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EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR AGRICULTURE AND RURAL DEVELOPMENT

Directorate G – International
G.1 – Global issues, WTO & relations with ACP

Brussels
AGRI.DDG1.A.1/EV (2022)

MINUTES

Meeting of the CIVIL DIALOGUE GROUP INTERNATIONAL ASPECTS of AGRICULTURE

06.05.2022

Chair: DG AGRI, G1

Delegations present: All organisations were present, except EuropaBio, ACT Alliance, AnimalhealthEurope, BEUC, EURO COOP, ECPA, EFFAT and EPHA.

1. Approval of the agenda

The agenda was approved. An extra point on the high level mission of the Csrr to Singapore and Vietnam was added.

2. Nature of the meeting

The meeting was non-public via Interactio for external attendees and in Borschette building for the European Commission staff

3. List of points discussed

I. Welcome, AOB and language regime

Presentation by DG AGRI chair (G1)

Welcome to the CDG. Presentation of the agenda. Explanation of interactio tool functioning and of the language regime /translation.

II. Agri Food trade situation 2021

Presentation by DG AGRI (G1)

Overview of the Agri Food trade situation in 2021

In the overall EU balance in agri-food trade, the EU agri-food trade surplus value stood at € 67.9 billion, a yearly increase by 8%. Both EU export and import values increased. The net trade balance remains to be driven by exports of high-value products such as wine, spirits and liqueurs and food preparations. Processed agricultural products have also performed well, as cereals preparations or dairy products. However, other products directly related to farm income such as pigmeat, fruit and sheep and goat have been affected by a reduction in export values in 2021. On the import side, the EU bill has also increased, driven by the price of oilseeds and protein crops as well as vegetable oils. Imports value of dairy products, olives and pigmeat have also substantially decreased.

The tension in the markets leading to higher prices along 2021 also boosted export and import values in other countries. While not changing dramatically the ranking in the top agri-food trading countries, export and import values have increased (in the top 5 countries). The biggest increase has been recorded in China, +26% compared to 2020. This has been led by the increase in oilseeds and oils prices. Some EU products (as fresh milk, and spirits and liqueurs) have seen their export values increasing to China but other faced a significant decrease, as pigmeat.

Agricultural and food trade is an important tool to cushion the effect of events that disrupt agricultural production and food availability, and thus food security. Though, events along 2021 have had a negative effect on global food security. The 2022 edition of the Global report on Food Crises, published 2 days ago, showed us that around 40 million people became food insecure in 2021. Known at the triple-C effect, Conflicts, Climate events and Covid-related economic impacts weighed on the situation of global food security. Conflicts remain the primary driver, as in the Tigray region of Ethiopia, South Soudan or Yemen. Covid-related impacts as well as drought in Madagascar significantly worsened the situation.

Concerning the EU exports for 2021, cereals preparations and milling products accounting for almost 10% in the total EU exports. Dairy and wine-based products exports worthed slightly higher than 15 billion€. Staple food, as cereals, also have a significant export value, showing its importance as a trade sector but also in volume. 47 million t of EU cereals were exported to third countries (calendar year 2021). As concerns, the change in export value in 2021, there was a sharp increase in vegetable oils (more than 40% increase), mostly driven by the price increase. Unit value increased by 37%. Also non-edible products as skins and wool, wine, and spirits have seen a 20%+ increase year-to-year. Contrary to vegetable oils, spirits and liqueurs have seen a little increase in unit value. Most of the increase is due to more volumes exported. On the other side, other sectors have lost, notably pigmeat, fruit, and the sheep and goat sector.

On the import side, in 2021, while there was a strong increase in value terms, we actually had a decrease in volume terms, esp. in Vegetable oils, as well as in Oilseeds and margarine and other oils and fats. Particularly, unit value increased by 36% for margarine and other vegetable oils and fats: esp. Palm kernel oil, and coconut oil.

Related to the EU trade partners, the main EU export destinations were UK, US, China as the top 3. The exports to the UK were stable year-to-year. For our main exported products, mainly there was a price increase, but a slightly less increase in actual volumes exported. The exports to the US increased in export values by almost 15%. Volume and price driven increased for our wine sector as well as cereals preparations and dairy products.

With regard to the EU imports, a significant increase in import values from Brazil, almost 20%, took place, largely driven by the rise of oilseeds and cereals prices. This made Brazil our first source of imports, taking over the UK. The imports from the UK decreased substantially, almost 25%, mostly because of a drop in the volumes imported to the EU (with an increase in prices) for the main products.

Indonesia is the main global producer of palm oil (60% of world production) and main exporter (50% of the global trade). The ban on palm oil exports will last until domestic cooking oil prices ease and may lead to a further increase of global oil prices.

