

1. Adoption of minutes of CDG held on 05.05.2015

Minutes are adopted.

2. Adoption of the agenda of meeting of 8.10.15

Agenda is adopted.

3. Elections of chair and vice-chairs

Current chair and vice-chairs are candidate for re-election for one more year mandate. Paul Rooke is re-elected Chair; Mr. Perianes Pedrero from EFFAT and Nikolaus Morawitz from Copa-Cogeca are re-elected Vice-chairs for one more mandate.

EEB: what consideration will be given to the recommendations made from Ombudsman on CDG ?

Commission: Commission is currently preparing a response that will be published by the deadline in February 2016.

EEB: asked why expert from HSI was invited to do a presentation on animal welfare and not EEB. CELCAA secretariat: HSI was recommended to speak on the specific subject of comparison between the EU and USA on animal welfare. This would not preclude EEB from putting forward a speaker for a future meeting.

Part I.

4. Russian Embargo and EU – Ukraine trade relations – DG AGRI

Commission made an overview of the new promotion policy and informed participants that the Q&A on new policy is available on line as from 13.10.2015. The new promotion policy will allow prompter action in time of crisis; scope is wider to include brands and PAPs. 70% of the budget is for external markets and 30% for internal markets. Focus in third countries is on China, USA and Canada.

Commission presented the state of play of EU-Ukraine trade relations. In April 2014 EU gave autonomous trade measures to Ukraine; the Association Agreement has been applied since November 2014. Ukraine will get rid of their export duties when implementing the DCFTA. EU exports to Ukraine are basic products, processed products and high value added products while Ukraine exports to the EU is concentrated on cereals; oilseeds; and residues of food industries and has started to export egg and poultry meat and soon will be allowed to export dairy.

Copa-Cogeca: Some national initiatives have started to lift SPS ban- what is the position of the Commission on national initiative? (looking at the recent past where Commission did not support the French initiative).

Copa-Cogeca: is promotion programme strong enough to support losses from Russian Embargo?

EEB: animal welfare standards in EU is higher than Ukraine so what will the Commission do to lift up Ukraine animal welfare.

DG AGRI : Organisations need to present good proposals at EU level to be co-financed. Regarding sanitary embargo, Commission wants a united front and does not support unilateral measures from MS. What can be done through promotion programme is for mid-term and not short term. Promotion programme is also to look at alternative markets but falls short to support the sector in the short term.

DG TRADE- SPS team : there was a joint reply from AGRI-SANTE-TRADE Commissioners: they are open to bilateral solutions and open to find amicable solution on bilateral regarding the WTO SPS

case, but need Russia to accept some steps towards regionalization. Commission will have some meetings at the occasion of the WTO hearing mid-September but Russian side is not credible and reliable partner on this case.

On animal welfare, DG AGRI stressed that Ukraine is willing to adopt EU animal welfare. In March 2016 Ukraine will submit strategy on alignment of legislation including on animal welfare. Commission has received a first draft from Ukraine and will provide comments. This is the first time in a trade agreement.

FRESHFEL: F&V sector is one of the most affected by the Russian ban and need promotion activities but sees discrimination amongst sectors benefiting from promotion. India imposed new restrictions on imported apples that need to go through Mumbai.

Copa-Cogeca: would like to see Russia trade statistics in the presentation. Some MS are exporting to Russia through CH and Serbia. What is the position of Commission? What are the requirements from Russia to restore trade?

UECBV: 1,500 jobs lost in one of the MS in 2014 as a direct consequence of the Russian ban. There is today an opportunity to find a technical agreement on the SPS ban and the sector requests a more active policy from the Commission to find an agreement.

Commission: on promotion, sector in historical term that has received the largest financial envelope has been the F&V. Hence the focus now is on the meat sector. On diversion of trade through CH or Serbia to Russia, Commission is monitoring. Until end of July 2015 there was no clear evidence of this type of diversion. On Russia embargo: it is clear that the goal of Russia is also protectionism measures and re-direct trade links to so-called Russia friendly countries. Commission is constant contact with Russia to try to move on the relationship and reset some trade.

