

**Opinion of the European Economic and Social Committee on the role of agriculture in multilateral, bilateral and regional trade negotiations in the light of the Nairobi WTO Ministerial meeting**

**(Own-initiative opinion)**

(2017/C 173/04)

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(for/against/abstentions)	

## 1. Conclusions and recommendations

1.1. To misquote Mark Twain <sup>(1)</sup>, reports of the death of the WTO because of the failure of the Doha Round are much exaggerated. The WTO remains a viable and effective forum for trade negotiations, particularly in agriculture.

1.1.1. The 10th WTO Ministerial Conference in Nairobi in December 2015 reinforced this. Decisions there included the effective elimination of agricultural export subsidies. The WTO Director-General described this as 'the WTO's most significant outcome on agriculture' in 20 years. This follows the Trade Facilitation Agreement and other agreements reached in Bali in 2013 at the previous Ministerial Conference.

1.1.2. In trade in agriculture <sup>(2)</sup>, there are major policy areas where agreements can best be reached at multilateral level, notably in global levels of domestic subsidies and support, export subsidies and certain aspects of market access. The latter includes a Special Safeguard Mechanism (SSM) and special and differential treatment (SDT) for Developing Country WTO Members.

1.2. The European Economic and Social Committee (EESC) believes that a fresh approach, fresh input and fresh impetus are required for trade in agriculture, often the most contentious area in negotiations. In the Nairobi Ministerial Declaration <sup>(3)</sup> there was for the first time no reaffirmation of a full commitment to conclude the Doha Round, but it did include a 'strong commitment of all members to advance negotiations on the remaining Doha issues', including agriculture.

1.2.1. The multilateral approach to agriculture needs rethinking and reinvigorating, not abandoning. 'Doha' as a concept for a trade dialogue between developed and developing countries needs to be preserved and enhanced, whilst respecting the principle of food sovereignty for all.

<sup>(1)</sup> Classic US author.

<sup>(2)</sup> WTO designation, used throughout.

<sup>(3)</sup> [https://www.wto.org/english/thewto\\_e/minist\\_e/mc10\\_e/mindecision\\_e.htm](https://www.wto.org/english/thewto_e/minist_e/mc10_e/mindecision_e.htm)

1.2.2. The EU is well positioned to play a leading, proactive role in promoting a fresh, balanced approach. The EESC urges it to do so not least due to the failure of many fast-emerging economies to make any notable efforts to help others still further behind in development. Capacity building for the latter remains critically important, as does giving less advanced developing countries greater scope to prevent undermining of their food security or of the development of their emerging agricultural sectors.

1.3. Further consideration is also needed for what bilateral and regional negotiations can best achieve in trade in agriculture, whilst ensuring that these do not conflict with multilateralism.

1.4. The EESC believes that the UN's adoption of the Sustainable Development Goals (SDGs), together with the Paris Agreement (COP21<sup>(4)</sup>), fundamentally changes the global trade agenda, especially for trade in agriculture. These agreements are profound and the need to implement them must now lie at the heart of all future trade negotiations.

1.4.1. If the SDGs are to be realised, trade and investment must play a core role. Unctad estimates that an extra USD 2,5 trillion will be needed annually to meet these targets. The SDGs are global in nature and universally applicable — all countries must share responsibility in achieving them. They should lead to a new way of global working — broader, more participative and more consultative. Already more than 90 countries have sought the assistance of others to help meet them.

1.4.2. There will be close synergy in promoting and implementing the SDGs and in promoting European values around the world, notably through environmental and social progress. We strongly recommend that levels of transparency and involvement of civil society as eventually achieved by the EU in the negotiations with the US must become the norm.

1.4.3. The Nairobi Declaration stresses that the WTO has an important part to play in achieving the SDGs, which would be far harder without an effective multilateral trade mechanism.

1.5. The Committee welcomes the Commission communication 'Next Steps for a Sustainable European Future', published in November 2016<sup>(5)</sup>, which sets out to integrate the SDGs fully 'in the European policy framework and current Commission priorities'.

1.5.1. This will be especially important for future trade in agriculture negotiations. Agriculture has a key role to play in realising most if not all SDGs, especially Goals 2 (ending hunger), 12 (sustainable consumption and production) and 15 (land degradation). Trade helps to even out imbalances in demand and supply, can significantly improve food security and nutrition through increasing food availability, promote resource use efficiency and increase investment, market opportunities and economic growth, thus generating jobs, income and prosperity in rural areas.

1.6. The EU is uniquely positioned to drive this agenda forward: it carries weight as the world's largest exporter and importer of agricultural products, it is no longer seen to be primarily defensive on agriculture, it has a proven sustained interest in trade and development and above all it showed in Nairobi it has the ability to produce fresh and balanced thinking. The EU has the credibility to play an effective bridging role between developed and developing countries.

1.7. However, before it can do this effectively, the EESC urges the Commission to undertake a full impact assessment first on the likely effects that implementation of the SDGs and the Paris Agreement will have on EU agriculture and on EU trade policy.

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<sup>(4)</sup> The Paris Conference of the Parties to the UN Framework Convention on Climate Change (UNFCCC COP 21).

<sup>(5)</sup> SWD(2016) 390 final.

1.7.1. At the same time, the EU must widen this impact assessment to include the effects on agriculture across the EU from recent EU trade agreements as well as developments in trade globally. Whilst agriculture and trade have been EU competences for over 40 years, there has at times been a lack of communication, or 'joined-up' thinking, between these key interests.

## 2. Background

2.1. As part (Article 20) of the 1994 Uruguay Round Agreement on Agriculture (URAA), members of the newly established WTO (replacing the GATT, or General Agreement on Tariffs and Trade) agreed to initiate further negotiations 'for continuing the agricultural trade reform process' by the end of 1999. In 2001 this 'built-in reform agenda' in turn became part of the wider 'Doha Round', or Doha Development Agenda (DDA). Originally set to conclude by 1 January 2005, negotiations are still ongoing after 15 years.

2.2. Based on negotiating submissions from over 100 WTO Members, the Doha Declaration<sup>(6)</sup> stated its long-term objective to be 'to establish a fair and market-oriented trading system through a programme of fundamental reform'. This was to include 'strengthened rules, and specific commitments on government support and protection for agriculture ... to correct and prevent restrictions and distortions in world agricultural markets'.

2.2.1. The DDA covered the 'three pillars' of trade in agriculture, as determined by the URAA:

- substantial reductions in barriers to **market access**,
- reductions in, with a view to phasing out, all forms of **export subsidies**,
- substantial reductions in **domestic support** for agriculture that distort trade.

2.2.2. The Doha Declaration placed as 'integral throughout the negotiations' special and differential treatment (SDT) for developing countries, to enable developing countries to meet their needs, in particular in food security and rural development. Based on Members' submissions, it was also agreed to include non-trade concerns, such as environmental protection.

2.3. With several missed deadlines, the Doha Round has never been completed, although notable progress was made in both Bali and Nairobi.

2.3.1. Core to the Doha Declaration was the 'Single Undertaking', whereby nothing was agreed until everything was agreed. Although WTO Members came close to agreement on a number of occasions, most recently in 2008, outstanding issues remained. However this was effectively broken in Bali in 2013, through the Trade Facilitation Agreement and a number of other agreements, furthered by the specific agreements on agriculture reached in Nairobi.

2.4. Although paragraph 12 of the Nairobi Ministerial Declaration states: 'We note, however, that much less progress has been made in Agriculture', the decision taken there to eliminate agricultural export subsidies was described by the WTO Director-General as 'the WTO's most significant outcome on agriculture'<sup>(7)</sup> in 20 years. Alongside that, the Ministerial Declaration also recommitted members to continue work on reaching a 'Special Safeguard Mechanism for Developing Country Members' (SSM), as well as on reaching a permanent solution on 'Public Stockholding for Food Security Purposes', for adoption at the next Conference, 'MC11', in 2017. The Ministerial Decision on cotton is also relevant.

