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GAIN Report

Global Agricultural Information Network

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Polish Ministry of Agriculture outlines its position on TTIP.

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Trade Policy Monitoring

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Report Highlights:

On March 21, 2016, the Polish Press Agency published an article outlining the position of the Ministry of Agriculture on TTIP negotiations. According to the article, TTIP negotiations must take into account the sensitivity of the agricultural sector mostly through appropriate tariffs for the most sensitive EU products. According to the article, instead of current trade level, the potential of future export volume of U.S. agricultural products to the European Union should be taken into account during TTIP negotiations.

General Information:

On March 21, 2016 the Polish Press Agency (PAP) published article outlining position of the Ministry of Agriculture and Rural Development (MARD) on the TTIP negotiations. The article was titled: “**The TTIP negotiations must take into account the sensitivity of the agricultural sector**”. The article was prepared on the basis of information received from the Press Office of the MARD’s Department of Strategy and Analysis. The PAP journalists raised three questions to the Ministry of Agriculture: What is the position of Minister of Agriculture Krzysztof Jurgiel regarding trade negotiations between the EU and the U.S.? What importance has this agreement for the EU and Polish agriculture? Are there any threats regarding the agreement?

The response of the MARD addressed all questions in one general statement explaining that due to the fact that the U.S. is the world’s leading producer and exporter of agricultural products, MARD closely monitors TTIP negotiations and actively participates in the domestic discussion about the position of the government prepared by the Ministry of Development, the leading Ministry for matters of trade policy. MARD is also involved in the internal EU discussion on the negotiating position of the European Commission which leads TTIP negotiations on behalf of EU member states.

The Ministry emphasized that during the negotiations the EU needs to focus on the following areas:

- Assurance of appropriate tariff rates for the most sensitive EU agricultural products, taking into account differences in costs of production and thus competitiveness, especially the differences in energy cost between the U.S. and the EU. MARD also emphasized that the agreement should comply with existing EU standards of food quality, environment protection and animal welfare;
 - Maintenance of the current level of EU requirements for food safety and quality of imported products;
 - Elimination or at least real reduction, of the non-tariff barriers to access to the U.S. market through equal treatment of all EU countries in accessing the US market, speeding up and simplifying the procedures for assessment by the U.S. authorities of veterinary and phytosanitary inspection systems in EU member states required before admission of agricultural products to the U.S. market is granted, etc.

In its response the Ministry of Agriculture also said that because of the favorable structure of agriculture, use of advanced technologies, and lower costs of production, the U.S. agricultural sector is very productive and competitive. U.S. agriculture is, and will remain cost competitive, especially for raw commodities.

The current level of exports of agricultural products from the US to the EU does not reflect the actual export potential of the United States. According to the data provided by MARD, in 2014 imports of agricultural products from the U.S. to the EU amounted to Euro 10.390 billion. In 2014 the European Union had a positive balance of trade of agricultural products with the United States amounting to Euro 6 billion. In 2014 the main agricultural products exported from the U.S. to the EU were oilseeds (Euro 2.3 billion), fruit and nuts (Euro 2 billion), alcohols (Euro 0.7 billion) and wine and milk (Euro 0.4 billion). The leading U.S. export products, such as beef, pork, poultry, dairy products, corn, rice, and

some vegetables and fruits, have a small share in exports to the EU (value of their exports in 2014 amounted to approximately Euro 200 million). According to the Ministry this small share is associated with the higher tariff rates in the EU - it is estimated that on average, EU tariff duties are twice as high as U.S. rates - and EU regulations related to veterinary and genetically modified organisms e.g. no admission for beef containing hormones, poultry meat decontaminated with chlorine or GM varieties of grain. Thus, in terms of trade liberalization resulting from the TTIP agreement, the possibility of growth of agricultural imports from the U.S. to the EU should be taken into account.

For these reasons, the Ministry of Agriculture highlights the need to take into account the sensitivity of the agricultural sector in TTIP negotiations. A similar position is presented by some EU member states, which affects the overall negotiating position of the European Commission.

According to MARD, TTIP negotiations are underway and on the basis of the information reaching the Ministry of Agriculture, one should not expect their termination before the end of this year, i.e. before the U.S. Presidential election. If the negotiations lead to creation of a draft agreement, the European Commission will present it to the EU member states, which will then decide whether the agreement in the proposed form is satisfactory or not. MARD also explained that the European Commission announced that the draft agreement on TTIP will be available to the public, which will enable a broad public debate in EU countries, including Poland. According to MARD it is important to inform rural communities about the agreement. In June 2015 MARD organized a special seminar on TTIP negotiations which created strong interest.

In the final summary of the response it was stated that the Ministry of Agriculture expects that the result of negotiations on TTIP between the European Union and the United States will be balanced in regard to concession given by both sides. It will also take into account the sensitivity of the EU's agriculture sector and its important non-market aspects such as food security of the EU member states, safety and quality of EU's food, development of rural areas, animal welfare and environment protection.

End of report.