



2017/2192(INI)

5.10.2017

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 Australia
(2017/2192(INI))

Rapporteur: Eric Andrieu

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 Australia is one of the major global players in the trade in agricultural products and has developed strong export sectors (70 % of products are exported);
2. Takes the view that, in 2015, Australia was the third largest global exporter of beef and veal, the eighth largest global exporter of dairy products, the fifth largest global exporter of arable crops and the third largest global exporter of sugar;
3. Points out that Australia, due to its low agricultural production costs stemming from its extensive, large-scale holdings, has a very competitive, export-focused agricultural sector, which constantly seeks new outlets for its produce on the international market; emphasises, therefore, that securing increased access to the vast EU market through the removal or lowering of tariff and non-tariff barriers in the sector will undoubtedly be a negotiating priority for Australian producers and exporters, and believes that a balanced and comprehensive free trade agreement (FTA), which respects the most vulnerable sectors of European agriculture could be mutually beneficial;
4. Stresses that European agriculture has a special role to play in maintaining the fabric of rural communities and in feeding European populations; emphasises that farmers and their livelihoods should not be bargaining chips in trade deals;
5. Believes that creating incentives for high standards and reciprocity, and fully upholding the high social, production, environmental, and animal welfare standards and principles of sustainable agriculture set by EU producers are essential to a balanced FTA, which could offer some opportunities for European producers and advance the EU's position as a key global player; considers that such standards cannot be lowered within the internal market either by imports or exports, and highlights that respect for sustainable production and strict protection of the standards on food safety, human health, consumer protection, animal health and welfare, as defined under EU legislation, is a fundamental and uncompromisable tenet of all EU FTA negotiations for European agriculture;
6. Stresses that steps must be taken to ensure that animal welfare standards can be enhanced in keeping with public attitudes towards health and ethical issues;
7. Stresses that the mutual recognition of sanitary and phytosanitary rules must not give rise to threats to the environment, people and animals, for example as a result of the abolition of checks on imported food and feed;
8. Welcomes the fact that the Commission has published its first impact assessment of an EU-Australian FTA, but notes that European producers and exporters of agricultural products may not be able to fully evaluate their potential benefits and losses due to

limited import information, particularly on sub-categories of the meat sector, and regrets the lack of assessment by EU Member State and by sector, and of information on the possible impact on Outermost Regions and the impact of Brexit with regard to existing quotas; notes, moreover, with concern that the study expects that ruminant meat would see the biggest decrease in EU sectoral output, and expects, furthermore, that additional detailed analysis will be provided to fill these information gaps;

9. Stresses that, for European exporters of agricultural products, Australia represents a new market area of 23 million consumers being more than 20 times smaller than the European market, and that European offensive interests in agriculture are limited to protecting geographical indications and niche products and are conditional on the lifting of non-tariff barriers; calls, therefore, on the Commission to take due account of this;
10. Is concerned about the risk of a serious imbalance in the agricultural provisions of the agreement to the detriment of EU agricultural producers, and stresses that agriculture should not be used as a bargaining chip to secure increased access to the Australian market for non-agricultural products and services;
11. Notes that Australian farm businesses do not bear the costs of sheep electronic identification, Nitrate Vulnerable Zones or fallen stock incineration, and calls for this to be made clear through labelling;
12. Stresses that the precautionary principle, on which EU food safety regulations are based, and the 'farm-to-fork' approach, which establishes stricter EU rules, as well as EU sanitary and phytosanitary standards and procedures, should be maintained in the framework of the negotiations;
13. Wishes to draw attention to the sensitive nature of some sectors of the European farming industry, such as beef and veal, goat and sheepmeat, sugar, honey, cereals and dairy products, several of which have recently experienced major crises requiring special emergency support schemes, and takes the view that a further opening-up of the market in these sectors could have further negative and disruptive consequences for European producers; calls on the Commission, therefore, 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, and calls for the inclusion of relevant and effective bilateral safeguard measures, transitional periods, and reduced appropriate quotas, in view of the competitiveness of the Australian sector in order to prevent a surge in imports that would cause, or threaten to cause, serious injury to European producers in sensitive sectors or whose businesses are small and medium-sized;
14. Takes the view that the EU must refrain from making any sort of commitment concerning the most sensitive agricultural products such as dairy, beef, veal, sheepmeat and special sugars, ensuring a level playing field, and should leave those products out, excluding them from the negotiations;
15. Stresses that any trade agreement can only be built on the basis of mutual advantage, and urges the Commission to provide permanent protection against threats from liberalised imports, including by incorporating into the agreement provisions on safeguard clauses, which would be activated by simple and flexible mechanisms when

imports from Australia exceed the established limits and generate excessive imbalances for the European market, as well as by including a bilateral safeguard clause of unlimited duration for the agricultural sector;

