



Brussels, 12<sup>th</sup> March 2015

## **CELCAA contribution to the survey in the context of the implementation of the EU- Mexico Free Trade Agreement and possible modernisation of the agreement**

CELCAA is the European Umbrella association representing the trade in agricultural commodities. Our organisation covers sectors such as trade in cereals, grains, oil, animal feed, wine, meat and meat products, dairy and dairy products, eggs, egg products, poultry and game, tobacco, olive oil, spices and general produces.

CELCAA welcomes the opportunity given to European stakeholders to comment on the implementation of the Free Trade Agreement with Mexico, and opportunities to modernize it. A modernization of the FTA will certainly facilitate trade between the two partners.

### **Increased market access**

The European Union is highly competitive in terms of production and trade of agricultural commodities and products. The EU offensive interests in dairy, in the meat sector and in wine are clear and EU negotiators should seek ambitious tariff liberalization for these goods. European exports of agricultural commodities and products still face significant high tariff when exported to Mexico. Tariffs vary from 60% to 75% for the main exported milk products (cheese and milk powders). For some other products, the EU does not have a preferential market access, therefore the MFN tariff applies. This is the case for example for carcasses, half-carcasses and cuts of meat from bovine animals.

CELCAA welcomes the modernisation of the EU-Mexico agreement so as to reduce tariff. The EU should obtain market access which is at least equivalent to the access which was offered to the Canada and USA following the conclusions of NAFTA negotiations.

### **Sensitive products should remain protected**

Certain products, such as egg products, should continue to be considered as 'sensitive' products, for which some protection is still needed. This is necessary to take into account the consequences of high animal welfare standards or environmental protection for EU production costs. The updated LEI report on the 'Competitiveness of the EU egg sector' stresses that the cost of EU food safety, animal welfare and the environmental legislation accounts for 15% of the total cost of producing a kg of shell eggs at farm level.

### **Tackling Non-Tariff Barriers**

Non-Tariff barriers have a significant impact on EU exports to Mexico, in particular in the fresh meat and meat products sector as well as in the dairy sector. The first obstacle to export to Mexico is the lack of approved EU meat establishments for the export of fresh meat to Mexico. Today, only Denmark is able to export to Mexico and there is no clarity on the dates when the Mexican authorities will visit other establishments in other Member States. Negotiations for an EU harmonized veterinary certificate for beef and pork should be fostered.

The same is true for the dairy sector, with a very slow process of approving plants for exports of dairy products to Mexico. The process of agreeing on a dairy veterinary certificate for export to Mexico is also very slow.

Finally non-SPS measures in place should also be dismantled, such as the import license permit system in place for imports of dairy products (CN Code 0402 milk powders) into Mexico. This import licenses system restricts

importers' access to EU products and should be made more transparent, or eliminated in order to facilitate trade.

### **GIs protection**

Should a negotiation on a modernized Free Trade agreement between Mexico and EU be launched, EU negotiators should guarantee a high level of protection for Geographical Indications.

**The EU negotiators should clearly address the current import limitations impacting EU exports to Mexico, for a successful outcome of the negotiations – such as tariff peaks on some agricultural products, the unjustifiably long process of approving EU meat establishments for the export of fresh meat to Mexico or approval of dairy plants for exports of dairy products and the lack of protection for Geographical Indications.**

*CELCAA is an EU umbrella association representing EU organisations covering the trade in cereals, grains, oil, animal feed, wine, meat and meat products, dairy and dairy products, eggs, egg products, poultry and game, tobacco, spices and general produces. Members include CEEV, CIBC, COCERAL, EUCOLAIT, EUWEP, GAFTA EU, UECEBV, FETRATAB. CELCAA's main objectives are to facilitate understanding of European decision-makers and stakeholders on the role played by the European traders in agri-commodities; to act as a platform of dialogue and communication with the European Institutions and to encourage public and general interests in agri-trade issues.*

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#### **CELCAA AISBL**

***The voice of European traders in agri and food commodities***

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