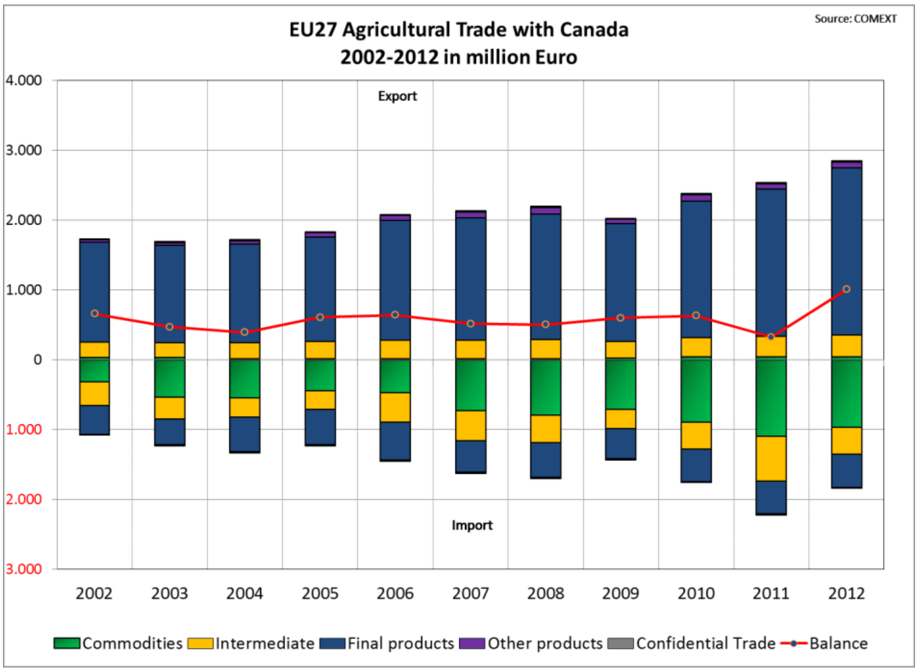
Latest update: December 2013

Bilateral agricultural trade relations

EU agricultural trade with Canada

Canada is an important EU agricultural trade partner. The EU has been constantly recording a surplus in agricultural trade with Canada (around €776 million in 2012), which has been rather stable over the last decade. The top exported products are alcoholic beverages (wines, spirits and beer) which, similarly to the US, account for over 40% of EU exports to the country. Other products sold to Canada include chocolate and sugar confectionery, cereal preparations and cheese.

Canada is the EU's top supplier of wheat, covering around 25% of EU import needs. It is also an important supplier of soya beans. These two products make up around half of all EU agricultural imports from Canada. Other imported products include other products of oilseeds (e.g. rapeseed) as well as some fruit and vegetables (e.g. beans, lentils, peas).



Agriculture and Rural Development

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The foundation for the management and development of the EU/Canada relationship, including on trade, was provided in 1976 by the signing of a Framework Agreement for Commercial and Economic Cooperation, the first one ever signed by the EU and an industrialised country. EU/Canada agricultural trade issues are discussed in different bilateral meetings, including the annual EU/Canada Agricultural Dialogue and the Trade and Investment Sub-Committee.

A number of bilateral agreements designed to facilitate closer trade have been signed over the years. Those related to agricultural issues include an Agreement on Trade in Wines and Spirits (2003), which allows for inter alia protection of geographical indications and other names and regulatory provisions on labelling and oenological practices.

The political agreement on a Comprehensive Economic and Trade Agreement (CETA) reached on 18 October 2013 between the EU and Canada constitutes the most ambitious trade coverage on agriculture ever achieved by both parties in a FTA.

The agreement will rapidly – largely at entry into force - eliminate duties on agriculture**.** By the end of the transitional periods, Canada and the EU will liberalise, respectively, 92,8 % and 93,5 % of trade lines in agriculture.

As regards products considered sensitive: dairy for Canada and beef, pork and sweet corn for the EU, it has been agreed that new market access, amounting to a further 1 % and 1,9 % of tariff lines respectively, will be granted in the form of tariff rate quotas. Whereas the agreement on dairy constitutes an unprecedented concession from Canada to any trade partner, the one on beef and pork represents an important effort from the side of the EU. The only agricultural products that both parties accepted to carve-out of the agreement are poultry meat and eggs and egg products.

Through CETA, the EU has secured important concessions on its main agricultural offensive interests, namely:

- substantial additional market access across the board, and in particular for cheese (via tariff rate quotas) and for processed agricultural products (fully liberalised);

- on wine and spirits, new disciplines for the Canadian liquor boards ensuring no discriminatory practices towards EU exports will be put in place;

- comprehensive protection of EU agricultural and foodstuff geographical indications (geographical indications of wines and spirit drinks are already protected through the existing wine and spirits agreement) will be gained for a list of 148 prominent EU agri-food GIs.

Further information can be found at: http://ec.europa.eu/trade/policy/countries-and-regions/countries/canada/

Agriculture and Rural Development