<sup>(6)</sup> [https://www.wto.org/english/thewto\\_e/minist\\_e/min01\\_e/mindecl\\_e.htm](https://www.wto.org/english/thewto_e/minist_e/min01_e/mindecl_e.htm)

<sup>(7)</sup> [https://www.wto.org/english/news\\_e/spra\\_e/spra108\\_e.htm](https://www.wto.org/english/news_e/spra_e/spra108_e.htm)

### 3. Specific comments: future multilateral progress in agriculture

3.1. As both the URAA and the DDA recognised, any effective global agreement on SSM, SDT or on the overall levels of subsidies in agriculture is best covered at multilateral level. Nevertheless, if tackled piecemeal as at Nairobi, this will leave fewer incentives for the more difficult issues, with less to offer those expected to make major concessions.

3.1.1. The WTO Agriculture Committee is showing a growing will to work for 'agriculture related outcomes' at MC11, due to be held in Buenos Aires in December 2017, including the URAA 'built-in reform agenda' <sup>(8)</sup>, not least to bolster the multilateral approach.

3.1.2. Realistically however the Doha process as such has run its course, with fresh thinking and fresh input now needed, not only for future multilateral negotiations but also for what might best be achieved at bilateral or regional level without distorting the global picture.

3.2. The 'Nairobi Package' involved some six agreements on agriculture, most importantly a commitment to abolish export subsidies for agricultural exports, effectively settling one of the three pillars of agriculture, with developing countries given a little extra time to phase out such subsidies. This also delivered a key target set for SDG 2 ('zero hunger').

3.2.1. The EU was a key driver for that, notably preparing a joint position beforehand with major global agricultural exporters, including Brazil. This agreement also included binding disciplines on other forms of export support, including export credits, food aid and state trading enterprises, as well as removing subsidies on cotton.

3.3. DDA discussions on **market access** have so far concentrated on tariff levels, tariff-rate quotas (TRQs), tariff quota administration and special safeguards, including SDT for developing countries. As a result of the URAA, nearly all non-tariff barriers in agriculture had to be eliminated or converted to tariffs, unless other WTO rules applied, notably the Sanitary and Phytosanitary (SPS) Agreement and the Technical Barriers to Trade (TBT) Agreement <sup>(9)</sup>. Where the 'calculated equivalent tariffs' still remained too high to allow any real possibility for imports, a system of TRQs was introduced, with lower tariffs within these quotas.

3.3.1. Tariffs and TRQs can indeed be tackled in bilateral trade negotiations, but special safeguards and SDT are effectively multilateral issues. Countries can, and do, also cut their tariffs or subsidies unilaterally — many have done so.

3.4. **Domestic support** for agriculture lies at the heart of multilateral negotiations, where there is now room for manoeuvre and some prospect for progress at MC11.

3.4.1. Most countries support their farmers domestically. For some, this support is minimal (e.g. leading exporters, notably Australia and New Zealand). Other developed countries give major support to their farmers in a variety of forms, not least as remuneration for the services they provide for society. So do fast-emerging economies, where levels of support are believed to be growing markedly as they get richer but where serious time lags are emerging in reporting figures to the WTO.

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<sup>(8)</sup> [https://www.wto.org/english/news\\_e/news16\\_e/agng\\_09mar16\\_e.htm](https://www.wto.org/english/news_e/news16_e/agng_09mar16_e.htm) ICTSD Bridges report, Vol 20, No 40 — 24.11.2016.

<sup>(9)</sup> Important not least for labelling and traceability purposes.

3.4.2. In September 2016 the US initiated WTO dispute proceedings against China over its domestic support measures, notably for wheat, corn and varieties of rice. China last reported figures to the WTO for 2010, since when its support is believed to have risen rapidly. Although the disputes mechanism can be cumbersome and a full procedure may not follow, this move is casting a long shadow over WTO discussions on domestic support in advance of MC11. It also seems to contradict the Bali understanding to avoid disputes on Public Stockholding issues involving developing countries <sup>(10)</sup>.

