Ref. Ares(2023)3798538 - 01/06/2023

EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR AGRICULTURE AND RURAL DEVELOPMENT

Directorate G. International
The Director

Brussels,
AGRI.G.1/EV (2023) 5747911

MINUTES CDG

Meeting of the CDG on International Aspects of Agriculture

11 May 2023

Chair: AGRI G1

All the organisations were present, except Association of Poultry Processors and Poultry Trade in the EU Countries AVEC, Bureau Européen des Unions de Consommateurs BEUC, , Euro Commerce, Euromalt, European Animal Protein Association EAPA, European Fat Processors & Renderers Association EFPRA, Euroseeds, Federation of European Rice Millers FERM, Fruit Vegetables Europe EUCOFEL, International Biocontrol Manufacturers Association IBMA, European Economic and Social Committee EESC (observer)

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 via Interactio for external attendees and in Borchette building for the European Commission staff

3. List of points discussed

1. Technical explanations about interpretation

Explanations given by the SCIC team

2. Adoption of Rules of Procedure

The rules of Procedures were adopted

3. EU agri-food trade developments in 2022

In 2022, the EU remains the biggest exporter of agri-food products. Exports worth EUR 229 billion. It was a 16% increase compared to 2021. Exports of other main trading countries increased also substantially. The biggest increase (50%) has been for Brazil. On the import side, the EU keeps the third place, with EUR 172 billion. Imports increased by 30% compared to 2021. This was the steepest increase compared to the other agri-food trading countries.

In the overall agri-food trade balance, there was a clear benefit of Brazil in the past year Otherwise, the other biggest exporters, including the EU, lost. The US trade balance declined by 50% in one year. The deficit in China increased by slightly more than 10%. India, the second producer of agri-food products in the world registered a low deficit in 2022

The EU agri-food trade balance declined lightly in 2022, after the continuous growth for the past decade. It reached EUR 58 billion, a EUR 10 billion loss compared to 2021. In 2022, EU the main agri-food trade partner was by far the UK (EUR 63 bn) and the second one was the US (EUR 41 bn). With these two trade partners, EU trade balance increased in 2022. Trade balance with China and Brazil did not progress for EU benefit.

EU imported significantly more from Ukraine, with triple digit growth, t*hrough the Solidarity Lanes/ATMs*. EU imports of cereals and oilseeds have increased the two most significantly as well as of poultry, sugar and isoglucose.

Agricultural prices have increased in 2021 and peaked in March 2022, due to the war in Ukraine, as both Ukraine and Russia have a major role in the global trade. Blocked exports impact on supply and brought major uncertainty on the global markets. That is fuelling price increase (panic buying).

Input costs remained high along 2022. Price gap between fertilisers and agri-food products has widened; prices have been transmitted along the value chain leading to food price inflation and food insecurity and affecting production costs for farmers. Most export restrictions imposed following the outbreak of the war in Ukraine had been lifted by mid-July 2022, but have remained largely unchanged for the remainder of the year.

In conclusion, EU agri-food trade functions well despite interruptions in traditional supply chains and the war in Ukraine. Prices for most agri-food products have increased and this is reflected in the value of trade, but volumes have not decreased, sometimes even increased. This is due to our quality and competitive products and the broad network of trade relations and agreements which allows for diversification of trade partners

4. Presentations by CDG members: priorities in relation to the international aspects of agriculture

a. Freshfel

Freshfel Europe is the forum for the European fresh fruit and vegetable chain. Challenges as concerns market access and negotiation, as well as implementation and outreach were presented. Lessons learnt from missed opportunities, showed that FTA need to go beyond tariff dismantling and secure a robust and well implemented SPS chapter to remove or at least minimize consequences of lengthy and costly protocols. Clear SPS chapters with timeframe, policy transparency, similar conditions for MS under same SPS conditions, fee waiver and control confidence are important in order to keep competitiveness advantages and simplify thorny negotiation protocols.

b. Agroecology Europe

Agroecology Europe is the European association with more than 300 members from 15 countries, promoting the transition towards agroecology-based sustainable farming and food systems as a set of practices, a science and a movement across Europe and throughout the world, by facilitating knowledge sharing and action. Recommendations to the European Commission in order to help building markets fostering agroecology were formulated.

c. Trade Promotion Europe

The mission of Trade Promotion Europe is to empower European trade promotion organisations to optimise support and the business ecosystem for their exporting companies. It gathers 28 members in 20 countries (17 MS) and more than 1250000 compagnies in its network.

d. European Milk Board

European Milk Board is lobbying for milk producers in Europe since 2006. It has has 21 member organisations in 16 European countries and cooperations with organisations in many additional states. It stands for a responsible production in Europe, with balanced supply and demand and for a decent income for farmers.

