



BILAT(14)420:1 – AP/mvs



Mr Dacian Ciolos  
Commissioner  
European Commission  
200, rue de la Loi  
BE-1049 Brussels

Brussels, 21st January 2014

**Re: Management of the market access package for agricultural commodities in implementation of EU/Canada trade agreement**

Dear Commissioner,

The market access package for agricultural commodities that you negotiated with Canada has the potential to impact negatively on the market balance for agricultural commodities in the EU and the thousands of jobs that depend on the activities of this sector.

We would like to emphasise the importance of addressing the concerns of EU agriculture, and especially the EU livestock sector. We have already expressed these concerns to your members of cabinet during a recent meeting on 11th December.

The Canadian beef and pork industry applauded the completion of the Comprehensive Economic and Trade Agreement (CETA) which gives the Canadian beef and pork industries greater access to European markets.

The elimination of tariffs translates to duty-free market access for 50,000 tonnes of beef and 75,000 tonnes of pork. Canada will also gain unlimited duty-free access to the EU with genetics, most offal, tallow and rendered products, processed beef and pork products, hides and skins. This increased market access for Canadian beef and pork will affect the EU's domestic production by directly hitting the high value segment of the market.

In the EU high-quality beef cuts account for approximately 700,000 tonnes of the overall eight million tonnes of meat produced. The high-value beef and pork cut market may represent less than 10% of the market volume, yet it accounts for more than 30% of market returns.

We consider that it is very important to be mindful of the sensitive nature of the EU beef and pork market when negotiating the remaining systemic points of the CETA between the European Union and Canada. We have been informed that the Canadian administration is in Brussels this week to establish the technical aspect such as the administration and introduction of these TRQs.

It seems clear that the Canadian negotiators are going to plead for a fluid administration that enables them to fill the TRQs without any transaction cost at a pace which suits them, i.e. the first come/first served method (FCFS). In such a scenario, we are deeply concerned about a massive import of products under TRQs and of a concentration over a short period, which would seriously destabilise the EU market and make pressure on EU price.

Canadian meat companies are much larger than EU companies and the first come, first served approach may also generate unfair competition between economic operators. Multinational companies would be in a position to manage the export and import trade and small and medium sized companies would suffer from this imbalance.

These multinational companies will also control the prices that will be dictated mainly by the considerations of the exporting country and not by the economic situation prevailing in the importing country.

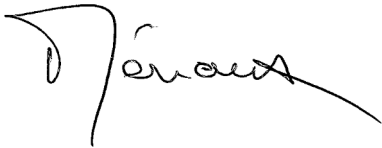
Finally, the decision reached with Canada will also form a basis for the upcoming technical negotiations with the USA and most probably with Mercosur. I would like to remind you that the issue of harmonising the import system based on the first come, first served scheme is still being negotiated at the WTO and we would urge the Commission to reserve this point for a comprehensive multilateral agreement.

We strongly advocate that TRQs for sensitive products be administered on the import certificate scheme, in order to allow EU livestock producers to anticipate what the future may hold and adapt their production accordingly, thus avoiding potential EU budgetary issues when having to manage market failures.

Failure to do this will destabilise family farms and dramatically undermine EU beef and pork production, the livestock processing sector and the entire EU beef and pork markets.

We demand the principle of fair competition for EU entrepreneurs.

Yours sincerely,



Jean-Luc Mériaux  
Secretary General  
UECBV



Pekka Pesonen  
Secretary General  
Copa-Cogeca