3.4.3. Figures submitted in turn by the US government to the WTO <sup>(11)</sup> show that its domestic support increased from USD 12 bn to USD 14 bn in 2013, close to its overall limit proposed in the abortive 'July 2008 Package'. This included USD 6,9 bn in 'amber box' and USD 7 bn in 'de minimis' payments. USD 132 bn in 'Green box' support was given. The overall total of over USD 140 bn in support is nearly double that of 2007. This account also states that China reported trade distorting subsidies, as defined by the 1994 GATT Uruguay Round Agreement on Agriculture, of some USD 18 bn in 2010, Japan USD 14 bn in 2012, Russia USD 5 bn in 2014 and India USD 2 bn in 2010-2011. Brazil reported less than USD 2 bn 'trade distorting' support for 2014-2015 <sup>(12)</sup>.

3.4.4. In 2012-2013, EU figures notified to the WTO <sup>(13)</sup> show annual support was around EUR 80 bn, a figure numerically consistent since the start of the Doha Round. However, of this over EUR 70 bn came under 'green box' support. The EU's overall 'trade distorting' support, including 'amber box', 'blue box' and 'de minimis' support, came to just EUR 10 bn. EU 'green box' support (non or minimally trade distorting) includes environmental protection and regional development programmes.

3.4.5. The large shift by the EU from trade distorting support, over EUR 60 bn in 2001, to 'green box' follows the CAP 'Luxembourg Agreement' of 2003 when EU farm payments were switched from direct support for individual crops to 'decoupled (or separated) income support'. This major unilateral step towards meeting a key DDA goal in agriculture gives the EU increased credibility as a future broker in agricultural negotiations.

3.4.6. However the US and other countries could only be expected to make serious concessions on domestic support in return for major concessions elsewhere, including non-agricultural multilateral issues — but prospects for that are not encouraging. Some may feel that there is no need to go further due to other mega-regional agreements in hand.

3.4.7. Other issues remain highly controversial between developing countries, notably 'Public Stockholding for Food Security Purposes' which sets neighbour against neighbour. It was agreed in Nairobi to continue to work for a permanent solution to this issue, left over from Bali where it was raised by India. Under the Bali Decision, developing countries are allowed to continue food stockpiling programmes which otherwise may breach WTO domestic support limits.

3.5. Nevertheless, as the Commission communication 'Trade for All' states, multilateralism lies at the heart of world trade and must remain 'the cornerstone of EU trade policy' <sup>(14)</sup>. The WTO develops and enforces the rules of global trade, and ensures global compatibility. It is backed by its Disputes Mechanism <sup>(15)</sup>, widely valued and increasingly used. The SDGs and COP21 are both clear sets of targets. In contrast the WTO has a clear mechanism, against widespread protectionism and trade disruption such as preceded World War II and the subsequent founding of the GATT.

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<sup>(10)</sup> The WTO has to use UN classifications and include as developing countries all not classified as either developed or least developed (LDC). For its General System of Preferences (GSP and GSP+), the EU can use the more precise World Bank categories based on a country's income.

<sup>(11)</sup> *Bridges*, Vol 20, No 20 — 2.6.2016.

<sup>(12)</sup> *Bridges* Vol 20, No 37 — 3.11.2016.

<sup>(13)</sup> *Bridges* Vol. 19, No 38 — 12.11.2015.

<sup>(14)</sup> COM(2015) 497 final, point 5.1.

<sup>(15)</sup> Now handling its 513th case.

3.5.1. This rule-making role is particularly important for trade in agriculture. Above all this applies to the SPS (Sanitary and Phytosanitary) Agreement and to the extremely complex area of Rules of Origin (ROO), although these are not part of the DDA agenda. There remains a real danger that bilateral agreements could set potentially overlapping and even conflicting rules, complicating rather than clarifying world trade rules.

3.5.2. The 1995 WTO SPS Agreement covers the application of food safety, animal and plant health regulations. Article 5.7 covers the Precautionary Principle, now enshrined in the Lisbon Treaty. Any attempt to alter this other than at multilateral level would have profound implications for the world trade order and for the future credibility of the Agreement itself.

#### 4. Prospects for bilateral or regional trade agreements

4.1. In agriculture as elsewhere, bilateral FTAs need to provide real added value. They allow more scope for regional and national differences, as well as for cultural sensitivities. They must also be judged by whether they strengthen multilateralism.

4.2. Tariff reductions and TRQs form a key part of bilateral trade agreements. In Japan import tariffs for foodstuffs remain very high; in China tariffs are far lower. The EU could have room to manoeuvre with some TRQs, possibly where sensitivities may have changed for those set at the time of the URAA.

4.2.1. Geographical Indications (GIs), said to be worth EUR 5,6 bn annually <sup>(16)</sup>, are a very important area where the EU needs to maximise in its own interests in bilateral negotiations. EU negotiators successfully included some 145 recognised EU GIs in the EU-Canada Agreement (CETA) <sup>(17)</sup>, and more with Vietnam, but this will vary depending on what is relevant to a specific FTA. Other countries, notably in East Asia, have been slow in designating GIs, whilst the US sees many such designations as generic products.

4.2.2. The EU must also fully safeguard its agricultural interests in bilateral negotiations, and enhance these as far as possible, in particular where the EU's negotiating partner is a significant agricultural exporter, such as Mercosur, Australia or New Zealand. The EU must avoid any temptation to make concessions in agriculture in return for gains elsewhere.

4.3. Bilateral agreements should aim to eliminate the application of double standards in agriculture, notably in connection with the SPS and TBT Agreements, in partner countries. The EU will also want to promote its own standards in animal health and welfare, as well as promote its environmental, social and wider sustainable development standards, in line with the SDGs. The Committee welcomes the level of transparency and the involvement of civil society from the start of negotiations as eventually achieved with the Transatlantic Trade and Investment Partnership, and recommends that this becomes the norm in future negotiations.

4.3.1. The EU (and others) must include a binding commitment to capacity building to help less developed countries to meet such standards, such as help in developing an acceptable certifying veterinary system, food safety standards being paramount.

4.4. Ensuring and enhancing food security will also be a fundamental policy driver in any bilateral agriculture negotiations, as outlined in the Committee Opinion on *Agricultural trade/global food security* <sup>(18)</sup>. As this points out, agricultural trade needs both to 'meet the demand of those with money to spend' (possibly for the first time) 'and to give help and support where people cannot eliminate hunger and shortage on their own'. It is equally important to maintain a sufficient level of food self-sufficiency, not least to protect importing countries from major price fluctuations in imported products.

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<sup>(16)</sup> Quoted by European Commission officials at an EESC meeting on March 2016.

<sup>(17)</sup> Comprehensive Economic and Trade Agreement, now awaiting ratification.

<sup>(18)</sup> OJ C 13, 15/1/2016, p. 97.

4.4.1. This Opinion outlined the huge potential demand for EU food and drink products outside Europe. Some two thirds of EU agriculture output goes for further processing. EU agri-food exports reached EUR 129 bn for 2015, a 27 % increase over 2011. In the second quarter of 2016 EU exports totalled EUR 25,4 bn, whilst in turn EU imports of food and drink products were EUR 17,8 bn. The leading exports were meat, spirits, wine, dairy, chocolate and confectionery.

## 5. Trade, Agriculture and the SDGs

5.1. The adoption by the UN of the SDGs in September 2015, the core of its 2030 Agenda for Sustainable Development, and the realisation of the Paris Agreement (COP 21) <sup>(19)</sup>, will have profound effects on world trade. The overarching need to implement these must now lie at the heart of all future trade negotiations, especially in trade in agriculture.

5.2. The SDGs will have more direct effect on trade in agriculture. The SDGs build on the Millennium Development Goals (MDGs), but they will affect every country. The SDGs are global in nature and universally applicable — all countries must share responsibility in achieving them. The SDGs are deeply interwoven with the Paris Agreement: at least 13 SDGs refer to climate change.

5.2.1. To help them meet the SDGs, over 90 countries have already sought the assistance of others. The SDGs are core to the global debate, which the EU has helped promote. They should lead to new ways of global working — broader, more participative and more consultative.

