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Report

on behalf of the Committee on Development and Cooperation

on the proposal from the Commission of the European Communities to the Council (Doc. 1-364/80) for a regulation laying down general rules for the supply as food aid of products other than cereals, skimmed-milk powder or butter-oil to certain developing countries and specialized bodies

Rapporteur : Mrs R.-Ch. RABBETHGE

By letter of 1 September 1980, the President of the Council of the European Communities requested the European Parliament to deliver an opinion on the proposal from the Commission of the European Communities to the Council for a Regulation laying down general rules for the supply as food aid of products other than cereals, skimmed-milk powder or butteroil to certain developing countries and specialized bodies.

On 15 September 1980 the President of the European Parliament referred this proposal to the Committee on Development and Cooperation as the committee responsible, and to the Committee on Agriculture and the Committee on Budgets for their opinions¹.

On 30 September 1980 the Committee on Development and Cooperation appointed Mrs R.Ch. RABBETHGE rapporteur.

It considered the draft report at its meeting of 28 October 1980 and adopted the motion for a resolution.

Present:

Mr Poniatowski, chairman, Mr Bersani, vice-chairman, Mrs Rabbethge, rapporteur, Mr Cohen, Mr Enright, Mr Ferrero, Mr Flanagan (deputizing for Mr Clement), Mrs Focke, Mr Irmer (deputizing for Mr Sablé), Mr Jaquet, Mr Kellett-Bowman, Mr Lezzi, Mr Narducci, Mr Pajetta, Mr Pearce, Mr Vergeer, Mr Vergès, Sir Fred Warner, Mr Wawrzik, Mr Woltjer (deputizing for Mr Glinne).

The opinions of the Committee on Budgets and the Committee on Agriculture are attached.

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The Committee on Development and Cooperation hereby submits to the European Parliament the following motion for a resolution together with explanatory statement:

MOTION FOR A RESOLUTION

embodying the opinion of the European Parliament on the proposal from the Commission of the European Communities to the Council for a regulation laying down general rules for the supply as food aid of products other than cereals, skimmed-milk powder or butteroil to certain developing countries and specialized bodies

The European Parliament,

- having regard to the proposal from the Commission of the European Communities to the Council (COM(80) 478 final),
- having been consulted by the Council (Doc. 1-364/80),
- having regard to the report of the Committee on Development and Cooperation and the opinions of the Committee on Budgets and the Committee on Agriculture (Doc. 1-551/80),
- having regard to the resolution contained in the report by Mr Ferrero and adopted by the European Parliament on 18 September 1980, on the European Community's contribution to the campaign against hunger in the world¹,

1. Welcomes the Commission's proposal, especially since it contains measures which Parliament has been demanding for many years, and considers that, until an overall solution is adopted, it should increase the effectiveness of Community food aid in important sectors;
2. Urgently requests the Council to remove at last the sufficiently well-known shortcomings of Community food aid on the basis of the numerous proposals put forward by the Commission and Parliament;
3. Is convinced that European Community food aid can only become efficient if its basic principles are defined in the context of a long-term development and food strategy in which efforts must be concentrated on the interests of the poorest people in the poorest countries; considers it imperative that this strategy should be a factor in ~~the~~ cooperation of European economic and financial policy;
4. Urges the Commission to re-examine its rules and practices in respect of the purchase of Food Aid and calls for a report on the present situation with regard to this matter and for proposals for improved practice; requests the Commission to comment in its report on the commercial aspects of food aid in particular;

¹OJ No. C 265 of 13 October 1980, p. 37 et seq.; Ferrero report (Doc. 1-341/80) and Annex I

