EU agriculture and international trade

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The Committee on Agriculture and Rural Development adopted the own-initiative report drafted by Georgios PAPASTAMKOS (EPP, EL) on EU agriculture and international trade.

The report notes that the **EU is the world's largest importer of agricultural goods from developing countries**, importing more than the US, Japan, Canada, Australia and New Zealand combined (around 71% of the EU's total agricultural imports originate from developing countries).

The EU must strike a balance in international trade agreements between market liberalisation and protection for economic sectors and the rights of workers and consumers. EU trade agreements with third countries must safeguard EU sectors that are experiencing difficulties – in particular the fruit and vegetables, livestock and cereals sectors. Local small farmers, who make a significant contribution to food security in their regions, must not be adversely affected by the EU's conclusion of international trade agreements.

In this context, the report makes the following recommendations:

(1) Consistency between EU agricultural and common commercial policies: Members consider that the EU agricultural sector has a clear added value for the European economy and underline the need to ensure policy coherence between the EU's agricultural, trade and development policies. External trade policy must not jeopardise the EU's ability to maintain a strong agricultural sector and to ensure food security against a background of increased market volatility. The Commission is called upon to defend, in all fora, and in the WTO in particular, the multifunctional role of EU agriculture, including the vital role it plays in providing employment and in sustaining the vitality of rural areas, and the European agrifood model.

Members condemn the Commission's approach, which far too often makes concessions on agriculture in order to obtain enhanced market access in third countries for industrial products and services. They call on the Commission to propose an **approach that strikes a balance between domestic production and imports**.

The report stresses that, in relation to the agricultural sector, the Commission must conduct **impact assessments** which must be made public before the commencement of negotiations and proposed updates to take account of new positions arising in the negotiations.

The committee takes the view that decisions to further open up the EU market to imports of agricultural goods should not be taken without ensuring that EU farmers can be compensated for their losses. It is adamant that third-country production methods for export to the EU must provide European consumers with the **same guarantees** in terms of health, food safety, animal welfare, sustainable development and minimum social standards as those required of EU producers.

In relation to imports, Members stress the need for **strict compliance with origin rules** and mechanisms for the prevention of triangular trade. The Commission is urged proactively to promote the EU's offensive agricultural interests and to **make it easier for EU products to gain access to third-country markets**.

(2) Agriculture in the multilateral trading system.

Doha Development Agenda (DDA): Members consider, in a bid to secure a successful outcome to the DDA, the EU made an extremely generous offer on agriculture, which cannot be increased, but this has not, to date, been reciprocated by an equivalent level of ambition from other developed and advanced developing countries. The Commission is called to comply strictly with its negotiating mandate from the Council, which sets the most recent reform of the CAP as the limit of its action, provided that **equivalent concessions** are obtained from its trading partners.

The report deplores the absence of progress on the establishment of a multilateral register for wines and spirits as well as on the extension of the **protection of geographical indications** to all agricultural products. It recalls that these elements are sine qua non for a balanced outcome to the agricultural negotiations. It also emphasises the need for the principles underpinning the **EU's agricultural product quality policy** to be promoted more widely at multilateral and bilateral level.

Members recall the commitment made by the WTO members during the 2005 Hong Kong Ministerial Conference to achieving the **elimination of all forms of export subsidies**.

They consider that the general reduction in customs tariffs should be assessed in the light of the EU offer concerning the domestic support and export competition pillars, and should depend on the possibility of keeping the Special Safeguard clause, on a specific exemption from tariff simplification disciplines and on adequate flexibility in the formula for tariff cuts and in the designation of sensitive products.

WTO dispute settlement: Members note the fact that the agreement on trade in **bananas** constitutes an important step towards the consolidation of a rule-based multilateral trading system. They call on the Commission to ensure that the settlement of the '**beef hormones**' dispute will allow for the suspension of the sanctions on EU products, while guaranteeing that beef imports to the EU will be in line with EU requirements.

The Commission is asked to vigorously to defend the EU regime for authorising and marketing **GMOs** against challenges in the WTO.

(3) Agriculture in plurilateral, inter-regional and bilateral trade relations: Members consider that the **conclusion of multilateral negotiations** is a priority to be pursued by the EU. They believe that bilateral trade agreements must **complement multilateral processes** in the form of respect for equal working conditions, common environmental rules and food safety standards already in force in the European Union.

The report stresses that in order to avoid 'paying twice'– first at bilateral and then at multilateral level – the concept of a '**single pocket agreement**' must be supported, under which concessions in bilateral agreements will be linked to the final outcome of the Doha negotiations.

The report recalls that the Free Trade Agreement with **South Korea** allowed significant numbers of GIs to be recognised; calls for further efforts to be made to provide for this in future trade agreements.

Members express its strong concern about the EU-Morocco agreement. It points out that, while European markets have opened up almost completely to imports from Morocco, some agricultural products are still subject to quotas on exports from the EU. They consider it unacceptable that the Commission resumed negotiations with **Mercosur** without making publicly available a detailed impact assessment and without engaging in a proper political debate with the Council and Parliament.

They are deeply concerned about the impacts on the EU agricultural sector as a whole of a possible association agreement with Mercosur and consider it is necessary to review the concessions so as to protect our farmers' interests.

The Commission is called upon to:

- ensure that trade agreements do not undermine the EU system of entry prices for **fruit and vegetables**;
- abide by its commitments regarding the **EU sugar** sector and to end systematic concessions on sugar in bilateral and multilateral trade negotiations;
- in negotiations on EU trade agreements, including those with Canada and Ukraine, take account of the interests of EU citizens, to maintain openness and to **inform Parliament regularly** about the progress of the negotiations.

Lastly, Members emphasise the importance of strict implementation of the preferential rules of origin. They call for a review of all trade preferences given to emerging countries which are members of the G-20 by the European Union.