

## FINAL MINUTES

### Meeting of the Civil Dialogue Group International Aspects of Agriculture

06 November 2020

Chair: Mrs Aurora ABAD (CELCAA)

Vice-Chairs: Pauline BASTIDON (FoodDrinkEurope), Arnold PEUCH d'ALISSAC (Copa-Cogeca)

Organisations present: All Organisations were present, except BEUC, EFA, EuroCoop, ECPA, EPHA, FoEE and WWF EPO.

#### 1. Approval of the agenda

The agenda was approved.

#### 2. Nature of the meeting

The meeting was non-public by Webex.

#### 3. List of points discussed

- Administrative and governance matters: Election of the Chair person and Vice-Chair persons
- Review of the EU trade policy
- State of play in trade negotiations and international policy
- EU Chief Trade Enforcement Officer
- EU-UK trade negotiations
- European Green Deal and Farm to Fork Strategy – international aspects of agriculture
- Policy coherence for development: Monitoring poultry market developments in West and Central Africa

#### 4. Conclusions/recommendations/opinions

Conclusions were not drawn from every point discussed at the meeting but overall concerns and priorities of each organisation became apparent during the Q&A session of each point. Below a summary for each point of the agenda.

##### *I. Review of EU Trade Policy: presented by DG TRADE (F. Coturni)*

Revision marked by several challenges: rise of unilateralism, digital trade and climate change. COVID-19 has had devastating impact on our economies.

This crisis showed the vulnerabilities of some global supply chains and the need to be resilient to get through it. The COM is working to strengthen an open strategic autonomy to be able to assertively pursue our own interests whilst maintain an open approach.

6 clusters:

- Develop greater resilience of supply chains to external shocks
- How to better support economic recovery and long-term growth? Specific role of the WTO reform
- What can be done to support SMEs- which constitute the big majority of EU exporters
- Digital transformation
- How to ensure fairness and a level playing field?
- The EU needs to be proactive in taking unilateral, bilateral and multilateral actions (particularly in the agri-food sector). A number of actions have been already put in place (labelling, sustainability chapters...)

Public Consultation deadline has been extended to 15 November.

*Participants raised the issue of the stimulation of international science-based policy and regulatory cooperation. Also concerns were flagged about the interaction between the F2F, the Green Deal, the Biodiversity strategies and the Trade Policy. According to some participants, recent studies suggest a decline in production and trade, rising food prices, falling GDP...etc. . Also concerns were raised about local food and short chains/ the complexity of supply chains*

*According to the COM there is not necessarily a contradiction between local production and trade. F2F calls for further information on locally produced products, in particular on labelling and origin labelling to help consumers to identify where products originate from and this is one of the claims that has been identified as key for future policy. Locally produced food is also good in terms of rural connectivity and a fair share of value added for producers. Trade is needed to have market outlets also to source inputs from third countries. Trade and locally produced food are not exclusive but rather complementary.*

## **II. State of play in trade negotiations and international policy presented by DG AGRI (by J. Clarke)**

### **COVID-19 pandemic on international trade in agri-food products**

- Difficult year for trade due to COVID, although agri-food trade suffered much less than other sectors
- Negative trend to continue for the rest of 2020 and early next year due to ongoing restrictions and the dispute with the US
- Export success can be attributed to CAP reforms, global growth in demand, consumer preference for EU Quality and Trade policy, trade agreements & promotion.

### **WTO REFORM**

Remains a priority for the Trade Policy and these are difficult times for the institution. There is a need of discipline on both export restrictions (including World Food Program purchases), and on domestic support. We must push for the re-storing of the dispute

settlement mechanism which has been asphyxiated by the US. WTO's unprecedented difficulties are well known but there are still several important ongoing work streams on agriculture on which the EU wants to make progress

*Participants flagged concerns, in particular regarding subsidies. The EU is indeed working to modernize subsidies in WTO but there is a need to see a change in attitude from China and the US to get a proper WTO Reform, said the COM.*

*The issue of Green Deal objectives agreed at multilateral level was mentioned. It was clarified that an important part of the COM's agenda on this issue is working with partners -instead of working against them- to raise common standards.*

### **FTA Agenda:**

- Several agreements have been concluded (Mexico, Singapore and Vietnam);
- 40% of EU trade is covered by FTAs
- Some FTAs are controversial (e.g. CETA: there was an extended concern that it would be detrimental for the EU agri-food sector, but it actually increased exports by 6%).
- Ongoing FTAs:
  - USA (TTIP): frozen
  - UK: under negotiations
  - Tunisia: under negotiations
  - Chile (modernisation): under negotiations
  - Indonesia: under negotiations
  - NZ and AUS: under negotiations

