

# The impact of European policies in Africa

## 8 thesis about the threats for fair agricultural trade

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

# Impact 1: Our consume habits destroy Africas markets – f.e. chicken parts in Ghana

## Impact 2: Our agriculture model consumes 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.



## Impact 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 %.**

## Impact 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

## Impact 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

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

# Exampel: Impact on Zambia's milk sector

Picture:

Fact Finding  
Mission, Oct.  
2007

**Impact 7: Safeguard mechanisms to protect smallholders are insufficient**

**Impact 8: EPAs between unequal partners are threatening are limiting possible needed trade politics.**

## Misereor Work on Food and agriculture

- **Trade and markets** (WTO, EPAs, concrete examples meat and milk, study on local prices, ecofairtrade dialogue, european cooperation within CSO)
- **Food and rural development in the south** (industrialized agriculture vs. sustainable ag, rural development, landgrabbing, hunger, gentechonology, climate change...)
- **Food and agriculture in the north** (Agrobusiness in meat and milk sector, consumption patterns, export subsidies – GAP)
- **Governance:** (FAO Reform, human rights regulation)



For more information ask

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or have a look on [www.misereor.de](http://www.misereor.de)