



2020/2117(INI)

11.5.2021

OPINION

of the Committee on Agriculture and Rural Development

for the Committee on International Trade

on trade-related aspects and implications of COVID-19
(2020/2117(INI))

Rapporteur for opinion: Álvaro Amaro

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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. Stresses that against the background of a sharp economic downturn, caused by COVID-19, combined with the uncertainty created by Brexit and the unfair tariffs imposed by the US on some European food products, EU agri-food trade remained broadly stable over the course of 2020, for both exports and imports, thanks in large part to the best efforts of farmers and the agri-food chain; highlights that the Union's yearly agri-food trade surplus exceeded EUR 60 billion; notes, however, that these figures vary considerably across Member States and sectors; recalls in this context that the Union is the largest global trader in agricultural products and that agriculture and agri-food are key drivers for EU exports and economic recovery;
2. Emphasises the resilience of European agriculture, especially products with a protected designation of origin (PDO), and agri-food sectors in ensuring food security and security of supply; acknowledges, meanwhile, that the COVID-19 crisis has demonstrated the dependence of the food production system on transport, and that concentration of production and the weakening of local markets is problematic and should be addressed through appropriate measures; stresses the strategic importance of these sectors, all the more in times of crisis, and the importance of ensuring the EU's strategic autonomy;
3. Underlines the socio-economic importance of agri-food sectors as well as the high number of companies and jobs involved, including low-skilled jobs; stresses the importance of Europe's agri-food production as a primary sector that is vital for European food subsistence, for the efficient operation of the food supply chain and for the vitality and development of its rural areas and outermost regions; underlines that the success of European agriculture is connected to the common agriculture policy, which improves farming conditions and guarantees food security in the EU, and cannot be achieved solely at local or regional level; points out that certain free trade agreements greatly endanger various European agricultural sectors;
4. Recalls, however, that some European agri-food markets are in a highly vulnerable situation after a significant loss in sales coupled with lower prices and, inter alia, the rising cost of animal feed and increasing imports, which threaten their long-term sustainability; notes that the pandemic has had a significant impact on the beef, veal, poultry, pork, potato, wine, spirit and liqueur sectors, as well as the livestock farming, fresh food, meat and ornamental plant sectors, among others, given the restrictions affecting the EU tourism sector, the contraction of the world market, the drop in exports in terms of both volume and value, the increase in logistical costs and changing consumption habits; calls for further support to reactivate and diversify these exports and regain market share, including the extraordinary measures for the wine sector and measures for the fruit and vegetable sector in exporting outermost regions; calls, equally, for support to sectors such as cattle and sheep farming, among others, which are suffering major damage from third-country imports;

5. Underlines, meanwhile, that tackling the impact of the COVID-19 pandemic must not obscure other current problems and challenges facing European agriculture; stresses the need for close monitoring of the implications of the EU-UK and EU-Mercosur trade agreements, with particular regard to the poultry, beef and milk markets in the Member States and the EU fisheries sector, and also of the EU-Ukraine agreement on free trade in dairy products;
6. Highlights that COVID-19 has posed particular difficulties for the supply chains of labour-intensive sectors such as fruit, vegetables and animal products, and that the measures to facilitate the continuation of production and trade in such circumstances must better integrate concerns for workers' welfare, as well as their freedom of movement;
7. Stresses that the EU exports high-quality/high-value agri-food products and that the potential decrease in purchasing power worldwide could have a negative impact on these exports; recalls the delicate situation facing the sector before the pandemic as a result of Brexit and increased US tariffs, a situation that has been aggravated by the pandemic; underlines the many uncertainties agricultural markets could have to cope with in the next few years, such as the development of diseases, the proliferation of certain pests and climate change; stresses, in this regard, the need to support on-farm investments, in order to enable the agricultural sector to contribute to post-pandemic challenges;
8. Recalls that in many sectors farmers and horticulturists have suffered severe economic losses due to the closure of shops and catering facilities; stresses that due to the specific nature of food production and the use of growth cycles and fresh products, primary producers are in a particularly vulnerable position in the face of unexpected extreme market conditions; regrets that the Commission has not promptly activated appropriate market measures, including exceptional measures to mitigate and further prevent economic damage to affected farmers and horticulturists in these exceptional circumstances; calls on the Commission to learn lessons from this in order to make better use of opportunities in the future and to provide sufficient resources to facilitate swift action; calls on the Member States, in this connection, to allocate an appropriate and meaningful portion of the European recovery funds (Next Generation EU) to the primary sector;
9. Recalls that the exceptional support measures for agriculture and agri-food proposed at the start of the pandemic were insufficient, and that the additional aid provided by the Member States has led to very different national responses to the crisis; insists on the need to increase the allocation for the 2022 promotion programme to at least its 2020 level, since the EU's promotion policy is a key element for farmers' access to both internal and external markets, especially in a context of high international trade instability caused by the fact that the COVID-19 crisis has led to a reduction in the consumption of certain agricultural products; stresses that low prices, in combination with higher costs during and after the pandemic, have reduced and will continue to reduce the investment capacity of farms; emphasises the importance of national recovery plans in this regard; calls for the EU to financially support the primary producers most at risk of bankruptcy as a result of the disruption;
10. Stresses that any EU economic stimulus plans and measures need to consider agriculture