5. Therefore calls on the Commission to undertake the appropriate advance planning and submit corresponding proposals; in defining main-effort sectors, priority should be given to rural development with particular attention being paid to the situation of small farmers;
6. Considers it an indispensable prerequisite for the improvement of the food supply situation in the developing countries that the Community should at last adopt a system of multiannual commitment as regards food aid since this is the only way to ensure that this aid is used for concrete projects for rural and farming development and to contribute to the security of food supplies; recalls in this connection the success of the Flood I and Flood II programme in India;
7. Points out that multiannual programming of food aid is the only way of helping the developing countries to realise national food strategies which can make a vital contribution to the improvement and transparency of food aid and to reducing food deficits;
8. Calls on the Council and Commission to lend active support to the efforts already launched by some developing countries to create food strategies and above all to cooperate in the elaboration of realistic implementation strategies; calls in particular for:
 - increased and continuous financial aid and modes of joint financing together with the Member States or international organizations;
more financial resources for rural development in the non-associated countries, without prejudice to the ACP States;
 - technical assistance to enable the developing countries to formulate and implement their own food strategies;
 - and greater involvement of rural development cooperation measures in the food strategies of the recipient countries;
9. Considers that it is very important, in this connection, for the Community to offer concrete supplementary technical assistance in the elaboration of food strategies, also in the context of the overall North-South negotiations;
10. Deplores the large differences and, above all, divergent objectives which still exist between Community, bilateral and multilateral aid and urges that coordination be improved as soon as possible;
11. Hopes that, with the help of the Technical Centre for Agricultural and Rural Cooperation set up under the Second Lomé Convention it will be possible to improve coordination and strengthen the exchange of experience, particularly in the field of agricultural research, in order to avoid duplication of expenditure, make the optimum use of financial resources for agricultural schemes and improve the quality of the projects;

12. Urges the Council to adapt the Community's food aid in future more closely to the food needs of the recipient countries, in the case of both regular food aid and emergency food aid, and also believes that it is necessary to conclude more 'triangular' transactions i.e. to purchase food in countries bordering on those for which the aid is intended;
13. Sees the creation of decentralized food security stocks as an effective way of guaranteeing food supplies in the developing countries and calls on the Council to make part of the Community's food aid available for the creation of security stocks of this kind; and stresses in this connection the need to provide the appropriate technical and financial assistance for the creation and management of such stocks;
14. At the same time considers that the Community should make the provision of a proportion of food aid for food stocks conditional on the efforts of the countries concerned to build up such stocks at national or regional level; also points out that this should open the way for the purchase of local foods in countries in the same area which produce surpluses;
15. Finally, approves the Commission's proposals as being conducive to a reform of the Community's food policy and its increased efficiency; in this connection again calls on the Council to adopt forthwith the regulation on the management of food aid submitted to it a long time ago.

EXPLANATORY STATEMENT

1. The Commission's proposals are not based on the usual criteria for the supply of cereals, skimmed milk powder and butteroil under EEC food aid arrangements, but provide for additional supplies of food products which developing countries have not hitherto received but which they urgently need to make up foodstuff deficits.

The proposals also contain a number of important guidelines which are not immediately apparent from the title, such as project-linked multiannual programmes centred on food aid, closer integration of food aid programmes with overall development policy, the planning of food strategies, and the constitution of food security stocks. These are all measures which the European Parliament has been advocating for years.

Since, owing to a conflict of opinion over the powers of the different Community institutions, the Council has still not reached a decision on the Commission's 1978 and 1979 proposals for improved management of food aid¹, which have been approved by Parliament², the Commission has submitted the present proposals in the hope that EEC food aid can at least be improved in the sectors specified.

2. It is a fact that the food situation in most Third World countries remains precarious. Despite certain advances in agricultural production in some developing countries, per capita food supply has scarcely improved over the past 10 years, although there has been continuous population growth. This is clearly demonstrated by the latest UN Food and Agricultural Organization (FAO) statistics, which indicate that overall food production in the developing countries in 1979 was 29% higher than at the beginning of the decade, but that food production per head of population had risen by only 5%. Developments in Africa over the last ten years have been especially disappointing. Although total food production rose there by 17%, there was a 9% decline in output per head of population; in some countries the decline was as high as 20% (Congo, Mauritania, Mozambique and Togo among others). What makes the situation in Africa particularly depressing is the 2:3 ratio of food production to population growth.

