

Draft Minutes of the Civil Dialogue Group on International Aspects of Agriculture held on 10th March 2017

Interpretation was provided in FR, FE, EN, IT, SP, PL. The Chair informed the participants that the next meeting would probably take place in November 2017.

- 1. The draft agenda was approved.**
- 2. The draft minutes would be approved via written procedure on CIRCABC.**
- 3. Election of the Chairmanship.** The Commission representative thanked Paul Rooke for his work. Mr MORAWITZ (Copa) was elected Chairman with Mrs GIROD (ECVC) and Mr ROOKE (CELCAA) as Vice-Chairs.
- 4. Agri-food trade developments in 2016 – see PPT**

The Commission representative provided an overview of the recent trade figures for EU agri-food products.

Q & A:

COGECA: Asked for more information on the dynamics of the Vietnamese market (type of products and not only quantity) and to get a breakdown of the information on fruit and vegetables and wine. EFFAT: Possible policy action on the substitution of olive oil with palm oil in the EU. Slow food: Request to take on board the COP 21 calculation. Copa: Volume and price variations showed the extent of competition on the world market and a more moderate approach to farm income development, bearing in mind that the level of farmers' debt was increasing. CEFS: Requested a precautionary approach to the world market sugar trend. ECVC: Questioned the sustainability of production in the EU.

Commission: More details were provided in the mid-term outlook and the Civil Dialogue Group could carry out a discussion in greater detail as well. The market outlook was for relatively good market conditions.

- 5. Progress in bilateral negotiations, John Clarke – Director – International Bilateral Relations – see PPT**

The Commission representative recognised the sensitivities of certain agricultural products, but the level of consumer protection (GM and hormones in beef) was not up for negotiation. The European Union would remain open-minded in trade agreements.

More specific comments on the progress of bilateral trade negotiations:

- **CETA** was deemed the most ambitious agreement that the Commission had concluded and that had been adopted in the EU to date. It was due to be implemented by summer because of delay to the Canadian parliamentary process.
- **Mercosur** negotiations had resumed. The objective was to conclude negotiations by the end of 2017. The EU's offer was relatively ambitious, with TRQs for the most sensitive imports from Mercosur. This was a challenging negotiation, in particular with regard to the beef and poultry sectors. The EU did not aim to liberalise the entire sector based on the outcome of the cumulative impact assessment on bilateral trade. Another challenge for the negotiations was the fact that Mercosur is not a single market entity.
- With regard to **TTIP**, the Commission highlighted that it was waiting for the new US administration to adopt a position.

Japan: Based on the outcome of the meeting between Juncker and Abe, the negotiations were expected to conclude by July 2017, with a significant offensive interest in the agricultural sector.

Mexico: The review was being used to solve the pending SPS chapter on the fruit and vegetable and pork sectors.

Neighbourhood Policy: Modernisation of the EU-Turkey Customs Union could include agriculture if the Council were to agree. A scoping exercise had begun for an EU-Tunisia FTA. The negotiations with Norway were in the final stage.

WTO: The EU had drawn up an offensive agenda for the next Ministerial Conference in Argentina which would address trade distorting domestic support for agriculture.

Q & A

EMB: Asked how to ensure high food security standards when there was no individual traceability. EFFAT: Requested a better explanation of the trade policy in order to encourage greater acceptance of the fair trade policy. Copa: Reiterated that the beef sector was sensitive so all proposals to import beef meat from the US, New Zealand, Mercosur were of concern for the sector. Asked how the antibiotics policy would be included in the Commission's safety approach and how to analyse the protection of GIs. CEEV explained that it was looking forward to a quick agreement with Japan, including on technical standards for additives. The association of egg products was eager for a positive outcome in the EU-Japan negotiations and expressed its awareness of the competitive potential. Cogeca: Raised the issue of unfair implementation of trade agreements, e.g. the agreement on the phytosanitary protocol for fruit with Canada and the sensitivity of the orange juice sector in the negotiations with Mercosur. ECVC: Raised the question of the legitimacy of partially implementing the CETA agreement. AVEC: Asked why salted poultry products had been liberalised under CETA and how sugar products would be dealt with in the EU-Japan negotiations. FDE: It was crucial to ensure the correct implementation of CETA (class pricing scheme for milk) and to adopt anti-dumping measures for milk products in Mercosur.

