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## Germany

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### **Farmers Union is calling for Protection of Standards in TTIP Talks**

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**Report Highlights:**

The President of the German Farmers Union (DBV) has commented on the ongoing TTIP negotiations. In its declaration DBV is calling for the protection of high European production standards, limited market access for sensitive sectors and recognition for geographical indicators. It is advocating for increased market access for European processed products.

**General Information:**

The President of the German Farmers Union (DBV) has published a declaration on the Trans-Atlantic Trade and Investment Partnership on April, 10, 2014. In its declaration “Seizing Opportunities – Protecting Standards” DBV takes a defensive stance calling for the protection of high European production standards. It insists poultry, beef, pork, and sugar be defined as sensitive and that the United States be given only limited market access for these products. However, for processed products, DBV wants to seize opportunities to increase exports of German wine, spirits, dairy products, sausages and organic products. They also stressed that mutual recognition and protection of geographical indicators must be part of a balanced agreement.

Please see below for unofficial translation of DBV declaration:

**Seizing Opportunities – Protecting Standards**

DBV Declaration on the Trade Agreement between the EU and the U.S.

The European Union and the United States of America have started negotiations on a Trans- Atlantic Trade and Investment Partnership (TTIP ) in July 2013. Earlier, the European Commission had been granted a mandate for the negotiations by the Council of the European Union and the European Parliament. The mandate says that high European standards must be preserved by all means (e.g. ban on hormone use in animal production, no chlorine disinfection of carcasses). The Council and the Parliament must vote on the agreement before it enters into force. An important goal of the talks is not only to reduce tariffs but also to harmonize technical standards, production standards and competition rules.

The assessment of the German Farmers Union on the EU-U.S. trade talks is as follows:

- In principle, multilateral trade agreements (WTO ) ensure a better balance between the interests of different developed countries. This includes agricultural concerns. However, we can witness that the WTO negotiations have faltered for years now. This has led to a new trend towards bilateral trade negotiations. The EU should also follow this trend to maintain its political and economic position in the world.
- The driver for closer European and American cooperation is the preservation of economic competitiveness of the two regions in relation to emerging markets. Furthermore, the EU and the U.S. are struggling with the consequences of the severe financial and economic crisis. The trade agreement would create an economic region, including more than half of global gross domestic product, and nearly a third of world trade flows. Therefore, growth impulses are expected through closer cooperation between the EU and USA.
- Already today, excellent trade relations link the EU and the U.S. In 2013, EU-U.S. exports amounted to 288 billion Euros, while imports were 196 billion Euros and Germany is the most important trading partner. Trade with agricultural products and foodstuffs plays only a relatively minor role with exports to the U.S. approximately worth 15 billion Euros and imports worth about 8 billion Euros. Thus, the EU has a surplus in the agricultural trade balance of about 7 billion Euros. The European Union and Germany have their export strengths primarily in high-quality, processed agricultural products. This

creates more opportunities for food exports on the U.S. market.

The German Farmers' Association demands:

- The EU Commission must fully follow its negotiating mandate, particularly with regard to the compliance of high European standards of consumer and environmental protection. Though the sensitivity towards food safety is high in the U.S., the European production standards should not be undermined in the negotiations. This would harm the consumer and undermine the competitive position of European producers.
- Fundamental laws of the European Union must not be circumvented by a trade agreement. The European rules for genetically modified organisms (GMOs) are therefore not available for disposal. The decision on the cultivation and sale of GMOs should remain the decision of the Union or its Member States.
- Many processed products, such as wine, dairy products, sausages and spirits are very popular in the U.S., including organic-products. Here, the EU negotiators have to reduce existing import restrictions for the United States. Especially the procedures for import controls and certificates have to be simplified and coordinated.
- A balanced agreement must take into account the defensive interests of European farmers. In particular poultry, beef, pork and sugar have to be defined as sensitive products, and thus the duty-free market access has to be limited. The EU calls on farmers to maintain high socially and politically desirable, but ultimately also more expensive requirements, while imported products are not subject to the same requirements. European farmers must not be forced off the market through an uncontrolled market access for American products.

Background: Recent studies have shown cost advantages for the United States, especially in livestock production. In the U.S., a comprehensive animal welfare legislation, which is comparable to the high standards of the EU, is only just emerging. Also, environmental regulations, such as the spreading of liquid and solid manure as fertilizer and the control and reduction of emissions of ammonia, are less strict. Furthermore, in the U.S., farmers have the option of using hormonal and antibiotic growth promoters in the rearing of their animals. The combination with cheaper labor and lower costs for other factors of production thus in the sectors of poultry, beef and pork production costs arise, which are only 70 to 80 percent of the costs for European producers. Even if taking into account the transport costs there remains a cost advantage for products produced to lower standards.

- The European sugar sector is already exposed by past CAP reforms with increasing competition. The market pressure and the structural change may not be further accelerated by a trade agreement.
- The mutual recognition and protection of geographical indicators must be part of a balanced agreement.

### **Background on the German Farmers Union**

The German Farmers Union is an agricultural umbrella organization. Its members are the 18 federal state farmers' associations, which include more than 90% of Germany's 380,000 farmers. About 300 district organizations provide a direct point of contact for farmers on the ground and DBV touts itself as

'THE voice of farmers' on policy and social issues. The DBV is currently headed by Joachim Rukwied, who became President in June 2012.