*Participants raised concerns on the lack of implementation of some CETA commitments by Canada. The COM recognized ¾ of the areas are not still implemented: Gl's, cheese, wines and spirits and non-protection of Irish Cream. COM is pushing all over these but there is not a lot of progress. This issue will be leveraged at political level in the coming weeks.*

*Unsatisfactory implementation of the EU-Vietnam agreement was also pointed by participants.*

*The ratification of Mercosur was also raised. The COM confirmed that ratification is not on the table for the time being.*

### **EU-US trade relations:**

- EU exported €21.8bn in 2019 of agri-food to the US: 50% were alcohol & soft drinks.
- Increasing bilateral trade conflicts: Airbus case
- EU supports mutually agreed solution on current conflicts (civil aircraft, steel/aluminium, digital tax, cars)
- EU list of targeted products in aircraft dispute has been published. The

publication of the list will hopefully have the effect of bringing the US to the negotiating table.

- Positive signs:
  - 2019: MoU beef agreement revision
  - August 2020: mini-trade package: EU eliminates tariffs on lobster, US eliminates tariffs on some industrial products
- Future cooperation must be done in:
  - WTO reform of Dispute Settlement
  - Climate change
  - Solve current bilateral conflicts
  - Find mutually agreed solutions

*Participants raised concerns regarding the publication of the list of EU products targeted by the US. The COM will try to ensure the agri-sector is not excessively targeted in our list. There is not a lot of information on further compliance review of subsidies on both parties. The COM hopes that the publication of list will demonstrate our capacity to retaliate and take the US to the negotiating table. The US suspended tariffs for Canada on steel and aluminium so the COM is confident that we can negotiate a long-term solution on the Aircraft dispute. The issue of Spanish olives, also penalized by tariffs in the US, was mentioned.*

### **CHINA:**

- No FTA foreseen so far
- June 2021: entered into force GIs Agreement.
- COM ensures they are in a quite advanced stage on the Investment Protection Agreement
- Phase 1 Agreement: the EU demands the extend of the approval with the US to us, otherwise we will be in uncompetitive disadvantage with the US
- Disproportionate measures on pork exports: EU asks for the relaxation of the bans.

*Participants encouraged a definition for low-risk products in Codex Alimentarius, which might help with the various issues regarding food safety in China and beyond. Also, a more systematic dialogue with stakeholders on the various issues in China was suggested. The COM assured that relevant teams are well aware and working on it.*

*The agreement between US and China and its impact on the GIs agreement between EU and China was also raised, in the light of the US' unfriendly views of GIs.*

### **AUSTRALIA AND NEW ZEALAND:**

- 8 negotiation rounds already held, **the 9<sup>th</sup>** will be:
  - week of 23<sup>rd</sup> November for NZ
  - 2 weeks from 30 November for AUS
- Both main offensive interest is agricultural market access- in particular for red meat and dairy; AUS also for sugar and rice
- EU's offensive interests are diversified: GIs, SPS access (mainly for AUS), and wine-related issues.

## **New Zealand**

- EU presented an improved market access offer to NZ, but they were disappointed with the offer. Our offer liberalises well over 95% tariff lines but less on trade as sheep meat is not liberalised in the offer.
- Some progress on GIs, but the level of GI protection offered by NZ needs improve
- Number of conflicting GIs reduced, but many key names remain problematic
- High level of ambition on environment and climate change.

## **Australia:**

- Only a first MA offer presented up to now, in October 2019. Covers well over 95% tariff lines and trade
- 5 sensitive sectors (beef, sheep meat, dairy, sugar and rice) excluded by the EU from discussions so far
- Current focus: GIs. The EU aims at reducing the number of problematic GI names to be protected
- EU also aims at obtaining acceptable results on SPS access and RoO, and incorporating the existing wine agreement in the FTA
- The current political context of trade and political disputes with China is pushing AUS to find new/diversify export outlets (notably in Europe)
- No clear political deadline for the end of negotiations, links with Brexit are evident.

*Participants thanked the Commission's defensive stance on sheep meat.*

## **Study on the cumulative impact of FTAs:**

Its aim is to provide direction and broad magnitude of expected cumulative impacts of FTAs on EU agricultural market, subject to scenario assumptions. 12 trade agreements will be covered simultaneously: Canada, Japan, Vietnam, Mercosur, Mexico, Australia, New Zealand, Thailand, Philippines, Indonesia, Chile, Malaysia.

*Participants questioned whether should the COM make its own overall study on the effects of farm to fork; called for a real impact assessment of the Green deal on EU food production.*

*Also, how the projections for exports of commodities from the EU take into account risk assessments based on increased climate instability that result in crop disease and losses coupled with the need to reduce pesticide and chemical fertiliser usage.*

## **GIs**

Market worth reaches almost €75bn, over 20% comes from the sales outside the EU. Higher sales premium for protected products. A truly EU policy under which national products are protected at EU level and serve as flagships for the traditional culinary heritage of regions and economic drivers for the national agri-food sector.

### **III. EU Chief Trade Enforcement Office, presented by DG TRADE (D. Redonnet)**

- EU needs to leverage resources to improve FTAs compliance and this is a collective endeavour
- Be attentive to protectionism especially in COVID-19 times; barriers have emerged to agri-trade and renewed efforts need to be made to fight this
- Ensure commitments are properly respected
- Augment our efforts and introduce changes:
  - New complains mechanism for market access will be implemented so stakeholders can consult the COM directly: in a few weeks it will become operational
  - Prioritizing implementation and compliance to deal faster with cases having evidence.
  - DG TRADE works on an Implementation and Enforcement board created closely with DG AGRI
  - COM is in permanent contact with National Authorities to centralize efforts
  - Articulations of EU Delegations and Embassies is also key to have timely information
  - Providing info about opportunities in trade agreements, already facilitated with the MADB giving information in a friendly manner
  - There are different ways to cooperate with partner countries:
    - Those who have an agreement: used them and be demanding
    - Those who don't: leverage and intensify relations. This case is more complex
    - 3 DGs working together: AGRI, TRADE and SANTE

*Participants' questions referred to possible conflicting objectives such as Market Access Enforcement (complaints submitted) and Development Objectives (attainments of SDGs, Policy Coherence for Development, Farm to Fork targets)? The definition of 'open strategic autonomy' remains unclear, in particular how can it increase resilience of individual countries at global level.*

*It was also questioned by participants the use of resources that will be devoted to implementation of agreements versus other trade issues/partners that are not covered by EU FTAs.*

### **IV. EU-UK trade negotiation (by K. Mondelaers, M. Aguado, D. Planchesteiner)**

A summary of the 4 main pillars:

- i. Implementation of withdrawal agreement is crucial. The UK is lagging behind on this and the Internal Market Bill would breach the agreement. UK has not withdrawn the bill, an infringement procedure is ongoing.
- ii. Negotiations for a future relationship – positions on key topics such as level playing in field and fisheries remain apart. Without bridging these gaps there can be no agreement and there is not much time left. EU is offering most ambitious

- trade deal ever with zero tariffs and zero quotas. EU ambition will not be reduced.
- iii. Readiness: even with an ambitious partnership there will be trade friction.
  - iv. WTO quota split: 6<sup>th</sup> round of negotiations in October- major progress with most of the countries involved. Most countries (except for 2) have accepted apportionment without compensation.

*Participants had many questions around the quota split- lots of unclarity remains. EU-UK trade is excluded from the WTO quotas, meaning that you can not import product from the UK under those quotas from 1 January 2021. This was a key condition for other trading partners.*

*Questions were also raised about marketing standards, SPS procedures and administrative burden for imports into the UK. The COM advised stakeholders to manage their expectations when it comes to the content of the possible agreement in terms of SPS, customs and administrative procedures because UK will be a third country as from January 2021.*

*Which room for sectorial provisions in the deal? None, answered the COM.*

*Participants expressed worries about the complex situation of Northern Ireland, in particular rules of origin, border checks...etc.*

*Participants asked the final deadline to get the deal. The COM recognized there is still not an exact deadline but they are working hard to catch up lost time, it should finish rather soon (in the coming weeks).*

*The issue of GIs protection was also raised. It seemed that the UK was not happy with the GIs content of the Withdrawal Agreement and they were thinking about questioning EU GIs already approved? Commission reassured that this issue was very well covered by the Withdrawal Agreement.*

## **V. *European Green Deal and Farm to Fork Strategy – international aspects of agriculture (by W. Schulz-Greve)***

The COM made a brief presentation of the Green Deal and the Farm to Fork Strategy, which aims at a transformation to sustainably food systems and its contribution to fighting climate change and environmental degradation. Participants were invited to express their views on this strategy that was launched last summer during the Covid pandemic. The Strategy aims at a robust and resilient EU food system, and wider debate with stakeholders is necessary.

How will it impact the trade policy? Upcoming FTAs will contain an ambitious sustainability chapters. EU initiatives will be WTO compliant; imports will need to comply with EU standards. EU will also address pesticides and animal welfare . Intention is to use trade policy and multilateral for a to obtain commitments from partner countries which are in line with F2F, e.g. on animal welfare, pesticide use etc. Idea is to “export” European standards. EU will look more closely than in the past at what is happening in third countries in terms of sustainability of production.

The impact of individual proposals will be analysed, for instance on production in Europe. But we should also look at changes in consumption and reducing food waste. Farm to Fork is a systems approach.

