

# Sustainability: the impact of the Transatlantic trade agreement

The US and the countries of the EU have a long history of exchange of agricultural ideas, but a much less strong direct trade relationship.

However, a free trade agreement between the EU and the US is now rising on the political agenda, and this has implications for agrifood policy and trading.

EU countries are not America's major trade partners, and EU agrifood exports to the US are limited.

The EU (all 28 countries) is ranked 5th by US agrifood exports, behind China, Canada, Mexico and Japan, and 3rd ranked by imports (after Canada and Mexico). Individual markets like Germany or the UK are, of course, much smaller. EU countries do not figure in the top ten agricultural export destinations for major commodities in US Census Bureau data, apart from soybean sales to Germany (3% of total).

In recent years, the dialogue across the Atlantic has become more adversarial, as US-based corporations have backed technologies such as genetically-modified crops, and EU countries have rejected these.

All responsible agricultural and food companies are agreed that the global food market requires not only increased output, but sustainability. However, on examination, it appears that "sustainability" has a very different interpretation west of the Atlantic than it does to the east.



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## The shock of the Dust Bowl

US agriculture is huge, and very efficient, in the mass. But like most agricultural systems, crop production breaks down into smaller individual units.

While processors may be huge – Cargill, or Hilmar, or ADM – the supplying farms are still primarily family-owned businesses. Dairy farms are organized into co-operatives, as they are across most of Europe. Arable farms or beef ranches may be geographically much bigger, but many are dry-land agriculture where yield per hectare is low.

The operation of a large efficient system needs an efficient system to support it. The USDA, the EPA and associated bodies, which are tasked with looking after soil, water systems and maintaining agricultural societies, are large-scale, national, and enshrined in legislation.

The shock of the Dust-Bowl years still resonates across US agrifood planning. The impact on government as well as markets and farmers was profound, leading to a very different attitude to the adoption of agri-science, and the promotion of scientific method. US farmers recognize the need for government intervention and inspection at a micro-level, with real penalties for failure, such as the withdrawal of financial support (or even claw-backs). It's all about sustaining the system. People trust the science.

And a lot of America is rural. While the great cities tend to catch foreign attention, on the ground, population densities can be low. 19% of the population lives in the countryside and another 10% in small towns and villages. About 2 million people work on farms, as family or employees, or 1.4% of all workers.

Preserving and developing agriculture in the US is therefore not just a matter of making farms efficient. It's about sustaining societies. And that is where one definition of sustainability starts to conflict with European definitions.

## The shadow of war

The countries of Europe have different needs, different histories, and very different attitudes both to governments and to science. While there are many family farms in Europe, continuity of ownership,

overall, is probably less than the US: wars tend to do that, as well as the agricultural depressions of the 1930s.

Recent history has colored relationships with government: between sequestration, nationalization, invasion, and the Iron Curtain, farmers (and indeed, most people) are not prepared to give governments or their agencies the benefit of the doubt.

And today, few people actually work on the land – about 1.1% of workers in the UK (340,000), and 1.4% in Germany (609,000).

No country in Europe is self-sufficient in all crops, or expects to be so; they are trading nations, until we can grow oranges in Germany or olives in Sweden. In the last two centuries, outside wars, European countries have traded their way out of shortages. Regional crops may collapse but there are ways to feed the people.

But the other side of this is a realization that societies are getting further away from food production systems: a realization brought into sharp focus by European disasters such as foot-and-mouth disease, botulism, and above all, BSE.

## Science: sceptic or believer?

And this is one reason why attitudes to agri-science are different. In Europe, we hear a lot about the anti-evolution, fundamentalist streak in US society, and it is easy to assume that Americans must be against all science. But this is a society that sent men to the moon, is home to the biggest technology companies and leads the world in genomic research.

Europeans pride themselves on a tradition of dispassionate scientific study: but have also seen what happens when it goes wrong. BSE happened because a factor, which turned out to be very important, was not properly planned in. We trust the science but can be skeptical that the scientists asked the right questions, and are not tainted by a need to get the "right result" for a patron or financier.

Because of the pattern of urbanization in Europe, most people no longer depend on farming for employment, but farmland is highly visible to city-dwellers. Few Americans travel though the corn-fields of Iowa, fewer yet to the chicken-farms of Arkansas: commercial farming starts

## Food policy

immediately outside most major European cities.

So in Europe, “sustainability” is far more connected to maintaining an environment that can be seen, than productivity, which is already high. (The writer lives in London but is only 2 miles from large commercial farms).

There is also a tradition of “stewardship” which is especially strong in northern Europe.

