EU Farm Groups Push Administrative Actions To Ease Barriers Under TTIP

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Two large European Union umbrella organizations representing farm groups and farmer cooperatives late last week advocated an approach to the Transatlantic Trade and Investment Partnership (TTIP) that focuses on removing existing regulatory barriers to agriculture trade in ways that would not require legislation.

In a Feb. 7 press conference in Washington, senior officials from Copa-Cogeca drove home the need to pursue what they said was a "pragmatic and practical approach" to trade in TTIP that essentially respected each side's level of consumer, environmental and health protections.

They said this could be achieved by TTIP negotiators agreeing that each side will take administrative actions to resolve sanitary and phytosanitary (SPS) issues and handle the controversial issue of protecting geographical indications (GIs) for agricultural products through existing U.S. trademark law. But they acknowledged that the protection for GIs and other SPS measures are "very sensitive" issues.

But at the same time, the officials -- Cogeca President Christian Pees, Copa President Albert Jan Maat and Secretary General Pekka Pesonen-- argued that these goals must be pursued without lowering existing EU standards on animal welfare and must take account of consumer preferences. They noted that EU farmers have made arrangements with major supermarket chains in Europe to adhere to standards that go beyond the legal requirements but reflect the demands of the market.

In a related development, the EU tariff offer submitted to the United States this week directly links certain tariff concessions to progress in regulatory areas.

On the animal welfare issue, they emphasized the need to maintain the EU's ban on artificial growth hormones in beef production and the use of the Bovine Somatropin (BST) hormone on dairy cows to increase milk production. Insisting on selling beef raised with growth hormones in the EU, even with an identifying label, will ultimately mean a decline in beef sales overall, they claimed.

The U.S. now ships beef raised without growth hormones to the EU under a special tariff rate quota (TRQ) with a ceiling of 45,000 tons. However, that quota is shared with other major beef exporters, such as Australia and Uruguay.

Nevertheless, the TRQ arrangement has generally been viewed positively by the meat industry, although it has advocated for modifications that would ensure sustained access -- possibly through the addition of a U.S.-specific TRQ. The U.S. meat industry has not sought an outright removal of the hormone ban under TTIP.

But meat industry representatives have advocated against the EU's zero-tolerance ban on the use of the growth-promoting veterinary drug ractopamine, which is widely used in U.S. beef and pork production.

The Copa-Cogeca delegation said their main message in their meetings with policymakers and U.S. farm groups in Washington was that TTIP must produce a balanced deal that takes into account the different conditions of competition in the U.S. and EU. For example, they pointed out that EU animal welfare requirements increase the cost of production for EU farmers for chicken in comparison to their U.S. counterparts.

Maat said that a TTIP deal cannot lead to a "race to the lowest price." It must not only be acceptable to farmers on both sides but also to companies and consumer associations, they said. Following the press conference, one official said that the delegation did not discuss market access in terms of tariff concessions in their meetings since they believe the focus has to be first on non-tariff barriers.

The press conference was held at the conclusion of a two-day visit by the Copa-Cogeca delegation to meet with U.S. officials in the executive branch, congressional staff, the American Farm Bureau Federation and the National Farmers Union.

One source familiar with the discussions said that the U.S. side heard out their case, but did not commit to pursuing the approach the EU groups want in TTIP. In general terms, the U.S. government is seeking more market access through the removal of tariffs and what it considers SPS barriers in the EU market.

As a key example of the type of barrier Copa-Cogeca would like to see removed, officials cited the issuance by the U.S. Department of Agriculture (USDA) of a final rule that would allow the sale of EU beef in the U.S. It would do so by permitting the import of beef from countries determined by the World Organization for Animal Health (OIE) as posing a "negligible" risk for bovine spongiform encephalopathy, also known as "mad cow" disease.

The final rule changing the USDA practice was published in the *Federal Register* in December, and takes effect on March 4 (*Inside U.S. Trade*, Dec. 6, 2013).
But EU exporters still face a potentially long road before they can actually ship to the U.S. market. To do so, they must secure a determination that their national inspection systems for beef processing facilities provide an "equivalent" level of protection when it comes to human health.

That determination will be made by USDA's Food Safety and Inspection Service (FSIS). An FSIS official said last year that these audits can take months and even years to complete, but that the United Kingdom and Ireland, two major EU beef exporters, have gotten a head-start (*Inside U.S. Trade*, Nov. 8, 2013).
Other policies cited by Copa-Cogeca are U.S. regulations on the marketing and labeling of olive oil that they said exceed international standards and thereby drive up the cost for exporters, and U.S. requirements for dairy products. On olive oil, they conceded that EU producers supply the bulk of the U.S. market despite the hurdles they identified.

They also said they wished to discuss genetically modified organisms not as a question of "principle" but in terms of practical barriers and emphasized that Copa-Cogeca has urged the EU to work on approving GMO applications at a faster pace than it now does.
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