

Brussels, 03.06.2022

# Summary report on the feedback to the Call for Evidence 'Imports of agricultural and food products – applying EU health and environmental standards'

This document should be regarded solely as a summary of the contributions made by stakeholders in a Call for Evidence on the application of EU health and environmental standards on imported agricultural and food products. It cannot in any circumstances be regarded as the official position of the Commission or its services. Responses to the consultation activities cannot be considered as a representative sample of the views of the EU population.

# **RESULTS OF THE CALL FOR EVIDENCE**

This <u>Call for Evidence</u> was launched to collect evidence from a broad range of stakeholders, giving them an opportunity to express their views on the rationale and legal feasibility of applying EU health and environmental standards to imported agricultural and agri-food products. In June 2021 the European Parliament and the Council requested a report on this topic, which would contribute to a wide, transparent and informed debate on the application of certain production standards, including environmental standards, to imports.

An online consultation was open between 16 February and 16 March 2022. This report summarises the answers received.

#### 1. Participation

159<sup>1</sup> stakeholders responded to the Call for Evidence. Among them, two thirds of the replies came from the EU. Contributions from non-EU stakeholders came from 17 different countries and represent interests from all continents<sup>2</sup>. Overall, the largest represented group was industry (29% - 46 out of 159), followed by farmers, fishers and their organisations (21% - 33 out of 159), non-governmental organisations (NGOs) (14% - 22 out of 159) and EU citizens and consumer organisations (13% - 21 out of 159). The remaining groups represented retailers, wholesalers and traders (9% - 14 out of 159), public authorities (7% - 11 out of 159), sectoral organisations (4% - 7 out of 159), knowledge hubs (2% - 3 out of 159), and non-agricultural workers (1% - 2 out of 159). Statements ranging from one to over 20 pages were attached to the majority of contributions (58 % - 93 out of 159), mostly from industry representatives.

# 2. Feedback overview

The feedback received shows a general acknowledgement of health, social, and environmental concerns related to agri-food products across the board. Different views, however, are expressed on how sustainability should be achieved and – especially – on the application of EU health and environmental production standards to imports.

<sup>&</sup>lt;sup>1</sup> In addition, a few stakeholders sent feedback directly to the Commission.

<sup>2</sup> Feedback came from stakeholders in Argentina, Australia, Brazil, Canada, Ecuador, Guatemala, India, Indonesia, Japan, Mexico, New Zealand, Singapore, Switzerland, Thailand, United Kingdom, United States and Vietnam, as well as the Organization of African, Caribbean and Pacific States.

# **2.1.** Application of EU health and environmental standards to imported agricultural and agri-food products

Positive and negative stances on the application of health and environmental standards to imports are quite even, with roughly half showing a rather positive attitude and half taking a negative position. The main supporters of the application of 'mirror clauses' are EU producers, both EU and non-EU NGOs, citizens and consumer organisations. The negative view is most frequent among both EU and non-EU retailers, wholesalers and traders, non-EU producers, and non-EU industry. The EU industry is divided on the issue. The main opinions expressed by the stakeholders are presented below.

## Environment and animal welfare

Both EU and non-EU NGOs supported the application of EU standards to imports in the area of animal welfare, arguing that it would **help raise the animal welfare standards in the exporting countries** and pointing out that **consumers** in their respective third countries **strongly support** improving animal welfare standards. Several EU industry representatives, especially in the poultry and livestock sector, were also in favour of their application in related areas, such as animal welfare requirements during transport and on the farm.

Participants further highlighted that failure to apply the same production requirements to imports would **foster relocation of activities** to countries with lower environmental standards, unleashing a sort of race to the bottom. Unsustainable production would be unintendedly encouraged in third countries while undermining sustainable production in the EU. At the same time, however, other stakeholders warned that applying very stringent standards to imports might lead exporting countries to **divert trade** away from the EU and towards other third countries with less stringent requirements, thus limiting the potential of EU standards to drive sustainability globally.

Some stakeholders acknowledged the predictability for international trade and high level of human health protection offered by the EU pesticide policy but had doubts whether environmental concerns should be taken into account when setting import tolerances.

