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**Food Security and Agricultural Strategies:
What Room for Multilateral Governance?
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Very often, Europe and US are identified as having respectively protective and more liberal agricultural policies. Such definitions can not be confirmed by facts.

First of all, the agricultural models of these two countries are very different. The size of the US farm is almost 170 hectares against the 13 in the EU-27.

The US agricultural sector is more oriented towards cereals, oilseeds and poultry production while the EU sector is more oriented towards wine, fruits and vegetables, milk and pork production.

In terms of market, the EU remains, on the international level, a large exporter of wine, spirits, and some other processed products like cheese, but it tends to lose market shares when it comes to other products. By contrast, the United States is still a major actor in the world commodity markets.

Besides, there is a big difference in the number of farmers: European Union farmers are more than 10 millions, almost four time of US farmers which are 2,7 millions.

Not least the difference in the overall population: a bit more than 300 million citizens in US, and almost 500 in the European Union.

Such brief but fundamental data show how different the agricultural models are. Us is based on large-scale productions and on commodities, the Ue model is composed mainly by small-scale structures and labour-intensive.

Secondly, a deeper analysis of the public policies addressing these two models provides more elements which challenge the traditional protectionist-against-liberist view.

The first thing I want to highlight here is that the CAP has come a long way in the last years, undergoing processes of modification and moving away from the original structure. Decoupled direct aids together with the issue of rural development are now the most part of the CAP budget, while the expense of the distortion support is diminishing.

This approach not only has made the European intervention towards international trade rules more sustainable, but has contributed to the creation of an environmental friendly agri-food system that has the highest standards in terms of quality, food safety and animal welfare.

On the other hand, the "Farm Bill", now "Food Conservation and Energy Act (FCEA)", has practically stayed unchanged in the years, and the distortion measures are still a big spending in the agricultural budget. In fact, the FCEA does not fundamentally modify the previous farm legislation, maintaining many of the existing measures.

Several of the US farm instruments go back to the early farm policies that were implemented during the 1930s depression, when a large percentage of the US population was still involved in the agricultural sector and had particularly low income.

After a period of reforms which led to the decoupling of the aids also in the USA, the former 2002 farm bill already reinforced the "safety net" for farm incomes giving a three-tier:

1. direct payments
2. countercyclical payments
3. marketing loans

This system of support is resumed with some amendments in the Food, Conservation and Energy Act of 2008.

Subsidies to farmers are likely to be higher than in the past even though the level of future farm support is difficult to assess. Because it will depend on prices and yields.

Since 1992, the EU has moved towards decoupled, fixed payments, in the same time the United States have moved away from the decoupling idea. And I can say that the price linkage of countercyclical payments introduced after the FAIR act contradicts the decoupling idea.

Looking in more detail at the US agricultural policies we can see that:

- Unlike the recent CAP reforms, in the US agricultural policy, we can see a rise in some institutional prices and milk payments. And there are additional coupled payments. as part of the new support schemes.
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- Unlike the 2003 CAP reform, US Congress has paid little attention to WTO negotiations. Also the reform on the export credit and new revenue insurance program (ACRE) does not meet green box criteria.
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- Existing levels of support (loan rates, direct payments, countercyclical payments) are still working, while the EU has consolidated most support in a Single Farm Payment.
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- US policy focuses more on safety nets, insurance and countercyclical payments, while the EU overcome income fluctuations with fixed predetermined payments.

The United States agricultural policy has a structure that still ties the greater part of the support to the market (significant is the case of countercyclical payments).

Besides, it is important not to forget that most of the Food and Conservation and Energy Act budget is destined to social programs (food stamps). About 189 billion dollars go in support of the cost of food stamps and commodity assistance (the so-called "social" part of the Food and Conservation and Energy Act), whereas in Europe only few hundred million Euros are allocated to food aid programs (most deprived person aid) (about 500 million euro).

The portion that is destined to Nutrition Assistance, together with the countercyclical payments, constitute the variable part of the US agricultural policy budget. Such portion can have a great weight in moments of crisis such as this. The expenditure has increased a lot last years, exceeding 100 billion dollars, when Europe's expenditure for the same year is lower, 82 billions (53 billion euros), but with a number of farmers four times as high as in the USA.

To give a benchmark, we can say that the USA spend an average of the 0,6% of their GDP on agriculture, while the EU the 0,4%.

What I said before is not a negative judgement on the US agricultural policy. I believe, on the contrary, that Europe could introduce some of the US tools, mainly those concerning risks management.

Indeed, I strongly believe that in the future agricultural policy we need new tools to overcome the market instability of course under the WTO rules.