Minutes of the 3rd Meeting of the EU-China Dialogue on Agriculture and Rural Development

The 3rd Meeting of the EU-China Dialogue on Agriculture and Rural Development was held on 21 October 2008 in Brussels. Mr. Aldo Longo, Director, International Affairs II of the Directorate-General for Agriculture and Rural Development (DG AGRI) and Mr. (MOA) of the People's Republic of China, each heading a delegation (referred to as "both sides") attended the meeting (see annex for list of names of the delegation members).

The Senior Level Working Group was chaired by Mr. Aldo Longo and . Both sides exchanged information on newest developments since the second dialogue meeting of July 2007.

Both parties expressed their satisfaction at the high level of cooperation and goodwill which exists between the two sides in the area of agriculture. Both sides underlined the importance of the dialogue as a mechanism for maintaining and further strengthening the mutually beneficial cooperation in agriculture and in particular expressed willingness to further explore areas of cooperation on how to enhance bilateral trade and quality of agricultural products.

Working Group 1: Trade in Agricultural Products

1. Both sides presented overviews of their agriculture trade with third countries, including current situation and challenges, historical summaries and future prospects. Both sides briefed on how they aim to harmonize external trade policies with internal policies. Both sides agreed that trade and domestic policies are mutually supportive, with the need to balance domestic factors (such as budget and food security) and external factors (developments in world trading patterns in agriculture, increasing commodity prices and climate change). China remarked that domestic agriculture is of the utmost importance. China also drew attention to its contribution to world food security: with 9% of the world's land, China ensures food security for 21% of the world's population. Despite its land limitations and its big responsibility towards self-sufficiency, China's import tariffs are low. China underlined that its trade deficit is now at $ 4.1 bio, and increasing. Main suppliers are US, ASEM and Mercosur countries.

2. Both sides also exchanged views on the DDA and reflected on future developments. Both sides noted that they share the same high level of ambition. It was hoped that the resumption of DDA discussions and the forthcoming revised draft on agriculture modalities, will lead to a possible agreement on modalities. China recalled that the level of their tariffs is low, that they need to supply their domestic needs as far as possible and that the Special Safeguard Mechanism must be easy and effective.

3. The EU remarked that China is the biggest partner in overall trade. Both sides exchanged detailed data on agriculture trade between the EU and China during 2007.
Both sides noted the high importance of agriculture trade, but stressed that there was a significant potential for trade still waiting to be realized. China now ranks as the 5th importer into EU, and the EU is also the 5th biggest importer into China. The EU represents China's second biggest export market. Aquatic products, fruits, vegetables, livestock products and oilseeds are the principal products exported by China to the EU. China remarked on the EU's trade constraints, such as the EU's export environment of fruit and vegetables which needs to be improved, quotas for mushrooms and TBTs. China regretted the high level of EU duties on mushrooms, apple juice and garlic, where they see big trade potential.

4. The EU noted that some exports to China, commodities (whey, casings) and of value-added products (spirits, quality wines, pig meat, olive oil), were increasing fairly strongly. However the EU reminded that the level of agriculture trade to China is still limited, and the EU has a low share compared to other importers into China. The EU noted that NTBs and in particular SPS issues were still an obstacle, in particular for pork products, where the Chinese imports are increasing to meet demand that can not be met by domestic production. Although a limited number of export protocols has progressed in the last year, a lot of work still needs to be done. In this context the EU reminded of China's obligations which come with full membership of the OIE.

5. The EU noted that it had fulfilled the expectation of China, expressed in the minutes of 2007, for the EU to open the poultry meat market.

6. Both sides presented market analyses of important agriculture sectors. The EU presented data on the world and the EU grain market. China presented the pork sector, with particular reference to supply, domestic demand and potential for trade. China noted that the EU supplied 30% of total pork imports into China in 2007 / 2008.

7. Both sides discussed the increase in food prices and exchanged views on whether high commodity prices will persist. Main factors taken into account were the potential implications of further trade liberalization, the impact of high energy prices, a more difficult economic situation, climate change, technological developments (including GMOs) and biofuels. China reminded of its aim to be firstly self-sufficient for food security reasons, and import where necessary. China's development of biofuels should not contradict this.

8. Technical Working Group 1 concluded with both sides stating their interest and commitment to work actively to accelerate and increase bilateral trade, and especially by focusing on removing barriers to trade, such as TBT and SPS barriers, in the interest of creating healthy trade flow.

