

CC(15)10257:1 – [REDACTED]

Mr Jean-Claude Juncker  
President  
European Commission  
Rue de la Loi, 200  
BE-1049 Brussels

Brussels, 17<sup>th</sup> December 2015

**Re: Trade negotiations with Mercosur**

Dear Mr President,

Copa and Cogeca are the united voice of farmers and agri-cooperatives in the EU. Copa represents over 23 million farmers and their family members whilst Cogeca represents the interests of 22,000 agricultural cooperatives. The European agricultural sector is committed to supporting your aim of reviving economic growth and creating jobs in the European economy. Today, the European agricultural and agri-food sector employs over 40 million people and registers a positive trade balance of 18 billion euros.

In order to pursue your commitment to revive economic growth and create employment in the European Union, Copa and Cogeca have played a constructive role in trade negotiations with the United States of America by supporting the negotiating process.

However, due to recent developments with your Mercosur counterparts, we have grown concerned that trade negotiations with Mercosur may be relaunched. Indeed, the last study carried out by the Joint Research Centre illustrates that the European agricultural sector can only face significant losses, exceeding 7 billion euros, and greater than a WTO multilateral agreement based on the current draft texts.

In addition, the results of these studies do not take currency fluctuations between the Euro and Brazilian Réal or the Argentine Peso into account. These two currencies are currently going through a period of downward volatility, with a relatively significant drop in value of around 10%, which may further exacerbate losses for the European agricultural sector.

Besides this, we also harbour doubts about the Mercosur countries' actual willingness to open their markets, because several of them raised their tariff duties on fruit and vegetables last year. Brazil has renewed an anti-dumping measure on EU milk powder for a further five years, even though previously no European company had even exported a single kilogram of milk powder to them.

Furthermore, it must be said that there is one sanitary standard for internal consumption and another standard for international trade. This dichotomy gives a competitive advantage to operators established in the Mercosur countries.

European farming is also involved in the fight against climate change. It would thus make no sense to relaunch negotiations with countries whose carbon footprint, particularly in the livestock sector, would be less positive than that of European agriculture.

Faced with this situation, it is clear that the agreement struck on the agricultural chapter in both the EU-US and EU-Japan negotiations would have to be extremely positive in order to offset the losses that an agreement with Mercosur would bring about. Without this assurance regarding a time frame, the European agricultural sector cannot support the opening of trade negotiations with the Mercosur countries.

I would like to inform you that a copy of this letter has also been sent to your colleague, Mr Donald Tusk, President of the Council of the EU, as well as the members of your college, Ms Cecilia Malmström, Mr Phil Hogan and Mr Vytenis Andriukaitis.

Yours faithfully,



Christian Peès  
President of Cogeca



Martin Merrild  
President of Copa

Cc: Donald Tusk, Cecilia Malmström, Phil Hogan, Vytenis Andriukaitis