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HEADLINE: EU farm subsidies under scrutiny at decisive moment

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BODY:

Revelations about the biggest beneficiaries of Europe's Common Agricultural Policy, the system of financial support for farmers in the 25-member EU, are making it increasingly difficult to defend the controversial policy during tense WTO negotiations on agricultural reform.

"These revelations come precisely at the moment when agriculture is a victim of attacks in the WTO by the United States and the most liberal countries like Great Britain," the deputy secretary general of French agricultural trade union FNSEA, Jean-Bernard Bayard, told AFP.

While the European Union is under heavy pressure from its main trading partners to agree to reductions in agricultural subsidies and import tariffs, France has vowed to protect the integrity of the Common Agricultural Policy (CAP), which affords protection to its farmers.

Lists of the main recipients of EU subsidies have been published in Britain, Finland, Denmark, Sweden and three provinces of Spain, according to a researcher at the institute of political studies (IEP) in Paris, Pierre Boulanger.

Figures in Britain showed that Queen Elizabeth II was one of the principal beneficiaries through her ownership of numerous vast country estates and Boulanger has calculated that the system is skewed dramatically in favour of large farming operations in France.

Revealing who gets how much from the CAP could prove embarrassing to EU authorities, as the information could reveal that the biggest beneficiaries are large operations rather than family farms.

France, which received 9.418 billion euros (11.298 billion dollars) in 2004, is the top recipient of EU agricultural subsidies, consuming 22.1 percent of the total farm budget last year, according to the French agricultural ministry.

Boulanger estimates that the 2,530 biggest operators -- accounting for less than one percent of French farms -- receive more subsidies than the 182,270 smallest farms, which represent about 40 percent of the total.

But he said he been unable to access official data on the distribution of EU money to farmers in France because French officials had not answered his requests.

For Bayard of the farmers' trade union FNSEA, revelations of the figures run contrary to the interests of the EU and play into the hands of the United States, which is trying to force concessions from the EU during the WTO negotiations.

"These leaks help the US which is the giver of lessons (to the EU) even though at home transparency in agricultural subsidies does not exist," said Bayard.

World Trade Organization negotiators are struggling to find consensus ahead of a meeting in Hong Kong in December where they hope to approve the broad outlines of a multilateral trade liberalization accord that would take effect in 2006.

The WTO talks were launched in the Qatari capital Doha in late 2001 but have foundered ever since, notably on measures to reduce agricultural subsidies and import tariffs.