

FL(21)4367:1 – *Art. 4.1(b)*

Mr Valdis Dombrovskis
Vice-President and
Commissioner for Trade
European Commission
Rue de la Loi 200,
B-1049 Brussels

Brussels, 21st June 2021

Re: EU-Morocco Agreement¹ and disturbance on fruit and vegetable markets in the EU

Dear Executive Vice-President,

Copa and Cogeca are writing to you regarding the impact of the EU-Morocco Agreement on the European fruit and vegetables and, in particular, the tomato markets. The EU tomato prices have plummeted to levels that do not cover the production costs for most European growers. Tomato production is at risk in some regions and the shift to alternative crops could disrupt the balance of these crops. Indeed, the provisions laid out in the EU-Morocco Agreement, which were revised in 2014, that regulate the exports of tomatoes originating in Morocco to the EU are inefficient. For more information, please see the arguments in the Annex below.

Brexit is an additional factor that is aggravating the European market disruption as the United Kingdom has been a major destination for more than 50% of European tomatoes bound for export. The EU-Morocco Agreement quotas have not been renegotiated following the United Kingdom's withdrawal from the EU to reflect the criterion that made it necessary to extend these quotas in the past when new Member States joined the EU. Moreover, tomatoes originating in Morocco can enter into the UK without any tariffs. Trade is bypassing Europe and European tomato producers faced a reduction in exports to the UK in the first months of 2021. For now, Copa and Cogeca do not deem the trade deal to be an up-to-date deal.

Therefore, Copa and Cogeca ask the Commission for a comprehensive study on the impact of the increased volumes of imported fruit and vegetables and tomatoes on the deterioration of the economic situation in European rural areas and on fruit and vegetable growers' income. Such an impact study could be based on Article 25 of the EU-Morocco Agreement and if appropriate, the Commission should suggest triggering planned safeguard clauses and compensation allocated to those European rural areas impacted. Copa and Cogeca would also like to propose recalculating the fruit and vegetable import quotas and the flat-rate import values to reflect the new EU-27 market reality as well as new provisions that aim to reduce the competitive advantages that exist today in relation to production methods in Morocco.

We hope that these demands can be taken into account and that the trust that the European agriculture community has in the EU may be maintained. We remain at your disposal should you have any additional questions.

A copy of this letter is also being sent to Commissioner for agriculture and rural development, Mr Janusz Wojciechowski.

¹ JOL 70 18.03.2000

Yours faithfully,

Art. 4.1(b) Privacy

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ANNEX

Indeed, the provisions set in the "EU-Morocco Agreement", revised in the year 2014, that regulate the exports of tomatoes originating in Morocco to the EU are not efficient:

- ❖ The entry price mechanism does not differentiate between the different prices for round tomatoes, tomatoes on the vine and specialities.
- ❖ The ad valorem duty applied to imports exceeding the quota if it is applied at all is very low and is not a disincentive.
- ❖ The safeguard clause has never been triggered despite the serious depreciation of tomato prices on the EU markets resulting of the imports of 500,000 tonnes of tomatoes in 2020 corresponding to twofold the quota calculated - theoretically - to preserve the Moroccan traditional export flow.
- ❖ Moreover, fruit and vegetables originating in the Western Sahara sold under Moroccan labelling cause a loss of traceability and mislead European consumers and consist in breach of the agreement according to the European Court ruling case C-104/16.
