

Opinion Piece

Crucial points for agriculture need to be balanced in trade negotiation end-game for the good of Europe

Our EU trade negotiators tell us that we have never been so close to an agreement with the Mercosur countries as we are today. The temptation to make quick and unbalanced concessions to seal a deal is strong. The urge to send a strong political message at a time of uncertainty in international trade is strong. Our experience tells us that in such times of uncertainty trade patterns can change very quickly. We know this very well and the European farming and rural communities are still feeling the effects of previous, hasty political decisions.

Our members understand the importance of trade agreements to find alternative markets and growth for agriculture, but EU farmers have yet to see the benefits of the agri-food exports materialize in their economic reality. What farmers are having difficulties understanding, is that the EU is ready to make a deal that, as commission studies have demonstrated, will have a negative impact on the EU farming sector.



Pekka Pesonen, Copa Cogeca Secretary General

The latest study from the EU's Joint Research Council states that the European agricultural sector would face significant losses from a Free Trade Agreement with the Mercosur countries. Losses in excess of €7 billion. The cumulative impact assessment clearly shows that a classical approach to sensitive products known as TRQ, will not be enough to mitigate the trade impact.

In the framework of the Mercosur negotiations, one thing is very clear, the agriculture sector will pay a huge bill. The big question now is how much and how sustainable will this agreement be for Europe's agriculture and by extension, its rural communities?

We urge our decision makers to maintain a strong position in the talks and not provide additional market access to our sensitive sectors. Our negotiators have already put huge concessions on the table in sectors such as beef, poultry, sugar, ethanol, rice and orange juice and have yet to obtain much in return for agriculture. This does not look like balance from the fields of Europe's rural communities. We in the farming community are asking our negotiators not to sacrifice agriculture in return for gains in other economic sectors.

The upcoming decisions of our negotiators are crucial to the continued sustainability of European agriculture, European rural communities, the European environment and European cultural heritage. Decisions made now on trade will affect the basis of European life for generations to come.

We urge our negotiators during the next round of negotiations to focus on minimizing the impact on our sensitive sectors. There are two tools that are crucial to managing our market following the Mercosur negotiations. Firstly, we need the right tariffs to protect our market from extreme currency devaluations, a common occurrence in the Mercosur countries. Such currency movements would allow additional access to our market, particularly in sensitive sectors, that would not be foreseen by the spirit of the agreement. We need to protect our sensitive sectors.

Secondly, any agreement needs to include tools to manage imports of produce from sensitive sectors in order to avoid market disruptions and, importantly, giving a fair chance to our European small and medium sized entities. This is where the most damage can be done the most quickly, crippling rural communities already existing on an economic knife edge.

A concrete example of a sector that has seen the overall value of its market eroded over the last few years, is the beef sector. On top of substantial market access for beef already put on the table by our negotiators, the impact on the EU beef market would be severe if all this new quota were to be made up of high-quality cuts and if it arrived on the EU market at the same time. The already small margins of EU producers would simply vanish, and many farmers would be pushed out of business.

Rural traditions that keep communities together are intertwined with the work of livestock farmers in Europe. Festivals, markets, celebrations, ceremonies, things that bring people together, all focus on the production of food, particularly livestock. Generations of families pass down their knowledge ensuring that animals are reared in harmony with the surroundings and are distinct to their region. Diversity in Europe is one of its great strengths. Livestock farming is central to ensuring that diversity continues and is celebrated through communal acts of producing and sharing food. Let us not sacrifice the essence of European life on the altar of a quick trade deal.

We need balanced trade agreements within the agriculture sector, which respect our production methods and rural communities. The Common Agriculture Policy (CAP) has enabled the development of the world's most integrated single market. It is thanks to the CAP that the EU farm sector is able to respond to citizens' demands to deliver more for less regarding food security, safety (e.g. traceability, use of antimicrobials, salmonella), quality, animal welfare and sustainability. The Mercosur countries do not have an integrated single market. They employ an aggressive agricultural support policy, experience considerable currency volatility and enjoy access to cheaper means of production.

In view of the uncertainties in the Brexit talks, as well as talks on the future Common Agricultural Policy (CAP) and EU budget, we urge the EU not to put further pressure on the agriculture sector. We are building the agriculture of tomorrow and for that we need continuity of political decisions, which are going in the same direction. Failure to do this, risks destabilizing family farms, dramatically undermining EU production, the EU market as a whole and the EU strategy for rural jobs and growth. What is at stake is not just economics. It is the triple bottom line of European sustainability: society, economics and the environment.

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