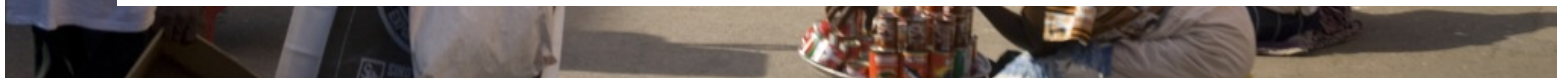


## Thesis 3: A rapid market liberalisation is threatening smallholders

**Liberalisation: Southern markets in Agriculture have to open up** (political target of IWF, WB, WTO and bilateral trade regimes like EPAs)

**Cheap exports from Europe and USA are possible because of export-subsidies, -credits, food aid and overproduction**

Simultaneously agricultural support for developing countries through Structural Adjustment Programmes by the IMF are fading out.



## Example 2: Tomato paste everywhere



- In Koluedor people were always living as **tomato farmers**.
- Partly for their own food supply, but mainly for the **markets of Ghana and Togo**.
- Since the end of the 1990s **input prices** for Fertilizer, pesticides, wages and machinery **are rising**.
- **Food prices and sales** are **declining** at the same time.

# Tomato farmers in Ghana



- Since the 1990s import of tomato paste from **Southern Europe** (Spain, Italy) and also China **increased by 650 %**.
- The market share of domestic tomatoes **decreased from 92 % to 57 %**.
- Tomato paste is **easier to cook**.
- Paste is cheaper because of **EU-subsidies: 34,50 € plus 45 € export-subsidies** per tonne.



## Thesis 4: Speculations with agricultural products increasing world price volatility

### **Chicago Mercantile Exchange:**

- Biggest Exchange for agricultural products (butter, milk powder, ethanol, feeder cattle, frozen pork bellies, lean hogs, living cattle, wood, milk..)
- **Hedge funds and pension funds searching for new investment opportunities**
- Total daily trade volume (20.08.08): 9,5 billion US \$, trade volume in agricultural products: 0,8 billion US \$
- **Trade volume for contracts and options on agricultural products increased 2006 by 30 %.**



## Thesis 5: Market concentration through multinational companies penalise smallholders

### **Food and animal food**

- Cargill (USA): US \$ 88.3 billion
- Bunge Ltd. (USA): US \$ 37.8 billion
- Archer Daniel Midland (USA): US \$ 24.2 billion

### **Seeds**

- DuPont (USA): US \$ 6.8 billion
- Monsanto Company (USA): US \$ 5.0 billion
- AGRAVIS Raiffeisen AG (D): US \$ 3.1 billion



## Thesis 5: Market concentration through multinational companies penalise smallholders

### **Pesticides**

- Dow Chemical Company (USA): US \$ 12.1 billion
- Syngenta (CH): US \$ 7.2 billion
- Bayer AG (D): US \$ 7.1 billion

### **Food processing**

- Nestlé (CH): US \$ 35.8 billion
- PepsiCo (USA): US \$ 29.2 billion
- Tyson Foods (USA): US \$ 26.9 billion
- Kraft Foods (USA): US \$ 23.1 billion