EDA: Russian does not want to open for dairy markets as they wish to develop their own. So EU Dairy industry does not expect Russia to reopen any for dairy markets.

Copa-Cogeca: loss of Russian market is huge impact. Commission should act more actively. European farmers are victim of a political choice and ask for EU support for farmers.

Eurogroup for animals: Animal welfare are gaining importance in international fora but quality of measures should also be looked at. Would like to be able to comment on the Ukrainian notifications on animal welfare.

Commission: shared the concern of Copa-Cogeca regarding the farm crisis however stressed that exports are strong and expanding with diversification. Commission requested the organisations to use the promotion budget – and asked for applications. On animal welfare in Ukraine: draft is unofficial at this stage and will not be shared.

5. F&V expectations in terms of market access and tackling SPS barriers – practical steps at EU level – ppt

(FRESHFEL gave an overview of the F&V sector. Despite the Russian embargo, the sector continued to grow by volume. Sector has noted a decrease in value however. Evolution of the exchange rate helped. Looking at the sector post-embargo, situation is about to get balanced. There has been a lot of initiatives to find alternative markets. Ideal situation in any FTA: to move away from pre-clearance programme (expensive, time consuming and counter-productive); chapter on SPS should prevent any system on import licences.

EFFAT: F&V is extensive sector and badly hit by embargo. Seasonal and non-seasonal workers have been affected. It is urgent to take actions including with DG EMPL.

FRESHFEL: might be difference with last year – Russian embargo took place during harvesting while this year repositioning on international markets. Have not heard about intention of non-harvesting.

DG TRADE (SPS team): excellent cooperation between the F&V sector and SPS team; points in the presentation have been included in SPS team work plan – like IPPC etc- On the EU as a single entity for SPS: is an ultimate objective and should arrive there gradually and intermediate step is third countries considering group of countries (USA for animal products; etc); indication from the US that soon a draft on apples and pears to lift some trade restrictions to access the US market.

Copa-Cogeca: asking Commission to support exports and transport of products.

Commission: Discussions on what measures to support farmers shall be at political level and CDG is not the right forum.

6. Update on WTO Doha Round- see ppt

Commission gave an overview of the WTO negotiations. WTO members are working towards the Nairobi Ministerial in December. A comprehensive DDA will not be achieved in Nairobi. Members are now working on a mini-package. Commission insists to have a balanced mini-package based on all pillars but there are still major disagreements. Scenario for Nairobi is an agreement on a mini-package including development issues, transparency rules, export competition and specific agreements. On export competition, Commission clearly wants that all pillars (food aid; export credits; export subsidies; State Trading Enterprises) be included in the mini-package. Decision on what happens post-Nairobi shall also be discussed by WTO members.

Copa-Cogeca: USA seemed to be determined to maintain export credits. EU will not be able to compete if USA maintain their export credits for skimmed milk products. Urged the Commission to safeguard position of GIs in EU.

Copa-Cogeca: The EU is very open for poultry meat from third countries which do not abide by the same standards. Multilateral: importance of single pocket approach. On the pending case initiated by China against the EU on poultry sector where China has a question on TRQs allocation and on the reference period, which could have a significant impact for the sector.

EFOW: request Commission to maintain hard line on GIs at WTO discussions; if mini-package does not include GIs what's next.

Commission: US position is to maintain export credits but Commission will keep pressure on US. On GIs, EU has managed at WIPO to have a deal (Lisbon agreement) to protect GIs at the same level than EU level. WIPO can be an alternative as it is not realistic to have GIs in Nairobi. To the poultry sector, market access will not be a point on agenda in Nairobi. EU has good reasons to believe that they have strong case at WTO. On mini-package, Commission wants export competition in. After Nairobi, discussions will continue and EU will continue to push on GIs. Question is to what extent multilateral discussions can continue after Nairobi.

