

DRAFT MINUTES CDG INTERNATIONAL ASPECTS OF AGRICULTURE

Mrs. M. Pariat, Deputy Director General for A & B of DG AGRI welcomed the participants and opened the meeting.

1. Approval of the agenda (Ms. M. Pariat)

Commission proposed a draft agenda including points suggested from members of the group. ECVI asked to add the subject of family farming and a point on FAO activities under A.O.B. Amended draft agenda was adopted.

2. Introduction to the Civil Dialogue Groups (Ms. L. Naeseger)

DG AGRI explained the background of the reform and the new structure of CDG. DG AGRI will consider adjustments by next summer.

Strategic agenda should be valid for 7 years, drafted by the Chair and Vice-chairs in consultations with the group. In May Ombudsman announced two initiatives: one on expert groups and the other one on CDG of DG AGRI. The process is starting now.

3. Role of the CDG on International Aspects of agricultural policy (Ms. M. Pariat)

DG AGRI stressed that the group should drive the discussions and be pro-active, entering into discussions with the Commission but also between the different stakeholders from the group. CDG international aspects on agriculture will meet twice a year.

Answering questions from EEB on rules of procedures and from Slow Food on strategic agenda, Commission:

- Ombudsman put this file in the priorities of her mandate. No impact expected on the budget discussions;
- Strategy is to have the same rules of procedure for all and welcomes inputs in writing.
- Strategic agenda will be announced today but discussions on the strategic agenda are not expected to take place at today's meeting. Strategic agenda should cover the 7 years of the CDG but can be amended. Comments can also be sent via CIRCABC.

WWF: asked the Commission to receive the documents some time in advance of the meeting.

4. Election of Chair and Vice-chairs (Ms. D. Terrile)

Mr. P. Rooke was elected Chair of the Group with 50 votes in favour, 9 abstentions, and no vote against. Mr. A. Perianes Pedrero was elected Vice-Chair of the group with 53 votes in favour, 6 abstentions and no vote against. Mr. N. Morawitz was elected Vice-Chair of the group with 49 votes in favour, 10 abstentions and no vote against.

Presidency will start the process of drafting the strategic agenda but invited all members to send their contributions to the Commission so Presidency can take them into account. Presidency will produce a draft to be circulated on the CIRCAB to collect more comments.

5. European Commission priorities 2014-2019 for international aspects of agriculture policy (Ms. M. Pariat)

Commission informed the group that there are 3 priorities set by President Juncker for the current Commission:

- Growth and employment in Europe:

CAP is a driving force to improve the competitiveness of the sector and agro-food industry. EU has become the leading exporter of agricultural products since 2013. Incentive remains within the WTO to finalize the Doha round. At bilateral level, series of agreements being negotiated. EU approach to the bilateral negotiations is to maintain specific treatment for sensitive products and establish conditions to export for leading export products. On EU-USA COM reiterated that issues such as GMOs and hormones are not negotiable.

- Neighboring countries:

Turkey: EU is trying to re-establish stable relations. Ban on beef is one of the most important points for agriculture. Russia: embargo imposed by Russia is a major factor and may last for a long time.

- Development and implementation of EPAs: Immediate implementation of EPAs is the priority. These agreements are innovative, balanced and development friendly.

One of the priorities is to support development of production chain and investments in agro-food industry in Africa.

Discussion

EFOW: welcomed the Commission work on promoting GIs. Would like to see digital agenda being discussed in the group.

CELCAA: Could the group have an update from Commission on Brazil versus Mercosur negotiations? Would like to see negotiations on standards in bilateral negotiations. Egg and eggs products could be used as a pilot sector from the Commission.

COPA-COGECA: priority for the Commission should be trade restrictions from third countries. Cumulative effects of bilateral agreements should also be looked at, especially on the aspects of rules of origin.

EFFAT: What is the Commission doing to promote social dimension in developing countries?

Commission:

- Digital agenda is one of Commission priorities. Commission is following .vin very closely. DG AGRI is working with DG CONNECT on this point. Some MS have also supported the action and managed to stop allegations of these domain names; Commissioner Hogan made a point on this at the last Agri Council;
- On Mercosur: agenda EU-Mercosur is still valid;
- On egg sector: in the new generation agreements, COM is paying particular attention to standards with the aim that neighbors countries get closer to the EU standards;;
- On trade restrictions: in terms of Russian embargo, Commission decided to maximize promotion budget to access new markets and speed up the NTM negotiations;
- On Cumulative effects of bilateral: Commission stressed that the objective is to maintain specific treatment for sensitive products;
- On rules of origin: Commission aware of complexity but working hard on it;
- On development aspects: working together with DEVCO on policy coherence for development, part of sustainable development targets to be set up in 2015.

ORIGIN: Revision of Lisbon Agreement at WIPO and diplomatic conference next May: would be good to see what Commission's perspective is.

APRODEV: would like to address the issue of sustainability and growth models for developing countries – EPAs.

