

CC(16)3780:1 – [REDACTED]

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

Brussels, 26th April 2016

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 Europe. Trade in EU agri-food products is developing favourably, yet this growth is more in terms of volume than value. Farm-gate prices are hitting rock bottom. Further expanding agri-food trade in non-processed products or goods with no added value, as would be the case with Mercosur, could therefore jeopardise the EU's economic strategy.

Allow us to draw your attention to our members concerns about Mercosur, raised during our Praesidia meetings last week on 21st and 22nd April. We urge you to leave negotiations on sensitive products until the very end of the process.

The current market situation is still poor and expectations for an improvement are low, especially while the Russian ban on the EU's main commodities, such as pork, beef and dairy products, remains in place. This market crisis is exceptional in its severity and longevity. It is also affecting the bioethanol sector. Addressing such sensitive products would have a knock-on effect on our internal prices.

Nowadays, the European Commission has an ambitious agenda of bilateral trade negotiations, which stands in stark contrast to the situation when Mercosur trade negotiations began back in 1999. Currently, the EU is negotiating with the USA and Japan, and is planning to begin talks with New Zealand, Australia, and Indonesia. On top of that, the EU has fully implemented the Everything But Arms (EBA) deal unilaterally, which has had a significant effect on rice and sugar imports. All of these countries have a competitive agricultural sector. We urgently need a comprehensive impact assessment to be carried out on the EU's sensitive products in order to determine a strategy.

On 18th April, the Argentinian Minister for Foreign Relations, Ms Susana Malcorra, publicly stressed that the initial offer was only a starting point and not the endgame. We therefore urge you to maintain a certain political margin throughout the negotiation process in order to be able to reach a balanced trade deal with Mercosur.

Besides, we also harbour doubts about the actual willingness of Mercosur countries to open up their markets. For example, Brazil has renewed its anti-dumping measure on EU milk powder for a further five years. What's more, Mercosur does not recognise the pre-listing approach.

Considering the sheer amount of concerns expressed by 20 Members States at the Agricultural Council meeting on 11th April, as well as by more than 10 Members States at the last General Affairs Council meeting on 18th April, we ask you to tread carefully when considering relaunching EU-Mercosur trade negotiations and encourage you to address sensitive products towards the end of the negotiations, as per the usual strategy for trade negotiations between two strong partners.

Please note 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 some members of your college, i.e. Ms Cecilia Malmström, Mr Phil Hogan and Mr Vytenis Andriukaitis.

Yours faithfully,



Thomas Magnusson
President of Cogeca



Martin Merrild
President of Copa

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