Russia –Fertilisers: A ministerial "recommendation" to stop the export of fertilisers (on top of export ban on ammonium nitrate, already existing and prolonged until 1 May). Also increased export quotas on nitrogen fertilisers to 6.1m t (from 5.9m) and complex fertilisers to 5.9m (5.4m). Purchases of P and K fertilizers are likely to remain under normal levels as farmers can skip providing them to the crops, or reduce the levels, at least one year without major impacts.-

Russia-Grains/sugar: Suspended exports of wheat (and meslin), rye, barley and maize to states of the Eurasian Economic Union and other countries until 30 June 2022. Exports within quotas (11 million tonnes, incl. wheat at 8 million tonnes, and coarse grains (maize, barley, rye) at 3 million tonnes) will remain possible and licences within the quota will continue to be issued. The export tax described above is applied to exports inside the export quota. An export ban of sugar to all 3rd countries until 31 August.

Russia- Vegetable seeds/oils: Export ban of sunflower and rapeseeds from Friday 1 April until the end of August 2022. 1,5 million tonnes export quota on sunflower oil and 0,7 million tonnes export quota for sunflower seed meal from 15 April to 31 August. (Indicated volumes are close to actual export potential. Export tax on sunflower oil also in place, formula-based approx. $260 per tonne),

Concerning the global production:

- Fair crop conditions in Russia and Ukraine. Winter wheat has quite high yield potential in Russia – In Ukraine, sowings are proceeding (70% of spring sowing) and lower fertilizer application weighs on yields.
- Stable global wheat production in 2022/23: Situation mixed in North America. Harvesting progressed rapidly in India. Morocco with production forecast at a 15-Y low of 2.3m t.

Russia represents 14% of the phosphate world trade (Finland, Baltic, PL highly dependent) - Brazil is highly dependent. Urea: 13% from RUS. Ammonia exports RUS (22% wolrd): mainly EU, Morocco, Turkey and India.

Trying to find a solution to closed ports, DG MOVE works on retargeting / reorganising the value chains: supporting to re-organise the export value chains out from black sea ports to land transport (road, rail and barge). For putting it into perspective: in March Ukraine exported 200 k tonnes of grain, in April 1mln 68k tonnes and in normal months the volumes are 5mln tonnes a month. 80% of their rail tracks are available within UKR. Trans-shipment at the PL border, also to RO (Danube barges are used until Constanza) and Baltic sea ports. Huge increase in stocks for the moment – 10 fold.

Q&A

- Participants expressed their fears about the years to come, starting from 2022, because of the disruptions caused by the war in Ukraine. They stated that apart from losing fast growing Ukrainian market, the industry and the operators have to face several challenges linked to high energy and fertilizers' prices and to seek alternatives for the procurement not only of agricultural materials, but also of other raw materials (for ex. cartoon, plastic, glass, aluminum necessary for packaging). They highlighted also the massive delays observed on checkpoints, because of the over-zele of Member States (Poland, Hungary,

Romania) to apply national laws in trucks and ships. This increases the cost for the industry.
- Do the cereals of Ukraine end up in Russia are they sold in other markets?
- How does the Commission can support the need of finding alternative markets?

DG AGRI (G1) replied that the latest info on the products that go from Ukraine to Russia is not available for the moment. 2021 was a very good year for the Russian winter wheat in the South of Black Sea and the perspectives for next year are also good. We are aware of the delays. Concerning fertilizers, there is a question mark on the accessibility and the affordability of phosphate and potassium. Nitrogen is OK for the moment. We keep on monitoring the situation in the global market.

III. FTA negotiations and agreements – state of play

Presentation by DG AGRI (G4)

The United Kingdom Trade Cooperation Agreement that started in 2021 provides the highest degree of access market ever concluded. Duty free, quota free is given in all products included the agri-food ones. Of course, the situation is not the same as when the country was part of the single market because of the custom controls. Checks in the borders have an impact on the trading conditions. EU exports to United Kingdom are less impacted than the EU imports. The EU exports present a stable picture so far, with a significant increase of exports of cereals, chocolates and wine and a decrease of meat preparations. United Kingdom decided to postpone checks and border requirements, in order to reduce the extra work delays. We follow the implementation of the agreement. Participants are invited to report to the Commission any possible problems observed.

There is an association agreement with Ukraine since 2017 that follows the FTA rules (provisionally applied since 2016). A review discussion on further liberalization (article 29) is on hold for the moment because of the war. On April 27, the Commission made a proposal for full trade liberalization of goods coming from Ukraine. This followed the explicit request of President Zelenskyy to President Von der Leyen aiming to facilitate the exporters' conditions and to boost the Ukrainian economy for one year (recovery plan for Ukraine). This plan is both ambitious and balanced. A safeguard clause mechanism is part of the proposal, in case of serious difficulties. There is no mechanism of renewal after the first year. This proposal is now at the Council level for validation and it has received positive opinions so far.