*Participants requested confirmation that Impact Assessment on the F2F Strategy will be made, not for the strategy, but for the legislation resulting from F2F. As in previous interventions, some participants raised concerns regarding the impact of the Green Deal/Farm to Fork about unfair competition with third countries with less stringent requirements, level playing field, pesticides residues, increased impact of price of foodstuffs.*

*Participants asked about possible compensation to switch to such new production modes, with less pesticides, more organic etc. Some participants asked about the transition to the new model and food security: how is the supply of food assured? What about the availability of supplies and affordability of food? How can sustainability and competitiveness be conciliated? asked industry.*

*The importance of proper impact assessment and science-based policy decision emerged several times in discussions. The new model is not only about changing the whole system of food supply, it is also about changing consumption pattern. There might be less production of some products, and there might also be less consumption. The Strategy is ambitious about changing production and consumption; it will require lots of efforts.*

## **VI. Policy coherence for development:**

### ***Monitoring poultry market developments in West and Central Africa (by W. Schulz-Greve and K. Ulmer)***

Presentation of a factsheet on poultry markets in West Africa, including distribution of EU poultry exports and the increasing importance of poultry for West African consumers and producers, and the dynamics of the market. The West-African region is rapidly developing, with a booming population and increasing industrial activity, enabling a middle class to slowly but steadily emerge.

Commercial poultry production picking up in Africa, but still lacking competitiveness due to lower efficiency, high cost, climatic conditions and animal diseases. Also lack of investments in the sector.

African governments to decide about right balance between domestic production and imports. Poultry imports complement local production as there is a gap between increase in local production and demand. The gap is filled in by imports from EU and other exporting countries.

A technical workshop with African representatives, development NGOs and EU poultry producers and traders is planned for 8 February 2021 to deepen the discussion.

## **5. Next steps**



It was suggested by some speakers and by the Chair that the group should become more consultative, thus a more structured way to deliver the opinion of the organisations participating in the meeting is desirable. Chair proposed that next invitation to the CDG IAA will be accompanied by a call for volunteers to deliver/present views on the point of the agenda that is of the highest importance for them.

## **6. Next meeting**

Preliminary scheduled on 7th May 2021.

## **7. List of participants - Annex**

### 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."*

List of participants– Minutes  
**Meeting of the Civil Dialogue Group International Aspects of Agriculture**  
**06/11/2020**

MEMBER ORGANISATION	NUMBER OF PERSONS
<b>ACT Alliance Advocacy to the European Union</b>	<b>1</b>
<b>American Chamber of Commerce to the European Union (AmCham EU)</b>	<b>2</b>
<b>AnimalhealthEurope</b>	<b>1</b>
<b>Bureau Européen des Unions de Consommateurs (BEUC)</b>	---
<b>Confédération européenne de la production de maïs (CEPM)</b>	<b>1</b>
<b>Eurogroup for Animals (EFA)</b>	---
<b>Europa Bio</b>	<b>1</b>
<b>European agri-cooperatives (COGECA)</b>	<b>11</b>
<b>European Community of Consumer Co-operatives (EURO COOP)</b>	---
<b>European Coordination Via Campesina (ECVC)</b>	<b>2</b>
<b>European Council of Young farmers (CEJA)</b>	<b>3</b>
<b>European Crop Protection Association (ECPA)</b>	--
<b>European Environmental Bureau (EEB)</b>	<b>2</b>
<b>European farmers (COPA)</b>	<b>11</b>
<b>European Federation of Food, Agriculture and Tourism Trade Unions (EFFAT)</b>	<b>2</b>
<b>European Federation of Origin Wines (EFOW)</b>	<b>1</b>
<b>European Forum on Nature Conservation and Pastoralism (EFNCP)</b>	<b>1</b>
<b>European Landowners' Organization asbl (ELO asbl)</b>	<b>1</b>
<b>European Liaison Committee for Agriculture and agri-food trade (CELCAA)</b>	<b>6</b>
<b>European Milk Board (EMB)</b>	<b>1</b>
<b>European Public Health Alliance (EPHA)</b>	---
<b>Fair Trade Advocacy Office (FTAO)</b>	<b>1</b>
<b>FoodDrinkEurope</b>	<b>7</b>
<b>Friends of the Earth Europe (FoEE)</b>	---
<b>International Federation of Organic Agriculture Movements EU Regional Group (IFOAM EU Group)</b>	<b>1</b>
<b>Organisation pour un réseau international d'indications géographiques (oriGIn)</b>	<b>1</b>
<b>Secrétariat des Associations du Commerce Agricole Réunies (SACAR)</b>	<b>2</b>
<b>Slow Food</b>	<b>1</b>
<b>WWF European Policy Programme (WWF EPO)</b>	--
<b>Total: 60</b>	