¹ COM(78) 204 final, 26 June 1978, and COM(79) 1 final, 11 January 1979

² Resolution of 14 November 1978, OJ No. C 296, 11 December 1978, pp. 16 ff, and Resolution of 16 March 1979, OJ No. C 93, 9 April 1979, pp. 75 ff

3. In view of the catastrophic food supply situation in many developing countries, EEC food aid must not only be maintained in the coming years but significantly increased. It is urgently necessary to bridge the basic food gap, i.e. the demand for food that cannot be expressed in terms of effective purchasing power. Parliament fully appreciates the Community's previous efforts, but has continued to call for higher quotas that would more accurately reflect the EEC's real economic strength. The Community could easily make a stronger impact, because it has had wide experience in this area since 1968, and is also a major producer of essential foodstuffs. In view of the fact that nearly 1,000 million people are on the verge of starvation or living at the very margin of survival, an increase in food aid has become a humanitarian imperative. Nor should it be forgotten that economic growth in the developing countries is doomed to failure if the population is undernourished.

4. But food aid must not become institutionalized. It should be considered as no more than a bridging operation or as a last resort in the event of famine, because negative side-effects are inevitable, including weakening of the recipient countries' own efforts, undesirable changes in eating habits, disruption of markets and of internal production. Many countries whose staples had been predominantly rice, domestic cereals or root vegetables have substantially changed their eating habits after becoming accustomed to years of food aid. The prospect of food aid has also led many developing countries, including those where food production is at its most precarious, to neglect the development of their own agriculture.

A striking example is Bangladesh, which is one of the poorest countries in the world and one where hunger is rampant. A study by the Swedish International Development Authority published towards the end of 1979 concluded that one of the basic reasons for the situation in Bangladesh was the generous supplies of food aid. Pumping in imported cereals had a negative effect on prices which in turn depressed domestic production. Food aid had left the Dacca government free to pursue its policy of neglecting agriculture and land reform, a policy which ultimately left it no choice but to rely increasingly on food imports. Another important consideration is that aid is often confined to the cities, and does not reach the real poor in the countryside, thereby causing further depopulation of rural areas and greater impoverishment. The same of course applies to many other developing countries, in particular India, where the bulk of imported food gets no further than the port towns.

5. The food situation in the developing countries can be improved only if the extremely complex problem of world hunger is dealt with in all its aspects. It is too often forgotten that even the best agricultural techniques will be useless if economic conditions, such as the absence of an effective market, make it unprofitable to apply them. Increased food production presupposes a stimulus to economic development as a whole, because most food shortages are due to insufficient purchasing power in the mass of the population. Without effective demand there can be no functioning market, and farmers will only produce for their own needs; no farmer will consider increasing his output in a developing country unless he can be sure of a market. This means that agriculture must progress beyond production for immediate needs to production for the market, because with 70-80% of the populations of developing countries living on the land, it is in the agricultural areas that the decisive employment and development policy efforts must be concentrated.

6. The difficult food-supply situation will be improved only if the industrial and developing countries cooperate closely on this problem and give it absolute priority. If a solution is to be found in the foreseeable future, a great deal of energy and capital will have to be invested in a long-term food and agricultural programme with the prime objective of making the Third World countries less dependent on the industrial countries for their food. Here, agreements and close cooperation, such as already exist to some extent in the industrial sector, between the petroleum exporting countries, the industrialized countries and the developing countries would be a major advantage. There has been much debate over the last few years, especially in United Nations bodies, about a new world economic order. Would it not be more relevant, having regard to the millions of starving people in the world, to start with an agreement on a new world food order?

7. The major effort to improve agriculture and raise food production must ultimately come from the Third World countries themselves. Although technical and financial aid from the industrialized countries will remain absolutely essential to the development of Third World agriculture for many years, it can only be considered as a stop-gap measure, not as a long-term solution. Although the World Food Conference could view an annual growth rate of 4% in food production as a realistic projection for the developing countries in 1974, we are a long way from achieving that target today. Many developing countries have neglected investment in their agriculture in favour of quick industrialization and, even more serious, have kept agricultural production prices artificially low in the interests of urban

consumers, so that farmers have absolutely no incentive to increase production. The most important reforms in agriculture will be to provide for a fairer distribution of land among those who work it, and to make credit and technical assistance available to poor peasant farmers on reasonable terms.

8. Consideration should also be given to whether it would be useful to make a major part of bilateral and multilateral aid dependent on the developing countries' own efforts in agriculture. In other words, the countries that increased their own efforts to improve their agricultural sectors significantly would be the ones that received the most aid. A supranational institution, such as the World Food Council established in 1974, could carry out the necessary monitoring function.

