



EUROPEAN PARLIAMENT

2009 - 2014

Committee on Agriculture and Rural Development

2011/0169(COD)

20.12.2011

OPINION

of the Committee on Agriculture and Rural Development

for the Committee on International Trade

on the proposal for a regulation of the European Parliament and of the Council amending Council Regulation (EC) No 617/2009 opening an autonomous tariff quota for imports of high-quality beef
(COM(2011)0384 – C7-0170/2011 – 2011/0169(COD))

Rapporteur: George Lyon

PA_Legapp

SHORT JUSTIFICATION

Context of the proposal:

Following the stand off in the WTO between the United States of America (US) and the Union over imports of 'hormone treated beef', an agreement has now been reached between them that will bring to an end this long lasting and damaging dispute.

This solution, negotiated by Catherine Ashton, then EU Trade Commissioner, and the US Government was signed on 13 May 2009. The deal foresees a two-phase arrangement whereby the US progressively reduces the level of sanctions imposed on Union products, while the Union progressively increases its tariff-rate quota (TRQ) for hormone-free "High Quality" beef¹. The first phase of this agreement was established in Council Regulation (EC) No 617/2009 opening up an additional TRQ of 20,000 tonnes and in return the US removed 68% of their listed sanctions. It is now time to approve the second phase of this agreement which must be implemented by 1st August 2012, according to the relevant Memoranda of Understanding². This second step entails a complete removal of the US sanctions, in exchange for a further expansion of the Union TRQ by 25,000 tonnes for the US and 3,200 tonnes for Canada.

For the first time, the European Parliament is co-legislating with the Council on this dossier, according to the ordinary legislative procedure.

Position:

Your Rapporteur strongly supports the Commission's proposal for a Regulation of the European Parliament and of the Council amending Council Regulation (EC) No 617/2009 opening an autonomous tariff quota for imports of high-quality beef.

Your Rapporteur would like to highlight some of the main benefits this agreement would bring to the Union.

1. This agreement makes it possible for the Union to **keep its ban on hormone-treated meat and meat products in place**, despite the fact that the Union was found in breach of its WTO obligations.
2. The adoption of the second phase of this agreement is vital for the Union to secure a **complete lifting of the US sanctions** placed on European products originating from 26 Member States (all except the UK) amounting to over 250 million US dollars in current trade terms. Some of the main beneficiaries that stand to gain from the lifting of sanctions are Italy with over 99 million USD worth of trade, Poland with 25 million USD, Greece and Ireland with each 24 million USD, Germany and Denmark with each 19 million USD, France with 13 million USD and Spain with 9 million USD. Some of the key national products affected by the sanctions are: mineral water, swine meat, canned and prepared fruits, chocolate, juices, oats, chewing gum, jams, Roquefort cheese, fresh truffles, etc.

¹ For the exact definition of "High Quality Beef" for the purpose of this agreement in particular, see Article VI of Document WT/DS26/28 of 30 September 2009

² Documents WT/DS26/28 of 30 September 2009 and WT/DS48/26 of 22 March 2011

3. If the agreement was to be rejected, the sanctions would be reinstated and the dispute settlement process would collapse. The Union would find itself running the **risk of further retaliation measures**, effectively having to compensate the US for the damage caused following failure to comply with WTO rulings.
4. It **should** also be noted that the impact of the second phase of the agreement on the EU beef market should be small, given that **the additional autonomous tariff quota** for hormone-free beef **corresponds to only 0.36% of the EU total beef and veal market**¹.
5. In **concluding** this final agreement, the European Parliament sends a **very important signal** to the US that it is willing to deepen transatlantic trade relations and improve dispute settlement resolutions in the WTO, by embracing a more pragmatic, more efficient and less politically damaging way forward on difficult issues.

The US has already agreed to a full suspension of all sanctions against the Union in May 2011, paving the way for a swift implementation of the second phase of the agreement. It is therefore important for the Union to honour its side of the deal in a timely manner to meet the deadline of 1st August 2012.

The Committee on Agriculture and Rural Development calls on the Committee on International Trade, as the committee responsible, to propose that Parliament adopts its position at first reading taking over the Commission proposal.

¹ See Eurostat database on production of meat: cattle (slaughtering figures year 2010)

PROCEDURE

Title	Amending Council Regulation (EC) No 617/2009 opening an autonomous tariff quota for imports of high-quality beef
References	COM(2011)0384 – C7-0170/2011 – 2011/0169(COD)
Committee responsible Date announced in plenary	INTA 5.7.2011
Committee(s) asked for opinion(s) Date announced in plenary	AGRI 5.7.2011
Rapporteur(s) Date appointed	George Lyon 26.9.2011
Discussed in committee	5.10.2011 22.11.2011
Date adopted	20.12.2011
Result of final vote	+: 35 -: 1 0: 1
Members present for the final vote	John Stuart Agnew, Richard Ashworth, Liam Aylward, Luis Manuel Capoulas Santos, Michel Dantin, Paolo De Castro, Albert Deß, Herbert Dorfmann, Iratxe García Pérez, Sergio Gutiérrez Prieto, Martin Häusling, Esther Herranz García, Peter Jahr, Elisabeth Jeggle, Elisabeth Köstinger, Agnès Le Brun, George Lyon, Gabriel Mato Adrover, Mairead McGuinness, Mariya Nedelcheva, James Nicholson, Wojciech Michał Olejniczak, Georgios Papastamkos, Marit Paulsen, Britta Reimers, Ulrike Rodust, Giancarlo Scottà, Czesław Adam Siekierski, Sergio Paolo Francesco Silvestris, Marc Tarabella, Janusz Wojciechowski
Substitute(s) present for the final vote	Spyros Danellis, Marian Harkin, Christa Klaß, Giovanni La Via, Astrid Lulling, Milan Zver