5.2.2. The Committee welcomes the Commission communication 'Next Steps for a Sustainable European Future', published in November 2016 <sup>(20)</sup>, which sets out to integrate the SDGs fully 'in the European policy framework and current Commission priorities', as indeed it is bound to do under the Lisbon Treaty <sup>(21)</sup>. The SDGs 'will be a cross-cutting dimension' for the implementation of the EU's global strategy. The EU was, as is stated, 'instrumental in shaping' this agenda. There will be a close synergy in promoting and implementing the SDGs and in promoting European values around the world, even though the SDGs do not directly promote good governance and the rule of law.

5.2.3. The SDGs also go far further than the MDGs in that they specifically identify the tools, or 'means of implementation' for meeting all 17 SDGs and their 169 specifically identified targets. Trade is specifically mentioned in 9 SDGs (as compared to just once in the MDGs).

5.2.4. If the SDGs are to be effectively realised, trade and investment must play a profound role, not least as Unctad estimate that to achieve these targets an extra USD **2,5 trillion** will have to be found annually, much of it from the private sector. As the WTO Director-General has pointed out, the MDGs have already shown the 'transformative potential of trade' <sup>(22)</sup>.

5.3. Trade in agriculture must also play a core role in realising most, if not all, SDGs, critically so for Goals 2 (Hunger/Food Security), 12 (Sustainable consumption/production) and 15 (Land Degradation).

5.3.1. It will also play an essential role in meeting Goals 1 (Poverty/Undernutrition), 8 (Inclusive, sustainable economic growth), 9 (Infrastructure), 10 (Reduced Inequalities), 13 (Climate change), 3 (Well-being), 5 (Gender equality) and 7 (Energy). It will need too to be in full synergy with other forms of action, including development.

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<sup>(19)</sup> The Paris Conference of the Parties to the UN Framework Convention on Climate Change (UNFCCC COP 21).

<sup>(20)</sup> SWD(2016) 390 final.

<sup>(21)</sup> Art. 21 (3) TFEU.

<sup>(22)</sup> UN Speech, 21.9.2016.



5.4. As spelt out in the WTO Nairobi Ministerial Declaration, international trade can play a role towards achieving sustainable, robust and balanced growth for all<sup>(23)</sup>. That stressed both that the WTO has an important part to play in achieving the SDGs, and that this would be far harder without an effective multilateral trade mechanism.

5.4.1. The impact of trade and investment in agriculture on climate change must be taken into account. Negotiations for the plurilateral Environmental Goods Agreement (EGA) promise an important step in integrating climate change with multilateral trade policy but further multilateral action will still be needed to promote greater consistency.

5.4.2. International trade can significantly improve food security and nutrition through increasing food availability and encouraging investment and growth. Conversely, recourse to protectionist measures can remove essential flexibility and prevent the development of regional markets. Nevertheless, trade agreements also need to include effective measures to allow less advanced developing countries greater scope to prevent undermining of their food security or of the development of their emerging agricultural sectors.

5.5. The EU has led the way in incorporating sustainable development concerns into free trade agreements. Since 2010 it has successfully completed six FTAs, starting with South Korea, and one Economic Partnership Agreement (EPA), with others awaiting full ratification, including Canada, Singapore and Vietnam. These contain specific chapters on trade and sustainable development (TSD), backed by a joint civil society mechanism to monitor implementation. In each instance the EESC has a key role to play.

5.5.1. The Committee has already called<sup>(24)</sup> for similar TSD chapters to be included in current and future EU negotiations for separate stand-alone Investment Agreements. The TPP Agreement also contains specific social and environmental chapters.

5.6. The Committee notes too that many of the 'food poor' in the world are agricultural workers, and alleviating hunger has rightly formed a key part of the MDGs and now SD Goal 2. 70 % of those experiencing food insecurity live in rural areas, due in part to a gradual decline in agricultural investment and chronically low agricultural yields in poor countries, but also to the absence of an effective agricultural or commercial policy that does not sufficiently account for the specificities of agricultural production (including climate, resources, living material, or market volatility). Here the considerations of the FAO, particularly in regard to social protection, should be noted.

