

Germany utilises BSE crisis to implement EU plans to restructure agriculture

Jörg Victor, Dietmar Henning
31 January 2001

With no let-up in the news of new BSE cases in Germany, the government is using the present indignation and disconcert in the population in order to implement a radical change in agricultural policy. The routine invocation of “consumer interests” is only the welcome cover for this project.

When Chancellor Gerhard Schröder (Social Democratic Party—SPD) boasts about his own common sense agricultural policy being rooted in the soil, and which should be thought of proceeding “from the shop counter”; and when he announces the end of large-scale farms in favour of small-scale agricultural production—to protect the consumer—then caution is required. When in the last two years has the SPD-Green coalition government ever placed the interests of industry, i.e., of large-scale enterprises, below those of the broad mass of the population?

In agricultural policy as in all other questions, an enormous gulf exists between the German government's words and deeds. Firstly, a more careful investigation of the facts disproves the government's campaign to lay blame exclusively at the feet of “harmful” large-scale farms (Schröder: “the promotion of family-run farms is in any case correct.”). So far in Germany, it is above all such smaller family-run farms that have suffered from BSE, and only recently has it beset one of the large-scale agricultural enterprises.

“BSE also occurs in ecologically-bred cattle, because the infective agent is not interested in the agricultural philosophy of the farmer,” says Udo Pollmer, scientific director of the European Institute for Food and Food Sciences in an interview with *Der Spiegel* magazine. Whether it is exemplary farms in Lower Saxony, which have never used animal-based feeds or even Swiss “eco-farms”, which supplied their cattle with self-cultivated plant fodder, the farms that have so far been affected are precisely the ones that the new agricultural policy is apparently aimed at creating.

Besides, a closer look at the changes announced in agriculture shows that, contrary to government

communiqués, they will continue to strengthen large agribusiness. In March 1999 the European Union (EU) agreed *Agenda 2000*, which is now being presented as a decision to reverse agricultural policy along ecological lines, and which therefore has “finally” to be implemented. *Agenda 2000* envisages, among other things, the uncoupling of all production-based subsidies (i.e., those purely based on quantity) making them dependent instead upon environmental and quality standards. That is also the threadbare justification used in the present campaign in favour of “eco-farming”.

According to the criteria of “species-appropriate” and “land-related” animal husbandry, aimed at both in *Agenda 2000* and advocated in a recent seven-point program from the Health and Agriculture ministries, cattle may only be given plant-based feeds, which must largely come from their own farm. This would require pastureland of one hectare per cattle; a ratio that cannot be found on any average family farm, let alone the large-scale enterprises that engage in mass animal husbandry. In contrast to such large-scale operations, the land purchases required for farms that want to continue receiving subsidies cannot be afforded by small family concerns. Also the changes to the stalls in keeping with species-appropriate methods can cost even a small to medium sized operation up to \$189,000. The effect of these two modifications alone would mean further “farm deaths” and strengthen the industrialisation of agriculture.

The number of farms in Germany has already dropped from over 1 million in 1970 to 429,000 today. At the same time, the average farm size of 11.7 hectares in 1970 has risen to 29 hectares in western Germany, and 201 hectares in the old East Germany (where large-scale cooperative farms were the rule). According to the government's *Agrarian Report 2000*, between 1998 and 1999 the number of farms sank by 5 percent. In the last 30 years the number of people employed in agriculture has halved from 2.7 to 1.43 million in 1999.

Despite enormous subsidies provided by the EU, the incomes of small farms sank continuously (for example, the

average profit of a farm in North Rhine Westphalia sank from \$576 per hectare in 1995/96 to \$377 per hectare in 1998/99). This will hardly change given the sharp reductions in subsidies foreseen by *Agenda 2000*.

In drawing up *Agenda 2000* about one year ago, the EU governments had certainly not decided upon a program to combat the BSE crisis, which was handled at that time as a “purely British” problem, nor had they decided to turn to eco-farming based on small family farms. Rather the conflict-prone negotiations surrounding *Agenda 2000* were firstly concerned with preparing the European agrarian sector for the extension of the EU to the East. The addition of large-scale agrarian producers like Hungary, Poland and the Czech republic meant previous subsidy practices would have exploded. For Germany alone, carrying on with the old regulations would have meant an additional burden of over \$6.6 billion annually.

Secondly, it also concerned improving the room for manoeuvre in negotiations with the World Trade Organization (WTO). The EU had already promised the WTO it would end its present subsidy practices by 2003 at the latest. The realisation of *Agenda 2000* would enable the EU to adopt “an offensive negotiation strategy”, as it was described a year ago. The EU's subsidy practices had been attacked by other food and animal feed manufacturers, above all in the United States, because the European Union, by giving its farmers highly subsidised goods, provided them with an “illegal” advantage against their competitors on the world market.

The aim was to find a way out of Europe's confused and historically derived agricultural situation. Significantly, the reconstruction of European agriculture after the Second World War had lasted longer than that of industry, with the result that the economically backward agricultural methods of small family farms could gain a foothold again. In 1960, some 20 percent of all employed persons in the European Economic Community (EEC—the forerunner of the EU) worked in agriculture. At the same time, however, more intensive industrial production methods were being introduced into European agriculture. In addition, world prices for agricultural products sank, particularly due to an enormous rise in agrarian exports from the US. Most European governments reacted to this development—production above national requirements, falling world prices and a fifth of all persons employed in agriculture—with price and import controls, as well as by introducing subsidies for farmers. This led to the awful pictures of the meat and butter “mountains” and the wine and milk “lakes”, which had to be destroyed because they were too “expensive” for the world market, while hunger daily claimed thousands world-wide.

Under these conditions of protectionism, Europe rose to become the world's largest agrarian exporter, leading to sharp conflicts within the EU and with the international competition, in particular with the US. From the mid 1980s, it was this intra-European and international competition that led the agrarian industry to increasingly rely on so-called mixed fodder (blends of vegetable and animal meals), and so unleash the BSE epidemic among cattle and humans. In Germany alone, the production of meat and bone meal in 1999 amounted to 670,000 tons. The same year, the production of mixed feeds from 526 manufacturers (in Germany alone) rose to 19 million tons.

Like all other branches of industry, agriculture is a global system, and accordingly faces the same pressures from the world markets to diminish all restrictions and subsidies. However, agricultural subsidies form the basis of existence for the majority of European farmers. Their reduction will cause a social catastrophe, in particular in the poorer EU countries.

The recently resigned German Secretary of Agriculture, Karl-Heinz Funke (SPD), himself a farmer, shrank from introducing *Agenda 2000* too quickly, not least due to the effects on farmers. This is now to be pushed through by Renate Kuenast, the Green minister who has replaced him, who is not known to have any links with agriculture. Moreover, the Greens still enjoy a reputation as an “ecological party,” and this will be used to present the changes in agriculture as being in the interest of the small “eco-farmers” and the consumer.

The eco-farmers may now be rejoicing at the prospect of the millions of euros to be spent implementing *Agenda 2000*, but their faith in such government propaganda will not protect them from being displaced by agribusiness, just as it is happening to conventional small farms at present.

Consumer protection by ecologically-based agriculture and animal husbandry is not synonymous with economically backward small-scale farming as in pre-war times. It is not the technological and scientific developments in agriculture that are responsible for the recurrent food and environmental scandals, which cost innumerable human lives, but their use exclusively to maximise profits.



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