



Brussels,
AGRI.G/MGM

MINUTES

Meeting of the CDG International Aspects Of Agriculture

11 April 2024

Chair: AGRI G1

1. Approval of the agenda and of the minutes of previous meeting

The agenda was approved.

2. Nature of the meeting

The meeting was non-public and organised in hybrid format. At the Albert Borschette building (CCAB room 0D), Commission staff and a maximum of two representatives per organisation were present. Online via Interactio, Commission staff and a maximum of six representatives per organisation were connected.

3. List of points discussed

1. Welcome of participants

2. Introductory speech

The Acting Director of AGRI G, replaced by the Chair due to connection problems, gave a brief overview of the ongoing stakes on international aspects of agriculture, such as autonomous trade measures (ATMs), state of play of implementation of the European Green Deal and Farm to Fork Strategy, recent CAP simplification package and latest agri-food trade data.

3. Agri-food trade and the WTO: debrief of MC13

AGRI G1 highlighted the stakes and the stumble blocks for reaching a MC13 decision on agricultural reform. Despite this, the MC13 has not been deemed a failure with regards to agriculture. A negotiating text covering all issues was established and a strong foundation was laid for the MC14 in Cameroun in 2026. Participants of the CDG raised questions on the positioning of key actors in the WTO such as the USA and India considering their upcoming elections and the role of NGOs during MCs.

4. Study on cumulative impact of upcoming trade agreements on EU agriculture

AGRI G1 presented the results of the study conducted on the cumulative economic impact of upcoming trade agreements on EU agriculture. The study compared agricultural market prospects for 2032 with and without FTAs and included a sensitivity analysis on the impact of the UK trade agenda. It confirmed that the EU agri-food sector benefits from trade liberalisation, that Tariff Rate Quotas (TRQs) are an appropriate tool to grant market access concessions for sensitive products, and that the UK trade agenda has some (but limited) negative impacts on EU exports. The concerns were raised that the study does not sufficiently consider the diversity within product groups that were included in the study and that trade policies should reflect discussions that go beyond a cost realm.

5. Bilateral relationships with the Americas

AGRI G2 provided an overview of the status quo regarding international aspects of agriculture with the various countries part of the Americas. The CETA framework and Wines and Spirits agreement with Canada are considered successful, with the GI and spirits files currently being one of the most important files left to discuss. With the USA, there is not no agreement on agriculture, but cooperation has gone well under the Biden administration. Updates were given on recent arrangements and ongoing discussions with Colombia, Peru, and Ecuador. The agreement with Chile has been ratified in the EU and we are waiting for Chile to do the same. There were no updates on the Mercosur agreement. Participants of the CDG raised concern that the EU should continue to defend grass-fed agriculture, place high importance on increasing GI protection, and reflect on what constitutes organic products in trade agreements. Furthermore, there was the expression of appreciation for the largely positive effects of the CETA framework on EU agricultural trade.

6. Bilateral relationships with Asia and Australasia

AGRI G3 presented an overview of the various ongoing, recently concluded, and completed negotiations with the Asia and Australasia region. Ongoing negotiations are currently being held with Australia, India, Indonesia, Thailand, Malaysia, and Philippines. They are all in different phases of the negotiations. The most recent FTA, with New Zealand, is entering into force on the 1st of May 2024. Completed negotiations include those with Japan, Vietnam, Singapore, and China. Stakeholders present at the CDG expressed their high hopes and expectations regarding the upcoming delegation visit to China, but also expressed concern about non-tariff barriers of export to Indonesia because of e.g., Halal requirements. Furthermore, clarification was asked on whether deforestation regulation chapters were included in the negotiations with Indonesia.

7. Bilateral relationships with neighbourhood countries

AGRI G4 gave updates on the relationships with key neighbourhood countries. The first update was on the new SPS certification that the UK had implemented in February this year and that is set to start with controls next month. It was shared that there is no evidence that this will have negative impacts for EU-UK agri-food trade. With Switzerland, there is the ambition to establish a common food safety area, for which colleagues at DG SANTE are involved. For neighbouring countries Russia and Belarus, increased duties for imports of cereals, oil seeds, and derived products have been proposed with the intention to prevent the risk of any redirection of significant volumes of cereals to the EU market. Lastly, for Ukraine, the Commission made a proposal to continue allowing Ukraine to export to the EU but at the same time also address concerns voiced by EU stakeholders on the increased volumes coming from Ukraine. The proposal contains automatic safeguard mechanisms and other emergency brakes for the most sensitive products.

8. Bilateral relationships with ACP countries: state of play

AGRI G1 gave an overview of the ongoing relationships with ACP countries. To start, it was indicated that the Rural Transformation Action Agenda agreed on with the African Union (AU) will continue to be implemented with a focus on GIs and the Pan African Network for Economic Analysis of Policies (PANAP). With the South African Development Community, several committee meetings have taken place in February to discuss the EPA and various irritants of SADC countries. For Eastern and Southern African countries, there are negotiations going on for the deepening of the EPA with 5 ESA countries. However, many points remain open, especially on GIs. With the Eastern African Community, Kenya's ratification of the EU-Kenya EPA is expected during the month of April 2024 and Rwanda has officially inquired about possible accession. For Central Africa, specifically Cameroon, a potential next round of committee meetings is scheduled in July 2024. With the CARIFORUM, slow progress has been made on introducing and updating their GI systems. Lastly, for the Pacific countries, there is interest in the concept of GIs, but there has been little implementation of them in laws.

