

## **Trade policy positioning of the German Farmers' Association**

### **Situation and overall assessment**

- A stable and resilient supply of healthy and affordable food for the local population is and remains the core task of agriculture. The COVID-19 crisis has once again shown the importance of a strong European agriculture and regional food production for security of food supply.
- Rule-based trade is worthwhile also for agriculture, in order to reliably maintain market access to third countries. In this way, trade can be positive for the whole society and for international cooperation. Many consumers outside the EU want to enjoy the high quality and safety of European food.
- It is essential for sustainable agriculture systems that agricultural trade is conform to comparable minimum rules on environmental, climate and animal protection. Currently, this is not or only to a limited extent the case in many countries or trade agreements.
- With the Green Deal, the European Union aims to be a global pioneer in climate and environmental protection. However, the international competitiveness of EU agriculture is getting lost due to ever higher standards and a policy of prohibition within the EU.
- Domestic production tends to being replaced by agri-food imports being produced under dumping standards. EU trade policy has so far failed to provide an adequate response to this "leakage effect" at the expense of consumers, farmers, and the environment. This problem is now for the first time being seriously discussed in climate policy (carbon border adjustment).
- The German government's trade policy tends to give lower priority to agricultural trade issues than to trade in industrial products. EU trade policy assesses the issue of agricultural trade more balanced.

## Trade policy requests

In order to achieve the ambitions of the European Green Deal a fundamental adjustment of trade policy is necessary. Agri-food imports from third countries are not allowed to undermine the high and cost-intensive EU standards in consumer, environmental, climate and animal protection. The trade policy must actively counteract this.

- The EU-MERCOSUR agreement is an example of misguided trade policy. It must be rejected and renegotiated. The agreement must be re-examined for environmental and climate protection compatibility as well as for animal welfare and adapted accordingly to the standards of the European Green Deal.
- All future trade agreements must contain specific clauses whereby agri-food products can only be traded duty-free if they meet European or equivalent environmental, climate and animal welfare standards. Compliance must be ensured through audits and inspection visits by EU institutions. Under this condition, the DBV is in principle open to further trade agreements, provided that sensitive products remain protected.
- Food and agricultural goods produced with substances or processes banned in the EU shall not be imported into the EU. This has to be safeguarded in trade agreements.
- We support plans for an EU carbon border adjustment mechanism.
- In general, instruments and mechanisms should be developed to compensate for the differences between international and European environmental, climate and animal welfare standards as well as different production requirements. In the meantime, compensation through direct payments remains necessary.
- European and regional products must be clearly recognizable to European consumers to enable them to strengthen regional economic cycles by their purchasing decisions. Goods imported from third countries must be labelled as such.
- In addition, industry standards can be developed in Germany and the EU which, by means of certification systems, make it impossible to import agri-food products which undermine these standards. A negative side effect is the associated bureaucracy along the value chain. Therefore, protection against standard dumping must be assured by trade policy itself.