in the EU and its outermost regions in view of the importance and production diversity of the sector, and direct the latter towards greater resilience both economically and environmentally, with a focus on food sovereignty; stresses, too, that the review and overhaul of EU trade policy, called for by the sector for years, the reform announced by the World Trade Organization, provided that all members comply with it, and the fundamental overhaul of the EU-Mercosur agreement are indispensable and can and must enable better defence of the European agricultural model and of European farmers' interests;

11. Stresses the importance of safeguarding the quality, competitiveness and sustainability of our agricultural model by reiterating firmly that agriculture and agri-food products entering the European market must fully comply with EU environmental and social rules and with the high standards required of our farmers by the EU in order to shield our agricultural sector from unfair competition; stresses that at present this compliance is questionable as a result of the lack of directly applicable clauses in the EU's trade agreements with third countries requiring social and environmental standards similar to European standards;
12. Insists that frequent and thorough controls should be put in place to guarantee the compliance of products from third countries; stresses, therefore, the need for true coherence and synergy between trade and development policies and our agricultural and food policies, as well as the need to foster international regulatory cooperation and active and sustainable trade policy; insists on the need to create strong incentives for third countries to meet EU standards; highlights in this regard that trade must be based on balanced, fair and transparent rules to avoid distortion of competition; stresses that the concept of strategic autonomy should not lead to protectionism;
13. Stresses the need for a fully transparent supply chain to guarantee respect for EU standards and provide a high level of information to consumers; welcomes the Commission's commitment to making compliance with the Paris Agreement an 'essential clause' of EU trade agreements; stresses that, in order to be enforceable, the environmental objectives of the EU's free trade agreements, especially related to trade in agricultural products, must be clear, quantifiable, verifiable, and based on robust, transparent and inclusive ex ante sustainable impact assessments; calls on the Commission to continue engaging with Parliament on improving the implementation and enforcement of Trade and Sustainable Development (TSD) chapters; recalls the commitment made by the Commission in its Farm to Fork strategy to supporting the global transition to a sustainable agri-food system, notably by striving to obtain ambitious commitments from third countries in key areas such as animal welfare, the use of pesticides and the fight against antimicrobial resistance;
14. Stresses that the implementation of the initiatives and requirements of the European Green Deal should not lead to the leakage of agricultural production and forestry to third countries, which would have a negative impact on the environment and climate; emphasises that the EU should promote high environmental standards and combat deforestation through its trade policy, in accordance with the Green Deal principles and Parliament's resolution of 16 September 2020 on the EU's role in protecting and

restoring the world's forests¹;

