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**HEADLINE:** EUROPE: 58 WEALTHY FARMERS SCOOP UP MILLIONS IN FARM SUBSIDIES

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**BODY:**

Prince Albert, the monarch of Monaco, is not what you would call a farmer in need. But like Queen Elizabeth of Britain, he is among the elite farmers who benefit from billions of dollars in European agricultural subsidies.

The royalty of Monaco, a small principality on the Mediterranean Sea, received more than \$ 300,000 last year in subsidies from the European Union to support cereal production on his land in northern France.

Others get far higher subsidies. But the prince was on a list of 58 French farmers benefiting from the Common Agricultural Policy (CAP) released by the World Economy Group (GEM, after its French name), a research center at the Institute for Political Studies in Paris.

These 58 farmers receive more than \$ 27 million a year in subsidies, the GEM report says. The subsidies range from \$ 100,000 to more than \$ 2 million a year.

Despite several "reforms" of CAP, French farmers continue to receive about a fifth of more than \$ 52 billion in subsidies the EU pays out every year. These subsidies add up to about a quarter of the total EU budget.

The British aid agency Oxfam says 15 percent of French farming companies take 60 percent of the EU subsidies, while the smaller French farmers receive only 17 percent.

The EU, and particularly the French government, defends such subsidies as necessary and fair.

European subsidies for agriculture are "state contributions to countryside and nature management, biodiversity, rural amenities, and rural community well-being, among other things," former agriculture commissioner Hans Fischler told IPS earlier. But it is not clear how these wealthy farmers are promoting those goals.

"Only in 2003, the EU paid more than \$ 177 million in subsidies to support agricultural irrigation," GEM researcher Pierre Boulanger told IPS. "This subsidy does not favor the preservation of water, an essential resource."

The Prince of Monaco is in good royal company. Britain's Queen Elizabeth was given more than \$ 700,000 in subsidies in 2004. Government officials are not far behind royalty. European commissioner for agriculture Mariann Fischel Boel from Denmark himself appears as one of the largest beneficiaries. In the Netherlands, minister for agriculture Cees Veerman received \$ 180,000 in subsidies last year.

European agricultural subsidies have been at the center of a heated dispute for years, both within Europe and within the larger framework of the World Trade

Organization and the Doha development round to negotiate a new world trade agreement.

Developing countries, especially India, Brazil and China, have repeatedly condemned the European and U.S. subsidies to agriculture as hidden trade barriers.

Brazil has threatened that it will not open its markets to European industrial goods such as cars and electronic devices as long as the EU continues to subsidize its farmers.

The main objective of the Doha Round on agriculture and non-agricultural market access is to agree how much to reduce farm subsidies and tariffs on thousands of products. Also on the agenda are negotiations on services and a number of development issues.

With trade ministers due to meet in Hong Kong next month to work out a deal, France is under particular pressure to accept substantial cuts in subsidies.

The French government has so far kept the list of leading beneficiaries secret, based on a law on the protection of individual data. The name of Prince Albert of Monaco was released only because he agreed to reveal his revenues from subsidies.

Siim Kallas, vice president of the European Commission (the EU executive) responsible for administrative affairs and audit, has threatened to disclose the French list, arguing that transparency in the management of European affairs is essential to restore citizens' confidence in European institutions.

But France has rejected this call. "I support transparency, but if we speak of transparency in agriculture, we must extend it to the whole of European affairs," agriculture minister Dominique Bussereau told reporters.

The French government is also involved in a disagreement with European trade commissioner Peter Mandelson. Mandelson has offered a 70 percent cut in European subsidies and the halving of the present European tariffs on import of agricultural goods from 22.8 percent to 12.2 percent.

France rejected this offer, and French officials warned Mandelson that he was exceeding his mandate in negotiations. Bussereau has threatened a veto in the Hong Kong negotiations if necessary. "We will be firm up to the end," he said.

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