5. Update on WTO agricultural negotiations ahead of the 13th WTO Ministerial Conference, February 2024

The 13th ministerial conference will take place in February 2021 in United Arab Emirates, while the 14th will take place in Cameroon. One of the most important elements of the negotiation is the impact on food security of the Russia Ukrainian war and the way to help countries to face food insecurity. EU is interested in reinforcing transparency in export restrictions (they are allowed under WTO rules exceptionally because of food shortages). Permanent solution of public stockholding is high in India's agenda. Among the other issues of discussion, there is domestic support and subsidies and their impact on trade and environment. Also market access, dispute settlement body, fisheries subsidies agreement, deliberative function of WTO and the impact of policies on environment and climate.

Q&A

COPA-COGECA brought up the issue of Spanish black olives and of the high EU standards that increase the cost for European farmers. CEPM asked about the deforestation regulation in view with the negotiations with Brazil.

6. State of Play

a. Neighbourhood countries

The Commission recalled that agri-food trade with the **UK** under the Trade and Cooperation Agreement (TCA) conditions was quite resilient, in particular EU exports. However, there are some challenges in the months and years ahead. The most immediate one is the introduction by the UK of certification and border checks on EU exports, which will be phased in starting in October 2023. The Commission urged all stakeholders to prepare and adapt to these changing conditions.

As concerns **Ukraine**, the Commission presented the current Autonomous Trade Measures (ATMs) for Ukraine, valid until 5 June 2023, and explained the context surrounding their prolongation. The new ATM Regulation was approved by the European Parliament on 9 May and is expected to be shortly approved also by the Council. To address the concerns of some MS and stakeholders, it features an expedited safeguard provision and strengthened monitoring.

As to unilateral bans by some EU MS, the Commission indicated that trade policy falls into exclusive EU competence. In view of the logistical bottlenecks created by the imports of certain products from Ukraine, the Commission took on 2 May exceptional preventative measures. In response to questions by the Members of the CDG, the Commission indicated that the concerned MS are expected to withdraw their import bans and that it will continue close monitoring of all agrifood imports from Ukraine.

In the aftermath of Russian aggression in Ukraine, the EU had also adopted in July 2022 ATMs for **Moldova**, in a form of additional quota quantities. In the beginning of May 2023, the Commission has proposed to prolong these ATMs (however, with a changed scope of covering all products + featuring a strengthened safeguard) – the Commission proposal is being currently considered by the Council and the European Parliament.

Q&A

CELCAA asked whether the Black Sea Corridor will be extended or not. COPA-COGECA mentioned operators' concerns about the procedures of organics certification and of certificates of products of animal origins and the risk for a great disruption of the single market.

b. Asia and Australasia

State of play FTA negotiations

Successful conclusion of the FTA with New Zealand on 30 June 2022 and speedy procedural steps for preparing the signature of the Agreement. The signature is tentatively foreseen at the beginning of July, only one year after the conclusion. It clearly shows the importance that both EU and NZ attach to this modern, exemplary, new generation type of the Agreement. Following the signature, the ratification process of the Agreement will start, in the EU and NZ, as a last stage before the entry into force of the FTA. The entry into force could tentatively be expected in the first half of 2024.

Negotiations with Australia started in 2018 and 15 rounds have taken place so far, last between 24 and 28 April 2023. This was the last formal round before entering the end game and allowed to close over 10 chapters representing a significant leap forward and paving the way for the end game process. Discussions will continue at technical level during the month of May and interaction at political level will start in early June with a view to conclude negotiations before the summer break. Discussions on GIs are at a quite advanced stage, with only very few legal text issues remaining open and a handful of GIs left for discussions at political level (Feta and Prosecco being among the highest profile ones). Given the historical hostile position of AUS on GIs next to the US, it is a significant achievement to be at a point where AUS is considering setting up a GI sui generis system at the EIF of the FTA. On agricultural market access, a final offer will be presented to AUS later this month including concessions on the most sensitive agricultural products (beef, sheep meat, sugar, as well as rice and dairy). Account is being taken of the current EU market context as well as on the cumulative impact of other EU FTA Agreements. Discussions will be difficult, and it is clear an acceptable outcome on this matter is essential for an overall deal. COM is also pursuing EU offensive objectives on SPS and wine to be part of the final political outcome. Beyond agriculture, some of the most difficult issues still under discussion include Trade and Sustainable Development, Energy and Raw Materials and services.