Commission:

- On SPS and cooperation between the services: already good cooperation between DG AGRI and DG TRADE. After the Russian Ban, group from DG TRADE AGRI and SANCO met to see priorities to reduce NTBs;
- On sustainability, COM will develop goals for negotiations together with partners for sustainable development;
- On sensitive products: COM aware of numbers of sensitive products. There will be no full opening up of this list of products.
- On GIs: clear priority of the Commission in trade negotiations. CETA demonstrates that even if no tradition of GIs, EU and Canada reached a balanced agreement and hope to get something similar with the USA;
- On WIPO: Commission is open to discuss this point in more details; US is taking a rather difficult stance, Commission will prepare a negotiating mandate for the May conference.

6. Impact of the Russian embargo on agricultural products- international aspects (Mr. D. Canga Fano) – see powerpoint

Presentation based from DG TRADE, AGRI and EEAS inputs. EU needs to enhance diversification of exports. COM has identified where there are SPS barriers. COM has asked 18 ambassadors of EU external action service to identify opportunities and challenges; overall there is potential but difficulties are still there on tariffs included and main obstacles remain SPS. Additional barriers include the trade climate; key aspect is retail sector (issue of distribution).

Discussion:

WWF: Question about the rationale of importing raw materials (e.g. soybeans from Brazil) into EU and exporting transformed products.

EEB: exports of EU live-animals to non EU countries and issue of animal welfare not respected there.

COPA-COGECA: what is the role of Commission in negotiating SPS? What about ensuring it is complementary to work being done by MS?

Slow Food: Russian ban could be an opportunity to think about promoting internal market and seek coherence with other EU policies.

Commission:

- Instruments of promotion exist. Ratio of co-financing from 1.12.2015 will increase to 80% for EU part and budget will be increased from 50M to 200M by 2020. Five third countries absorb at present 2/3 of the current promotion funds: Russia, China, Norway, USA, and Ukraine. More opportunity with higher co-financing from next year;
- Commission's role is to create the right framework and economic players to decide on their market exports;
- On role of Commission and MS in positioning on SPS & trade negotiations: coordination between COM and MS. COM negotiates on behalf of the MS and tries

to find solutions that apply to all MS. If that is not possible, then the clearance of some MS paves the way for others and door will be open for more MS. On SPS issues a good example is the USA ban on beef: IRL likely to export to the USA soon and others might follow

- COM strategy is to get the EU to be treated as a single entity by trading partners; good cooperation between AGRI, TRADE and SANCO in that respect; role of the CDG to provide some inputs there.
- On environment and animal health/welfare standards, need to gain ground in international agreements. In bilateral negotiations, Commission promotes EU standards in dialogues.

COPA-COGECA: How does the Commission reflect to re-open the Russian market once the diplomatic issue is over?

APRODEV: concerns about the farmers in developing countries who may be taken off the market because of EU exports.

Commission:

- In current promotion scheme and even with Russian ban , some MS present projects for Russia as they do not want to lose sight of Russian market;
- AGRI Council and Commissioner extremely active on measures adopted to support the ones most affected by Russian embargo;
- COM aware that third countries are trying to get advantages to enter the Russian embargo: EU has sent very clear signals through EEAS demarche, especially on countries in process of accession to EU or in FTA negotiations.

Overview of bilateral negotiations –

Part I. (America: Mr. R. Serra.)

See powerpoint.

Part I. (Asia Pacific: Ms. S. Michelini)

See powerpoint

Discussion:

EEB: looking at EP position on ISDS in CETA, will the agreement go through changes before ratification process?

COPA-COGECA: What about fruit and veg and olive oil in CETA? As of entry into force, will we have to negotiate export protocol per MS or direct EU access to Canada?

CEPM: the sector (corn) has concerns on the negotiations – stressed sensitivity of sweetcorn.

APRODEV: Request from the group at previous meeting to have a specific assessment per product group's impact of TTIP and to impact study on land grabbing in Cambodia following EBA (sugar).

FoodDrinkEurope (EDA) on TTIP: reiterated to COM concerns regarding the CWT (Cooperative Working Together) scheme applied by U.S. producers to dairy exports.

Commission:

- On CETA: confirmed by Commission that CETA negotiations are concluded. On CETA and fruit and vegetable: will be fully liberalized from two sides on the day of

implementation, EU has maintained the entry price system (specific duty will remain while the ad valorem component of tariff will be removed);

- On SPS dimension: will come back to the group after consultation with SANCO;
- On corn/maize: point is taken on board and reflected in the specific treatment reserved to the sector in all FTAs; sensitivity of sweet corn is known and it has been translated in a TRQ in the case of CETA;
- On impact assessment: has been presented to the group; agriculture will be part of impact assessment and so far DG AGRI is not contemplating a more specific impact assessment;
- COM takes note of the address of APRODEV- seriously took into consideration by the EU on land grabbing.
- COM is aware of the EDA concerns

CEEV: maintained the position to use all means in the FTA EU-Japan to guarantee legal certainty on food additives and wine processing aids.

COPA-COGECA: asked COM to be volume vigilant on CETA and beef especially if opening in TTIP.

Sacar: Asked the competence on SPS to be shifted to from MS to Commission.

