

IPC Alert

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EU-U.S. FREE TRADE AGREEMENT NEGOTIATION SHOULD IMPROVE MARKET OPPORTUNITIES AND ADDRESS NON-TARIFF BARRIERS FOR FOOD AND AGRICULTURAL PRODUCTS

On February 12, 2013, U.S. President Barak Obama announced his support for negotiations of a comprehensive Transatlantic Trade and Investment Partnership with the EU during the annual State of the Union address. “We welcome the news that the EU and U.S. will negotiate a free trade agreement (FTA) to generate economic benefits and growth in both economies,” said Carlo Trojan, IPC’s chairman. “The FTA should include agriculture, eliminate tariffs on our agricultural trade and improve market access. It also provides a much needed opportunity to engage at the highest levels to address our differing perspectives on non-tariff barriers.”

The EU exported \$17 billion worth of agricultural products to the U.S. last year (including forestry and fishery items), while the U.S. exported \$12 billion to the EU. For both, the largest category of trade is in consumer oriented, high value products. While important markets for each other’s agricultural products, the bilateral trade relationship has been characterized by serious disagreements over several decades, resulting in lost sales. Much of this disagreement is due to differing perspectives on legitimate requirements to protect human, plant and animal life and health.

“In negotiating an FTA, we would have the opportunity to explore ways to find common ground on approaches to food safety and other issues,” Trojan continued. “A fresh look at the trade-related impacts of these policies from experts as well as the high-level officials with responsibility for the negotiation, could lead to a shared approach and foundation for improved trade.”

The negotiations on agricultural matters are expected to be challenging as both the EU and U.S. have constituencies that seek tariff reductions, greater access to restricted markets, and the harmonization of various regulations. Furthermore, stakeholders have called for enforceable rules on sanitary and phytosanitary issues, additional obligations on geographical indications, and commitments with regard to sustainable development.

“The EU-U.S. agricultural trade relationship has a long history that provides the context with which negotiators will approach these talks,” commented Ellen Terpstra, IPC’s president. “On February 27, IPC will release a paper elaborating on these divergent attitudes and proposing ways for the negotiation to achieve a successful outcome.”

About IPC

The International Food & Agricultural Trade Policy Council promotes the role of trade in creating a more open, equitable, productive and sustainable global food & agricultural system. IPC makes pragmatic trade policy recommendations to help solve the major challenges facing the global food & agricultural system in the 21st century—the need to promote global food security, to sustainably increase productivity, and to contribute to economic growth and development.

IPC convenes influential policymakers, agribusiness executives, farm and civil society leaders, and academics from around the world in order to clarify complex issues, foster broad stakeholder participation in policy deliberations, and build consensus around pragmatic policy recommendations. More information about the organization and its membership can be found on our website: www.agritrade.org.