NEBRASKA FARM BUREAU®

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U.S.-EU TRANSATLANTIC TRADE AND INVESTMENT PARTNERSHIP AGREEMENT

Issue:
The United States and the European Union are in negotiations towards a comprehensive trade agreement, called the Transatlantic Trade and Investment Partnership (TTIP). The negotiations aim to expand the world's largest commercial relationship with $1 trillion of trade in goods and services annually and $3.7 trillion in two-way direct investment. The U.S. exported $12.7 billion in agricultural products to the EU in 2014 while the EU exported $18.7 billion in agricultural products to the U.S.

Background:
The issues around sanitary and phytosanitary (SPS) measures and their impact on trade have been a significant part of the agricultural relationship between the U.S. and EU. Continuing barriers to the export of U.S. beef, pork and poultry, along with the slow approval process for biotech products, are major areas of interest in the negotiation. Both the U.S. and the EU adhere to the World Trade Organization's (WTO) SPS Agreement, which states that measures taken to protect human, animal or plant life or health should be science-based and applied only to the extent necessary to protect life or health. The U.S. follows a risk-assessment approach for food safety while the EU is additionally guided by the 'precautionary principle' which holds that where the possibility of a harmful effect exists, nonscientific risk management strategies may be adopted.

The EU has made the 'precautionary principle' the focus of its approach to risk management in the SPS area. The U.S. views the use of the 'precautionary principle' as inconsistent with the WTO SPS Agreement and as a basis for scientifically unjustified barriers to trade.

Farm Bureau is asking for substantive changes to the EU approach for approving the products of biotechnology. Substantial declines in the exports of corn and soybeans to the EU have been the direct result of restrictive import policies. The EU system for regulating biotech products must be sciencebased and efficient in generating approvals for U.S. products.

The EU system of geographic indications (GI's) for foods and beverages that designate their production from a specific region are legally protected for their original producers. The U.S. has opposed recognizing geographical names for foods that would inhibit the marketability and competitiveness of U.S. food products.

Tariff reduction and the use of tariff-rate quotas (TRQ's) and safeguards for sensitive products will also be a part of the negotiations. The negotiation proposal calls for working towards the elimination of tariffs. The average U.S. tariff for imported agricultural products is 5 percent, with 75 percent of tariff lines at zero to five percent tariff. For the EU, the average tariff on imported agricultural imports is 14 percent, with 42 percent of tariff lines at zero to five percent tariff.

Status:
Negotiations between the U.S. and the EU are ongoing.

AFBF Policy:
Farm Bureau policy for trade negotiations includes as objectives:

1. Include all agricultural products and policies in the negotiations
2. Elimination of non-tariff trade barriers
3. Ensure market access for biotechnology products
4. Address issues concerning import sensitive products
5. Opposition to the Precautionary Principle
6. Opposition to the use of geographic indicators