Q&A
Participants greeted Commission efforts supporting Ukrainian agriculture and answering to the humanitarian needs of the country. Because of the difficulties of access during the war, there is a concentration of some products like honey, fruits and vegetables by few Ukrainian operators. This situation as well as trade statistics need to be monitored closely in order to avoid disruptions. It is important for our farmers to face the increase of costs and continue to invest in sustainable productions
- Does the Commission intend to release another regulation on licenses of grain exports?

The liberalization of Ukrainian poultry tariffs will increase the competition for the EU operators. If ports remain blocked, there are fears that these quantities will finish to the EU market by trucks or through humanitarian corridors. This will put a lot of pressure on EU producers. Is it possible to export those extra quantities to West Africa or to other poor countries or to the Middle East in order to avoid disruptions in the EU market? Participants stressed the need that the EU act as a whole and not as individual countries in international agreements.

DG AGRI (G4) replied that licenses have already been taken out (it will be reconsidered later in order to find a better solution).

There is a communication to come from the Commission for facilitating imports and trade flows with Ukraine proposing full liberalization for Ukrainian products for one year. As mentioned, it is still under discussions with the co-legislators and there are positive signals for the adoption of the proposal. This will be probably in June, but there is no fixed calendar for the moment. This will help to find an easy solution for exporters. There is a safeguard mechanism in case of negative consequences on operators. The objective is to boost Ukrainian economy. It will also have an economic and political impact. There are a lot of discussions on logistics and corridors. We continue monitoring the situation and the new scheme. The Commission services will come back when more information is available.

Presentation by DG AGRI (G3)

There are five blocks of countries. In the first one (South Korea, Japan, Vietnam, Singapore), the FTA agreements have already been negotiated and GIs lists are updated. By mid-June or July, a high-level mission of the Commissioner is planned in Vietnam and in Singapore. In the second block of countries (New Zealand, Australia, India, Indonesia) FTA are under negotiation. In these negotiations we try to reinforce the EU position. In the third block of countries (Thailand, Malaysia, Philippines) negotiations stopped. In the fourth block (China) there is already a sustainable agreement on protection of GIs and a new group of GIs will be included. A week ago a study was published on the e-commerce with China by the Commission. Finally, in the fifth block of countries (Pakistan, Laos, Cambodia) there are no any negotiations; these countries fall under the “Everything but arms” regime.

A year ago, in Porto, India engaged in FTA negotiations. In the previous round, between 2007 and 2013, there were no conclusions. In mid-June, the first round of negotiations (on trade and goods, trade and investment agreement and on GIs) with India is planned (dates to be confirmed). Several informal meetings took place so far and Indians look very open. On GIs, we started from a certain level of competencies.

12 rounds of negotiations with New Zealand took place so far (dates for the next one are to be confirmed). It depends on the ability of New Zealand to deliver under other sectors. The EU made a final offer for all agricultural production, including for sensitive ones like beef and dairy products. Negotiations on GIs are possible. The wine annex is under progress and the sensitivities were taken into account.

12 rounds of negotiations with Australia took place and the next one will be in autumn 2022. In 2019, there was a first market offer. Other sectors (SPS, GIs, Sustainable development and rules of origin) will be examined before the 2nd market access offer. Quality is more important than speed.

11 rounds with Indonesia took place. We are still under preparation waiting for the political mandate.

Presentation by DG AGRI (G2)

Agreements with the Americas are almost closed. We focus now on their implementation. We have exchanges on cooperation on agricultural issues, like for example, on farm to fork, issue of an interest for the United States and our other trading partners, who want to know what exactly the farm to Fork strategy represents for the EU and whether there will be implications for trade.

Five years of the CETA agreement with Canada were overall balanced, although a number of trade irritants remain. A joint report on wines and spirits concerning what has already been achieved and what should be done in the future will be published after five years of implementation.

There is an agreement with Central America since 10 years. A public report on banana stabilization mechanism is to come in order to see what should be done concerning the traditional flows of bananas to the UE taken into account local production.

There is an agreement with Chile since 20 years. UE is currently under negotiations for the modernization of this agreement. A new constitution and new president are in place in the country. Resume the negotiations of the agreement

A modernization of the agreement with Mexico is ongoing (adoption and rectification of the agreement)

Negotiation with Mercosur completed in 2019, we are in the phase of legal screening. Exchanges on prior users issue take place. There was a positive round for the ratification of the agreement.