Working Group 2: Product quality

1. Both sides exchanged information on agricultural product quality policies, especially of Geographical Indications (GIs) and organic agricultural products.

2. Both sides shared information on GIs. The EU outlined the EU's regulatory framework and presented the key points of the recently adopted Green Paper on Quality. China presented the latest status of the MoA law on GIs which was proving to be highly successful. This system will cover basic agricultural products, and is essential to ensure
quality and to boost trade. MoA expressed willingness to strengthen co-operation with EU in this area. They added that their legislation foresees applications by third countries; however this issue has not been implemented yet. The EU, while commending this success, stressed that future registration and protection of EU GIs in China was of high importance and the desire for EU operators to have confidence in a system of GIs in China which is harmonized internally.

3. The EU made reference to the request made by China, in the 2007 agreed minutes, to send a delegation to Europe to investigate GI practice and exchange views on legal aspects. The EU indicated that it would gladly help organize and facilitate such a visit.


Working Group 3: Policy information

1. Following the meeting between Minister and Commissioner Fischer Boel in June 2008, an interesting discussion was held on biofuels cooperation on research and policy. China stressed the need to avoid conflict between the targets for biofuels and food security. Both sides exchanged views on their respective biofuels policies and targets and agreed on the good cooperation in the International Biofuels Forum as well as on research projects.

2. Both sides exchanged views on agricultural product quality standards and quality monitoring systems. The EU presented information on the EU health legislation including animal health. China provided information on China's Prevention and Control situation on animal epidemic disease and the cooperation with EU on Veterinary MOU. China proposed to intensify communication including visits of experts and meetings. EU confirmed that it shares a similar position to China on ractopamine MRL.

3. On GMOs, the EU welcomed China's explanation of its approach to safety management of agricultural GMOs, and the new policy developments. The EU noted the importance of sharing of data, cooperation and outlined measures for a more efficient control of unauthorised events. Issues discussed included BT 63 rice; EU suggested that this issue can be used as a case study for further improved communication between EU and China. Both sides agreed to continue exchanges of information concerning legislation and control systems in agricultural GMO safety management.

Working Group 4: Food Technology

Both sides had an exchange of views and noted that exchange of information on recent developments in the area of food technology and research was of high importance. Both sides undertook to make renewed efforts to increase their cooperation in this area and to agree on a concrete action plan, while regretting delays in progressing issues. The EU reminded of the topics it proposed in December 2007; China committed to respond in writing and suggested to meet in first half of 2009 based on exchange of information from both sides. A progress report of WG4 will be presented in the next Dialogue on Agriculture.

EU-China-Africa trilateral cooperation

The EU presented the Communication paper of 17 October 2008 on trilateral cooperation
between the EU, China and Africa. The Commission proposes to work together in a flexible and pragmatic way to address a specific number of areas, including agriculture and food security in Africa. The Communication underlines that trilateral cooperation could enhance African's productivity and production levels, and contribute to greater food security in a sustainable manner. The Communication proposes to explore synergies that could be obtained from trilateral cooperation in: agricultural research and innovation, with a special emphasis on food staples; control of animal diseases; and food safety with a special emphasis on definition and compliance with Sanitary and Phytosanitary Standards.

Conclusions

Both sides expressed their full satisfaction with this third session of the Dialogue on Agriculture and Rural Development.

This third session reflected the already high level of cooperation and understanding between the EU and China in the field of agriculture. Both sides committed to continue and further deepen cooperation and communication to establish even more strongly the mutual respect, trust and understanding.

The EU and China agreed to increase efforts to facilitate trade in agriculture products, and to deepen communication not just in agriculture trade but in areas such as GIs, biofuels, GMOs, food prices and animal health. The EU and China also promised to develop concrete steps on progressing cooperation on food technology.

Based on the above, China proposed that both sides draw up a comprehensive list of agenda points for high level discussions during the planned visit of Commissioner Fischer Boel to China in 2009.

The fourth meeting of the EU-China Dialogue on Agriculture will take place in 2009 in China (date and location to be confirmed).

Both sides signed these Meeting Minutes in both the English and Chinese versions.