On 17 June 2022, the EU relaunched negotiations with India for a Free Trade Agreement (FTA°, an Investment Protection Agreement (IPA) and an Agreement on Geographical Indications (GIs). The EU had been engaged in negotiations with India between 2007 and 2013 but these had been suspended in 2013. Objective is still to conclude negotiations before the Parliamentary elections of 2024 in India but there is no guarantee due to lack of progress. 4 rounds of negotiations so far. However, the progress was not sufficient to discuss a market access offer. No discussion on individual sectors yet. Next round, from 19 to 23 June in New Delhi. Regarding the agreement on GIs, there is a bit of delay here because of the change of Chief Negotiator on India's side, hence the negotiations are suspended and it is difficult to foresee dates of the next Round.

14th round with Indonesia is taking place this week in Brussels. This 14th round will be key to assess whether Indonesia is really engaging and ready to conclude a deal by the anticipated deadline, before next elections in Europe and Indonesia in the first half year of 2024. On Geographical Indications, the text on GIs is closed.

2013: launch of FTA negotiations with Thailand, 4 rounds until April 2014 and then pause because of political situation in THAI. Evolution of the situation led EU to reengage with THAI. 15 March 2023: both sides announced the relaunch of the FTA negotiations. The first substantive round of negotiations will take place in September. There is no anticipated timeline for conclusion. EU always favour « quality over speed »

State of play FTA implementation

EU agri-food exports to Japan took up again in 2022 (plus 12.9% year-on-year). We started the procedures to add 28 EU GIs and 14 JP GIs by 1/7/2023. Japan wanted to add 6 more GIs to the list but those were not registered yet in Japan, so we agreed to add those 6 JP GIs with a special procedure in the second half of 2023. In exchange Japan in principle agreed to another amendment to the GI list in 2025. Modalities to be decided. We are preparing a High-Level Mission to Japan with our Commissioner from 2 to 6 July. The list of 80 senior representatives of European companies/producer organisations of the agri-food sector is finalised. 22 out of our 27 Member States will be represented. The majority of participants will be SMEs covering mainly the following sectors: meat, wines and spirits, fruit and vegetables, processed agricultural products and confectionary, dairy (with a focus on cheeses), olive oil and non-alcoholic beverages. About half of the delegation will represent producers of GIs and organic products.

Our work with China (our 3rd market destination) focuses on facilitating access to CN market: DG AGRI is working with other relevant DGs (SANTE and Trade) to advance on issues such as regionalisation with the relevant Chinese authorities + Decree 248 (need for exporter to register). The second list of GIs of the agreement was published for opposition on both sides at the end of 2022 and the opposition period is now over. We are working with the Chinese authorities to address the required steps for a full protection by 2025 as foreseen in the Agreement.

Q&A

CEPM draw COM's attention to the fact that Thailand is the first exporter of sweet corn. Huge competition distortions. Currently, antidumping measures are implemented. Sweet corn should be excluded from the future trade agreement with THAI. Given the political context of the country and the lack of respect for social rights, need to assess the impact of this agreement.

FOOD DRINK EUROPE mentioned that trade diversification is at the heart of EU policy and Asia a key market for our sector. They made three main points: INDIA: Offensive interest, need to remove the 150% duty, CHINA: Important to maintain the dialogue open and have a regulatory dialogue, ASEAN: 3 big markets: Philippines, Malaysia and Thailand. Happy to relaunch negotiations with THAI.

COPA, said that it is important to maintain the principle of single entity when negotiating with third partners since the access to third markets, despite the existence of FTAs, is often not open to all MS but only to a few because of MS individual applications. (ex : JAP plant products). AUS/NZ FTAs: need to have concessions both ways, for our farmers as well. Underlines sheep meat is a very sensitive sector.