16. Hopes that the measures adopted by the European Union within the context of the dairy sector crisis are not seen by Australia as a form of state aid (as has happened in the past in the tomato sector) and therefore used as a pretext for limiting the access of European products to the Australian market;
17. Calls on the Commission to resolve all the trade disputes currently underway between the EU and Australia before opening any negotiations on agricultural matters, such as, inter alia, the controversy related to the anti-dumping measures imposed by the Australian authorities on European tomato processing firms;
18. Stresses the importance of identifying common criteria regarding quality and safety standards when it comes to agricultural products for trade;
19. Recalls, in particular, that in the European Union lambs may be marketed only at the ages of six or nine months, whereas in Australia a higher age – 12 months – is permitted; stresses that the future agreement has to set an age limit of six or nine months for legal sale on the EU internal market of any lamb from outside the EU;
20. Stresses that nothing in the agreement should prevent either side from regulating independently to set and implement legitimate policy objectives, including social, environmental and public health goals and safeguards;
21. Emphasises the cumulative impact of the concessions that the EU has made in the agricultural sector, in both multilateral and bilateral agreements; requires, therefore, that any EU agricultural concessions in the context of the envisaged negotiations be evaluated taking full account of those already agreed by the WTO (such as hormone-treated beef compensation), by Canada (Comprehensive Economic and Trade Agreement (CETA)), and those which might be agreed shortly with Mercosur, Mexico, New Zealand and the United States (in the event of resumption of talks on the Transatlantic Trade and Investment Partnership (TTIP)); notes, moreover, that in the case of beef and veal, the addition of the CETA quotas has pushed the cumulative amount of agreed quotas to the 300 000 tonne absorption threshold set in the 2000s, which means that, combined with falling domestic consumption, the EU market is reaching saturation point; stresses, finally, that the Commission's study on the cumulative impact of future agreements shows a possible doubling of the trade deficit for beef and veal close to EUR 0.9 billion according to the liberalisation hypothesis;
22. Calls on the Commission to maintain a harmonised negotiating approach, balanced with the one adopted during the concomitant negotiations with New Zealand, while taking due account of the specificities differentiating the two markets;
23. Points out that, following Brexit, all tariff quotas which might be granted to Australia will apply to a smaller EU market; calls 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 Australia, particularly in sectors in which the UK represents a significant volume of consumption and/or imports; emphasises that, from

now on, the EU will have to take careful account of Brexit when deciding what concessions, if any, it can offer in new trade agreements, and, if need be, review the negotiating mandate;

24. Calls on the Commission to secure appropriate legal protection on the Australian market for EU geographical indications and quality EU agricultural products, as well as measures to deal with improper use and misleading information and practices; calls also on the Commission to secure protection regarding the labelling, traceability and genuine origin of agricultural products as an essential element of a balanced agreement;
25. Insists on the need to include measures designed to clamp down on the counterfeiting of agro-food products;
26. Recognises the importance for the EU of an agreement with Australia which could reduce tariff barriers for some processed agricultural products, relax any unduly stringent health checks and recognise and protect geographical indications effectively, whereas clear provisions safeguarding the greatest possible number of geographical indications, inter alia, for wines, including those already covered by the EU-Australia Bilateral Agreement on trade in wine, as well as spirits and other food products, and the protection of sensitive sectors should be a prerequisite for any agreement; reminds the Commission, however, that it would be unacceptable to sacrifice the interests of European agriculture in order to secure an agreement and that, in accordance with Article 207, paragraph 3 of the TFEU, the European Parliament's Committee on Agriculture and Rural Development should be kept informed of the progress of negotiations in relation to all of the agricultural aspects, and stresses that the Commission must engage in a fully transparent, timely and comprehensive manner with all agriculture stakeholders on all aspects of the negotiations, making public the mandate.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	2.10.2017
Result of final vote	+: 31 -: 12 0: 2
Members present for the final vote	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
Substitutes present for the final vote	Franc Bogovič, Angélique Delahaye, Karin Kadenbach, Norbert Lins, Hannu Takkula, Tom Vandenkendelaere

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

31	+
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
ECR	Beata Gosiewska, Zbigniew Kuźmiuk
Verts/ALE	Martin Häusling, Bronis Ropé
EFDD	Giulia Moi, Marco Zullo
ENF	Edouard Ferrand, Philippe Loiseau

12	-
ECR	Richard Ashworth, Jørn Dohrmann, James Nicholson
ALDE	Jan Huitema, Ivan Jakovčić, Ulrike Müller, Hannu Takkula
GUE/NGL	Luke Ming Flanagan, Anja Hazekamp, Maria Lidia Senra Rodríguez
Verts/ALE	José Bové
EFDD	John Stuart Agnew

2	0
GUE/NGL	Matt Carthy
NI	Diane Dodds

Key to symbols:

+ : in favour

- : against

0 : abstention