Presentation by DG AGRI (G1)

An export seminar will take place in South Africa where we try to build a relation with policymakers. Poultry sector remains sensitive. A subcommittee on wine and spirits is to be created. We try to deepen the agreement with SADC partners.

For ESA negotiations, comments received on the draft list of GIs. There are also discussions with CARIFORUM on GI list.

Food security is the key issue for the next EU Africa agriculture ministerial conference to be organized with the African Union Commission.

Q&A

Participants mentioned the revision of standards and the products banned in South Africa. On CETA they saw some progress in the discriminatory practices concerning wine and spirits. In Colombia there are issues on GTP as from 2023. Delegations are contacted. They are happy that negotiations with India are progressing. There is a priority on the tariffs. Participants mentioned disappointing results from taxation and the review of consumption tax.

How irritants will be discussed in the Trade and Technology Council?

Are any other meetings planned with Asian countries apart from the Cssr high level mission in Vietnam and Singapore?

In the EU, beef production has higher costs in comparison to other places because of the higher standards on animal welfare. For this reason, EU is very vulnerable and in a bad position face to imports coming from other countries. Will other countries mirror our standards or not?

Is poultry included in the sensitive sectors in the trade with India? Is it possible to add mirror clothes about requirements to the agreement? This will influence also the public opinion on them.

GIs are of a high importance in trade agreements and we are available to provide info. On issues that the producers face

- It is a priority to set up in the negotiation as a single entity. Inspection holding registers. If in individual. Member States. Need to take contact. Then there is a need for national registers.

Participants requested not to increase concessions in South Africa for citrus fruits because there are already problems in this sector for Spanish producers. South African products arrive massively to the EU market.

DG AGRI (G3) replied that GIs are very important in the negotiations in the regulatory cooperation with India. The problem is the institutional setup with India. Problems related to trade irritants were raised in the joint working group. In stake are the provisions tackling trade irritants. India did not make any opening on poultry in its first offer.

DG AGRI (G2) There are discussions with Colombia for understanding the sensitivity of labeling regulation. Agreements. Agreement aim to defend farmers and all EU citizens. It's an exchange and deals are balanced. Calibrated offers are made during the negotiations. The concluded negotiations are closed. They cannot open only for the mirror clauses. If not, we need to reopen negotiations about everything.

IV. Promotion policy and its role in supporting diversification

Presentation by DG AGRI (G3)

DG AGRI presented different aspects of the Promotion policy, explained the different promotion tools used in third countries and the procedure to decide which markets are going to be priorities for the Commission in terms of promotion. DG AGRI listed the currently running promotion activities for 2022 and some which are still running but triggered since previous years (including the high level mission on Vietnam and Singapore, the export seminar on China, South Africa, the EU presence in the pavilions in China and Japan etc.) and informed we are now under the process to decide the priorities for 2023-2025 (multi annual). It was explained how the promotion policy has integrated F2F into Commission promotion daily activities.

Q&A

Participants expressed strong support for the promotional activities carried out by the Commission; in particular, they referred to the HLMs and Market access Entry handbooks. They also asked whether the Commission foresees an increase in the budget for this type of promotion activities and whether the Commission foresees a diversification in the promotion policy in the future years. Concerning the HLM of the Commissioner, in which order the visits in Vietnam and in Singapore will take place

Participants wondered whether the Commission will take into account the current crisis in Ukraine to compensate the negative effects and asked whether an increase in the promotion budget would be considered. They wondered whether China, India, Brazil and countries in South East Asia are going to be considered in our promotion policy as a priority given the high growth potential of their markets (a parameter that COM uses for selecting targets for the EU promotion policy.

DG AGRI (G3) replied that to our knowledge the Commission does not intend to increase the budget for Commission's own initiatives in promotion (under CR 1144/2014) but they committed to pass the message to the relevant service within DG AGRI (promotion unit).We are now precisely looking at the priorities for 2023-2025 and we may consider further diversification of markets. DG AGRI confirmed that China and Japan continue to be top priorities when I comes to the number of promotion activities. High attention is also given to India and to SE Asian counties including Vietnam, Thailand, Indonesia and Singapore. The HLM of 11-15 July 2022 will cover first Vietnam and secondly Singapore.

Presentation by DG AGRI (Dir. M. SCANNELL)

Global Food security is one of the top priorities in the EU political agenda and of the French presidency. The shortage of commodities and the high prices are great challenges. Ukrainian and Russian commodities have a great impact on world markets. Possible disturbances in flows and high prices in fertilizers and energy risk destabilizing markets. EU supports Ukraine to feed its population, to regain access to global markets for wheat and corn and to find alternatives to Black Sea ports (several rails and roads are blocked). Developing countries are at risk, especially North Africa and Maghreb. Food security issues appear also in the Sahel and in the Horn of Africa. In the EU, the situation is stable, thanks to the CAP that provides affordable food to our citizens. However, energy prices and dependence on fertilizers imports from Russia and Belorussia can provoke a structural vulnerability.