9. Discussion with CDG members: How should the European Green Deal (EGD) affect EU agri-food trade?

a. COPA-COGECA

COPA-COGECA contended that in a post-COVID world, agri-food trade should be based on balanced, fair, and transparent rules which is best realised through multilateral trade agreements. With the EGD and multitude of bilateral trade agreements with third countries, there is the risk that imported products do not fulfil the same production standards and will thus affect competitiveness and prices of EU products. Trade policy decisions must be subjective to comprehensive impact assessment and a chapter on sustainable food systems should be included in all future trade agreements. The coherency of policies needs to ensure that green transition in combination with trade ambitions doesn't hurt our competitiveness and open our market to cheaper products not produced at the same standards.

b. Agroecology Europe

Agroecology Europe voiced the concern that our planetary boundaries are at risk, thereby limiting our ecosystem services that have the comparable gross value of agriculture and forestry combined. The EGD and other EU policies related to agriculture, trade, environment, health, and climate should be cohesive to achieve synergies and avoid conflicting objectives. Food production should be re-localised with agri-food trade focusing on importation strategies rather than apply a "Comparative Advantages Theory". Three actions were suggested: 1) Ensure consistency and end double standards between EU trade policy and the EGD, 2) Improve impact assessment of Trade Agreements with True Cost Accounting, and 3) Incentivise and develop diversified territorial agri-food systems.

c. BEUC

BEUC alleged that today's agri-food trade policy is insufficiently aligned with the EGD. They shared that their research revealed that consumers expect the same rules to apply to imported agri-food products as to those produced in the EU. BEUC provided several recommendations. First of all, EU's agri-food trade policy should align with the EGD to ensure policy coherence. Secondly, food exported into the EU from third countries should meet relevant EU standards.

Lastly, the EU should seize opportunities of planned revision of EU legislation (e.g., animal welfare) and Sustainable Food Systems Framework law with an article requiring the evaluation of existing legislation with a view to adding import requirements where needed.

The follow-up discussion which ensued was characterised by worries communicated by participants on the competitiveness of EU agri-food producers as a result of the EGD. The concern was voiced that the EGD measures could be interpreted as a new form of protectionism, as well as being difficult to enforce through, e.g., the multitude of mirror clauses present in the EGD. Additionally, scepticism was shared about the willingness of consumers to change their consumption pattern to include sustainably produced agri-food products when they will (most likely) have to pay a premium price. Participants urged future Commission studies on the impact of EU measures on agri-food trade to include a broader variety of indicators to portray such impact more accurately. Lastly, the suggestion to more often include private industry initiatives to compliment the EGD measures was shared.

10. Discussion with CDG members: What should be the EU priorities when designing and implementing market access to agri-food products in EU Free Trade Agreements (FTAs)?

a. EURAF

EURAF expressed the view that hidden export subsidies lead to dumping to ACP countries, strict EU trade rules disadvantage EU producers, and liberalised EU commodity imports contribute to rapid land degradation in the Global South. Future policy should aim to include the following: 1) EU agri-food products should not be exported at prices below EU production costs; 2) EFSA/HACCP requirements for Sub-Saharan producers should be simplified; and 3) Invest in development partnerships, and 4) Revise enabling texts and future iterations of the NRL, EUDR, and CBAM to explicitly recognise agroecological production methods.

b. FoodDrinkEurope

FoodDrinkEurope shared their perspective that EU FTAs create new market opportunities, with options to diversify, enhance international cooperation, and increase job possibilities. This is possible when there are balanced trade agreements that are focused on removing 3rd country import duties, strengthening regulatory dialogue, and improving IPR/ GI protection. However, there should be a degree of inclusivity of throughout the negotiations of the FTAs.

c. EUcolait

EUcolait alleged that EU policy must support the sustainability and competitiveness of the EU dairy sector. This is possible only when there is openness towards the rest of the world. Such openness is facilitated by FTAs. Therefore, EUcolait urged to complete FTAs with all South-East Asian countries, finalise the FTAs with Mexico and Australia, and push through on Mercosur which would be beneficial for EU dairy producers. Furthermore, it should be ensured that tariff preferences are not diluted by technical and sanitary barriers to trade such as, e.g., EU single entity recognition and Halal certifications.

The follow-up discussion which ensued was characterised by two distinct perspectives expressed by the present stakeholders. On the one hand, stakeholders believed that EU

agri-food exports had the risk of disrupting small-scale farmers in the Global South as well as enable dumping of products on their markets which could have also been produced locally. The call was made not to underestimate the seemingly small statistical downsides that impact the lives of many people in the Global South. On the other hand, the perspective was proposed that the EU mostly exports its products to middle-income countries and if the EU would not do so, other exporting nations would fill the gap.

4. Conclusions/recommendations/opinions

The Chair (DG AGRI G1) thanked all speakers, participants, technicians, and interpreters for an extremely rich and interesting discussion.

5. Next steps

Participants are requested to provide feedback on the CDG and to indicate whether they have had trouble accessing CIRCACB prior to the CDG meeting.

6. Next meeting

The next CDG IAA meeting is scheduled for 9 October 2024.

7. List of participants

All organisations were present (see the enclosed list), except for: CEJA, COR, EAPA, EFA, EFOW, EFPRA, EMB, EUCOFEL, EURAF, EURO COOP, EUROCOMMERCE, EUROMALT, EUROSEEDS, FESASS, FRESHFEL, IBMA, IETHANOL, ORIGINEU, WWF.

List of participants– Minutes
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ORGANISATION
AEEU
AREFLH
AVEC
ANIMALHEALTH
BEUC
CELCAA
CEPM
COGECA
COPA
ECVC
EEB
EFA
EFFAT
ELO
EESC
EUROPATAT
FEFAC
FOODDRINKEUROPE
GEOPA-COPA
IFOAM
OPTA
PFP
SACAR
TPE