
Briefing on the impact of the TTIP on agriculture and food products

Major structural differences exist between US and EU agriculture.

There are 13.7 million farms in Europe, as against only 2.2 million in the USA, while the area of usable farmland is 187 million hectares in Europe as against nearly 420 million hectares in the USA.

The conclusion is obvious: the average size of a European farm is 12.6 ha, while on the other side of the Atlantic, the average is 170 ha. US farms are therefore 13 times larger, on average, than their European counterparts. US agriculture and European agriculture are in different leagues. If customs duties on imports from the USA were phased out, this would endanger millions of small farming families, particularly in the countries of Southern and Eastern Europe.

In some countries, the economic crisis and austerity policies have triggered an exodus from the towns (in Greece, for example). People are moving out and seeking to rebuild their lives and find work in the countryside. The signature of the TTIP Agreement is therefore particularly dangerous from the social point of view and will accentuate conflicts.

Although the number of small farmers in Europe has certainly declined, Europe has succeeded in maintaining high-quality agriculture, which is in danger of being swept away by low-cost imports, especially as the standard of living has fallen drastically in some Member States of the Union and the poorest consumers are switching to the cheapest products.

Trade in agricultural products

Europe has an ample trade surplus in agricultural and food products (€6 bn). It exports high-quality products to the USA (wine, spirits, cheese) and mainly imports unprocessed agricultural products (cereals, protein crops, meat).

European exports

- Alcoholic beverages, with a surplus of nearly €6.6 bn for wine and spirits, particularly whisky (the USA is demanding a reduction in the ageing period from three years to one); no customs duty is payable on these products on entry to the USA. This agricultural sector will gain nothing from the signature of the TTIP Agreement. On the other hand, the Americans wish to be permitted to use such appellations as *clos* or *château*, which is opposed by wine producers, particularly in France.
- Dairy products, valued at €0.7 bn in 2012. These mainly consist of quality cheeses with PDOs. Customs duties on these products are high in some cases, but it is very likely that the USA will be reluctant to cut them, as they are sensitive products.
- Europe also exports confectionery, chocolate and food preparations (cooked meals).

US exports

- Nuts, particularly almonds (nearly €1 bn).
- Oil-seed crops (particularly soya): \$1.1 bn
- Animal feed: €440 bn (?)
- Cereals, particularly transgenic maize for use as animal feed.

Sectors at risk

The US agro-food industries basically wish customs duties to be reduced on imported meat (pigmeat, poultry and beef), together with a substantial increase in quotas with reduced rates. Production costs are far lower in the USA than in Europe. Land is less expensive and many growth hormones which are banned in Europe are used on a massive scale in the USA.

- Beef and veal: the EU has prohibited the use of growth hormones in cattle farming since 1988, which has meant that the EU market has been virtually closed to the major US beef and veal groups and led to the opening of a WTO panel which has found against Europe (leading to extra duty being levied on Roquefort and around 100 other products). The trade dispute came to an end in 2012, with the opening of a quota for quality beef and veal free of hormones.
- Milk and egg powder: some farms in the USA have more than 100 000 dairy cows. They are injected with a hormone which is banned in Europe (BST). The production costs of their low-quality milk are lower than production costs in Europe. European dairy farming, which is currently facing an unprecedented crisis, would be hit very hard by a cut in import duties.
- Pigmeat: the USA permits the use of growth promoters, particularly Ractopamine, which causes animals to gain weight more quickly. This substance is banned not only in Europe but also in China, a country not noted for the strictness of its restrictions on production methods.

The opening of additional tariff quotas in the dairy and meat sectors will have a devastating impact on the most fragile sectors of European agriculture, particularly livestock farming, which are mainly sited in the most difficult areas of the countryside. Despite the total absence of transparency about the quota which might be allocated to Canada for high-quality beef and veal, the figures being leaked to the media range from 30 000 tonnes to 100 000 tonnes, giving some indication of the level of the quotas which might be granted to the Americans (several hundred thousand tonnes). Such volumes would ruin hundreds of thousands of farmers in Europe and bring about an unprecedented crisis in the most vulnerable rural areas.

Reduced consumer protection, environmental protection and animal welfare

Europe and the USA do not share the same vision of food. Gastronomy is highly developed in the European Union, where consumers favour the continuation of local production which is less dependent on agro-industry. Europe will therefore have to fall into line with US agro-industrial practices and open up its market to GMO products, hormones and growth promoters. This will also

place question marks over animal welfare measures. There are therefore numerous points on which tension exists with regard to the issues of SPS (Sanitary and Phytosanitary Standards) and Non-Trade Barriers (NTB).

- Seed producers have made their demands known. They are calling for moratoriums on the cultivation of transgenic plants to be lifted and for EFSA approval procedures to be speeded up: European consumers, a great many of whom remain opposed to the use of biotechnologies in agriculture, may be faced with a fait accompli.
- The meat industry is demanding that Europe accept the use of growth hormones and of hormones such as BST in the dairy industry. These are all contentious issues which will rear their heads anew.
- US meat producers see the future as lying with the genetic improvement and cloning of animals. The European Parliament has by a very ample majority opposed the sale of meat from cloned animals.
- Hygiene rules for abattoirs are considerably less strict in the USA than in Europe (chicken carcasses are soaked in bleach, cattle carcasses are cleaned with lactic acid, some products are subjected to ionising radiation, etc.).

NB: For further information about the attacks on the SPS and GMOs please see the note published by Greenpeace Germany.

Civil society against the TTIP Agreement

European organisations which campaign on environmental and food quality issues (BEUC, Friends of the Earth, Via Campesina, Arc2020, ATTAC, etc.) have clearly expressed their concerns. These reveal much common ground with the VERTS/ALE Group.

It is also important to stress that US organisations such as IATP and Public Citizen are calling for the US Administration to follow the lead of the European Union and improve its food quality, hygiene and animal welfare standards and likewise adopt the precautionary principle.

Conclusion

The signature of the TTIP Agreement will have a very adverse impact on the whole European chain of food production and distribution (from the producer, via the processor, to the consumer). Farming is the only sector of the economy where customs duties continue to have a restraining effect. Commissioner De Gucht has clearly stated that the TTIP should not be jeopardised by disputes over GMOs or other tariff barriers. Moreover, there is a complete inconsistency between what is currently being negotiated for the CAP and the various free trade agreements which are on the table.

The VERTS/ALE Group can count on support from civil society on both sides of the Atlantic.