



Position on the Carbon Border Adjustment Mechanism

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CDG on Arable Crops

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copa***cogeca**
european farmers european agri-cooperatives

The EU trade policy lacks consistency in the arable sector

- * EU agriculture are among the most efficient and advanced in the world in terms on commitment to the climate and the environment.
- * **Still the production of food remains in the center.**
- * From the EU farming side, it is crucial to have consistency within the agri-food value chain and keep in mind that trade policy are not consistent in the arable crops:
 - * N fertilizers are the most important input in crop production: high prices do to customs + antidumping
 - * Today 1,6 B€/year cost paid by EU farmers.
 - * EU market is open in cereals, oilseeds & protein crops: double penalty
 - * EU interest (economy, external trade, food sovereignty): farm inputs at global prices, rather than going back to grain import barriers
- * The consistency issue is set to worsen in the future
 - * Production standards more stringent in EU agriculture, notably environment
→ rising costs
 - * The EU Green deal (F2F/Biodiversity) will generate higher agri. costs and further distortions
 - * Implementing a CBAM is both an opportunity and a threat



Carbon Border Adjustment Mechanism: Copa-Cogeca position

- * **In principle**, Copa Cogeca supports the idea of setting up CBAM for agricultural products, **provided that certain conditions are met:**
- * CBAM could work as a measure to prevent carbon leakage, if it is in line with EU tariff system and agricultural expectations.
- * It can help prevent a disruption of competition this would require access to latest technologies.
- * Carbon leakage must be successfully prevented without adding excessive bureaucratic burden of carbon accounting and while acknowledging that agriculture must be granted free baseline emissions that cannot be prevented as we are dealing with natural processes.
- * CBAM should be designed so that it is compatible with WTO rules, thus ensuring that EU agriculture is not target of retaliation.
- * Applying a CBAM on iron and steel products will lead to an increase of cost of production, through equipment and machinery.



Carbon Border Adjustment Mechanism: concluding

- * That the commission recognizes that the ETS system, even if revised, will not be sufficient to prevent possible dumping from countries that do not have our climate ambitions.
- * With the implementation on F2F strategy, to ensure fair competition will become a growing concern for the agricultural sector.
- * We support the idea of setting up a CBAM for ag. products, the commission decided to exclude agriculture but at the same time include the fertilizer sector → it should be rectified by excluding the fertilizer sector or develop a tool to prevent carbon leakage in agriculture.
- * If not, measures must be implemented to minimize carbon leakage on agriculture through → adequate transition period, targeted support measures for farmers to increase their nitrogen use efficiency, etc..



A man with a beard, wearing a striped shirt and blue shorts, is smiling while riding a large water buffalo. The buffalo is standing in a dry, grassy field with some trees in the background. The sky is a clear, warm orange-brown color. A semi-transparent orange banner is overlaid across the middle of the image.

Thank you for your attention !

Max Schuman



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