The Commission communication addresses weaknesses and support to farmers through several measures that are part of the CAP plans (ex. promoting the production of protein crops for diminish the dependence on feed imports). CAP strategic plans proposed from Member States focus on climate change; a challenge that cannot be detached from production. They also focus on resilience measures. The French Farm initiative proposal, promoted in the G7 forum, aims at strengthening food security through trade, production and resilience. Other initiatives for alleviating risks are also ongoing, like the pig meat reflection group, discussing about the high concentration of production in the EU and the dependence of EU on Chinese exports. Several other debates are taking place like on the "mirror clause" report and the way we can trade with other countries having lower standards than Europe. The PPM report will be examined in the agricultural Council in June.

Presentation by WWF

WWF-European Policy Office shared some of their views on food security and resilience, which are framed as integral parts of the larger "food systems sustainability" concept, largely supporting the way the Commission had addressed the topic in its communication.

There can be no sustainable food systems if it does not provide short and long-term food security in a resilient way, just as we cannot call sustainable a food system that depletes natural resources or has high environmental impacts. It was underlined that the war in Ukraine has made visible key vulnerabilities in our food system, such as the dependence on imported fossil fuel, fertilizers or feed.

While there has been much public debate about the capacity of the EU to fill in the supply gap in international agrifood markets caused by the war, WWF argued that the EU is generally in a poor position to do so, given that severe dependence on imports and the fact that the agrifood sector in the EU is geared to produce high added value products for wealthier markets worldwide, playing a completely different role than Ukraine and Russia.

WWF concluded that even if the Commission Communication had not touched upon it, the EU can no longer wait to act to address the EU's wasteful consumption of food, prioritising agricultural production for food over feed and fuel. This would help the EU lower the local and global impacts of its food system and minimise its dependence on imports, which should also contribute to increased food security and higher resilience.

Presentation by CEJA

"Global food security - International aspects of the Food security Communication and follow up"

Knowing the context, international aspects of agriculture are obviously very crucial, whether it is for farmers, consumers, or citizens. Young farmers welcome the communication on "Safeguarding food security and reinforcing the resilience of food systems". They aware of the direct impact on the production and exports from Ukraine. This impact concerns the viability of EU farms, given the well-known context of prices explosion (fertilizers, energy, feed) and the availability of inputs / feed. The context was already difficult and inflationary. The war in Ukraine only made things worse. Food security is a real issue despite all the efforts for humanitarian support, which responds to very short-term and local needs.

Concerning global food security, EU measures are well targeted, but they cannot address structural problems. Positive elements that could allow treasury relief are the use of the crisis reserve under Article 219 CMO – with 500 million euros transferred to Member States (even if it cannot be enough); the establishment of a Temporary Crisis Framework (TCF) for state aid; increased levels of advances of CAP direct payments; additional flexibility in regulatory requirements. It will help maintain supply of essential inputs to agricultural production.

Long-term resilience is also essential, especially for young farmers. CEJA is in favour of actions aiming to decrease the dependency from certain inputs by diversifying supply; the development of EU protein production in a progressive and coherent way; boosting research, innovation.

However, structural challenges remain. Putting enabling instruments in the hands of all farmers need to be implemented without any further delay if the EU ambitions to reach all its sustainability objectives while preserving our most essential resources. Global food security relies on farmers: the exponential decline in the number of farmers should alert us to our ability to meet the challenge of nourishing the population. Education plays an important role: the next generation of young farmers need to be educated to face the existing and forthcoming challenges of the sector.

Food security and sustainability have to work hand in hand. The right balance needs to be found in order to combine these two objectives. Sustainability is a long-term strategy that needs to face the already present challenges and food security is both a short term and a long-term challenge.

Q&A

Participants welcomed Commission's efforts on Food Security as well as on actions related to Ukraine. They shared also the position of WWF and CEJA.

Food sovereignty is a necessity. The EU should build and keep strategic food and energy stocks, which is not the case since 1992. These stocks could be an answer to the fragility of exchanges and to possible ruptures of fertilizers and others inputs stocks. Concerning their Food, sovereignty. Cooperation actions for the development of the agriculture of the countries of the third world (that are currently to an impasse) are needed for ensuring their food sovereignty. This is more essential than pushing for an acceleration of exchanges.

German farmers profit from meat consumption, but this cannot be a global strategy. Promote food production in third countries is a challenge given the climate change. Given this challenge and the Farm to Food Strategy, how food production could be organized in the longer term? How markets could be stabilized? Which scenario could work on prices for imported energy? A feasibility study on emissions from agriculture is necessary in order to see what is possible to be done in the future.

Participants consider that we should reflect on the role we can play on trade and on the way forward. What kind of document the Commission is preparing (action plan or other?) concerning the protein plants production?

Dir. M. SCANNELL (DG AGRI) replied that part of the EU solidarity plan for Ukraine is also to facilitate Ukrainian grains to enter to the EU market. There is a big demand for grains in the global market. Several delays were reported and actions needed to be taken. These delays are linked to several requirements, not imposed by the EU law. In order to facilitate the situation in Ukraine, we should use existing facilities (ex. trains) in Ukraine. We know that some EU traders were blocked and there are problems of logistical synchronization (for transshipment, road transport linked to Ukrainian drivers' transit licenses etc.). It is a very tricky situation and we do our best to tackle the problem. It is not obvious to replace Black Sea ports. There are no strategic stocks at the EU level, but there are strategic stocks at Member States level, for example in Finland. The discussion on the EU level raises questions such as who will pay for the stocks? Who stocks? What will happen in case of depreciation? And it's about investments of millions of euro. China and India maintain stocks, but with a high cost and this has an impact at world markets. The question is that whether India will dispose its stocks in world level. Other challenges are added, like the heat wave in India. At this moment, there is no miraculous solution. Europeans need to decrease their meat consumption even if this consumption is legitimate. We have to produce those animals in a more sustainable way. The question of production methods is crucial (in which way the higher ambition of the EU is not undermined by imports from countries with lower ambition.

The EU should reduce its dependence on imports of soya for the livestock sector. A big part of protein crops come from South America creating several issues linked to climate change and opportunity costs. We should reflect on our next steps; see first what is in the CAP strategic plans and what is under the protein plan. And examine also what the research and innovation can propose (probably soya could be replaced by some other cultures in the EU, but it depends on the research on genetics).

CEJA replied that they fully support Ukrainian citizens and refugees. Three problems exist: access to land, access to finance - credit and to knowledge. High prices and difficult access to fertilizers are challenging. Animal production is in a better position. CEJA prepares a document on soil as part of agricultural and energy production.

V. Transition toward sustainable food system

Presentation by DG INTPA (F3)

A short presentation on the UN Food Systems Summit follow up and the proposed coalitions was given. The summit took place last year and there was a good thinking of concepts and sustainability. National pathways and correspondent EU support on FSS coalitions are in different stages of preparation.

Presentation by DG SANTE (D2-D3)

As mentioned in the farm to Fork International Outreach, global challenges require global actions. We have the trade power in the Agri food sector and a soft power in international issues. EU cooperates with FAO, United Nation agencies and other big organizations for improving nutrition and promoting sustainable food systems (Codex Planetarius).

WTO is not in a good shape. The next WTO Ministerial Conference is under preparation. A ministerial declaration on food systems will be issued. Several events will be organized on what we are doing and what it is possible for the future (international standards on Codex alimentarius etc.).

Under our cooperation areas we promote our strategy to the world aiming to diminish the risk of fertilizers and pesticides, promote innovations and technologies increasing resilience and fight against fraud. Informative sessions on specific topics such as pesticides and veterinary issues were organized in embassies, where regions and countries were invited (ex. in Western Balkans, etc.). A dialogue is established under the Foreign Partnership instrument with the help of delegations and several coalitions are developed under the United Nations.

We follow the implementation of actions. A sustainable food systems chapter was included in all trade agreements, for example with Chile (concluded agreement). The Commission communication on trade policy reviews proposes the inclusion of this chapter to future agreements too. This chapter includes provisions promoting issues under the Farm to Fork strategy. Chile and Thailand agreements are concluded, New Zealand had good progress, Australia started, Indonesia is ongoing, United Kingdom is under discussions and the first talks start with India next week.

Presentation by DG AGRI (G3)

Bilateral Dialogue on Sustainable Agriculture with Canada.

The issue of Sustainable Agriculture was first discussed with Canada at the CETA Agriculture Committee meeting in Autumn 2020, when we presented the Farm to Form strategy to our Canadian counterparts. The Canadian authorities invited us to present the F2F to Canadian stakeholders in January 2021. As Canada is also engaged on a similar exercise, this led to the idea of an EU-Canada Joint collaboration on sustainable agriculture, within the context of the EU's establishment of Green Alliances with its trading partners as part of the Farm to Fork strategy. The initiative was supported at the highest political level and was formally launched at the EU-CA summit on 15 June 2021. In that context, we are organising a series of joint workshops with Canada on Agriculture Sustainability from 2021 to 2023. The first event in the EU-Canada Dialogue on Agricultural Sustainability, Environmental stewardship and Climate action, was held in October 2021 and was dedicated to soil health, and the second was on reduction of GHG emissions in the livestock sector which was held in March 2022, with over 100 participants each time.

