EU/Chile Agreement: trade in organic products

2016/0383(NLE) - 05/12/2016

PURPOSE: to conclude an Agreement between the Union and Chile on trade in organic products.

PROPOSED ACT: Council Decision.

ROLE OF THE EUROPEAN PARLIAMENT: Council may adopt the act only if the European Parliament has approved it.

BACKGROUND: the Council of the Union encouraged the Commission to improve the current mechanisms to facilitate international trade in organic products and require reciprocity and transparency in any trade agreement.

On 16 June 2014 the Council authorised the Commission to negotiate agreements between the EU and third countries on trade in organic products.

On the basis of the Council's negotiating directives, the Commission has negotiated with Chile an agreement reciprocally recognising the equivalence of the respective organic production rules and control systems as regards certain products.

CONTENT: the Commission proposes that the Council adopt a decision regarding the conclusion of the **agreement between the European Union and Chile on trade in organic products.**

The Agreement aims at **fostering trade in organic products**, thereby contributing to the development and expansion of the organic sector in the Union and in Chile, and achieving a high level of respect for the principles of organic production rules, for guarantee of the control systems and integrity of organic products. The protection of the respective organic logos should also be improved.

The Agreement also aims at enhancing regulatory cooperation between the Parties on issues related to organic production.

Equivalence agreement: in the Agreement, the Union and Chile recognise the equivalence of their rules on organic production and control systems as regards organic products. The equivalence agreement will allow for **products produced and controlled according to EU rules to be directly placed on the Chilean market** and vice versa. It will also provide for a system of **co-operation, exchange of information and dispute settlement** in organic trade.

Chile will recognise as equivalent all Union's organic products included in the scope of Regulation (EC) No 834/2007, namely:

- unprocessed plant products;
- live animals or unprocessed animal products (including honey);
- aquaculture products and seaweeds;
- processed agricultural products for use as food (including wine);
- processed agricultural products for use as feed;
- vegetative propagating material and seeds for cultivation.

The Union will recognise as equivalent the following products from Chile:

- unprocessed plant products;
- honey;
- processed agricultural products for use as food (including wine);
- vegetative propagating material and seeds for cultivation.

The Agreement also provides that:

- **Chilean production rules for animal products other than apiculture as well as feed were not found equivalent** and could possibly only be recognised as equivalent at a later stage, once Chile develops its legislation for these products;
- Chile recognises the Union's **organic aquaculture products and seaweeds**;
- **processed agricultural products for use as food** that have been processed in Chile must use Chilean organically grown ingredients or ingredients imported to Chile either from the Union or from a third country recognised as equivalent.

Implementation of the Agreement: the **Joint Committee** on Organic Products, established by the Agreement, will deal with certain aspects of its implementation. In particular, the Joint Committee has the power to amend the list of products set out in Annex I or II to the Agreement. The Commission will represent the Union in the Joint Committee.

The Commission is **empowered to approve amendments to the list of products** set out in Annex I or II, subject to giving prior information to Member States. In addition, it is empowered to **unilaterally suspend the recognition of equivalence**, subject to prior information to Member States to allow for a timely reaction in case conditions for equivalence are not met anymore.

Where representatives of Member States representing a **blocking minority** object to the position presented by the Commission, the Commission should not be allowed to approve amendments to the list of products set out in Annex I or II, nor to suspend the recognition of equivalence. In such cases, the Commission should present a proposal for a Council decision, on the basis of Article 218 (9) of the Treaty.