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EU-Mercosur agreement: A “compensation Fund” for farmers that sparks more concern than reassurance

As the perspective of concluding negotiations on the EU-Mercosur trade agreement at the G20 meeting in Rio de Janeiro gets closer a proposal has emerged in Brussels to set up a “compensation fund” aimed at pacifying European farmers. For our sectors, this appears more like a fake quick fix rather than a genuine solution. It fails to address key concerns, particularly regarding the impact on sensitive sectors and the lack of reciprocity in production standards under the current terms of the agreement.

The prospect of an EU-Mercosur trade agreement is strongly opposed by our European agrifood sectors, which denounce it as outdated and incoherent. This agreement would facilitate the importation of agrifood products in the European market that are far from the standards imposed on European producers and manufacturers (use of PPP, animal welfare, labor laws...), resulting in an unfair and intolerable competition for our sectors. Even before the new Commission is confirmed, this would leave an indelible mark on the beginning of Ursula von der Leyen's second term.

In response to these critics, it seems that the Commission would now propose setting up a “compensation fund” for EU farmers. This could only be perceived as a provocation! A “compensation check” does not resolve the problems of this trade agreement, as raised by our sectors and by a large part of European public opinion, including consumer representatives, trade unions and environmental organisations on the need for real reciprocity regarding production standards and risks of stimulating environmental degradation and biodiversity loss in the countries concerned.

Instead of distracting the debate with such proposals, the Commission should instead be seriously taking on board the conclusions on agri-food trade raised by the report on the Strategic Dialogue on the Future of EU Agriculture, that underlines the need for the Commission to “undertake a comprehensive review of its negotiations strategies” as well as the need for higher level of reciprocity. Any other approach would jeopardize our sectors, already weakened by a difficult climatic and economic context and would risk exacerbating the tensions expressed by the European agricultural sector at the start of 2024.

On behalf of the following associations:

AVEC – Association of Poultry Processors and Poultry Trade in the EU countries

CEFS – European Association of Sugar Manufacturers

CEPM – European Confederation of Maize Production

CIBE – International Confederation of European Beet Growers

COPA-COGECA - The united voice of farmers and their cooperatives in the European Union
EUWEP - European Union of Wholesale with Eggs, Egg Products, Poultry and Game

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