Minutes of the Fourth Meeting of the EU-China Agriculture and Rural Development Dialogue

The Fourth Meeting of the EU-China Agriculture and Rural Development Dialogue was held in Chongqing, China, on November 11-12. The Meeting was attended by delegations (hereinafter referred to as the “two sides” led by Mr. Department of International Cooperation, Ministry of Agriculture (MOA), People’s Republic of China, and Mr. Jerzy Plewa, Deputy Director General, Directorate General for Agriculture and Rural Development (DG AGRI), European Commission. (See attached for the name list)

China, Deputy Director General Jerzy Plewa, European Commission, and Vice Mayor of Chongqing Municipality, China, delivered opening remarks at the Meeting.

The High-Level Working Group Meeting was co-moderated by Director General and Deputy Director General Jerzy Plewa.

The two sides shared information and made a summary on the latest development in the agricultural sector since the Third Meeting. The two sides were satisfied with the diverse cooperation activities at different levels carried out in a number of agricultural fields. The two sides both recognized the significant role that the dialogue mechanism had played in sustaining and promoting mutually beneficial cooperation in the agricultural sector. They showed their willingness to make further efforts to reinforce information sharing on agricultural policies and technologies between the two sides and promote the trade of agricultural products by further opening their mind and expanding cooperation areas.

Meeting of Technical Working Group 1: Agricultural Product Trade

1. The two sides gave introductions on the general situation and policies of agricultural trade, including status quo, challenges, review and vision. The two sides briefed on how they coordinated domestic and foreign trade policies.

2. The two sides exchanged opinions on the Doha Development Agenda (DDA), and shared their outlook for future development. The two sides were willing to join their hands in working for an early conclusion of the Doha round agricultural negotiation, contributing to the development of the world trade.

3. The two sides also held exchanges on the latest development of their negotiations on regional trade framework agreements with third parties.

4. The EU side mentioned that China is EU’s biggest trade partner. The two
sides shared detailed data on the agricultural trade between the EU and China in 2008. The two sides noticed the impact that the world financial crisis had on agricultural trade. Nevertheless, as the Chinese side mentioned, the growth rates of China-EU trade—both import and export—in 2008 were higher than those between China and any other part of the world. The two sides believed there was a huge potential in developing China-EU trade, yet there were also a number of challenges. The two sides stressed that they were against trade protectionism, and that they should take measures to reduce and avoid trade barriers, so as to tackle the crisis and promote bilateral trade. The two sides believed that promoting China-EU trade was in the interest of both sides, and that they should continue to explore the trade potential and work hard to sustain a continuous growth of the trade. The Chinese side appreciated the action taken by the EU side to remove the ban on the imports of cooked poultry meat from Shandong, China, and hoped for a smooth process leading to enlarge the number of Chinese provinces allowed to export animal products. The Chinese side believed that the China-EU agricultural trade was in a good trend in general, and noted that both sides should focus on a balanced development of trade. The two sides express interests on holding specialized seminars, as well as continued exchanges and discussions under multilateral frameworks like the WTO and OIE.

5. The EU side pointed out that the agricultural trade between the regions has been growing steadily in the past years. Considering the complementarities in the patterns of production between the two regions, the future challenge would be to continue this positive trend while achieving a more balanced pattern. The existing platforms for trade discussions between the two regions should facilitate this objective.

6. The two sides shared market analysis data in major agricultural fields. The Chinese side introduced China’s grain market, as well as its consumption and trade data. Over the past five years, China has made remarkable achievements in safeguarding food security, but also faced challenges such as growing consumption demand, frequent natural disasters, water shortage and shrinking farmland. China produced 95% of the grains it needed, and imported products mostly to diversify the varieties. In 2009, despite an overall drop, world prices of grains remained high. China has taken multiple measures to keep its grain market stable.

The EU side provided data on the world and EU’s pork markets.

7. The two sides exchanged opinions on the factors in food price fluctuation. Key factors considered included the potential impact of further trade liberalization, rising energy prices, tough economic situation, climate change, technological development (including GMOs) and bio-fuel.

8. At the end of the Meeting of Technical Working Group 1, the two sides expressed their commitment to the healthy development of bilateral trade by facilitating and promoting bilateral trade and continue to address trade barriers, such as technical and SPS barriers.
financial and economic crisis on agriculture. Both sides have updated one another with the latest information on agricultural development and policy reform. The Chinese side introduced the government’s efforts to boost the sustainable development of agriculture and rural economy through intensifying rural reform and improving supportive policies. In so doing, China has fed 21% of the world’s population with only 9% of the world’s arable land. Besides, innovations in theories and policies of agricultural development have served the two prioritized goals of food security and farmers’ income increase. The EU delegation introduced a series of market oriented reforms which reinforced farmers’ entrepreneurial role and strengthened its rural development policy. The EU reform orientation reflects the objectives of improving the EU competitiveness in the global markets and simultaneously maintaining a high rural income and meeting the highest environmental and food safety standards. The EU also referred to the new challenges of shaping future CAP in a rapidly changing context: demand pressure, supply constraints, price volatility, activities in the financial markets were mentioned.

2. Both sides briefed one another on policies and measures for developing bio-fuel. The Chinese side stressed that bio-fuel should mainly rely on agricultural wastes as source materials and should not be pursued at the cost of food security. The EU delegation stated that the objectives of the EU policy on biofuels are to reduce GHG emissions, enhance security on energy supply and promote technological development. At the same time, the EU policy aims in providing an opportunity for regional and rural development. Both sides stated the willingness for cooperation on the modes of bio-energy development and related technological researches.

3. In terms of the safety management of GMOs, the Chinese side introduced China’s measures and policy orientation of safety management of genetically modified agricultural products. The EU delegation briefed on the EU legislation regarding the cultivation, labeling and coexistence of GMOs with other types of farming. The EU side addressed the issue of ‘asynchronous approvals’ and emphasized the need for authorization of a 3rd country GMO at the EU level to get a permission to be imported in the EU.

China-EU Cooperation on Ecological Compensation in Agriculture

In May 2009, the EU-China project on ecological compensation in agriculture was launched with presence of Vice Agricultural Minister of China and EU Agricultural Commissioner Ms. Boel, for studying EU policies and regulations on ecological compensation and seeking for a mode that fits China’s situation. The Chinese agencies for project implementation introduced progress that had been made so far and gained support from both sides as to continue to conduct this project.

Conclusions

Both sides were satisfied with the Fourth Meeting of the Agriculture and Rural Development Dialogue.
The Fourth Meeting demonstrated the candidness, pragmatism and friendliness of the two sides on agricultural cooperation. Both sides stressed that communication, mutual respect, trust and understanding would build the foundation for cooperation.

Both sides agreed to strengthen information exchanges on agricultural policies and trade, geographical indications, bio-fuel, agricultural product safety and quality, safety management of GMOs, food technologies, and to carry out various cooperation activities to facilitate agricultural trade.

The Fifth Meeting of the EU-China Agriculture and Rural Development Dialogue will be held in the EU in 2010 (with the date and location pending).

Signed in Chinese and English.

Ministry of Agriculture, PR. China

of the Department of International Cooperation

Directorate General for Agriculture and Rural Development of European Commission

Deputy Director General

Date: Mr. Jerzy Plewa

Date: