



## Civil dialogue groups on International Aspects Of Agriculture (7 May)

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Vice-Chair CDG on IAA

Civil dialogue groups on International Aspects Of Agriculture

07/05/2021

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



# Farming Community committed to EU common policies and EU model of production

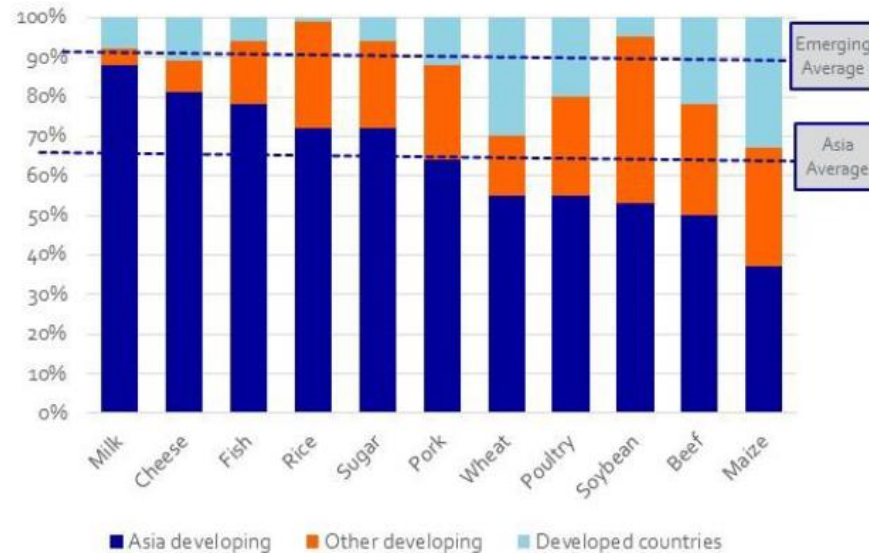
- \* **Green Deal** – European agriculture is among the most advanced in terms of its commitment to climate and the environment, and we could see a path on how this could go further in line with the ambitions of the ‘Green Deal’.
- \* **Common Agricultural policy** - Internal market, Food safety, environment, animal health and welfare
  - \* **Climate Change**
    - Committed to the implementation of Paris agreement
    - Limit the world’s temperature increase to 1.5°C while not endangering food security;
- \* **Trade policy** – fair, balance and transparent international trade
- \* **Digital Single Market** – access and control agri data by farmers

**Please enable our investment on modernisation and sustainability of EU agriculture! We need viable farmers to invest in our natural resources**



## Strong growth in demand in emerging markets when the EU markets are mature

*Agri food consumption growth by region and product group*

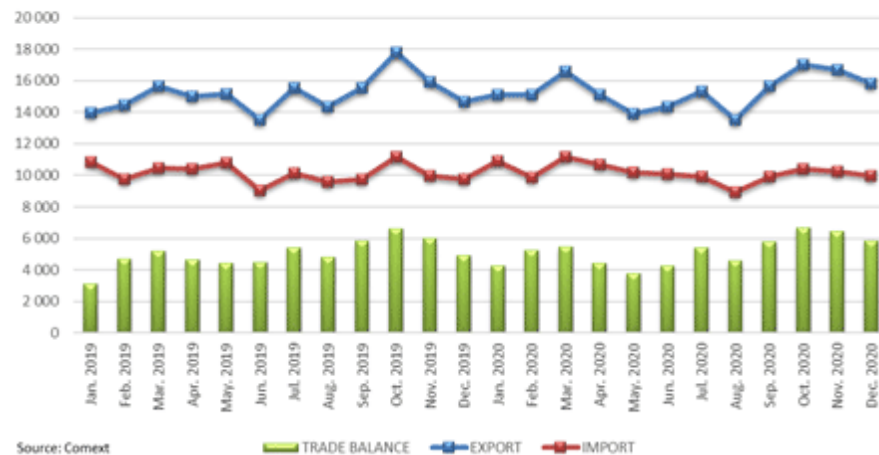


Source : M. Mulder, Rabobank , lors de la Conférence Amérique du Nord-UE, les 18-20 septembre 2019

- \* Common Agricultural policy
- \* Significant risk of lower growth in the EU-27
- \* Trade uncertainties strongly impact agriculture (e.g. Russian ban, Airbus/Boeing)
- \* **90%** of global growth demand is in emerging markets; **65%** in Asia.
- \* Increasingly, European foodstuffs gain attention for their sustainability.

# Agri-Food trade as a driver of the EU Economy... ...well integrated in the world market (1/2)

EU27: Trade of Agri-food products (million Euro)



Source: Comext

TRADE BALANCE EXPORT IMPORT

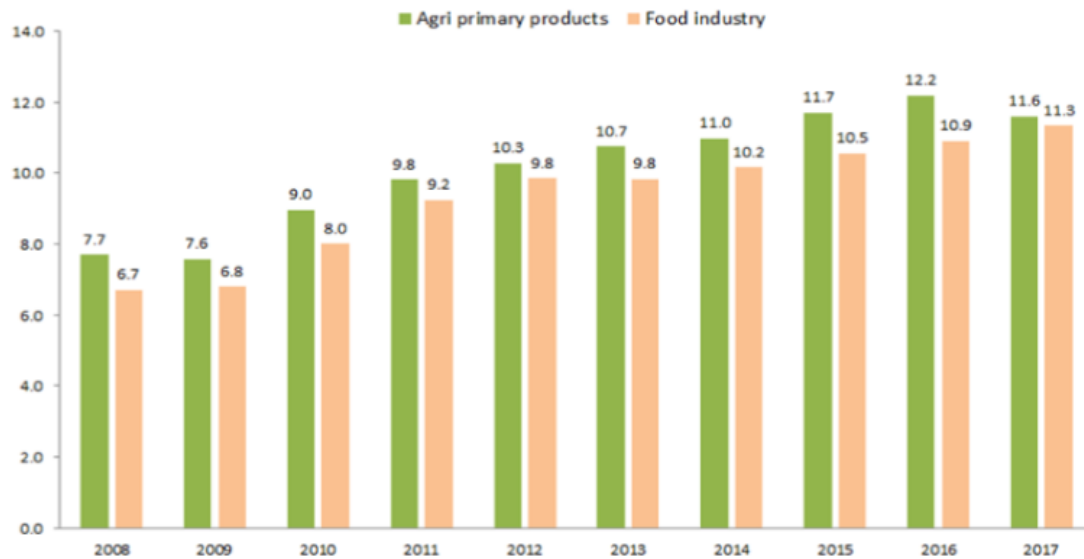
Source: Monitoring EU Agri-Food Trade -  
published on 31<sup>st</sup> March 2021

- \* Agri-food exports contribute to the net trade balance of **€62 billion** of in 2020 (1/3 of EU net trade balance)
- \* No export support/restitution. The support is WTO compatible, already non-distortive, decoupled..
- \* Roughly **30%** of the raw materials processed in the EU are of non-EU origin
- \* Largest importer of rare agriculture commodities from developing countries

**CAP success – EU agriculture showed strong resilience while ensuring food security for EU citizens**

# EU Trade Policy Review – Farming perspective

*Share of Export Values in Production Values (in %)*



Source: European Commission – CDG IAA April 2019

- \* The agri-food chain represents **44 million jobs** in the EU
- \* According to JRC **€ 1bn agri-food exports creates on average 20,000 jobs**, from which 13,700 in the primary sector – impact of exports (JRC)

# What is in it for farmers?

- \* **Increasing exports of EU agri-food products are highly important:**

- Contribution to overall valorisation of EU produce
- Market access helps distribution of competitiveness risk
- Balancing of product categories and ensuring sustainability
- Providing EU market balance

- \* All in all: Trading facilitates funding for investment in own production and matching of consumer preferences

- \* **Exports are not the objective in itself!**

- \* The Objective is to create added value that should translate into benefits to farmers and agri-cooperatives.





## Our views on agri-food international trade (1/2)

### \* Priority to WTO multilateral agreements:

- Capacity to address all issues in a balanced manner (e.g. subsidies, GI's, etc.)
- Modernisation of WTO
- Alliances & Partnerships to set up world standards and protect our interests at long term





## Our views on agri-food international trade (2/2)

- \* Bilateral negotiations as a challenge for the EU agricultural sector:
  - Cumulative impact differences across agricultural segments, (e.g. beef, rice)
- \* Bilateral negotiations as an opportunity, provided
  - Balanced agreement within agri-chapter
  - Inclusion of the entire agri-food value chain
  - Standards and GIs recognition
  - Implementation/administration efforts, customs facilitation, proper enforcement of the provisions
  - Gaining wider public support and better distribution of the benefits from international trade – ensuring diversity of traders, including in particular newcomers and SMEs



# Key takeaways

## \*Consistency between policies, CAP, Green Deal and Trade policy

- \* it's not clear how the Green Deal will factor in the trade realities and what its impact will be in terms of market prices, farm income and food security.
- \* Seems that the cost of implementation lies on farmers.
- \* Can the Commission guarantee that imports from third countries comply, at farm level, with all our production standards?
  - \* Can we expect that farmers in third countries will exclude 10% of the farmland from production as required from EU farmers within the Green Deal?
  - \* What about animal welfare?
  - \* How to avoid widening the gap between international operators and u farmers?



# Key takeaways

- \* Our International trade must be based on **balanced, fair and transparent rules** to avoid distortion of competition
- \* Take in account the **cumulative impact** on sensitive sectors (e.g. beef, sheep, poultry, sugar, rice, etc.)
- \* **Implementation and proper enforcement** of trade agreements is critical
- \* **Elimination of unjustified trade barriers**
- \* **Single entity, regionalisation**



# Key takeaways

## \*Reform of WTO to play crucial role

- \* Dispute settlement panel
- \* How to Integrate Climate Change, Paris agreement, sustainability and environment in International trade? How to implement Enforceable mechanisms?

## \*New disciplines such as Carbon Border Adjustment Mechanism

- ❖ CBAM could work as a measure to prevent carbon leakage in all sectors, but design is key.
- ❖ If the CBAM does not apply to agricultural products, it should not apply to fertilisers either
- ❖ It should also be compatible with WTO rules.





# Key takeaways

*“If the European Union proceeds with the Green Deal without ensuring that our agriculture output and competitiveness are maintained (e.g. EU-Mercosur), **the basis of our existing trade arrangements is questioned**. We are glad to keep leading the charge in the battle for a greener, more sustainable agriculture in Europe, but we have no appetite to end up the dead hero of this story. We need a **comprehensive impact assessment of the Green Deal** and the accompanying regulations.”*

*Ramon Armengol, Cogeca President*



A man with a beard, wearing a striped shirt and blue shorts, is riding a large water buffalo in a dry, open field. The background shows a hilly landscape with sparse vegetation under a clear sky. An orange banner is overlaid across the middle of the image.

Thank you for your attention !

Mr Arnold PUECH d'ALISSAC



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