9. In the EEC, as in the industrialized countries of both East and West, a complete rethink is necessary in the area of food aid. Firstly, the Community must realize that although its agricultural surpluses can ease the situation in specific cases, they will not help to solve the basic problem of world hunger. Food aid must not be regarded as a mechanism for disposing of agricultural surpluses, as it often has been in the past, but must be granted purely and simply on the basis of humanitarian or development-policy requirements. Under no circumstances should it depend on the situation on the internal markets resulting from Community agricultural policy.

10. Given the enormous extent of the world food shortage, present Community food aid can be regarded only as a modest beginning. Prevailing concepts must be thoroughly reviewed and their defects (inadequate controls over implementation and the use of counterpart funds, incidents in transit, inadequate storage facilities and the need to speed up the entire procedure whereby food aid programmes are drawn up and implemented) must be ruthlessly exposed so that the effectiveness of aid programmes can be fundamentally improved.

Parliament continues to attach great importance to the improvement of controls over financial aid for food aid programmes, in particular for transport costs. This is a delicate political problem, but in view of the fact that delegates are present in all associated countries that are signatories to the Lomé Convention, it should be possible to improve existing procedures. Particularly important are controls in the non-associated countries, where there are no Commission delegates. Unfortunately, it is still not clear what control procedures the Commission is using. At all events, everything possible must be done to increase the transparency of transport costs. A fundamental improvement would be to implement the

Commission's proposals on the management of food aid, which are still pending before the Council, since they provide for all expenditure on food aid to be entered in Chapter 92 of the budget.

11. Community food aid policy will be effective only 'if the basic principles are laid down within the framework of a long-term development strategy and policy' as stated 2 years ago in the motion for a resolution accompanying the Aigner report¹. Or, as Mrs Focke put it, 'a determined effort must be made to remove defects, and to increase the efficiency of food aid by making it part and parcel of a development strategy to achieve greater security of food supplies, particularly for the poorest sectors of the population in the most deprived countries'². This long-term strategy must be allowed for in European internal policy-making, especially economic and financial policy. The Commission is therefore asked to organize its forward planning with this in mind, and to draw up appropriate proposals. In determining key areas of European development policy, absolute priority must go to the development of the agricultural regions, with the emphasis on the position of the small farmer. There is also a need for better coordination between Community aid and bilateral aid from the Member States in order to improve efficiency.

12. As the Commission states in its communication, its proposals are aimed among other things at integrating 'the regular programme more closely with the overall development activities of the beneficiary'³. But if food aid operations are to form part of development programmes, in particular those intended to stimulate agricultural production, the Community will have to change its previous method of authorizing food aid appropriations on an annual basis. Effective development projects relying on food aid will only be possible if the Community is prepared to agree to multiannual authorizations, something the Commission has been advocating since 1974, as has Parliament for some years. Only if this is done can food aid enable the recipient countries gradually to become independent in food supplies and

¹ Resolution of 20 January 1979, OJ No. C 36, 13 February 1978, p. 55 (Aigner Report, Doc. 492/77)

² Annex to the report by Mr Ferrero on the European Community's contribution to the campaign against hunger in the world, Doc. 1-341/80/Ann. I, 5 September 1980, Working Document by Mrs Focke on an effective food aid policy that takes into account the needs of hunger-stricken countries and peoples - emergency aid, p. 74

³ Doc. 1-364/80, 2 September 1980, p. 1

to develop self-sufficiency, by creating a direct link between aid and growth in domestic food production.

13. Unfortunately the Council has hitherto refused to agree to food deliveries spread over a number of years¹. This is totally incomprehensible, because it means that the decision-making body of the Community is preventing European food aid from contributing effectively to agricultural development in developing countries. From a technical point of view multiannual food aid authorization would present absolutely no budgetary problem. The solution would consist simply in entering commitment appropriations on the appropriate budget line and spreading the payment authorizations over a number of financial years.