5.6.1. Internal trade within Africa is low — between 10-15 % of all African trade. Enhancing African countries' ability to expand trade in agriculture linked with the SDGs covering infrastructure, regional integration and deepening of internal markets, including through increased secondary processing, will be essential to enable Africa to participate positively in agricultural trade as well as enhance food security.

## 6. EU Role in future trade in agriculture negotiations

6.1. As shown by Nairobi, where against expectations a significant Ministerial Declaration was agreed, the EU is in a strong position to play a leading role in future trade in agriculture negotiations. This is based on the EU's perceived leading role in promoting both sustainability and development (the role it played in Nairobi) and as a result of earlier CAP reforms, the EU is no longer seen to be primarily defensive.

6.1.1. The new Commission communication commits the EU 'to be a frontrunner' in implementing the SDGs, together with the Paris Agreement. All EU trade initiatives must now meet the requirements set by these closely interwoven agreements.

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<sup>(23)</sup> [https://www.wto.org/english/thewto\\_e/minist\\_e/mc10\\_e/mindecision\\_e.htm](https://www.wto.org/english/thewto_e/minist_e/mc10_e/mindecision_e.htm)

<sup>(24)</sup> EESC opinion, OJ C 268, 14.8.2015, p. 19.



6.2. The Commission has also produced a study on the impact of future trade agreements on the agricultural sector <sup>(25)</sup>. This looks at 12 future FTAs and looks at the potential for European agricultural products on the world market. However, it was unable to cover the full range of agricultural products, nor processed foods in general. The Commission itself accepts that this study is incomplete insofar as its evaluation did not take into account non-tariff barriers, which nevertheless have a significant impact on trade.

6.2.1. To enable the Commission to draw up a full and effective strategy for trade in agriculture, this should be widened to include a full impact assessment on the likely effects implementation of the SDGs and the Paris Agreement will have on EU agriculture, together with a further impact assessment on the effects on agriculture across the EU resulting from recent developments in trade globally. That should cover recent EU FTAs, including indirect developments such as where devaluation of partner currencies has had notable impact.

6.2.2. Agreements that pre-date the 2006 'Global Europe' communication <sup>(26)</sup> should be included, notably South Africa, Mexico and Chile, not least as the latter two are scheduled for review.

6.3. In undertaking these impact assessments, the Commission must keep in mind the need to ensure that farmers benefit fairly from such trade agreements. Farmers play a key role in feeding not just their local population but also a fast growing world population. It is essential that viable rural communities be maintained, mitigating as far as possible depopulation across Europe.

6.3.1. Resource-efficient agricultural practices are essential. There is a need to improve resource management and access, by enhancing the adaptive capacity and resilience of small farmers to climate change, and by enhancing skills and productivity on marginal land.

6.4. Agriculture is at real risk from climate change. Globally, resources of land and water are finite, long-term shifts in growing conditions result from greater extremes in climate, and price volatility is increasing. A strong and viable agricultural sector is essential to maintain or increase stable, safe and secure supplies of food. Trade of course helps to even out imbalances in demand and supply, promoting resource use efficiency and increasing market opportunities and economic growth, thus generating jobs, income and prosperity in rural areas.

6.4.1. With the global 'middle class' population estimated to increase by some 2 bn by 2030, these too will want a choice and diversity in food they eat never enjoyed before. This will include an exponential increase in the demand for protein and other farm produce.

6.4.2. The Cork 2.0 Declaration is important here. Farmers are the guardians of both land and other rural resources, whilst animal welfare is also a fundamental concern. The EESC Opinion on *Integrated production in the EU* <sup>(27)</sup> is relevant here.

Brussels, 23 February 2017.

The President  
of the European Economic and Social Committee  
Georges DASSIS

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<sup>(25)</sup> [http://publications.jrc.ec.europa.eu/repository/bitstream/JRC103602/lb-na-28206-en-n\\_full\\_report\\_final.pdf](http://publications.jrc.ec.europa.eu/repository/bitstream/JRC103602/lb-na-28206-en-n_full_report_final.pdf)

<sup>(26)</sup> COM(2006) 567 final.

<sup>(27)</sup> OJ C 214, 8.7.2014, p. 8.