15. Recalls equally its pledge to support small-scale farmers, short-supply chains, agro-ecology, and the conservation and sustainable use of biodiversity;
16. Welcomes the Commission's guidelines on screening foreign direct investment, to guard against a predatory takeover of a weakened EU enterprise as a result of the pandemic;
17. Highlights the overall importance of a well-functioning internal market in order to enhance Europe's export capacity and ensure the stability and security of our producer network, which requires progress in terms of legislation at European level, harmonisation and rapid implementation, as is being achieved through the directive on unfair trading practices in the food chain²; voices deep concern at the reported increase in unfair trading practices during the pandemic; calls on the Commission to monitor the application of the directive on unfair trading practices by Member States;
18. Highlights the utility of green lanes and guidelines for seasonal workers as an early means to maintain the functioning of the internal market during the pandemic; stresses the importance of ensuring that COVID-19-related entry bans imposed on third countries do not affect the flow of goods from one Member State to another where a transit route passes through a third country; notes that the pandemic has led to additional trade disruptions for EU countries and territories not connected to mainland Europe and that solutions to avoid this in future must be investigated; recalls that the disjointed testing process for truck drivers transiting between Member States has led to significant delays at borders; welcomes the relaxation of the requirements for paper certificates to accompany shipments of food products during the COVID-19 pandemic, and calls for the permanent acceptance of digital certificates;
19. Emphasises the urgent need to ensure that no new barriers to trade with our closest third-country trading partners are created or retained as a result of the pandemic;
20. Highlights that while Member States should preserve the free circulation of, in particular, medicines, medical equipment, essential and perishable food products and livestock, some border crossings have not enabled animal transport to be prioritised and livestock vehicles coming from high-risk zones have not been permitted entry at others, subjecting transported animals to dozens of kilometres of long queues and undue suffering; calls for enforceable rules which will recognise the ever more precarious situation of live animal transport during zoonotic pandemics, as well as for the preparation of contingency plans in the case of an unforeseen event such as the closure of borders;
21. Stresses the need, due in part to the disruptions to global production chains and increased price volatility caused by the COVID-19 pandemic, to develop open strategic autonomy for the EU with the aim of ensuring access to key markets and reducing dependency on imports of critical goods such as plant-based protein sources; reiterates

¹ Texts adopted, P9_TA(2020)0212.

² Directive (EU) 2019/633 of the European Parliament and of the Council of 17 April 2019 on unfair trading practices in business-to-business relationships in the agricultural and food supply chain (OJ L 111, 25.4.2019, p. 59).

that agri-food systems must be acknowledged as a crucial aspect of the EU's open strategic autonomy in order to ensure sufficient availability of safe and good-quality food and to maintain functioning and resilient food supply chains and trade flows during future crises, in line with Article 2(1) of the Paris Agreement; stresses that the COVID-19 pandemic has revealed the need for a radical transformation of the entire food system, in order to ensure broader security of the food supply and stable local prices, in particular for the most vulnerable populations, based on food sovereignty principles, and tackle unfair trading practices for those further down the food chain;

22. Emphasises the importance of transparency and traceability in the food supply chain, in particular in the light of the COVID-19 crisis and zoonotic epidemics, and calls for the EU to be a frontrunner in the origin labelling of agri-food products;
23. Stresses that the COVID-19 pandemic has highlighted the vulnerability of the global supply chain, notably in food and health, and the need to build regional value chains and boost regional integration; recalls the need to uphold the principle of policy coherence for development to ensure that European exports do not hinder the development of local production; calls for the prioritisation at both EU and third-country level of local food production and consumption that ensure local job creation, guarantee fair prices for producers and consumers, and reduce countries' dependence on imports and their vulnerability to international price fluctuations;
24. Recalls that the disruptions caused by COVID-19 have highlighted the difficulty of maintaining long supply chains and the merits of a shift towards shorter supply chains, particularly with regard to the livestock sector and its reliance on the long-distance transport of feed and animals; notes that, despite Commission efforts to facilitate animal transport via the use of 'green lanes', the correct implementation of Council Regulation (EC) No 1/2005 on the protection of animals during transport³ could not be assured in the rapidly evolving epidemic situation, putting animal welfare and driver health at risk;
25. Stresses the need to learn from the pandemic, enter into a post-growth debate and prioritise sustainable supply chains; underlines that the COVID-19 pandemic has shown the extreme vulnerability of the globalised economy and has an unprecedented impact on global and regional trade in foods and agricultural products; highlights the impact of the COVID-19 pandemic on the EU agricultural sectors that are dependent on supplies from third countries, and therefore stresses the need to strengthen shorter supply chains, particularly for inputs, local food networks and direct sales, which can be especially beneficial for small and medium-sized producers;
26. Highlights the importance of the catalytic effect that the COVID-19 crisis has had on e-commerce in the agri-food sector, and stresses the need to ensure that e-commerce is a positive and energising instrument which does not generate imbalances in the supply chain, given that e-commerce companies are positioning themselves as an additional actor;
27. Entirely understands the need to transform European agriculture and move it towards more environmentally-friendly production; is seriously concerned, however, that the ambitious aims of the Farm to Fork and 2030 Biodiversity strategies, as well as the

