

- **Event: FAO High Level Conference**
- **Date: 4 June 2008**
- **Place: Rome**

EUROPEAN COMMISSION
Commissioner Mariann Fischer Boel
Statement

Excellencies, Distinguished Guests, Ladies and Gentlemen

Two weeks ago, the European Commission set out its policy response to the challenge of rising food prices faced by both developed and developing countries.

In the first instance, we need to mitigate the immediate effects of the food price shock. We stand ready to scale up the EU contribution to the global effort to tackle the effects on poor populations in the developing world as well as in the EU.

In parallel, we need to boost agricultural supply. Strengthening agricultural research and building knowledge will enhance productivity growth in agriculture. New crop varieties, improved cropping systems, more efficient use of water, greater resistance to diseases and environmental stress are amongst the ways forward to put global agriculture on a sustainable footing. In that context, the European Commission will maintain an open but vigilant GMO policy.

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Finally, we need to address the crisis at international level. Strengthening of agricultural policies and investments are necessary to ensure a lasting supply response in developing countries. My colleague Louis Michel will discuss how to position agriculture higher on the political and economic development agenda. We will also continue to promote an open trade policy and work towards an early conclusion of the Doha Round, which provides significant new market opportunities for developing countries. This would help generate export income, stimulate agricultural production and facilitate access to foodstuffs, thereby alleviating the current food price hikes.

All parts of this comprehensive policy response are essential – they need to go hand in hand. We broadly support the FAO's reflection document, which outlines options to immediately prevent human suffering and induce a rapid production response in order to re-balance global supply and demand for food.

Two weeks ago, the European Commission also unveiled its Health Check of the Common Agricultural Policy. We intend to build further on our successive reforms, taking into account the challenges of an EU of 27

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Member States. For close to two decades, reforms of the Common Agricultural Policy have increased market orientation. With decoupling, the link between support and production is broken. Farmers can respond to market signals and increase production as a reaction to higher prices. And importantly, the coherence with policies for development and trade has greatly increased. The Health Check proposals pull further in this direction. Ladies and Gentlemen, the Common Agricultural Policy is part of the solution to ease the global pressure on food prices – not part of the problem.

The topic of biofuels has dominated the food price debate. The EU currently uses less than 1 per cent of its cereal production to make bio-ethanol. The European Commission advocates sustainable biofuels production at international level and sustainability criteria is a key feature of the Commission's proposal for a Renewable Energy Directive, covering greenhouse gas, biodiversity and land use impacts. This will include regular monitoring and reporting on economic, social and environmental impacts. We encourage similar sustainability criteria outside the EU and we actively promote the global development of

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second and third generation biofuels, produced from feedstocks other than food crops

I sincerely believe that there is also a positive angle to today's situation. High commodity prices could provide an opportunity to many food producing countries, especially in Africa. With the right policy responses, we can loosen the constraints on the most vulnerable countries and their people. But to prevent similar situations in the long term, we need to act now. The EU will be a key contributor of ideas and actions on this front too.

Thank you for your attention.