

copa*cogeca

european farmers

european agri-cooperatives

CC(13)3851:1 – AP/mvs

Mr Dacian Ciolos
Commissioner
European Commission
200 Rue de la Loi
BE-1049 Brussels

Brussels, 14th May 2013

Re: Proposed mandate for trade negotiations between the European Union and the United States with a view to establishing a transatlantic partnership

Dear Mr Ciolos,

The College of Commissioners has submitted a mandate to the Council to open trade negotiations between the European Union and the United States with a view to establishing a transatlantic partnership. The Council is scheduled to examine this mandate in June.

I am please to provide you with the preliminary remarks that were made by the Copa and Cogeca Praesidia on this important issue for European agriculture (BILAT(13)2637). The United States is an important destination for European agricultural products. We are counting on the involvement of the Commission to maintain balanced agricultural trade on both sides of the Atlantic.

Aside from agricultural trade between the European Union and the United States, there is a real opportunity available to make headway on dossiers linked to consumer expectations, such as sanitary and phytosanitary issues and animal welfare.

We expect the Commission to take an offensive approach on these issues, which are a considerable burden on the competitiveness of European agricultural production, so that progress can also be made in international fora.

I wish to inform you that a copy of this letter has also been sent to your colleagues Mr Karel De Gucht and Mr Tonio Borg.

We are always willing to listen to any comments you may have and are available should you require any further information.

Yours sincerely,

Cc: Mr Karel De Gucht, Mr Tonio Borg

Attachment: BILAT(13)2637

From: (CAB-CIOLOS)
Sent: 14 May 2013 11:56
To: CAB CIOLOS ARCHIVES
Subject: FW: Letter from Copa-Cogeca concerning the proposed mandate for trade negotiations between the European Union and the United States with a view to establishing a transatlantic partnership
Attachments: BILAT(13)2637EN[3].pdf; CC(13)3851EN[1].pdf

Pls reg

From: CIOLOS Dacian (CAB-CIOLOS)
Sent: Tuesday, May 14, 2013 11:52 AM
To: (CAB-CIOLOS); (CAB-CIOLOS); (CAB-CIOLOS)
Subject: FW: Letter from Copa-Cogeca concerning the proposed mandate for trade negotiations between the European Union and the United States with a view to establishing a transatlantic partnership

Dacian CIOLOS

*Membre de la Commission Européenne,
Agriculture et Développement Rural*

From: @copa-cogeca.eu]
Sent: Tuesday, May 14, 2013 10:54 AM
To: CIOLOS Dacian (CAB-CIOLOS)
Cc: DE GUCHT Karel (CAB-DE GUCHT); BORG Tonio (CAB-BORG)
Subject: Letter from Copa-Cogeca concerning the proposed mandate for trade negotiations between the European Union and the United States with a view to establishing a transatlantic partnership

Dear Commissioner Ciolos,

Please find enclosed a letter concerning "the proposed mandate for trade negotiations between the European Union and the United States with a view to establishing a transatlantic partnership" (CC(13)3851) and its attachment (BILAT(13)2637).

Kind Regards,

On behalf of
Team assistant

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Cogeca - European agri-cooperatives

Copa-Cogeca's preliminary position on the opening of EU-USA bilateral negotiations

The United States of America and the European Union have decided to enter into bilateral trade negotiations in order to strengthen transatlantic economic relations. From a strictly agricultural perspective, trading of agricultural products between the EU and the US represented 2% of the value of global trade in 2011.

European citizens expect farmers to implement increasingly expensive and higher production standards while imported products do not have to meet the same requirements. This inconsistency needs to be resolved. That is why the opportunity afforded by this dialogue must enable mutual recognition of the production standards which are imposed on producers in the European Union and which go above and beyond sanitary and phytosanitary measures such as animal welfare, preservation of biodiversity, and the definition of good agricultural and environmental practices.

Copa and Cogeca want these negotiations to be a useful basis for dialogue within multilateral negotiations at the WTO, which continues to be the forum needed to ensure a fair level of competition between the different types of agricultural activity.