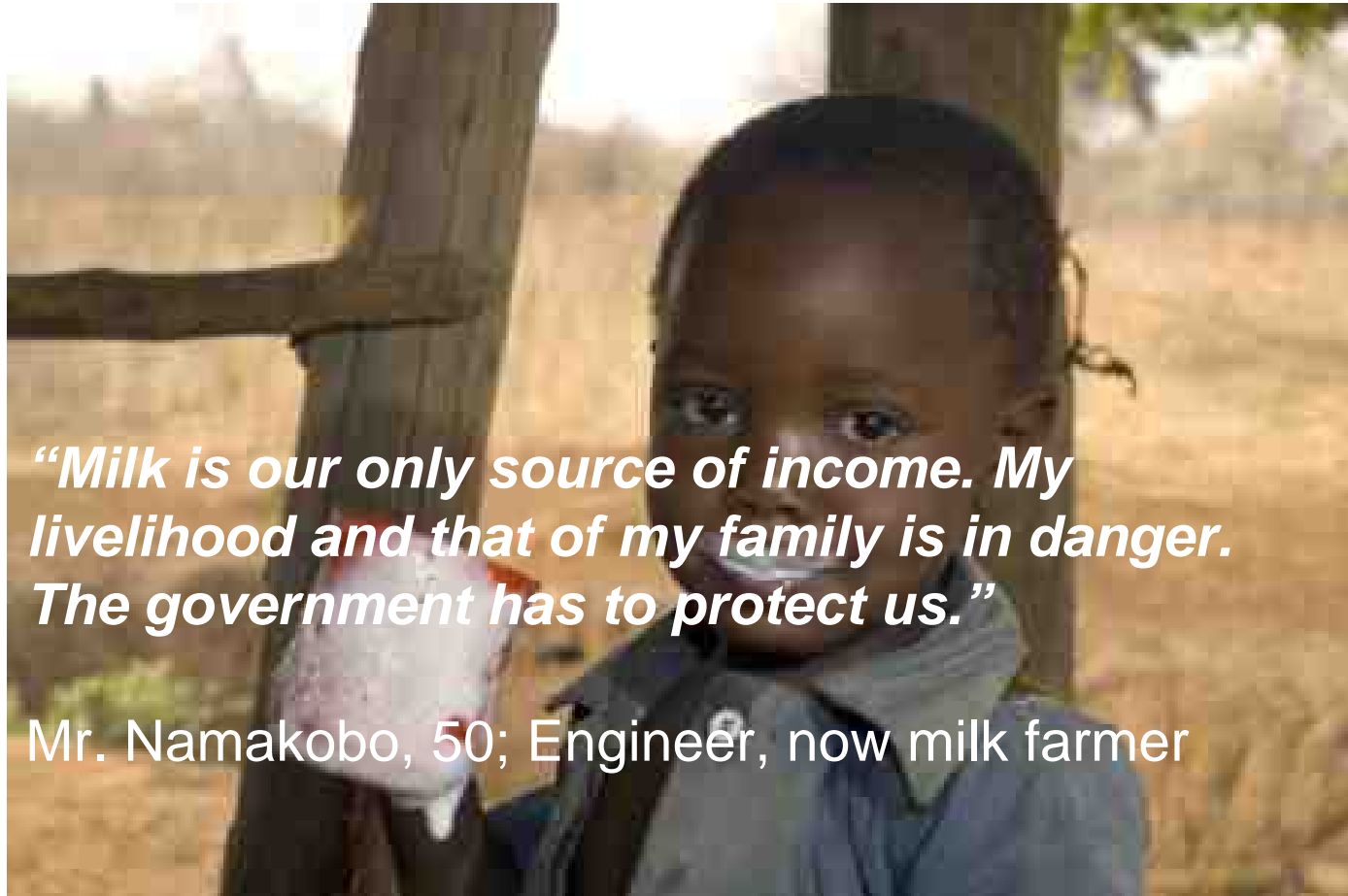


**Thesis 6: The EU agricultural policies (like raising the milk quota) is threatening the Right to Food of smallholders**





# Impact on Zambia's milk sector



***“Milk is our only source of income. My livelihood and that of my family is in danger. The government has to protect us.”***

Mr. Namakobo, 50; Engineer, now milk farmer

Picture:

Fact Finding  
Mission, Oct.  
2007



Thesis 7: Safeguard mechanisms to protect smallholders are insufficient





Thesis 8: EPAs between unequal partners are threatening and are limiting possible needed trade politics.





# Signed Interim EPAs

- Comoros and Zambia (ESA) still say they want to sign
- Improved RoO only apply to Cameroon if agreed on in Regional EPA
- West Africa Regional EPA negotiations deadline extended from June to October 2009

Updated 15. September 2009

Region	Country	IEPA (initialled)	IEPA (signed)
Central Africa	Cameroon		✓ 15.01.2009
EAC	Burundi		✓ 23.11.2008
EAC	Kenya		✓ 23.11.2008
EAC	Rwanda		✓ 23.11.2008
EAC	Tanzania		✓ 23.11.2008
EAC	Uganda		✓ 23.11.2008
ESA	Comoros	✓	
ESA	Madagascar		✓ 29.08.2009
ESA	Mauritius		✓ 29.08.2009
ESA	Seychelles		✓ 29.08.2009
ESA	Zambia	✓	
ESA	Zimbabwe		✓ 29.08.2009
SADC	Botswana		✓ 04.06.2009
SADC	Lesotho		✓ 04.06.2009
SADC	Mozambique		✓ 15.06.2009
SADC	Namibia	✓	
SADC	Swaziland		✓ 04.06.2009
West Africa	Côte d'Ivoire		✓ 26.11.2008
West Africa	Ghana	✓	
PACP	Papua New Guinea		✓ 30.07.2009
PACP	Fiji	✓	
CARIFORUM	Haiti	✓	

\*Countries in red are LDCs

# Signed full EPAs

Region	Country	full EPAs
CARIFORUM	Antigua/Barbuda	15.Oct 2008
CARIFORUM	Bahamas	15.Oct 2008
CARIFORUM	Barbados	15.Oct 2008
CARIFORUM	Belize	15.Oct 2008
CARIFORUM	Dominica	15.Oct 2008
CARIFORUM	Dominican Rep.	15.Oct 2008
CARIFORUM	Grenada	15.Oct 2008
CARIFORUM	Guyana	15.Oct 2008
CARIFORUM	Jamaica	15.Oct 2008
CARIFORUM	St Kitts/Nevis	15.Oct 2008
CARIFORUM	St Lucia	15.Oct 2008
CARIFORUM	St Vincent/Grenadines	15.Oct 2008
CARIFORUM	Suriname	15.Oct 2008
CARIFORUM	Trinidad/Tobago	15.Oct 2008

# No Action taken

West Africa	PACP	Central Africa	ESA	SADC
Benin	Cook Islands	Chad	Djibouti	Angola
Burkina Faso	Fed. Micronesia	Central African Republic	Ethiopia	
Cape Verde	Fiji	Congo (DR)	Eritrea	
Gambia	Kiribati	Sao Tome e Principe	Malawi	
Guinea	Marshall Islands	Congo (DR)	Sudan	
Guinea Bissau	Nauru	Gabon		
Liberia	Niue	Eq. Guinea		
Mali	Palau	Somalia		
Mauritania	Samoa			
Niger	Solomon Islands			
Nigeria	Tonga			
Senegal	Tuvalu			
Sierra Leone	Vanuatu			
Togo	Timor-Leste			



For more information ask  
Kerstin Lanje  
or have a look on  
[www.germanwatch.org](http://www.germanwatch.org)