Directorate General for Agriculture and Rural Development of the European Commission

Director General

PRC Ministry of Agriculture Department of International Cooperation

Director General
**Name list of MOA Delegation**

1. [Name] Director General, Department of International Cooperation
2. [Name] Division Director, Division of European Affairs
3. [Name] Division Director, General Office, Department of Sectoral Policy and Law
4. [Name] Division Director, GMO Office
5. [Name] Deputy Division Director, Division of Drug Administration, Bureau of Animal Health
6. [Name] Program Officer, Division of Trade, Department of International Cooperation
7. [Name] Expert, Division of Geographical Indication, Center for Agri-food Quality & Safety
8. [Name] Interpreter, Center of International Cooperation Service
9. [Name] First Secretary, Mission of the PRC to the EC

**Name list of EC Delegation**

1. Jerzy Plewa Deputy Director General, International Affairs, DG AGRI
2. Aldo Longo Director, International affairs II, DG AGRI
3. Jesus Zorrilla Head of Unit, Asia and Latin America, DG AGRI
4. Raimondo Serra Agricultural Counsellor, EC Delegation to China
5. Pat Dunkley International Relations Officer, Asia and Latin America, DG AGRI
6. Segundo Perez Project Officer, Asia and Latin America, DG AGRI
7. Teresa Rodriguez-Trenchs NTBs coordinator, Asia and Latin America, DG AGRI
8. Flavio Coturni Head of Unit, Agricultural trade policy analysis, DG AGRI
Meeting of Technical Working Group 2: Product quality

1. The two sides shared information related to policies on the quality of agricultural products, especially on geographical indications (GIs) and organic agricultural products.

2. The two sides shared information related to the management of GIs. The Chinese side briefed on its GI management system and the achievements that had been made, and expressed its willingness to strengthen experience sharing and cooperation with the EU on GI product certification and management. The EU side briefed on the recent developments and future policy orientation on quality legislation, in particular for GI simplification, and the EU efforts for protecting GIs at an international level, both at multilateral level and through bilateral agreements. In this respect, the EU side acknowledged the efforts displayed by the Chinese Ministry of Agriculture into the process that might lead to Chinese Side welcomes the EU proposal to launching soon negotiations on a bilateral agreement on GI protection. The two sides believed that a strengthened management over GIs has significant implication on ensuring product quality, increasing the added value and improve product competitiveness. The two sides were willing to strengthen cooperation and facilitate mutual recognition of GIs.

3. The Chinese side made an introduction on its regulations on organic agricultural products, including the certification management system, and made comments on the development and outlook of organic agricultural products in China. China has three levels of certifications for agricultural products—safe, green and organic. From 2003 to 2008, the number of certified organic agricultural products increased by over 20% each year. Organic products have become healthy and trendy goods in China. Currently, China has established a long-term partnership with BIO FACH.

The two sides believed there was huge room for them to cooperate in the sector of organic agricultural products, including on the research of technical standards and mutual recognition of products.

Meeting of Technical Working Group 3: Food Technologies, Innovation and Research

Since no representatives from the EU delegation took part in this meeting, moderators delivered speeches on behalf of the two sides, stating the readiness to dispatch working groups in the next year for deliberations on concrete exchanges.

Meeting of Technical Working Group 4: Policy Information

1. Agriculture in China and Europe has undergone changes amidst the restructuring and crisis of world economy, with policy reforms. Both sides have recognized that knowledge to one another’s agricultural development and policy adjustment should be fostered under this dialogue mechanism framework, to provide a ground for learning from one another and jointly addressing the impact of global
9. Jean-Marc Trarieux Deputy Head of Unit, WTO, DG AGRI
10. Caroline Pottier Market Officer, Arable crops, DG AGRI
11. François Prevost Market Officer, Animal products, DG AGRI
12. Pierre Bascou Head of Unit, Economic analysis of EU agriculture, DG AGRI
13. Cristina Rueda Catry Policy officer, Agricultural product quality policy, DG AGRI
14. Catherine Combette Deputy Head of Unit, ACP, DG AGRI
15. Katerina Prosecka Policy Officer, Organic farming, DG AGRI
16. Paul Hodson Deputy Head of Unit, Renewable energy, DG TREN
17. Philippe Viallatte Policy Officer, International dimension of the Framework programme, DG RTD
18. Adriaan Brouw Policy officer, Animal Health, DG SANCO
19. Marco Valletta Policy Officer, Biotechnology and plant health, DG SANCO
20. Michel Coomans Head of Unit, Food industry, DG ENTR
21. Louis Bouthors Desk officer, Food industry, DG ENTR
22. Maria Alexandra Fidalgo International Relations Officer, China & Mongolia, DG RELEX
23. Szabolcs Orosz Trade Officer, Trade relations with Far East, DG TRADE
24. Giulia Ippolito Policy Officer, SPS, DG TRADE