Standards & trade of agricultural products

DG AGRI advisory Group on international aspects of agriculture - 28 January 2013
Outline

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• Examples of requirements in the agricultural sector
• The SPS and TBT agreements
• Requirements setting
• Impact on trade: pros and cons
• How is the issue addressed in bilateral trade agreements?
• Commission actions
Context

• In previous advisory group meeting: request to discuss standards

• Tariff barriers are lowered globally due to conclusion of new FTAs \(\rightarrow\) impact of standards on trade is increasing

• Several Commission DGs (SANCO, TRADE, AGRI...) deal with this issue

• The advisory group is invited to focus today on agricultural standards
Examples of requirements existing in the agricultural sector

- Food safety and plant and animal health regulations
- Labelling regulations
- Environmental regulations
- Processing methods
- "Marketing standards"
- Regulations for organic products

Variety of requirements; some are mandatory, others voluntary
The SPS and TBT agreements

• In SPS agreement:
  • sanitary and phytosanitary "measures"
  • international **standards** developed by the Codex Alimentarius Commission, the World Organisation for Animal Health (OIE), and the Secretariat of the International Plant Protection Convention (IPPC)

• In TBT agreement:
  • Technical regulations (mandatory requirements)
  • **Standards** (voluntary requirements)

➤ The word 'standard' has a more specific meaning than in colloquial language
Requirements setting

- By public authorities: European, national and regional authorities
- By international organisations: Codex, IPPC, OIE

The public authority participates in the decision making process. Most of those requirements are mandatory.
Requirements setting

• By private companies: e.g. Tesco’s Nature’s Choice; Carrefour "filière qualité"
• By industry organisations: e.g. Marine Stewardship Council, GlobalGAP...

Public authorities are not involved in the development of those private standards.
These requirements are voluntary by nature.
Impact on trade: pros...

• **Trade facilitation:**
  - ensure consumers' confidence and avoid market disturbances provoked by public health concerns
  - inform the producers about the product quality
  - enable buyers to agree on prices without having to inspect the goods in question
  - facilitate access to third countries markets by contributing to the reputation of produce
...and cons

- **Trade limitation:**
  - high quality agricultural products and food requirements may imply higher costs
  - some standards may be difficult to valorise outside of the country of production
  - in the context of existing duty free / quota free access, standards become a major market access issue
  - Duplication of requirements
  - Different standards are set in different markets
How is the issue addressed in bilateral trade agreements?

• As a minimum: reference to SPS and TBT agreements

• In certain bilateral agreements:
  • Establishment of mechanisms of enhanced cooperation, consultation, mediation and arbitration (e.g. the EU-US Wine agreement)
  • Specific committees established by the bilateral agreements (e.g. the Committee on Trade and Sustainable Development established by the EU-Korea FTA)
Commission actions

- Scrutiny of third countries proposed new regulations in the context of the TBT agreement
- Information provided to exporters (database)
- Interaction with stakeholders:
  - DG TRADE working groups on SPS issues, with representatives of Member States and stakeholders
- Commission guidelines on voluntary certification schemes
Thank you for your attention

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Links: