



**2023/2001(INI)**

16.11.2023

# OPINION

of the Committee on Agriculture and Rural Development

for the Committee on International Trade

on the implementation of the EU-Canada Comprehensive Economic and Trade Agreement (CETA)  
(2023/2001(INI))

Rapporteur for opinion: Paolo De Castro

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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:

- A. whereas the EU-Canada Comprehensive Economic and Trade Agreement (CETA)<sup>1</sup> is more inclusive and sustainable than most of the trade deals signed, leading to a substantial increase in trade flows and positive trends in cooperation between the two parties; whereas it enables access to new markets, wider consumer choice and investment opportunities, while safeguarding compliance with the high standards and requirements in both Canada and the EU, minimising unnecessary barriers to trade and ensuring the right to regulate in the pursuit of legitimate public policy objectives;
- B. whereas Russia's war of aggression against Ukraine has demonstrated the need to diversify trade agreements and reduce dependence on imports and exports from a limited number of trade partners as well as the importance of concluding trade agreements with like-minded partners;
- C. whereas a number of Member States have still not ratified the Agreement since its entry into application six years ago;
  1. Underlines the considerable growth in bilateral trade in food and agricultural products between the EU and Canada, with EU agri-food exports to Canada increasing by 62 % and EU imports of such products from Canada by 52 % since the start of the provisional application of CETA; notes that this has significantly benefited the producers and exporters on both sides and has also contributed to job creation; welcomes the substantial increase in the number of the Union's micro, small and medium-sized enterprises exporting to Canada, as well as in the value of their exported products, noting that the agreement thus significantly serves their interests;
  2. Stresses that, in the implementation of CETA, as with all other EU trade agreements, due account must be taken of respect for sustainable agricultural production, reciprocity and maintaining high standards, in particular sanitary, phytosanitary and veterinary standards, as well as of adequate controls and monitoring mutual compliance with those standards;
  3. Takes into account that the agricultural sector and trade in agricultural goods are both significantly affected by the climate crisis, while only partially contributing to it; underlines the importance of effective cooperation between the agricultural sectors of the Union and Canada in contributing to mitigating climate change, reducing emissions and environmental protection, including through the exchange of information on innovative farming practices;
  4. Highlights the importance of recognising the system of geographical indications (GIs)

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<sup>1</sup> Comprehensive Economic and Trade Agreement (CETA) between Canada, of the one part, and the European Union and its Member States, of the other part, OJ L 11, 14.1.2017, p. 23.

as a key component of the Agreement; underlines the need for further effective enforcement of GI protection for EU rights holders in Canada, also by better communicating to stakeholders on CETA's GI commitments through official channels, in particular on the GI protection regime and its enforcement, and by facilitating the administrative procedures so that EU GI rights holders can promptly communicate with the responsible Canadian authorities and seek remediation; welcomes Canada's commitment to do so by providing the Commission with a list of responsible authorities in Canada for each CETA GI; highlights the need to guarantee an adequate level of protection when the GI protected name is translated, and to consider expanding the list of GI products in order to ensure that they are properly protected and recognised in both markets; calls on the Commission to reiterate in the bilateral dialogue with Canada the importance of monitoring the list of grandfathered users of certain names protected under CETA, to monitor the progress of the implementation of the grandfathering clause and to report regularly to the European Parliament and the Council on the results;

5. Acknowledges that the 18 % increase in EU exports of wine, spirits and beer to Canada in 2021 was a positive development for EU producers; reiterates the importance of swiftly amending the Annexes to the 2003 Agreement on Trade in Wines and Spirits Drinks<sup>2</sup> to allow for the inclusion of certain GIs from Member States that joined the Union after 2003; notes, with concern, that EU exports continue to be at a competitive disadvantage compared to domestic suppliers and partly also to importers from third countries; stresses that further commitment is needed from the Canadian authorities to adequately regulate and enforce measures in order to ensure that discriminatory practices, such as differential taxes and mark-ups, or measures that limit the possibility of direct delivery by EU producers, restricting market access for EU wines and spirits, mainly at provincial level, are eliminated in Canada, ensuring full compliance with Canada's international obligations and, in particular, aligning these approaches with the principle of national treatment;
6. Welcomes the progress made in eliminating most of the duties in trade in agricultural products between the Union and Canada, as well as the evolution of the use of tariff rate quotas (TRQs); notes that, while the existing Canadian TRQ management system aims to provide fair prices for its own dairy producers through market regulation, it is undermining the competitiveness of EU dairy producers, including by hindering the access of new entrants through the market-share-based allocation; urges the Commission to keep up its efforts with the Canadian authorities and to increase the transparency of how the operation of its TRQ system is monitored, in particular by gathering official data from the Canadian authorities on the misuse of transfer allocation; stresses the importance of making further efforts to remove the remaining non-tariff barriers to trade;
7. Notes, with regret, that CETA does not apply the principle of regionalisation in general, solely considering the EU as a single area with regard to livestock production, but not with regard to the fruit and vegetables sector, which means that each Member State has to individually negotiate and agree on export requirements for each product; calls for this flaw to be remedied as soon as possible within the framework of the EU-Canada

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<sup>2</sup> Agreement between the European Community and Canada on trade in wines and spirit drinks, OJ L 35, 6.2.2004, p. 3.