³ Council Regulation (EC) No 1/2005 of 22 December 2004 on the protection of animals during transport and related operations (OJ L 3, 5.1.2005, p. 1).

extended conditionality of direct payments under CAP Pillar I, in the absence of an impact assessment, together with a significant reduction in the CAP budget in the next CAP financial perspective, pose huge risks to basic incomes, especially for small rural farms, and to the global volume of agricultural production in the EU;

28. Notes in this context that EU agricultural production, weighed down by new environmental, climate and animal welfare requirements, may not be able to withstand competition on the free market from products from non-EU countries whose producers are not similarly weighed down by production requirements and can frequently offer dumping sales prices; stresses, therefore, that setting new ambitious reduction targets for the agricultural sector in the Member States in terms of greenhouse gas emissions and the use of fertilisers and plant protection products must be preceded by the implementation of suitable investment and technology which will ensure the stability and continuity of agricultural production.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	11.5.2021
Result of final vote	+: 37 -: 6 0: 3
Members present for the final vote	Mazaly Aguilar, Clara Aguilera, Atidzhe Alieva-Veli, Álvaro Amaro, Eric Andrieu, Attila Ara-Kovács, Carmen Avram, Adrian-Dragoş Benea, Benoît Biteau, Mara Bizzotto, Daniel Buda, Isabel Carvalhais, Asger Christensen, Angelo Ciocca, Ivan David, Paolo De Castro, Jérémy Decerle, Salvatore De Meo, Herbert Dorfmann, Luke Ming Flanagan, Dino Giarrusso, Martin Häusling, Krzysztof Jurgiel, Jarosław Kalinowski, Elsi Katainen, Gilles Lebreton, Norbert Lins, Colm Markey, Alin Mituța, Marlene Mortler, Ulrike Müller, Maria Noichl, Juozas Olekas, Pina Picierno, Maxette Pirbakas, Eugenia Rodríguez Palop, Bronis Ropè, Anne Sander, Petri Sarvamaa, Simone Schmiedtbauer, Annie Schreijer-Pierik, Veronika Vrecionová, Sarah Wiener
Substitutes present for the final vote	Manuel Bompard, Emmanouil Fragkos, Pär Holmgren

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

37	+
ECR	Mazaly Aguilar, Emmanouil Fragkos, Krzysztof Jurgiel, Veronika Vrecionová
ID	Mara Bizzotto, Angelo Ciocca, Gilles Lebreton, Maxette Pirbakas
NI	Dino Giarrusso
PPE	Álvaro Amaro, Daniel Buda, Salvatore De Meo, Herbert Dorfmann, Jarosław Kalinowski, Norbert Lins, Colm Markey, Marlene Mortler, Anne Sander, Petri Sarvamaa, Simone Schmiedtbauer, Annie Schreijer-Pierik
Renew	Atidzhe AlievaVeli, Asger Christensen, Jérémy Decerle, Elsi Katainen, Alin Mituța, Ulrike Müller
S&D	Clara Aguilera, Eric Andrieu, Attila Ara-Kovács, Carmen Avram, Adrian-DraGoș Benea, Isabel Carvalhais, Paolo De Castro, Maria Noichl, Juozas Olekas, Pina Picierno

6	-
ID	Ivan David
Verts/ALE	Benoît Biteau, Martin Häusling, Pär Holmgren, Bronis Ropè, Sarah Wiener

3	0
The Left	Manuel Bompard, Luke Ming Flanagan, Eugenia Rodríguez Palop

Key to symbols:

+ : in favour

- : against

0 : abstention