



EUROPEAN COMMISSION
DIRECTORATE-GENERAL AGRICULTURE AND RURAL DEVELOPMENT

The Director-General

Brussels, 12 OCT 2012 - ARES
kk-Agri A.3-D/1369864

BRIEFING FOR Mr Georg HAEUSLER

Subject: Meeting with [REDACTED], Oxfam [REDACTED]
[REDACTED]

Date: 17 October 2012
Time: 16h30
Venue: BERL 8/328

Reference: Ares (2012) 1353426

Main Objective: - Current policy issues related to global food security and food price volatility, in particular the reform of the EU's biofuel policy

Participation DG AGRI: YES, [REDACTED], [REDACTED]

Briefing enclosed:

- Scene setter
- Background
- CV


José Manuel SILVA RODRIGUEZ

Meeting with [REDACTED] [REDACTED], Oxfam [REDACTED]	17/10/2012 Bruxelles
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Scene Setter

- You will meet [REDACTED], Oxfam [REDACTED].
- He will likely raise issues that have been at the core of Oxfam's campaign "Grow, Delivering Food Justice in a resource-constrained world" (GROW) launched in 2011:
 - **Stop land grabs** by corporations and countries that seize the land and water poor people depend on for their food.
 - **Win a global deal on climate change** to stop greenhouse gases from devastating poor people's agriculture.
 - **Invest in** the productivity, resilience and sustainability of **small-scale food producers**, particularly women.
 - **Avert future global food price crisis**, and provide a fast and fair response when emergencies do arise.
- They might touch on the special Ministerial meeting that FAO will organise on 16.10 in Rome and which DG Silva Rodriguez will participate in.
- You may wish to insist on the overestimation of the impact that biofuels have on food price volatility and to outline steps the EU is taking with the view to curb food price volatility and ensure global food security.
- [There is an on-going inter-service consultation on the Indirect Land Use Change (ILUC), outcome of which may reduce competition of biofuel production with food production as ILUC is caused by the displacement of food production. However, given the very diverse and strong opinions from other services, DG ENER – as a lead service – is reluctant to provide comments and detailed information on this consultation to an external audience.]

[REDACTED] AGRI [REDACTED]	[REDACTED] AGRI [REDACTED]
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Background

Food security and price volatility:

- Food security is a crucial challenge for the future EU policy, and one of the fundamental objectives of the new CAP. Since the years 2007/08 the stability of the worldwide agricultural markets has been threatened by commodities' high volatility (together with high price level) and in the meanwhile demand is rising due to the increase in world population and income as well as changing dietary patterns.
- The most recent issue is the potential spillover effect of the US drought, in particular the impact of higher soya and maize prices which could also impact wheat prices.
- It is too early to predict the direct consequences that the latest spike of maize and wheat prices may have on the food security situation on the ground in developing countries. Net food-importing low-income countries are particularly vulnerable. In such countries, the food security situation typically continues to be at risk - or is already compromised - because of natural disasters, political instability, inflation or devaluation of currencies. All these factors contribute to aggravate chronic poverty.

Steps taken by the EC in order to curb food price volatility:

- The European Commission has been at the forefront to contribute to the inputs of the G8/G20 processes which have positioned agriculture and food security very high on the international agenda. For example, the European Commission is contributing to the follow up of the G20 Action Plan on Food Price Volatility and Agriculture.
- As part of the effort to improve transparency, the European Commission publishes its short term forecasts for the main EU agricultural markets (cereals and oilseeds, meat, milk and dairy products) covering the current and next marketing years, which feed into the G20 Agricultural Market Information System (AMIS). AMIS met in early October and was a good opportunity to exchange data after 12 months since its inception.

Land grabs and food security:

- The Commission believes that foreign investment is key to poverty reduction, but must also support local livelihoods, food security, equity, good governance and environmental sustainability. Secure access and rights to land are essential to protect vulnerable groups and offset any negative impacts of acquisition and long-term leases of land.
- The Commission, one of the most active donors in these fields, will continue to engage actively in the processes of operationalization of the Voluntary Guidelines on the Responsible Governance of Tenure (VGGTs), with substantial EU financial support to this initiative in Africa and to the pilot testing of the seven Principles for Responsible Investment in Agriculture (PRAI).

Biofuels and volatility:

- In relation to food security, according to relevant studies the Commission concluded in 2010 that the role of biofuels – and in particular EU biofuel policy – had a very limited impact on the price spike of agricultural commodities in 2007/8. Globally, less than 3% of crop land is used to produce biofuels.
- Before end of the year, the Commission will adopt at least two initiatives of particular relevance for the EU biofuel policy:
 1. The Commission is finalising its work on an **impact assessment** on indirect land use change impact on greenhouse gas emissions related to biofuels on as it is required by the EU Renewable Energy and the EU Fuel Quality Directive. We expect that the impact assessment and a legal proposal will be adopted and published shortly (towards end-October 2012). Indirectly, it is relevant for limiting impacts on global food prices.
 2. The first **biennial Commission's report** to the European Parliament and the Council will be published. It will also include information on the environmental and social impacts of the EU biofuels' policy on both, the EU and the developing countries, including on the impact of increased biofuels' demand and production on the social sustainability, food security, land use etc.