14. It is also regrettable that the Council has still not adopted the Commission's proposals on the procedures for the management of food aid which have been approved by Parliament². These provisions would make it possible to expand food aid as a major element in Community development policy, and to combine it with specific agricultural development projects. The most important amendment to the Commission document is the recommendation that procedures for the regulation of food aid should be established on a combined legal basis under Articles 43 and 235 of the EEC Treaty. The main result of this amendment would be to relax the legal ties between food aid and available surpluses under the European agricultural policy. Parliament had approved amendments in the reports drawn up by Mr Lezzi designed to facilitate triangular transactions, comprising the purchase of food in third countries, and multiannual programmes.

15. Multiannual programming of EC food aid is the only way of helping developing countries to realise national food strategies as advocated by the World Food Council.

It is to be welcomed that various developing countries have already begun to work out food strategies at local, national and regional level to enable them to pursue a policy in the development of their agriculture and food production whereby they can attempt to overcome their own food shortages.

16. For this reason the conversion of Community food aid into more project and programme aid should be intensified and it should be much more strongly linked with national and regional food strategies, also in cooperation with

¹The only, and consequently frequently quoted example is the Community's Flood I and Flood II programme in India, which is progressing very successfully

² Lezzi reports, Docs. 414/78 and 669/78

international organizations. This would do away with many of the negative aspects of the system of food aid followed hitherto and above all make way for a more transparent and coherent planning of aid. Food aid supplies would make a greater contribution to the security of food supplies and compel both donor and recipient countries to give high priority to the security of food supplies as an objective of their development policies.

The Community is urged to give active support to the realisation of food strategies - a policy decided on at the 1979 World Conference on agricultural reform and rural development in Rome which has already been implemented by some developing countries. The Council and Commission must in particular contribute to appropriate financing on a continual basis, also in close cooperation with the Member States and international organizations, and the aid to non-associated countries should at the same time be increased without affecting the aid granted to the ACP countries.

It is also necessary to provide technical assistance to enable the developing countries to implement their food strategies and to enable cooperation on rural development to be incorporated into the food strategies of the recipient countries. At the same time the Community must, in the context of the overall North-South negotiations, in which food is a main theme, submit proposals for technical assistance for the elaboration of effective food strategies. What is missing at the moment more than anything are financial resources and feasible implementation strategies.

17. In most developing countries the food gap is so great that it can in the long term only be bridged by a permanent increase in local food production. Hence the pressing need for a more rapid increase in food production, for incentives for rural production, particularly in the least developed countries, and for the requisite financial and technical aid to be made available to the developing countries so that they can improve their level of self-reliance and the security of their food supplies. It is impossible here even to attempt to give an indication of the numerous plans, programmes, measures and strategies which the competent authorities in both the bilateral and multilateral spheres have for many years been putting forward - some of which have already been launched - to attain the above objective. Unfortunately there is still no overall plan or even any attempt to create one, and certainly no coordination of the measures already undertaken. Many different plans have been and are being worked out at national, international and Community level, the result being the waste of time and money which is urgently needed elsewhere.

18. The Commission and the Council should therefore take account of the results achieved within the framework of other institutions, in particular the FAO and the World Food Programme, as regards multiannual project aid and food-for-work projects. Lomé II provides for the creation of a Technical Centre for Agricultural and Rural Cooperation and it is to be

hoped that this institution will start work as soon as possible. The chief task of the Centre is to collect and evaluate the results of experience so far and to work out how projects which have already worked successfully elsewhere can be implemented in the ACP and non-associated countries.

19. The Commission rightly emphasizes in its proposal that food aid should take greater account of the real needs of the developing countries. The fact is that many goods have been supplied in the past which did not tally with the traditional patterns of consumption in many developing countries, above all in the tropics and subtropics. This applies not only to the Community but also to all the other aid organizations including even the World Food Programme. The supplying of unsuitable foods can have extremely negative effects in the recipient countries; strange food is often considered second-class and is correspondingly criticized, rejected, used as fodder or simply left to rot. On the other hand wheat (bread) may permanently change the eating habits of the people of the recipient country (particularly in the towns) who will then regard as second-class local cereals such as maize, millet or even rice. The latter are displaced on the town, and even country markets, to the detriment of local agriculture. In this way the recipient countries become more and more dependent on food aid or else they have to use valuable foreign currency to purchase wheat.