FDE: supports multilateral agreement. G7 at the margin of last G20- any more direction as a follow-up to G7?

7. Copa-cogeca presentation on – see ppt

Copa-Cogeca gave a presentation on considerations on trade priorities until 2020. Looking at the stagnation of the EU market, Copa-Cogeca supports a strategic trade policy looking at food markets opportunities. Copa also stressed the need to continue tackling non-tariff barriers.

8. New EU trade and investment policy strategy

DG Trade: The strategy Communication will be adopted at College of Commissioners on 14th October. – See powerpoint. The key message is that trade and investment policy is for all, meaning benefits of trade should be for all: citizens, workers, consumers, self-employed, SMEs and big enterprises, and the poorest in the developing countries. Trade policy should be responsible, meaning effective, transparent and based on EU values.

Chair: strengthening of evaluation of FTA is welcome.

Slowfood: how you plan to address sustainable development – asked that table discussions on UN should be part of the official programme of CDG.

Chair: This is picked up in strategic agenda so all points will be dealt within the official agenda but later – we have 7 years mandate with the strategic agenda.

Copa-Cogeca: market intelligence and research are important – we need to promote high value and need EU investment bank to be more involved in agriculture. Trade should be fairer.

Commission: On sustainable development, Commission suggests to have a sustainable development chapter in each trade agreement and more engagement with stakeholders in its implementation. To Copa, indeed need to focus on competitive advantage of the EU. On fair competition, there is no single definition on what is fair and need to ensure global level playing field through different instruments.

EFA: animal welfare should be included in the strategy.

EEB: on policy coherence: climate policy was not mentioned.

FDE – EDA: Dairy industry has no interest in an agreement with New Zealand and requested Commission to focus on FTAs which would provide market access to third countries for dairy products.

Copa-Cogeca: Commission shall be more active in securing access to third countries' market and the EU should be treated as a single entity for SPS purposes - coordination between MS and Commission should be reinforced.

Commission: animal welfare is part of the values that will be covered by the strategy. Reference to climate policy will also be made. Australia and New Zealand debate is headed at College of Commissioners –if the negotiations are endorsed, EU sensitivities will be respected. EU as a single entity is not an unequivocal issue as the case of Russia's SPS measures illustrates, for example. We shall be sure that the EU and Member States authorities do their bit of the job in ensuring the same good level of SPS conditions in practice. Undoubtedly, the EU Member States and operators shall be treated equally where the same conditions prevail and the new strategy will underline the importance to ensure that the principle of non-discrimination is respected.

9. Bilateral negotiations except TTIP – DG AGRI

DG AGRI gave an overview of the on-going bilateral negotiations in Latin America and Asia.

FRESHFEL: Ecuador negotiations – delay on trade concessions?

CELCAA (UECBV): on EU-Japan, could we have insight information on impact of TPP and US access to Japan on pork and beef. Important for the EU to conclude rapidly and implementation of agreement in parallel with TPP so EU does not lose market access.

ORIGIN: on EU-Vietnam no pre-existing trademarks conflicting with EU GIs – some of the names are sensitive in US but not in Vietnam. So it sets precedent.

Commission: Will seek the same level of access in Japan than the US for pork (EU is more into frozen while US is more into fresh). Understand the concern of synchronization and issue of time line- and cumbersome process in the EU. EU is trying to negotiate with Japan a clause whereby liberalization with EU would take place same time as US. On Vietnam the 4 cheeses will be fully protected but if any good faith commercial users of these names before 1st January 2016, the trade mark can continue. Vietnam is under pressure from USA not to give any protection to EU GIs and only way was this alternative option.

On Ecuador negotiations concluded in 2014. Agreement went through legal scrubbing and now ready for submission for EP and Council. Commission expects this to take place by the end of the year for the agreement to enter into force in 2016.