What is at stake in bilateral negotiations with the USA

- The USA is a major trading partner for the European Union.
 - o The USA is the 2nd biggest client for European agricultural exports, notably for wine, cheeses and olive oil. The total of European agricultural exports amounts to around 4.4 billion Euros, or 10% of total exports.
 - o The USA is also the 3rd biggest provider of agricultural materials to the EU, in particular plant protein where for 4 to 6 months of the year the EU is completely dependent on imports, and fruit. Total agricultural raw material imports amount to 4.3 billion Euros.
 - o The USA is a market which is mostly based on processed products with high added value.
- The development of recent TRIPS and SPS negotiations at the WTO will depend on the degree of progress made in bilateral agreements. Today there are numerous specific cases of disagreements over sanitary and phytosanitary issues between the EU and the USA, which could be resolved outside of multilateral negotiations.
- The USA is also going to initiate negotiations as part of an ambitious trans-Pacific agreement. Bilateral EU-USA negotiations will also make it possible to clarify the rules of origin for agricultural products, thereby avoiding triangular trade.
- The USA and Europe have developed biofuel production with contrasting environmental constraints. Bilateral negotiations should be the opportunity to bring the two viewpoints on this subject closer together.

Points of critical importance during agricultural negotiations

- Currently, trade of agricultural raw materials between the EU and the USA is balanced. Additionally, the average level of tariff barriers is almost equivalent. On the other hand, in the agri-food sector, the EU still has tariff peaks (on average: 16.3% for the EU) compared with the USA (3.3% on average).
- The livestock sector will be the most sensitive issue during these negotiations because of tariff and non-tariff matters. Additionally, the wish to carry out separate negotiations on SPS issues and on tariff issues will not enable the emergence of long-lasting solutions.
- Recognition of geographical indications is an important issue for European farmers. However, the reluctance of the American agri-food sector to compromise on this issue, as well as the failure of the 2nd phase of the agreement in the wine-producing sector, demonstrate the difference in mindset which separates the negotiating teams.
- The management of agricultural and food product safety standards shows the different views of the EU and the USA. In the EU, increasingly, attention is paid to the first link in the chain; whereas in the USA controls are focussed on the finished product. Keeping in mind that the aim of these negotiations is not to alter domestic policy, it will be necessary to develop an information system for consumers to ensure that quality criteria are identical.
- Plant and animal biotechnologies are also a sensitive topic in bilateral negotiations. Both sides are aware of the marketing authorisation rules. The question of cultivation remains, which must continue to be subject only to internal EU policy.
- The different sizes of the US and European biofuel markets, as well as the early stage of development of the world biofuel markets, mean that this issue warrants a great deal of attention.

Preliminary framework criteria for bilateral EU-US negotiations

1°) Prior to the opening of negotiations

- The USA must demonstrate its genuine willingness to negotiate on non-tariff issues. Lifting the BSE-induced embargo on beefmeat of European origin before global negotiations are opened would send a strong signal.
- Implementing the second phase of the wine agreement with the USA must not be accompanied by additional agricultural concessions. The negotiations must clarify the conditions of this implementation.
- Given that agricultural trade between the EU and the USA is balanced, the negotiations should aim to result in the same balance.
- The principle that no points of negotiation are set in stone until agreement has been reached on all issues being negotiated should apply (no early harvest in the negotiations).

2°) Guidelines for tariff issues

- Tariff negotiations on agricultural products should not begin before non-tariff issues surrounding these same products have been dealt with.
- Tariff negotiations must be part of the framework for the basis of a draft agreement at the WTO for the agricultural chapter.
- The management of tariff-rate quotas for sensitive products must be carried out using import certificates, overseen by DG AGRI, in order to ensure intelligent management of trade flows in order to limit the potential impact on European markets. The

Secretariat, in conjunction with the Working Parties concerned, will draw up a list of sensitive products.

3°) *Guidelines for non-tariff issues*

- Origin labelling of foodstuffs pursue different paradigms in the EU and the USA. Labelling of meat as an ingredient should be taken into account during the negotiations.
- As the trans-Pacific negotiations and the NAFTA agreements are opened, the strict application of rules of origin for agricultural products and agri-food products will prove very important in order to avoid any triangular trade.
- The *Bioterrorism Act* must be included in negotiations on issues not related to safety standards because the level of documentation and recording it requires is excessive.
- Animal health measures should be examined to ensure that legislative developments on both sides are not overly divergent.
- Copa-Cogeca has established an initial list of non-tariff measures which limit trade to the USA.
- The subject of growth hormones for beefmeat has already been settled and should not be included in negotiations.