COM reassured that sustainability will be an essential element of this FTA and TSD (Trade and Sustainable Development) provisions will be part of the future agreement, supporting high level of protection for workers' rights, the environment and the achievement of climate objectives. In addition, as a common practice, DG AGRI will carry-out an in-depth analysis of EU sensitivities and offensive interests and will engage with all relevant stakeholders as we move forward into the negotiations. COM reiterated that the principle of single entity was supported in all negotiations but it acknowledged that the end result was somehow different in certain cases. On sheep meat, COM is well aware about the sensitivity of the sector, as discussed in the framework of NZ negotiations. Sheep meat considered as sensitive, and subject to a limited TRQ not full liberalisation.

c. The Americas

The Americas presented their activities and agenda in 3 parts:

- negotiations: Chile to be sent soon to Council, Mexico in standby and MCs finalization of technical aspects (GIs prior users lists) and launch of AI discussion;
- outreach on sustainable agriculture/food systems: CPA, Canada Dialogue and LA Workshops;
- FTAs implementation: solutions of several issues such as Colombia WS certification, Costa Rica beers, Ecuador TRQ management, Canada report on alcoholic beverages marketing commitments from Canadian provinces and ongoing review of the cheeses TRQ.

Q&A

Most of the questions, as usual, were related to MCS with reciprocity, deforestation, beef imports traceability, split of the agreement and lack of enforceability in the AI (Irish beef, corn producers, vegetable producers associations). Dairy exporters were keen to know the fate of Mexico FTA. Spanish cooperative insisted on single entity when addressing MS export authorizations, especially for meats (sheep meat).

G.2 in its reply, stressed that reciprocity measures are not supposed to address the economic imbalances which were addressed via TRQs, the important outreach activity now deployed to explain F2F with the objective to promote the initiative and the uptake of the required practices (a suggestion also voiced from many associations as reminded by the Chairman). MCS, Chile, Mexico have all an innovative SPS Chapter with facilitation measures for MS imports authorizations.

d. ACP

Main highlights of the EPAs with ACPs

Implementation of SADC: Article 116 of EPA forecasts a review of the Agreement after 5 years from the provisional entry into application. Therefore, the Commission delegated to a contractor the preparation of an ex-post evaluation report on the implementation of the agreement. An online public consultation of the stakeholders will take place in the coming months (indicatively, but tbc, from July to November 2023). A website is also available: http://eu-sadc.fta-evaluation.eu/en/. Stakeholders are welcome to contact the evaluation team by email to eu-sadc@bkp-advisors.com or through the contact form on the evaluation website. South Africa wants to make sure that supply of poultry remains at affordable prices for domestic consumers, therefore it is keeping in place the recently introduced suspension (for 1 year) of the application of anti-dumping duties against poultry from Spain, Poland, Denmark, Ireland. In 2022, the EU has strengthened the SPS requirements governing the importation of citrus fruit from a number of countries considered at risk, including South Africa. The EU is the most important export destination for South Africa for citrus, and citrus is one of its top agri exports. This issue is politically sensitive in South Africa. As a consequence South Africa has initiated a dispute at the WTO, which is still ongoing. The EU is doing its best to help third countries to phase in with the new requirements (in particular cold treatment). In summary: some improvements have been registered in the dialogue with South African authorities in particular, but several trade irritants remain in place on both sides.

Concerning Angola accession to the EPA, no major developments since the last CDG on the discussions with Angola. To be noted that this accession is subordinated to Angola accession to SADC Protocol on Trade.

Negotiations with ESA5 (deepening of the existing iEPA with Zimbabwe, Madagascar, Mauritius, Seychelles, Comoros). 12th round is scheduled for the end of June in Brussels. Little progress in general with the negotiation blocked on economic development chapter. The prospect of conclusion is still uncertain, and a new roadmap will be presented at the end of June. On GIs, the EU has proposed the bilateral protection of GIs by the agreement. The subject is of particular interest to 4 out of 5 countries with potential for the development of GIs on the spot. Discussions are stalling for the moment on the modalities of the protection of EU GIs on the territory of ESA5 countries which according to ESA5 must be done by domestic legislation and not by the agreement. The EU, including the MS, develop technical assistance and capacity building projects with national bodies On Rules of Origin, the discussions are progressing well, the tensest subject on the agricultural and processed products side remains sugar, including isoglucose and syrups. A chapter on bilateral cooperation in the agricultural sector is also on the table.

7. Africa:

a. EU – AU Agri Ministerial Conference

the AU and EU Agriculture Ministers will meet for the fifth time in Rome, back to back with the 43rd FAO Conference, on the 30 of June 2023. They will take stock and update the 2019 Action Agenda agreed at the third AU-EU Agriculture Ministerial meeting. The Conference will focus on ‘Resilient food systems and sustainable agri value chains’, with four sub-themes covering ‘Responsible Investment for enhanced value chains’, ‘Research and Innovation for smarter policies', 'Sustainable and Resilient Food Systems' and 'Agriculture Digital transformation for sustainable growth'. The steps of preparation have been presented.

b. GI continental strategy

This GI continental strategy for Africa provides the roadmap for the African Union Commission (AUC) and provides a collaborative opportunity with African Intellectual Property Organization (OAPI), the African Regional Intellectual Property Organization (ARIPO), RECs, member states and key stakeholders of the strategy, to facilitate development, promotion and protection of GIs in Africa. The next EU AU agriculture ministerial conference will take stock of the progress done so far and the future of the strategy.