Farmers are part of this, but not the whole. Some developing environmental problems such as desertification in southern Spain, or degradation of the lower Danube, will probably mean taking land out of farm production, for the longer-term good of the wider environment.

### Putting things in, or taking things out?

American farmers are encouraged to look to science for solutions, but this often seems to mean adding substances such as pesticides, hormones, antibiotics, or herbicides into farm systems, not only to solve problems but as productivity boosters.

The approach is “cure” and “improve,” leading to high-input farming. An example is the hormone BST, which is given to healthy cattle to artificially boost milk production.

European thinking is positive towards science, but negative towards adding things into systems before the systems themselves have been examined, to “managing” rather than “dosing.” The fact that many of the companies promoting additions such as genetic modification are foreign (American) does not help.

More inputs, whether “scientific” or not, are not seen as necessarily desirable, because of the unknown further down the line – the next BSE or antibiotic resistance. Organic farming is seen positively as doing away with unnecessary intervention, as well as moving to a lower input style.

So for American farmers, sustainability is deeply interlinked between increased output, efficient agricultural systems, and the future of local rural societies. In Europe, those linkages are not as strong.

### Farms and “wilderness”

Farming practice and attitudes are also colored by the wider aspect of land management.

Most US agricultural sustainability initiatives do not cover what Americans refer to as “wilderness.” The Bureau of Land Management, park and forest

services oversee federal lands, or about 28% of the US land area (much higher in western and mountain states, up to 75%). Some of this land is ranched under licence, for extensive cattle pasture, but is not farmed in a European sense.

Europe does not have much “wilderness.” Land is in private or community ownership (even “national parks”), and farmed or managed, from the Alps to the marshes of the Camargue.

As an example, in the UK, the so-called Crown Estate’s holdings, plus royal “duchies,” are high value (parts of central London) but only hold about 530,000 acres of farmland out of a total 45 million.

The biggest UK landholder is the state Forestry Commission, which owns 1.7 million acres, or 3% of the UK land area, mostly mountain or marginal.

The National Trust comes second, at 1.5% of England and Wales. Other landholders may be corporate (insurance companies etc.), farming companies or individuals, but are private.

In Europe, private land management covers a lot more than farmland. While maintenance of agricultural economies and societies is important, this is not necessarily a ruling factor.

### The US sustainability initiatives

US initiatives are overseen by the USDA and cover national trade associations for major crops such as cereals and soy, as well as the dairy industry.

This includes farming associations and major traders, buyers, processors and food manufacturers, as well as agrichemical groups.

Sustainability is defined very broadly from soil through water systems to crop management and yield comparators, as well as maintaining safe and economically rewarding local employment and social structures.

The regulators are also the paymasters: adherence to the rules is a key condition for receiving financial support and subsidy.

This is not a model that can be replicated in Europe. Although much legislation is drafted at EU level, its adoption and practice is always at national level, through national agricultural departments and farming associations. Large farming groups are still primarily national rather than Europe-wide: many large processors, although having activities across countries, have strong national identities and core activities in only a few.



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The weakness of the European system is obvious: getting anything done on a continental basis means getting 28 countries, not only their individual governments, but their trade associations, major processors and suppliers, to agree.

The introduction of Europe-wide agricultural production quotas, for example, was fraught, led to misapplying subsidy (as well as a high level of fraud) and is now being wound down.

There is also a strong consumer element because in Europe for over 30 years, organic has been seen as the “gold standard” for agricultural systems and output. Even if farmers and processors changed their minds, there would still be the consumer – and the retailer – to convince.

But there is a weakness to the US system as well, because when everyone has a voice, not all can be heard.

If the companies and organizations who are developing and selling high input systems, who are usually very large, are on the same body as their clients, who are usually rather smaller, it takes a brave client to break a consensus. Who would come forward to say “We were wrong?”

In the US view, this is the role of bodies such as the USDA and the EPA. If new science comes out then government bodies have a duty to put it into the system. But the USDA also has several constituencies; not only protecting farm output, but farmers, exporters and processors.

When what’s good for farm output, exporters and major American corporations may not be so good for consumers or the environment, whose job is it to say so? And who would listen?

### The US: a center for agricultural research

But the US is not only the home of some very big agrotech companies. It has

long experience of specialist areas such as dry-land agriculture and no-till farming, with relevance to the Mediterranean basin. It has also managed intensification of crop production, which has big implications for densely populated areas like many countries in Europe.

Because the US, as a continent, covers most types of climate and soil, from arctic to desert to sub-tropical, agricultural research by government and universities covers nearly every major crop grown or traded across the world.

