



**2017/2193(INI)**

3.10.2017

# **OPINION**

of the Committee on Agriculture and Rural Development

for the Committee on International Trade

on the recommendation to the Council on the proposed negotiating mandate for trade negotiations with New Zealand  
(2017/2193(INI))

Rapporteur: James Nicholson



## SUGGESTIONS

The Committee on Agriculture and Rural Development calls on the Committee on International Trade, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Takes the view that European agriculture is clearly in a defensive position when it comes to products – in particular animal products – from New Zealand, especially with regard to production costs, which are among the lowest in the world and are linked to extensive practices; points out that where the size of the New Zealand market is concerned (4.5 million consumers), the EU's offensive interests are limited to niche products and depend on the removal of non-tariff barriers;
2. Believes that an ambitious, balanced and comprehensive free trade agreement (FTA) that fully respects and protects vulnerable sectors of European agriculture, and fully respects and upholds the high production, environmental, food safety and animal welfare standards upheld by EU producers, can be of mutual benefit, and has the potential to offer opportunities for European producers and advance the EU's position as a key player on the global market;
3. Draws attention to the sensitive nature of some sectors of the European farming sector, such as dairy products, sheep and lamb meat, goat meat, beef, veal, wine, bee products and fruit, and warns that any imbalance in the FTA in relation to the agriculture sector and its sensitive sectors would be damaging to European producers, especially small and medium-sized farms;
4. Calls on the Commission to secure a level playing field, treating as sensitive those products for which direct competition would expose EU agricultural producers to excessive or unsustainable pressure, for instance by introducing transitional periods or appropriate quotas, or by not making any commitments with regard to, or by excluding, the most sensitive sectors; calls on the Commission to factor in respect for seasonal cycles of production in Europe, particularly for the lamb and dairy sectors;
5. Calls for the inclusion of effective bilateral safeguard measures to prevent a surge in imports that would cause, or threaten to cause, serious injury to European producers in sensitive sectors;
6. Stresses that European agriculture has a special role to play in maintaining the fabric of rural communities and ensuring food security in Europe, and warns against the risk of a serious imbalance of the agreement in the agricultural sector, to the detriment of the European Union and the family farm model, and against the temptation to use agriculture as a bargaining chip for increased access to the New Zealand market for industrial products and services; calls, therefore, for agriculture to be one of the first chapters to be negotiated in agreements of this kind in future;
7. Highlights the fact that European producers face a number of current and future obligations in terms of climate change mitigation, environmental protection and the maintenance of high animal welfare standards, coupled with a high level of administrative obligations;

8. Stresses that respect for sustainable agricultural production, the precautionary principle on which EU food safety regulations are based, the farm-to-fork approach, reciprocity and the strict preservation of EU sanitary and phytosanitary standards and procedures on human and animal health and food safety, as defined under EU legislation, are fundamental and unshakable tenets of all EU FTA negotiations for European agriculture;
9. Highlights that animal welfare is of great importance to EU citizens, and underlines the need to ensure that EU animal welfare standards are protected and that all imports comply with applicable EU legislation on food safety, animal and plant health, consumer protection and environmental standards;
10. Urges the Commission to ensure that the parties make strong commitments to improve protection and welfare standards for farm animals, and stresses that nothing in the agreement should prevent either side from regulating independently to set and implement legitimate and higher policy objectives;
11. Calls on the Commission to maintain a harmonised negotiating approach, balanced with the one adopted during the concomitant negotiations with Australia, while taking due account of the specific factors differentiating the two markets;
12. Highlights the importance of recognising the geographical indications (GIs) system as a key component of European interests, and stresses the need to include a sufficiently large and representative list of products with geographical indications registered under the schemes in a potential future agreement with New Zealand, and to secure their legal protection, both as a priority offensive interest and as a prerequisite for the conclusion of an agreement;
13. Calls on the Commission to secure, as an essential element of a balanced agreement, protection regarding the labelling, traceability and genuine origin of agricultural products, in order to avoid giving consumers a false or misleading impression;
14. Notes that New Zealand producers do not bear the costs of electronic sheep identification, nitrate vulnerable zones or fallen stock incineration, and calls for this to be made clear through labelling;
15. Highlights the difference in the size between the single European market and the New Zealand market, which must be taken into account in a potential free trade agreement between the two countries;
16. Recalls that New Zealand has a very competitive and strongly export-orientated agricultural sector, unique in its exposure to international markets owing to a low level of agricultural support; notes, in particular, the dominance of the dairy, sheep and goat sectors and the strongly export-orientated and dominant fruit production sector;
17. Considers that New Zealand is one of the main players in world trade in agricultural products, and that it has developed strong sectors based on monopoly-like export businesses; notes that agricultural and agri-food products as a whole account for 60 % of the country's total goods trade, with the dairy sector accounting for 25.3 % of total exports and sheep meat exports for 45 % of global trade; considers that New Zealand is one of world's leading exporters of sheep meat, particularly lamb, and is the largest exporter of

kiwis;