The Commission services are now organising the third workshop on Organic Production, scheduled for the afternoon of 8 June. There will be three breakout discussions on the themes of Environmental benefits of Organic Farming, Innovation in the value chain, and the socio-economic benefits and drivers of Organic Farming.

Two other virtual workshops are planned, and the series will conclude with a more political event in 2023.

The intention of this project is to exchange ideas and to showcase current best practices as well as research and innovation (R&I) efforts on both sides aimed at finding solutions to address specific topics of mutual interest to EU and Canada. We have brought experts together including policymakers, farmers, and researchers. The objective is to learn, understand and discuss the policy context and best practices in an effort to establish a common understanding about the motivations, ambitions and avenues the EU and Canada are taking on pressing sustainability challenges in agriculture and agri-food value chains.

Q&A

Participants noted that there is a need for high sustainability standards and a global uptake of them. For this, cooperation and consensus are necessary at international level. WTO efforts on two initiatives (climate and environment were mentioned) as well as a separate initiative on SPS with Canada. Will the EU be included on that or not?

Which is the perception of global standards, which are also linked to public health, and promotion of third countries (for example India, Thailand and Indonesia)? What was their reaction on food fraud? Is this part of the scope?

Participants wonder whether incentives or sanctions (carrots or sticks) have a higher effect for imposing an adjustment of level field and of same rules. They consider that the EU should find agreements between countries with common interests and create climate platforms, etc.

The same criteria should apply to all farmers. EU farmers count for 1% of global emissions. The most effective approach is to impose EU criteria elsewhere. Food affordability and sustainability are very important. The agricultural income remains 1/3 of other professional incomes and infrastructures lacking in rural areas.

DG SANTE (D2 – D3) replied that an inclusive strategy should be built. The initial reaction of Thailand to the agreement was not much in favor. Nevertheless, there is a good support and we can have a good consensus. Concerning the perception of third countries to sustainability rules, we should have a comprehensive approach of all EU policies. There are exchange of good practices in the sustainable food chapter. Some provisions exist already in the SPS chapter and it is about applying same rules to the producers (ex. on antibiotics). Sustainability is linked to many issues in other chapters.

We try to make good progress in many aspects through bilateral and multilateral agreements, but it takes time. The regional Codex event next week and other events helped to that. In November / December, there will be an EU statement on sustainability (not a ministerial declaration).

VI. EU-US relations

Presentation by the Director Public Policy Europe, MSD Animal Health, Chair of the Agriculture and Food Committee at AmCham EU

We support several businesses and we stand close to the EU policymakers. Round tables are organised on risk management. Topics covered concern Green Deal, Farm to Fork strategy, digitalization and trade policy. It is important that every policy is WTO compatible, that any relevant impact is assessed and that the input of stakeholders is taken into account.

Presentation by DG AGRI (G2)

The last two years were very difficult, with COVID pandemic and the Ukrainian war. Restaurants and leisure places were closed because of COVID and this affected wines and spirits consumption. Additional tariffs and WTO conflicts did not help. It is difficult to evaluate the impact of COVID and of sanctions. Agri-food exports diminished slightly (mainly for wine, spirits and cheese) but survived quite well. Sanctions were temporary and there are good perspectives for the future. Concerning steel and aluminum, negotiations keep on actively. United States' imports to the EU were quite good in 2019. There was an increase in soybeans because of the conjunction of circumstances. 30% of exports, that normally go to the United Kingdom, concerned wine, which was extraordinarily.

There is a new political situation with the United States (no tariffs), different than a couple of years ago and that are good news. On spirits a new constructive dialogue was established. An administrative arrangement was signed: a “collaborative platform for agriculture”. It concerns agriculture and climate, sustainable agriculture and trade in Agri food sector. Some discussions are purely technical (between administrations) while others discussions that will include stakeholders are to put in place. There is a positive dynamic. Technical workshops were organized as well as other activities. We intend to improve dialogue and participation. On December 6, a physical event of exchanges with stakeholders on future challenges will take place in Brussels.

Q&A

Participants welcomed the suspension of tariffs of aluminum for three years. This was very good for the industry (it concerned 40% of the exports). But, is this a permanent solution? The tariffs will not come back in the future? A good involvement of stakeholders is necessary. Not only specifically on agriculture, but also on manufacture issues.

What about discussion on aluminum? The deadline arrives soon

What about the recognition of additional GIS?

The United States have no recognition on GIs, so a dialogue needs to start. But, under which platform?