Commission: Stated that US beef suppliers had a specific traceability scheme and reminded the members that the trade figures supported job creation in the EU. For the wine sector in Japan, full tariff elimination had been agreed but the timetable was still under discussion. It would not be sufficient to address animal welfare and antibiotics issues in the FTA at the level of cooperation. The debate would be reopened following the publication of the review of EU trade policy later in the year. The EC services and Commissioner for Agriculture were taking seriously actions to ensure the proper implementation of the trade agreements.

6. Progress in promotion and information campaigns for agri-food products

The Commission representative informed the members about the promotion policy and high level missions for 2017 (Canada, Saudi Arabia and Iran).

7. Impact of the COP21 agreement on agriculture – see PPTs

The Commission representative informed the members about the state of play of UN climate negotiations and the impact on EU commitment. The representative from BirdLife International discussed the role of agriculture in delivering the commitments of the Paris Agreement.

Q & A

EFFAT: To what extent do international aspects, such as trade, make sustainable (environmental and social) agriculture possible? Copa: Requested more information on Article 2c of the Paris Agreement as well as on financing. It explained that the size of farms bears no relation to the level of carbon leakage. Copa then asked how to ensure consistency between food safety and the climate change commitments. The ECVC also requested clarification on financing. The WWF requested more information on emissions linked to EU imports.

Commission: The green climate fund was there to support changes in agriculture and not only to support developing countries. Raising awareness among consumers about the sustainability of EU production was also a tool. The best way to mitigate the impact of transport would be to adopt a level playing field approach.

The BirdLife representative underpinned that soy from South America (deforestation) was the main cause of carbon leakage. Figures on the impact of trade were available. The transport system was not managed by the UN. It was important to take note of this and to agree on the fact that the size of a farm was not linked to its sustainability.

8. Report on the informal discussions

The Commission representatives outlined discussions underway on the protection of investment, the views of civil society representatives on Brexit and the uncertainty generated by the process, on which there was very little information. It also provided clarification on the implementation of trade defence and on the fertiliser issue, as well as discussing preparations for the 5th EU-Africa summit which would primarily focus on ICTs.

9. Impact of trade agreements on EU agriculture and future orientations (see PPTs)

The Copenhagen Economics representative discussed the study carried out on the impact of bilateral trade agreements on economic value and jobs. The Commission representatives then presented the cumulative impact study and the reasoning behind EU trade negotiation strategies.

EFFAT: Requested a more comprehensive presentation showing the impact on jobs for third parties and in other sectors. CEFS: Confirmed that sugar was a sensitive sector in trade negotiations and expressed its interest in receiving clarification on origin rules. Copa: Asked whether the trade of processed products would have a greater impact on jobs creation, and suggested looking at the balance of jobs rather than the creation of jobs. It asked what the priorities for the next FTAs would be and what impact this would have on the use of land. What would be the opportunities for newcomers to cattle breeding? Claimed that there was not enough data for fruit and vegetables and wine, and asked for a stochastic approach to be adopted in order to identify the resilience of the EU agri-food sector. FDE: Wanted to know if the administrative burden factor had been identified. The ECVC questioned who would profit from a liberalised agri-market.

Commission: The models were not able to identify specific products such as high-value cuts in the meat sector. The study showed what the impact would be if the EC were to make a wrong decision.

Copenhagen Economics: The study was not an overview of the FTAs but served to identify the value for the agricultural sector. The methodology applied could be extended to other sectors.

End of meeting.

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