Commission:

- GIs in Vietnam: COM very determined to push on GIs but recognize difficult;
- On Japan processing aid: COM aware of the issue and question is how to tackle it: pursuing action with Japan admin inside or outside of the road map – thinking is on-going;
- On fruit and veg: growing opportunity especially for processed fruit and veg;
- On SPS: COM always promote the community competence on this field, which is undisputed; some third countries accept and some not; some third countries send audit teams to individual MS only and do not audit the EU as a single entity- on BSE the EU is not in one BSE risk category and there are various reasons for facing different audits from different countries but COM makes efforts to promote community competence and the principle of EU as single entity towards third countries;
- On China and level of protection on GIs: try to obtain wording that covers situation where protected name is not used for the genuine product.

EFFAT: Recalled that USA did not sign 6 out of 8 international ILO conventions.

ECVC: asked to have impact studies on sectors (milk, etc.) if TTIP is concluded.

Commission:

- On TTIP: take note of comments; including ILO conventions not signed;
- On TTIP and potential threat for dairy sector: EU is much bigger producer of dairy products than the US and generally speaking very competitive on dairy; 40% of value of EU exports to the US is made of GIs and cheeses play an important role in that figure;
- On BSE and Canada: letters exchanged in 2013 between Commissioner and Canadian ministers: to remove the BSE ban, two sides have worked over 2013 and 2014 to get rid of Canadian ban and today very close to a positive outcome; 19 MS will be allowed to export to Canada beef and veal, re-installing the pre-embargo situation in 1996. Very closed to be finalized; COM takes note on high quality beef;

- On rice, certain procedures need to be respected to trigger the procedure for safeguard; DG AGRI continues to monitoring imports and remains vigilant;
- On transparency: new trade Commissioner is very committed to improve transparency; before end of the year the summary report of the public consultation on ISDS will be published and it will be discussed in 2015;
- On impact assessment: basic impact assessment on TTIP is already available and COM is now working with an external consultant and various DGs to go deeper in analysis. Will be more detailed version and in agriculture it will go into some specific sectors. Might be finalised around spring next year;

Part II. (Neighborhood: Ms. C. Combette)

See presentation

Part II. (ACP- EPAs: Francis Fay)

See ppt-

EFA: what about timber trade and illegal logging?

CEFS (Food Drink Europe): Calls for level playing field with trading partners such as Brazil that subsidizes sugar production.

Commission:

- On sugar development: ACP are adjusting to changes in EU market and prices, as producers in the EU are;
- On timber: FLEGT Initiative between DG ENVI and various services; evaluation of 2004-2014 period will look at initiatives in number of countries including ACP;
- On keeping policy consistent: 2015 is the European year of development. Invite members of CDG to provide comments/ideas to Commission.

CEEV: Deferral of entry into force of the DCFTA delays the application of provisions on GIs, including phasing-out of certain Ukrainian names. However current pressure from Ukraine to have technical assistance foreseen in the Agreement: when should it be provided? Issue of Crimea and GIs.

COGECA (Coopératives de France): deplores the cancellation of the meeting with Ukrainian authorities in view of the current SPS difficulties with UA.

COGECA on EPAs: negotiations on tariff but does it include standards?

Commission:

- Technical assistance provided to support GIs in Ukraine should take effect when the DCFTA enters into force, i.e. on January 2016;
- Annexation of Crimea not recognized by EU. No exports from Crimea to the EU without certification by Ukrainian authorities.
- Meeting with Ukrainian authorities postponed because of change of Agriculture Minister. Next meeting possibly in February 2015.
- No compromise on safety and other EU food standards in EPAs; due to SPS requirements access in livestock products is limited for example;
- Under the on-going bilateral relationship with SA this week, the issue of approval of fruit export protocols (for fruit exports from EU member states to South Africa). COM would welcome more information on this procedure from CDG members.

7. A.O.B

ECVC: IYFF and more generally what is COM doing at FAO in Rome.

Commission:

- International year of family farming (IYFF): on 27.11 closing ceremony in the Philippines. Legacy document has been adopted by countries, farmers' representatives, international organisations on what has been achieved this year and what should be done in the future; including political declarations but also a platform gathering all policy documents promoting family farming;
- Declaration opens the door to continue the efforts to invest in family farming; such as principles on responsible agricultural investment (RAI);
- EU is a member of both FAO and the Committee on World Food Security;
- RAI and Voluntary Guidelines on the Responsible Governance of Tenure are an example of tools endorsed by the CFS;
- This autumn in addition to CFS, there were key meetings on agriculture, commodities and family farming. FAO and WHO have just organized a big International conference on nutrition that adopted a declaration and a framework for action to fight malnutrition;
- in 2015 FAO top governing body will discuss the work programme of the FAO for the next few years; FAO will also elect its next DG;
- OK to keep exchanging on Rome agenda.

8. Open discussion

Topics to be raised at future meetings put forward to Chair by members of the group:

- WWF to present a discussion paper on environmental effects of agri imports to the EU with focus on vegetable proteins;
- EUWEP to present a report on competitiveness of egg industry;
- CAP and issue of dumping;
- Long term approach of trade on standards; transport;
- Impact on social structure, employment.

Next meeting scheduled the 5th May 2015.