8. Food security

Global food and fertiliser prices further declined but they are still very high (FAO Food Price Index). Domestic food price inflation a particular concern, along with limited fiscal capacity to cushion effects. 258 million people faced high levels of acute food insecurity in 2022 (22.7% of population analysed). Drivers are: (i) conflict & insecurity; (ii) economic shocks/stress; (iii) weather extremes. Largest numbers in DRC, Afghanistan, Ethiopia, Nigeria, Yemen. Team Europe response according to the Council conclusions is based on Solidarity, Production and Resilience of Food Systems, Trade, Multilateralism. The total contribution for EU and MS is of 18 bn EUR, with additional 4 billion EUR from EIB and 3 bn EUR from EBRD planned investments in food security. Very substantial support provided in 2022 (disbursements) and basis laid for subsequent years (commitments). Delivering on 2021-24 pledge: nearly half of 2021-24 pledge delivered in one single year. Strong geographical focus on Sub-Sahara Africa, followed by Asia & Pacific, Southern and Eastern Neighbourhood and significant use of multilateral channels: nearly 50%.

9. Food Systems Summit Stocktaking

The UN Food Systems Summit took place in 2021. The UN SG committed to convene "a global stock-taking meeting every two years to review progress in implementing the outcomes of this process. The 1st Stocktaking event will take place on the 24-26 July in Rome. Its main objective is to give space to countries to review with the UN, EoS and stakeholders progress on implementing their food system transformations / changes and identify bottlenecks and support needed. The attended outcome is to solidify the global understanding of the role of food systems in achieving the SDGs, especially in the context of the current food and cost-of -living crisis. 5 Regional Preparatory meetings have taken place and their outcomes will feed in to the Stocktaking event. The programme is being finalised with a variety of sessions foreseen: Plenary session, Special Events (e.g., new Food Financing Architecture), Leaders Dialogues, Side Events and stories (web).

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

The next meeting will take place in October 2023. The exact date is to be confirmed.

7. List of participants - Annex

Electronically signed

John A. CLARKE

List of participants– Minutes

Meeting of the CDG on International Aspects of Agriculture
11 May 2023

Organisation Full Name	Organisation
Agroecology Europe	AEEU
AnimalhealthEurope	AnimalhealthEurope
Assemblée des Régions Européennes Fruitières Légumières et Horticoles	AREFLH
Conseil Européen des Jeunes Agriculteurs / European Council of Young Farmers	CEJA
Eurogroup for Animals	EFA
European agri-cooperatives / General Confederation of Agricultural Co-operatives of the European Union	COGECA
European Agroforestry Federation	EURAF
European Animal Protein Association	EAPA
European Federation of Food, Agriculture and Tourism Trade Unions	EFFAT
European Community of Consumers Cooperative	EURO COOP
European Confederation of Maize Producers	CEPM
European Coordination Via Campesina	ECVC
European Environmental Bureau	EEB
European farmers / Committee of Professional Agricultural Organisations of the European Union	COPA
European Federation of Origin Wines	EFOW
European Feed Manufacturers Federation / Fédération européenne des fabricants d'aliments composés	FEFAC
European Landowner’s Organisation	ELO
European Liaison Committee for the Agricultural and AGRI-Food Trade	CELCAA
European Milk Board	EMB
European Potato Trade Association	Europatat
Fédération Européenne pour la Santé Animale et la Sécurité Sanitaire	FESASS
Food Drink Europe	FDE
Freshfel Europe	Freshfel
iEthanol	iEthanol
International Federation of Organic Agriculture Movements European Regional Group	IFOAM
Joint Secretariat of Agricultural Trade Associations / Secrétariat des Associations du Commerce Agricole Réunies	SACAR
Organic Processing and Trade Association	OPTA Europe
ORIGINEU Organisation pour un réseau international d’indications géographiques	ORIGINEU

Primary Food Processors	PFP
Trade Promotion Europe	TPE
World Wide Fund for Nature	WWF
	Observers
Committee of the Regions	CoR