EEB: information on time table on EU-CETA.

EDA: what about India? Concern about SSM on butter imports.

FoodDrinkEurope- CEFS: Vietnam is net exporter and sugar flow from Thailand to Vietnam so ask Commission to be vigilant on this issue. On Mexico in the context of NAFTA US lodged a complaint concerning dumping of sugar from Mexico. If this comes true, CEFS is against any market access concessions from the EU to Mexico for sugar.

Commission: on CETA no date yet for submission to the Council. The issue is whether the ISDS provisions will be amended in light of TTIP proposal for ISDS. On India, Commission was not aware of the SSM on imported butter. India has no interests in FTA for the moment. On sugar, Commission is aware of the nature of the Mexican sugar market and arrangements between US and Mexico to manage sugar imports to the US. Expects sugar will be treated as sensitive sector with Mexico. On rules of origin and Vietnam, Commission is aware of concerns on circumvention of trade: strict rules of origin and cumulation of origin is not possible. On EU-Japan discussions, no mention that Japanese would seek to use legitimate health claims as a non- tariff barriers to exports.

10. EU-USA TTIP Negotiations – state of play – DG AGRI

Vice- Chair Morawitz Nikolaus took over from Chair Rooke.

Commission provided a state of play of the EU-US TTIP negotiations. Last round was held in July 2015 and next is in October 2015. There is a regular engagement at technical and political level. On EU side: EU Council conclusions called for progress on TTIP by the end of the year, echoed by G7 conclusions. On US side, significant breakthrough in June with the adoption of the Trade Promotion Authority by Congress to conduct trade negotiations. As 2016 is an election year in the USA TTIP is due to be affected by the political agenda. Both House and Senate have Republican majority, while Democrats are more nuanced on trade.

Agriculture negotiations cover tariffs, non-tariffs issues, GIs and expect to do in the coming months an exchange of revised market access offers. EU will not table proposals on most sensitive products – these are matters for the end game of the negotiations. The revised market access offer should be done at the next round and negotiators will move forward with a number of textual proposals. EU will table a draft chapter on agriculture that will address a number of provisions as counter-proposal to a US text.

11. Amcham EU: Position on TTIP for the agri-food sector – ppt

Amcham presented their views on TTIP and it was followed by an exchange of views.

EFOW: Stressed their wish to see solution on semi-generic names in TTIP negotiations.

EEB: TTIP petition 3,3 million signatures delivered and number of events will take place on Saturday asking for end of TTIP negotiations – will Commission take a stand on citizens will?

EFNCP: question to Amcham: declaration of principle but would want more concrete information on US business interests in TTIP.

Commission: On the 'stop TTIP initiative': Commission has taken un-precedent steps in terms of transparency and answering concerns. More transparency of trade policy will also be included in the EU trade Communication to be adopted on 14.10.2015. In the TTIP, one of the objectives of the EU is to guarantee GIs protection as it is the case in the EU and in line with TRIPS provisions and make progress in the solution for the generic names.

Amcham: interests for Amcham is tariff down; facilitation of regulatory approach; no interests for some (Coca-Cola as produce and consume locally)- so generic message is not missing the opportunity;

Copa-Cogeca: DK poultry sector is concerned about TTIP. Ask Commission to consult with the sector before any concession made to the US on poultry sector.

EFFAT: no information on the agricultural chapter – so wants more information from Commission on the negotiations.

FoodDrinkEurope: Ask Commission to consider starch industry as a sensitive sector. USA is a global leader on starch production. EU-CETA agreement should not set a precedent for TTIP as Canadian industry is not as developed as the US one.

Commission: Objective is to protect EU GIs in US but difficult as US do not recognize concept of GIs. On non-tariff issues, priorities have been identified by MS and stakeholders; in 2013 Copa and FDE did a review of NTM faced by EU exporters to the USA and this was useful. On tariff, Commission wants full trade liberalization and will negotiate exemptions to that rule. Invite EFFAT to provide materials to the Commission.