20. In supplying wheat, skimmed milk powder, butteroil and sugar, the Community has hitherto largely overlooked the needs of the developing countries. Furthermore, experience has shown that Community aid is not able to supply a number of commodities which are really needed. This applies to both emergency aid and the normal food aid programme. Although the possibility of supplying products other than the traditional foods is provided by budget item No. 9230 'Food aid in other products' (in 1979 this was the basis for the supply of pigmeat to Malta and of locally purchased produce to Nicaragua), this has been interpreted by a number of Member States as being clearly restricted to exceptional ad hoc operations.

21. The Committee on Development and Cooperation takes the view that this question is in urgent need of reconsideration, and that this could best be done in the first report on Community food aid to be drawn up by the Commission. The range of products supplied must be considerably broadened, taking into account the genuine needs of the recipient countries. As the Community does not itself possess many of the products there must be a considerable increase in triangular transactions, i.e. the Community must purchase greater amounts of food in the developing countries or regions which are adjacent to the countries for which the aid is intended. The specific food habits of the developing countries must be taken into account both in the normal food programme and in the emergency aid programme. The Community should therefore broaden the range of goods offered in future and, apart from the traditional products, also make available rice, legumes - particularly kidney beans - maize, children's foods, meat and fish, to make the food aid programme more flexible and more effective. The

Commission takes the view that above all sugar and vegetable oils should be incorporated in the supplies under the normal annual programmes. These are important products with a high calorie content which are urgently needed in most developing countries; but two additional products are not enough and all the above-mentioned products should be included in the supplies.

22. The creation of decentralized food reserve stocks is an effective way of ensuring good supplies in the developing countries. Many developing countries have no storage facilities, particularly in rural areas, and in the event of natural catastrophes or bad harvests are dependent on commercial food imports or auxiliary supplies. Some countries are not even in a position to store their normal annual harvest until the next harvest. The Community must therefore declare its readiness to make part of its food aid available for the building-up of stocks as a security reserve and also to assume responsibility for the corresponding financial and technical assistance for the creation and management of such food reserve stocks.

At the same time the Community should make the provision of food aid for reserve stocks conditional on efforts by the countries concerned to draw up a national or regional programme to ensure that stocks do not go bad. It must also be possible, when building up a reserve system, to promote the purchase of indigenous produce from countries which have surpluses in various foods which they are unable to use or to store themselves.

23. The Committee on Development and Cooperation expresses its support for an increase in Community food aid despite the many imponderables attached to this kind of aid, in contrast to other kinds of development aid, e.g. capital aid (these imponderables include illegal sales, deflection of supplies into the wrong channels, theft, spoilage, corruption, changes in eating habits, lack of incentive to increase production over subsistence needs, irregular or uncontrollable use of counterpart funds).

It therefore expressly approves the Commission's proposals since they are conducive to bringing about a reform of the Community's food aid and making it substantially more efficient. In this connection the Council must again be expressly called on to adopt at last the still pending regulation on the management of food aid since this will make it possible to solve the problems set out in this report more rapidly and in a more constructive way.

OPINION OF THE COMMITTEE ON BUDGETS

Letter from the chairman of the committee to Mr Michel C. PONIATOWSKI,
chairman of the Committee on Development and Cooperation

14 October 1980

Dear Mr Poniatoski,

At its meeting of 24/25 September 1980, the Committee on Budgets considered the above proposal.

The Commission had already submitted to the Council in 1978 proposals for the improvement of food aid policy and for the administration of food aid (COM(78) 204 fin. of 26 June 1978). Revised proposals followed in 1979 (COM(79) 1 fin. of 11 January 1979). Because of differences of opinion at the institutional level the Council has still not determined its position.

Last week the plenary Assembly held a debate, on the basis of a report by your committee, on measures against world hunger. In this connection Parliament put forward important proposals for food aid policy which are not contained in the above-mentioned proposal.

Although the committee warmly welcomes the intentions embodied in the proposal (including food aid from third countries and the organization of stocks in the recipient countries), the decision-making procedures and arrangements for making aid available will have to be reviewed within the institutions of the Community in order to avoid conflicts of responsibility and problems of coordination to which the FERRERO report drew attention.

We also wish to draw your attention to the fact that the Commission's extremely brief document contains no indications as to the financial implications of the proposal, particularly in respect of the financing of transport costs.