So the US has a great deal to exchange with Europe on the scientific level as well as best practice, new approaches and the development of new crops.

### Agreeing to talks about talks

Sustainability means a lot of different things. Even within official initiatives, it can mean programs that conflict in action. Broad definitions lead to potential abuses with offsetting.

Take a horticultural initiative. It extracts too much water, according to the water management body, but is permitted because it helps create a local industry employing a lot of people and bringing wealth to a town.

It's a short-term decision with long term implications.

"Sustainability" of jobs has outweighed "sustainability" of farming in the area for the future. Most would agree that, however it is presented, this is not actually a "sustainable" answer.

But "sustainability" has also been hijacked by green politics in both Europe and the US, sometimes to the point of seeming to want to get rid of modern farming as a system altogether.

This narrow "sustainability" cannot be fitted within the need for an efficient food production system for populations which exist now and will do in the future.

If a free trade agreement is to be signed between the EU and the US,

then someone is going to have to pin down what "sustainable" means. At the moment, the suspicion is that it means whatever the commissioner of the report wants it to mean.

Disentangling the individual elements will be key, so that it is clear whether, using the example above, jobs always mean more – or less – than a 20 year water supply scenario, or indeed whether water, jobs and economic development have any business being put into a single equation (let alone whether the crops are organic).

Sustainability, above all, means making choices, some of which are hard. But if we can't even agree on what the choices are and why we need to make them, then it is going to be very difficult indeed to agree on anything other than the date and location of the meeting. ■

By Heather Johnston

## TTIP agreement raises food safety and labeling concerns in EU

The Transatlantic Trade and Investment Partnership (TTIP) agreement between the US and the EU is coming to the closing stages of negotiations, but it has left many in the food industry around Europe worried. Concerns about food safety, imports of incorrectly labeled GMOs, and threats to protected food terms are all high on the agenda with opponents.

After two years of talks, what could be the biggest trade deal of all time, between the world's biggest trade partners, will not just reduce tariffs, but also aims to remove regulatory barriers so that companies can do business more easily.

For European food manufacturing and the wider food market, opponents are worried that the deal will lead to a mass US influx of food that is below EU standards, and safety, causing potential harm to animals and the general public.

An analysis of what is being dubbed the Trojan Treaty by many was carried out by Friends of the Earth Europe, Institute for Agriculture and Trade Policy, Compassion in World Farming, Center for Food Safety and GRAIN. Their analysis indicates that the trade deal (TTIP) will threaten public health, consumer rights and animal welfare standards. They raise concerns that trade interests will be put before food safety in TTIP.

Analysis of the draft published by the EU raises a number of concerns about the impact on food safety and animal welfare. These include: the priority given to maximizing trade, the shift of power from national governments to a new trade committee, the threat to the ability of local authorities to set higher standards, the risk of minimal health and safety checks for novel foods (including GMOs, cloned animals, and nano materials), non-binding provisions for animal welfare, and the required adoption of international food standards established through the World Trade Organization (WTO).

Decisions on food safety would be shifted to this a trade committee and away from national and European decision-makers, while also reducing countries' rights to inspect food and agricultural imports at the port of entry – a key measure used to safeguard public health.

"People in many states are rebuilding their food systems from the ground up. The proposals in the SPS chapter could create new obstacles to cut that process short," Karen Hansen-Kuhn, Director of Internal Strategies at the Institute for Agriculture and Trade Policy, explained.

Another big concern has been the possibility of genetically modified crops on the menu in Europe. In January European Agriculture Commissioner Phil Hogan sought to dispel fears over GMO labeling on products entering the EU. He said that he would remain firm on consumer protection in regards GMO labeling.

Regardless, concerns over the risk of consuming genetically modified products remain high. Critics see a further trade agreement with Canada (CETA) as a threat to the GMO ban.

The Bundestag's Green Party faction voiced its concerns in an assessment of CETA entitled "Free trade – gateway for agricultural genetic engineering." The study analyzes the possible consequences of TTIP based on the CETA text.

It concludes that with TTIP: "EU standards for the protection of GMO-free agriculture, such as measures against contamination and maintaining clean seed, will be lowered in the medium-term." The author also predicts changes in the approval procedure for imported products.

Hogan also sought to reassure consumers on the purpose of designated regional status for many European food product, such as Melton Mowbray Pork Pies or Roquefort cheese. He said that all the regional designations would remain and that TTIP does not pose a threat to any of the products.

"Our system of protected regional indications will not change," Hogan explained. TTIP is not a threat, the Commissioner said, but rather an opportunity for producers of regional specialities.