ECVC: issue is not really about transparency but against the political stance to liberalise trade in agriculture.

Copa-Cogeca: concerns from the beef meat sector over the TTIP and question on length of negotiations.

CEPM: as sweet corn sector to be considered as sensitive in TTIP.

Copa-Cogeca: GIs is paramount in dairy sector and dairy sector looks forward to market access in the US.

Slowfood: concern on the impact on small scale farmers and guarantee that there will be no lowering standards.

Copa-Cogeca: Commission should do more in terms of communication and explanation about TTIP.

Commission: take note of the sensitive products (sweet corn, starch, ethanol); invite stakeholders to provide facts and figure to the Commission. Take note on the positive elements and offensive interests. Focus should be on where to gain on tariff barriers and NTM- dairy is a good example- On result of TPP: US dairy sector maintained a protectionism approach (transition period very long with NZ for example)- so TPP outcome will have to be analysed in details. Implementation of Safeguard Clause measure of 10% equivalent ad valorem on imported butter to the US and EU is the first exporter to the US – so this measure is a surprise for the Commission and Commission is in contact with US competent authorities. Standards discussed in TTIP fall under the SPS and TBT scope of the WTO agreements. Domestic standards in the EU will continue to be implemented on EU products or US products, such as hormones-treated beef. To Via Campesina: Commission works with a mandate that has been given by Council and EP which both support negotiations.

12. Animal welfare legislation in the EU and US- HIS- see powerpoint

HIS: Trade can offer positive change for life of animals: the EU has included some animal welfare standards in previous FTA (EU-South Korea; EU-Chile). Animal welfare measures are enshrined in EU Lisbon Treaty (Art. 13). While in the EU changes have been driven by legislation, in the USA, drive is consumer attitude. US retailers are changing faster than legislation. This could potentially create opportunities for EU producers as they already produce up the standards demanded by food giants in the US.

EFA: how do States with legislation on animal welfare manage influence of other States? And to Commission: they shall negotiate to lift up standards in TTIP.

WWF: Many animal welfare organisations believe that TTIP risk to lower standards while HSI believe it is an offensive argument for the EU. On US legislation, do you expect any legislative change at federal level on animal welfare?

Copa-Cogeca: congratulate speaker for presentation. Pleased to hear that changes are starting in the US. Smithfield is the largest poultry producer and they are expected to move from cages. But there will be some standards that the US will never reach and EU negotiators should be aware of that.

EEB: When American products will start coming to the EU market, EU farmers will start asking to lower EU animal welfare standards. How will the Commission make sure that the EU will not freeze legislation on EU animal welfare standard?

HSI: HSI US is pushing for more legislation in the US on animal welfare but acknowledge that the changes will be driven by the retailers/ food chains. Smithfield is shifting so this is the signal of a change for the next 20 years, without necessarily having legislation but on voluntary basis. Question is enforcement monitoring. With regards to costs of production, consumers are paying far too little for what they get and this should change. Consumers should consume fewer but better quality and pay fair price for it.

Commission (DG SANTE – animal welfare unit): every time a FTA is negotiated, Commission proposes to include a chapter on animal welfare, including TTIP negotiations. There is also an important technical work done at multilateral level to develop standards at OIE.

DG Trade: animal welfare go behind the scope of the WTO SPS Agreement which means that Commission cannot impose animal welfare on imported goods but Commission can improve in the framework of bilateral negotiations and at standardization organizations such as OIE. In tariff negotiations, costs linked to animal standards are used to determine whether products are sensitive or not. EU can also be seen as a source of high value added and quality products – this is a marketing tool to keep.

A.O.B

Three meetings are scheduled in 2016; next is March 2016. Chair invited stakeholders to provide point for discussions including coffee tables.

Disclaimer

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