For these reasons our committee has found itself obliged to deliver a negative opinion. The Commission should withdraw the present proposal and present a complete review of the food aid system including the 1978 and 1979 proposals. This new text should also take account of the

views recently expressed by Parliament and review the machinery for granting aid in order to strengthen the powers of the Commission. Particular attention must also be given to running and retrospective budgetary control.

(sgd.) Erwin LANGE

Present: Mr Lange, chairman; Mr Notenboom and Mr Spinelli, vice-chairmen; Mr Adonnino, Mr Aigner, Mr Baillot, Mrs Boserup, Mr Forth, Mrs Hoff, Mr Howell, Mr Langes, Mr Motchane, Mr Newton Dunn, Mr Orlani, Mr Simonnet and Mr J.M. Taylor.

OPINION OF THE COMMITTEE ON AGRICULTURE

Draftsman: Mrs S. MARTIN

On 24 September 1980 the Committee on Agriculture appointed Mrs Martin draftsman. It considered the draft opinion at its meeting of 20, 21 and 22 October 1980 and adopted it by 17 votes with 3 abstentions.

Present: Sir Henry Plumb, chairman, Mr Früh, vice-chairman, Mrs S. Martin, draftsman, Mr Barbagli (deputizing for Mr Ligios), Miss Barbarella, Mr Dalsass, Mr Davern, Mr Delatte, Lord Douro (deputizing for Mr Curry), Mr Gautier, Mr Hord, Mr Josselin, (deputizing for Mrs Cresson), Mr Jürgens, Mr Kirk, Mr Lynge, Mr Maffre-Baugé, Mr Papapietro, (deputizing for Mr Vitale), Mr Provan, Mr Sutra, Mr Woltjer.

1. The proposal submitted for Parliament's consideration seeks to widen the range of measures available to the Community in regard to food aid by enabling it to supply applicant countries or organizations on a regular basis with products other than cereals, skimmed milk powder and butteroil. Two such examples would be sugar and vegetable oil, both of which are well known and widely consumed in the developing countries, of high nutritional value and available in sufficient quantities in the Community to ensure continuity of supply. With these products it would be possible to make good the calory deficiency which is the most serious nutritional danger currently facing the developing countries.

The present annual allocation of sugar is set aside for UNRWA refugees. An increased allocation would make it possible to meet the many requests received by the Community both from the developing countries themselves and from organizations supplying food aid.

The Commission also intends, within the framework of its butteroil programme, to study the possibility of supplying a product derived directly from milk or cream, known as MGLA (anhydrous milk fat).

2. Furthermore, the Commission would like the Community to be able to supply to developing countries products which are not available on the Community market but which make up their staple diet. Possible examples include certain leguminous plants, meat, fish etc. In 1979, for example, the Community supplied pig-meat to Malta and products purchased on the spot to Nicaragua.

However, these supplies should be established on a regular basis and should not represent only an ad hoc Community commitment in response to exceptional situations.

The Commission proposal seeks to provide the Community with the legal instruments required for such action.

3. While the Committee on Agriculture is aware of the importance of food aid to the developing countries and approves the Commission proposal, it wishes nevertheless to draw attention to the following principles:
 - (a) it is essential that the Community's financial contribution in the form of food aid should represent a multiannual commitment on its part so as to enable the developing countries to plan their economic development more effectively;
 - (b) food aid must, in addition to serving humanitarian purposes, form an integral part of a genuine strategy for the economic development and security of food supplies in the developing countries.

(c) it is essential to assist the developing countries to assume responsibility progressively for their food supplies and therefore to disseminate in these countries simple techniques which, while effective, do not challenge traditional social structures;

(d) lastly, it is essential to pursue a food aid policy which is independent of the Common Agricultural Policy; this means that food aid policy must not depend on the existence of agricultural surpluses and that, where necessary, the Community should purchase the food products traditionally consumed by the developing countries on the world market, as the Community should not impose on the developing countries a pattern of consumption which is alien to them.

4. Finally, the Committee on Agriculture deplores the fact that the Council has deleted the appropriations entered by the Commission under Article 9.2.3 'Food aid (other commodities)' of the 1981 preliminary draft budget, totalling 8.9 mEUA. It will support the Committee on Development and Cooperation in seeking to reinstate these appropriations.