18. Highlights the fact that New Zealand's exports to the European Union are mainly agricultural products, whereas New Zealand's imports from the Union are dominated by manufactured products, and notes that New Zealand still imposes relatively high tariffs on a number of processed agri-food products (e.g. cheeses, wines and spirits) and that certain non-tariff barriers, such as plant health measures, significantly impede some EU exports;
19. Points out that New Zealand is a signatory to the Trans-Pacific Partnership Agreement, a fact that should also be taken into account in the negotiating process;
20. Stresses that several sensitive European agricultural sectors have been hard hit by the ongoing Russian embargo, by currency fluctuations caused by the outcome of the Brexit referendum and by market crises linked to extreme price volatility; takes the view that a further opening up of the market in these sectors, especially with regard to the monopolistic structure of some industries, in particular the New Zealand dairy sector, could cause serious problems and have disastrous consequences for European producers; stresses that in the final outcome, due consideration must be given to the interests of all European producers;
21. Notes the publication of the Commission's impact assessment on the potential impact of an EU-New Zealand FTA, and calls on the Commission to provide further analysis on the impact of the FTA by sector and by Member State, with a view to allowing a complete evaluation of the possible gains and losses of such a trade deal for European producers, and of its potential impact on farm gate prices in sensitive sectors and on commitments under the Paris climate agreement;
22. Notes the advantages in the dairy product and sheep meat sectors that were granted to New Zealand at the time of the UK's accession to the European Communities, and stresses that these allocations must be factored into the FTA negotiations;
23. Stresses that all potential future tariff quotas that could be granted to New Zealand under an FTA will be applicable to a smaller EU market of 443 million consumers, necessarily affecting the economic impact of such quotas, particularly in sectors such as sheep meat and dairy products, where the United Kingdom currently accounts for a significant share of the consumption and / or import of these products; calls, therefore, on the Commission to take account of the ongoing Brexit negotiations, and the impact of Brexit on the EU's agriculture and food sectors, in the trade negotiations with New Zealand;
24. Highlights the cumulative impact of EU trade concessions in agriculture, and notes that any agricultural concessions offered to New Zealand must be considered fully in the context of market access concessions granted under the World Trade Organisation, or as part of other ongoing or completed free trade negotiations; emphasises, in this connection, that the Commission's study on the cumulative impact of future trade agreements indicates, with regard to dairy products, that the current trade deficit of EUR 200 million would be doubled or more than tripled, depending on the liberalisation assumptions in play;
25. Stresses that the Commission must engage, in a fully transparent, timely and comprehensive manner, with all agricultural stakeholders on all aspects of the

negotiations, and requests that the Committee on Agriculture be kept informed of developments in relation to agriculture.

26. Recalls that in the European Union, lambs may only be marketed at the age of 6 or 9 months, while in New Zealand a higher age – 12 months – is permitted; insists that the future agreement sets a 6- or 9-month age limit for the legal sale in the EU internal market of any lamb from outside the EU.

## INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

<b>Date adopted</b>	2.10.2017
<b>Result of final vote</b>	+: 35 -: 7 0: 3
<b>Members present for the final vote</b>	John Stuart Agnew, Clara Eugenia Aguilera García, Eric Andrieu, Richard Ashworth, José Bové, Daniel Buda, Nicola Caputo, Matt Carthy, Viorica Dăncilă, Michel Dantin, Paolo De Castro, Jean-Paul Denanot, Albert Deß, Diane Dodds, Jørn Dohrmann, Herbert Dorfmann, Norbert Erdős, Edouard Ferrand, Luke Ming Flanagan, Beata Gosiewska, Martin Häusling, Anja Hazekamp, Esther Herranz García, Jan Huitema, Peter Jahr, Ivan Jakovčić, Jarosław Kalinowski, Zbigniew Kuźmiuk, Philippe Loiseau, Nuno Melo, Giulia Moi, Ulrike Müller, James Nicholson, Maria Noichl, Marijana Petir, Bronis Ropė, Maria Lidia Senra Rodríguez, Ricardo Serrão Santos, Czesław Adam Siekierski, Tibor Szanyi, Marc Tarabella, Marco Zullo
<b>Substitutes present for the final vote</b>	Franc Bogovič, Angélique Delahaye, Norbert Lins, Hannu Takkula, Tom Vandenkendelaere

## FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

35	+
ALDE	Jan Huitema, Ivan Jakovčić, Ulrike Müller, Hannu Takkula
ECR	Richard Ashworth, Jørn Dohrmann, Beata Gosiewska, Zbigniew Kuźmiuk, James Nicholson
ENF	Edouard Ferrand, Philippe Loiseau
NI	Diane Dodds
PPE	Franc Bogovič, Daniel Buda, Michel Dantin, Albert Deß, Herbert Dorfmann, Norbert Erdős, Esther Herranz García, Peter Jahr, Jarosław Kalinowski, Nuno Melo, Marijana Petir, Czesław Adam Siekierski, Tom Vandenkendelaere
S&D	Clara Eugenia Aguilera García, Eric Andrieu, Nicola Caputo, Paolo De Castro, Jean-Paul Denanot, Viorica Dăncilă, Maria Noichl, Ricardo Serrão Santos, Tibor Szanyi, Marc Tarabella

7	-
GUE/NGL	Matt Carthy, Luke Ming Flanagan, Anja Hazekamp, Maria Lidia Senra Rodríguez
VERTS/ALE	José Bové, Martin Häusling, Bronis Ropè

3	0
EFDD	John Stuart Agnew, Giulia Moi, Marco Zullo

Key to symbols:

+ : in favour

- : against

0 : abstention