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Germany

Agricultural Situation

New German Minister for Consumer Protection, Food and Agriculture Speaks at Green Week Opening

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Report Highlights:

Renate Kuenast, who was named Germany's new Minister for Consumer Protection, Food and Agriculture on January 10, 2001 to replace Karl-Heinz Funke, Minister of Food, Agriculture and Forests gave her much-anticipated keynote address at the opening of Berlin's annual Green Week Fair on January 18, 2001.

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Renate Kuenast, who was named Germany's new Minister for Consumer Protection, Food and Agriculture on January 10 to replace Karl-Heinz Funke, Minister of Food, Agriculture and Forests (the ministry received its new title the same day) gave her much-anticipated keynote address at the opening of Berlin's annual Green Week Fair on January 18. Kuenast extended an offer to work with Germany's Farmers Union and food processing industry to make a fresh start together in the face of the BSE crisis. She emphatically stressed the need to restore confidence in the safety of the food supply and to ensure that meat, and beef, in particular, regain its value, which has plummeted in recent weeks. Kuenast wanted to make it clear that she was not taking office in opposition to anybody or anything.

Kuenast told the audience that she would develop preventive and proactive measures to fend off future animal epidemics. This would protect consumers - her first priority - and farm income alike. Measures would include many action items contained in the Farmers Association paper issued a week earlier, such as a transparent listing of feed ingredients on the packaging; publication of a positive list of feed ingredients permitted; close monitoring of feed production regulations and a tightened sanctions scheme for offenders; the unlimited ban of meat and bonemeal (MBM) use in feeds EU-wide; improved BSE tests; expansion of testing to include younger animals; implementation of a national scrapie monitoring scheme; a permanent ban on the processing and use in food production of mechanically separated meat; and destruction of MBM stocks as well as stocks of compound feeds containing MBM. (The Farmers Association paper went even further, calling for a general ban on the use of antibiotics as growth promoters, and a continued ban on the use of hormones in cattle and dairy production.) Kuenast called for all the parties to work together, including the various German states, the Farmers Union, and the EU Commission. Her words came as somewhat of a palliative after the Chancellor's harsh language days before, when he announced that the Farmers Association would no longer have a leading role in setting ag policy.

Kuenast was also frank in expressing her concerns about the current approach of destroying entire herds when a single case of BSE is found on a farm. Based on current knowledge, she had decided that inevitably, this approach must be continued in order to avoid risk of the disease spreading. Another slaughter-related issue had to do with the fate of the 400,000 head of cattle over 30 months of age in Germany - and two million in the EU. In order to stabilize the market, she was leaning towards mass slaughter and incineration, but had not decided yet. She was emphatic in her conviction that meat from these animals should not be exported, or dumped, onto third-country markets. Kuenast said "we cannot let other people eat those things which we ourselves do not want." But two days after her speech, Kuenast said on television that she still had to consult with the experts on this issue. It is obvious to everyone that, while she is a complete newcomer to agriculture, Kuenast will be a fast learner.

In her remarks, Kuenast also called for organic farming to increase its share of German food production over the next ten years from the current 2-3 percent to 20 percent. This was greeted with loud groans from many and is clearly widely regarded as unrealistic by the farming community. **Begin comment.** Many believe that the BSE crisis has more to do with a lack of state government standards and controls on the feed sector than with the issue of conventional versus organic farming. It has been pointed out, for example, that there is no evidence that meat produced on large farms and in large factories is any less safe than meat from small operations;

in fact it could be argued that it is even safer. Also, it is completely unknown whether German consumers would be willing to spend considerably more for organic beef and other organic products in the long run. It is also not clear, of course, who would pay for the initial costs of setting up organic operations, or whether the majority of future organic operators could stay in business in the face of greatly increased competition. **End comment.**

Apart from BSE, Kuenast gave some indications about a new approach to making ag policy. Policies, she said, should be the product of prudent foresight and not simply consist of systems for problem solving after the fact. Kuenast said that she intended to make greater use of options provided for in Agenda 2000, in order to develop programs which would help integrate agriculture into the rest of the economy. Regional development funds, for example, can be accessed under the same authority as funds for direct farm supports, but member states have not made full use of them (comment: a point EU Ag Commissioner Fischler has also made - end comment.). Kuenast's policy would "take better account of the interests of rural development, the environment, nature conservation and animal welfare and would become a consumer-oriented agricultural policy." She said that the whole system should start from the retail food counter and from there work back to the agricultural enterprise. Kuenast also called for more cooperation with the European Commission, which in her opinion has been less than optimal in recent months.

Ag Commissioner Fischler also spoke at the Green Week opening and likewise extended a cooperative hand. He welcomed Kuenast's consumer-oriented agricultural policy as very well echoing his own understanding of things should work. Farmers should be producing for the market, and not for government stocks. But he warned that consumers must be prepared to pay a fair price for high quality foods. Fischler also urged the audience not to give up on supporting agriculture, and not to make the mistake of letting it be characterized as just another industry like any other. In addition he took the opportunity to criticize the blind application of modern technology in farming; we should not take up every new thing just because it is feasible.

Fischler got in his by now traditional dig at the U.S., claiming that U.S. farm payments are much higher than those in Europe, when calculated on a per farm basis. At the end of the Uruguay Round, he said, U.S. farmers received much less public support than European farmers, but recently EU payments have remained stable, while in the U.S. they have shot way up. Last year, he claimed, American farms received almost three times as many direct payments as their European counterparts. He did not therefore see any reason "why we should always have to be lectured to on how to run agricultural policy properly."

Comment. The audience followed Kuenast's presentation with great interest, not least because she is the first Green Party member, the first female, and the first non-farmer to take on the job of leading the ministry, which will now see its responsibilities significantly increased. Media reaction was generally quite positive, as was the reaction of the ag community, at least according to informal post polls. Kuenast comes without any "Stallgeruch" or scent of the barn about her. She has had no close affiliation to the farming sector or its representatives. She has the chance to start from scratch by reorganizing her new ministry and targeting her policies at the consumer. It is important to remember that there are only about 500,000 farmers in Germany, but nearly 82 million consumers. And whereas about two-thirds of farmers traditionally vote for conservative

parties, the majority of consumers voted for the ruling Red-Green coalition. End comment.