Joint Management Committee;

8. Points out that EU trade policy, and CETA in particular, has a significant economic impact on the outermost regions (ORs), and therefore stresses the need to protect the interests of those regions in future negotiations or a possible review of the agreement;
9. Maintains that part of the tariffs and TRQs assigned to EU products should be allocated to operators registered in the ORs, taking account of their economic situation; stresses that differential treatment for operators in the ORs is key to ensuring the competitiveness of businesses and the fair distribution of tariffs and TRQs among commercial agents by avoiding the restriction of benefits to a small number of operators;
10. Notes, with concern, that EU imports of fertilisers from Canada increased by 225 % between 2017 and 2022, which is contrary to the EU's goal of achieving autonomy in fertilising products and improved soil health;
11. Calls on both parties to ensure better integration of small-scale farmers and consumers in Domestic Advisory Groups in the context of the renewal of these groups;
12. Welcomes the series of joint initiatives within the framework of the EU-Canada dialogue on sustainability, environmental stewardship and climate action in agriculture; stresses the importance of agreeing on binding and enforceable agreements, and increasing the exchange of knowledge and expertise and the sharing of best practices in the fields of agricultural productivity, organic farming, animal welfare, carbon sequestration, soil health, sustainable agricultural practices and protection of natural environments in line with the EU's sustainability and climate goals; invites the Commission to pursue these exchanges and to strengthen long-term cooperation with the Canadian authorities with the aim of aligning and upgrading standards in the deployment of agricultural, climate and environmental policies and to examine the possibility of updating the dialogue, especially in the context of the sustainability efforts deriving from the European Green Deal and the Farm to Fork Strategy; welcomes the initiative by Agriculture and Agri-Food Canada to launch a stakeholder consultation to develop a sustainable agricultural strategy to improve the sector's long-term environmental performance, while supporting farmers' livelihoods; invites the Commission to pursue an ongoing dialogue on animal welfare within the CETA Regulatory Cooperation Forum;
13. Calls on the Commission to facilitate ongoing cooperation with the Canadian authorities aimed at increasing attention to safeguards for animal welfare standards in CETA and evaluating the feasibility of establishing, in the future, mirror clauses in this area to guarantee the equivalence of animal welfare standards and thus a level playing field between EU and imported animal products;
14. Welcomes the introduction of a harmonised EU export certificate for the export of fresh poultry from authorised Member States, which became operational in 2021; calls on the Commission to pursue further progress on similar certificates for processed meat and sheep or goat meat, while increasing efforts to ensure stronger traceability systems for meat products; calls on the Commission, in the framework of the Management Committee and in cooperation with the Canadian authorities and Member States, to

make progress on the recognition of the remaining meat inspection systems in order to allow the remaining Member States to export meat to Canada;

15. Notes that both parties should commit to, promote and facilitate reciprocal market access, especially for beef, thus ensuring diversification of the markets and offering alternatives to traditional Asian markets, while simultaneously providing increased opportunities for producers;
16. Calls on the Commission to prevent the precautionary principle from being weakened as a basic principle of the European Union enshrined in the Treaties and a guarantor of the protection of European farmers and citizens; highlights the importance of promoting the precautionary principle in all aspects of trade and ensuring its application, while avoiding unjustified barriers to trade.

## **ANNEX: ENTITIES OR PERSONS FROM WHOM THE RAPPORTEUR FOR THE OPINION HAS RECEIVED INPUT**

The rapporteur, Paolo De Castro, in his capacity as rapporteur declares under his exclusive responsibility that he did not receive input from any entity or person to be mentioned in this Annex pursuant to Article 8 of Annex I to the Rules of Procedure.

## INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

<b>Date adopted</b>	16.11.2023
<b>Result of final vote</b>	+: 26 -: 6 0: 3
<b>Members present for the final vote</b>	Mazaly Aguilar, Clara Aguilera, Atidzhe Alieva-Veli, Benoît Biteau, Franc Bogovič, Daniel Buda, Isabel Carvalhais, Asger Christensen, Dacian Cioloș, Paolo De Castro, Jérémy Decerle, Salvatore De Meo, Herbert Dorfmann, Luke Ming Flanagan, Dino Giarrusso, Martin Häusling, Martin Hlaváček, Krzysztof Jurgiel, Jarosław Kalinowski, Camilla Laureti, Gilles Lebreton, Norbert Lins, Marlene Mortler, Juozas Olekas, Bert-Jan Ruissen, Anne Sander, Petri Sarvamaa, Sarah Wiener
<b>Substitutes present for the final vote</b>	Asim Ademov, Ladislav Ilčić, Cristina Maestre Martín De Almagro, Dan-Ștefan Motreanu
<b>Substitutes under Rule 209(7) present for the final vote</b>	Adrian-Drașoș Benea, Lydie Massard, Ville Niinistö



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

26	+
ECR	Mazaly Aguilar, Ladislav Ilčić, Krzysztof Jurgiel
ID	Gilles Lebreton
NI	Dino Giarrusso
PPE	Asim Ademov, Franc Bogovič, Daniel Buda, Salvatore De Meo, Herbert Dorfmann, Jarosław Kalinowski, Norbert Lins, Marlene Mortler, Dan-Ștefan Motreanu, Petri Sarvamaa
Renew	Atidzhe Alieva-Veli, Asger Christensen, Dacian Cioloș, Martin Hlaváček
S&D	Clara Aguilera, Adrian-Draagoș Benea, Isabel Carvalhais, Paolo De Castro, Camilla Laureti, Cristina Maestre Martín De Almagro, Juozas Olekas

6	-
The Left	Luke Ming Flanagan
Verts/ALE	Benoît Biteau, Martin Häusling, Lydie Massard, Ville Niinistö, Sarah Wiener

3	0
ECR	Bert-Jan Ruissen
PPE	Anne Sander
Renew	Jérémy Decerle

**Key to symbols:**

+ : in favour

- : against

0 : abstention