Reply by DG AGRI (G2): Negotiations are closed, but we still do not know the result. For the moment there is no intention to go back to sanctions, but we are not sheltered to future sanctions. We should maintain our links with the United States on all areas. The USA GI system is completely different from ours. A prior approval on labels could be problematic with cheeses, but we are open to discuss it without raising questions that will pose more problems than solutions. We welcome any GI to be registered by the USA in the future. The Spanish olive oil producers suffer from the anti-dumping, anti-subsidies policies. This case was brought to WTO. The calculations of the USA were not correct. This end in 2021 and the opinion was strongly in our favor. USA did not appeal. Now the question is whether the United States are ready to implement the report and allegate Spanish producers’ position. We are waiting for some news soon.

The collaborative platform is about better understanding and exchange of information and good practices on agriculture but not for negotiating and not for changing trade conditions.

VII. WTO MC 12 – state of play agriculture negotiations

Presentation by DG AGRI (G1)

The WTO ministerial conference will take place the week of 13 June 2022. The situation of negotiations is quite challenging. The WTO Secretary General made a strong call to members to deliver results and show that the WTO stands for purpose. Several issues are at stake: the WTO response to the COVID situation, concluding in fisheries and agriculture, food security, progress on the WTO reform etc. A successful ministerial conference will be a great contribution to food security challenges in developing countries. The Russian invasion is a subject for the upcoming ministerial. Costa Rica will have the WTO agricultural chair.

There is a focus on a multilateral food commitment package and the transparency of export restrictions. Food export for humanitarian reasons should be exempted from restrictions. Members should launch work programs proposing permanent solutions and taking into account transparency. Hope that the statement will have results on the World Food program and ease the access to food. We remain engaged.

Q&A
Participants asked about the WTO Reform workshops and roundtables. Will illicit trade in food, including in beverages be discussed?

How WTO sees the equivalence of standards that are imposed on FTAs?

DG AGRI replied that there is less and less appetite from members to advance in the negotiations. Transparency of initiatives and applied rules is necessary. We don't know yet the conclusions of the Ministerial conference. There is a special mechanism for developing countries that are in constant demand and they cannot have it without comprehensive market access. In the next civil dialogue with Trade in May, we'll discuss the question of the WTO reform.

There is no specific reference to agriculture because this is not one of the issues raised on the negotiations.

4. Conclusions/recommendations/opinions

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

5. Next steps

Participants are asked to send emails on points to add to the agenda for the next CDG meeting

6. Next meeting

10/10/2022

7. List of participants - Annex

Electronically signed

Willi SCHULZ-GREVE
Head of Unit

Disclaimer: The opinions expressed in this report represent the point of view of the meeting participants from agriculturally related NGOs at community level. These opinions cannot, under any circumstances, be attributed to the European Commission. Neither the European Commission nor any person acting on behalf of the Commission is responsible for the use which might be made of the here above information

Annex

List of participants– Minutes

Meeting of the CDG INTERNATIONAL ASPECTS OF AGRICULTURE

Date: 6 May 2022

ORGANISATION
AMERICAN CHAMBER OF COMMERCE TO THE EUROPEAN UNION (AMCHAM EU)
CONFÉDÉRATION EUROPÉENNE DE LA PRODUCTION DE MAÏS (C.E.P.M)
EUROGROUP FOR ANIMALS (EFA)
EUROPEAN AGRI-COOPERATIVES (COGECA)
EUROPEAN COORDINATION VIA CAMPESINA (ECVC)
EUROPEAN COUNCIL OF YOUNG FARMERS (CEJA)
EUROPEAN ENVIRONMENTAL BUREAU (EEB)
EUROPEAN FARMERS (COPA)
EUROPEAN FEDERATION OF ORIGIN WINES (EFOW)
EUROPEAN FORUM ON NATURE CONSERVATION AND PASTORALISM (EFNCP)
EUROPEAN LANDOWNERS' ORGANIZATION ASBL (ELO ASBL)
EUROPEAN LIAISON COMMITTEE FOR AGRICULTURE AND AGRI-FOOD TRADE (CELCAA)
EUROPEAN MILK BOARD (EMB)
FOODDRINKEUROPE
FRIENDS OF THE EARTH EUROPE (FOEE)
IFOAM ORGANICS EUROPE
ORGANISATION POUR UN RÉSEAU INTERNATIONAL D'INDICATIONS GÉOGRAPHIQUES (ORIGIN)
SACAR - SECRÉTARIAT DES ASSOCIATIONS DU COMMERCE AGRICOLE RÉUNIES / JOINT SECRETARIAT OF AGRICULTURAL TRADE ASSOCIATIONS
SLOW FOOD
STICHTING FAIR TRADE ADVOCACY OFFICE (FTAO)
WWF EUROPEAN POLICY PROGRAMME (WWF EPO)