# Producers' livelihoods and competitiveness

Stakeholders called for **ensuring a level playing field** for EU farmers and fishers, who face increasing costs due to stricter production standards. For them, not applying the same standards to imports would result in loss of competitiveness and – in consequence – would not only affect negatively EU producers and EU agriculture, but also the overall transition towards sustainability. A level playing field was particularly important for producers in EU outermost regions. They must

comply with the EU standards while exposed to greater competition from non-EU countries because of geographic location and similar climatic conditions.

Some non-EU contributors, including industry, farmer and NGO representatives, turn this concern around. They pointed to the exclusion of farmers, and especially smallholder farmers, in developing countries, who would find it **difficult to adapt and follow stringent EU standards**. Hampering their possibilities to export into the EU would negatively affect the income of this already vulnerable group.

### International trade and trade relations

Stakeholders, especially traders, wholesalers, retailers and industry, pointed out that the application of EU health and environmental standards to imports could lead to **retaliation** by third countries, arguing that so has been the result of earlier unilateral moves affecting trade. Furthermore, they highlighted the need for good collaboration and protecting the multilateral system to avoid a wave of adoption of national standards by third countries. Many stakeholders expressed the view that such application of standards might not be WTO-compliant.

Others considered that such standards could be justified under the WTO legal framework; although the general view was that it would be difficult and would largely depend on how such requirements are implemented.

#### Diversity of local conditions

Many stakeholders, especially representatives of the non-EU industry, pointed out that **one-size-fits-all approaches** would not be appropriate. In this context, they believed that production standards designed to fit the European context are not suitable to third countries because of differences in agronomic, climatic and soil conditions. Furthermore, many highlighted that there are already other locally adapted and more effective standards and methods to achieve sustainability.

#### Human health and consumption

Concerns related to human health and consumption were less frequent yet noteworthy. The EU measures to fight antimicrobial resistance were referred to as an example of existing health standards applicable to imports.

Stakeholders, particularly industry representatives, feared that the application of stricter standards to food imports might lead to a **food price increase** and – ultimately – affect the affordability of food

and food security in the EU. Some retailers also pointed out that consumer choices are primarily driven by price, even though they state sustainability is important to them.

A few stakeholders, mainly consumers and civil society organisations, also stressed that EU standards are a direct reflection of **consumers' requirements and ethical views**. In the absence of complete and adequate information on production methods, the concurrence of both compliant and non-compliant products in the EU market would generate confusion among consumers and potentially lead them to buy products that do not match their requirements or ethical views.

### 2.2. Other considerations

Regardless of their stance, many stakeholders referred to other trade-related strategies to achieve sustainable food systems. While stakeholders against the application of EU standards to imports see these other strategies as alternatives, stakeholders in favour recognize their importance but look at them as complements rather than alternatives.

First, one out of three stakeholders referred to the role of multilateralism in designing strategies for sustainability. They typically attach great value to the **multilateral system** and the efforts made in the past to regulate international trade and to protect human health. In particular, the WTO, the OIE and Codex Alimentarius, in particular its MRL-setting activities, were frequently mentioned as effective tools that have put in place clear norms with a minimum disruptive impact. Along these lines, these stakeholders look at the international forums as the main stage for action and see multilateral cooperation and dialogue as a more effective strategy to advance sustainability and to establish science-based standards designed to suit different contexts. Furthermore, they fear that requiring compliance with particular EU standards may risk duplication and confusion with international standards and weaken competent international standard-setting organizations.

Second, also one in three stakeholders regarded **bilateral trade relations** as a powerful tool to pursue sustainability and, as argued by some of them, also to achieve the same objective, i.e. raising health and environmental production standards in exporting countries, but without the risks associated with imposing them autonomously. They suggested that standards would be better negotiated bilaterally with third countries in the framework of Trade and Sustainable Development and Sustainable Food Systems Chapters of Free Trade Agreements. That would make it possible to consider differences in the parties' physical, social, and economic contexts and to move towards an equivalence regime based on agreed outcomes rather than processes.

Thirdly, many stakeholders also argued for the positive role of **private voluntary schemes** in promoting good practices and sustainable transformation. They called for a stronger recognition,

support, and promotion of these schemes. Some referred to the corporate sustainability due diligence proposal as an appropriate tool to apply sustainability requirements to imported products.

Finally, stakeholders advised that the application of EU requirements to imports be accompanied with **assistance to smallholder farmers in developing countries** by, for instance, establishing tailored transition periods, providing technical and financial assistance for the transition, or granting emergency derogations possibilities to Least Developed Countries.