

**2020 Canada-EU CETA Agriculture Committee meeting (Online)
Monday September 21st, 2020**

15.00 – 18:30

Agenda

1. WELCOME, INTRODUCTION AND COMMITTEE BUSINESS Ott (9:00 – 9:05) – Bru (15:00 – 15:05)

1.1 Opening Remarks and Adoption of the Agenda (EU)

2. CETA IMPLEMENTATION Ott (9:05 – 10:15) – Bru (15:05 – 16:15)

**2.1 Review of Bilateral Trade Data and Performance Measurement
Ott (9:05 – 09:15) – Bru (15:05 – 15:15)**

(Canada/EU discussion) Parties will conduct a review of trade data to assess in particular the impact of CETA. They will discuss how to track agricultural trade performance and success stories of CETA.

**2.2 EU Beef and Pork TRQs - Canadian Issue
Ott (9:15 – 09:45) – Bru (15:15 – 15:45)**

Canada is of the view that the EU is not in compliance with CETA commitments to “automatically issue import licenses on-demand” as per Annex 2 B, Section A: article 6. Canada will also raise the lack of availability of adequate EU tariff-rate quota import statistics (quantities actually imported) required for monitoring the under-fill mechanism and review clause under articles 19 and 20 of CETA Annex 2 A: Tariff Elimination. Canada will request information from the EU on these topics.

Protection of international relations

**2.3 Canadian Cheese TRQ management - EU Issue
Ott (9:45 – 10:15) – Bru (15:45 – 16:15)**

Given the importance of the cheese TRQ as an outcome of CETA for the EU, it is in both Canada's and Europe's best interest that it is viewed as effective and transparent. Although the quota has been filled, the EU has strong concerns about how the quota

are managed. The EU position remains that it is against the pool system set up by Canada as it is intrinsically biased.

In April 2019, the EU requested a formal review of Canada's CETA cheese TRQs. The matter was discussed at the 2019 meeting of the Committee on Agriculture. Canada announced that it would consider disciplines on transfers such as transfers' costs or penalties for "abusive" transfers within its review process.

In the meantime, Canada has undertaken a general review of the administration of all of its TRQs although EU holds the view that the CETA review remains separate. The EU has made submissions into the two consultation phases of this process (July 2019 and May 2020), proposing technical changes which could easily be made to the TRQ rules, to ensure more even access to the Canadian market throughout the year, for EU business. The EU is disappointed that this consultation was cancelled at the last minute (with no notice). When does Canada expect to resume its TRQ consultation process?

3. OTHER TRADE ISSUES (10:15 – 11:45, including rest break)

EU Issues

3.1 Canada Sugar Countervailing Duties

Ott (10.15 -10.25) – Bru (16:15 – 16:25)

On 13th August 2020 Canada published notification of expiry concerning Anti-Dumping and Countervailing Duties imposed by Canada for the past 25 years on EU refined sugar. The situation in the EU has changed drastically over this time, with no more sugar export refunds since September 2008, the ending of public intervention in the sugar market in 2009/10 and finally the elimination of the EU sugar quota regime in 2017. The EU considers that there are no grounds for initiation of an expiry review and that the dumping and subsidy measures currently in force should lapse by 2 October 2020.

3.2 Canada anti-dumping investigation into Wheat Gluten

Ott (10.25-10.35) – Bru (16:25-16:35)

On 17th August 2020 Canada opened an anti-dumping investigation on imports of wheat gluten from Austria, Belgium, France, Germany and Lithuania. The Commission has registered as an Interested Party and has filed an injury submission. Anti-dumping submission contains Confidential information, relating to EU decision-making process.

. At our request, Canada has extended the deadline to 1 October.

3.3 Milk classes and prices (dairy ingredients)

Ott (10:35-10:45) – Bru (16:35 – 16:45)

EU is seeking information from Canada on the impact of recent changes to its milk class system and the elimination of certain classes:

- *Would Canada explain the federal-provincial agreements under which provincial boards and agencies exercise authority over milk pricing?*
- *What will be the pricing model in the different parts of Canada for the new (revised) milk classes?*
- *How will butterfat and protein be priced in this new class classification and based on which elements?*
- *Milk class 6 and 7 had some international price elements, is this still the case under the new classification?*
- *How will the SMP that was produced in milk class 6 and 7 be priced in the future?*
- *Does Canada intend to publish more data on milk class prices, utilization, and sales to the federal Government, to improve transparency?*

3.4 Canadian food origin labelling legislation

Ott (10:45 -10:55) – Bru (16:45-16:55)

EU is seeking an update from Canada on this issue.

Canada Issues

3.5 EU's Hazard based decision-making

Ott (11:05 - 11:15) – Bru (17:05-17:15)

Canada has concerns about the EU's hazard-based regulatory decision making and approach to assessing plant protection products and impacts on cut-offs for import tolerances. This threatens the continued market access to the EU of Canadian exports of agricultural commodities valued at over \$2.7 billion CAD annually.

Canada is seeking additional information on the import tolerance process for setting MRLs applicable to products imported from third-countries. Until a clear and predictable process for import tolerances is set, Canada, along with like-minded countries, requests transitional measures to maintain current MRLs for products not renewed.

3.6 EU Veterinary Medicinal Regulation

Ott (11:15 -11:25) - Bru (17:15-17:25)

The Government of Canada is concerned of potential negative trade implications for Canadian exports of live animals and animal products to the EU as a result of the EU's Veterinary Medicinal Product Regulation set to come into force in February 2022.

Canada would like an early opportunity to engage with the EU during their development of the secondary legislation related to the regulation, in order to minimize potential negative trade impacts.

3.7 EU SMP intervention program

Ott (11:25-11:35) - Bru (17:25-17:35)

Canada has also expressed interest in EU dairy policy, such as the EU's market intervention to purchase skim milk powder, which coincided with the creation of Milk Class 7. Canada is seeking information on the potentially distortive effects resulting from the EU's SMP intervention and how the SMP intervention program was administered:

- *How minimum price bids were set and how bids were accepted?*
- *What effect did the program have on domestic prices?*
- *Did the program operate at a net loss and if so, are there subsidy implications?*
- *Does the EU have rules regarding how long a product can be stored in relation to selling the product for human consumption (e.g., expiration dates)?*

3.8 EU Country-of-Origin- Labelling for Primary Ingredients

Ott (11:35-11:45) – Bru (17:35-17:45)

Despite three years of assurances from Commission officials that an Italian national mandatory COOL measure for pasta, rice and tomatoes would be withdrawn when an EU-wide voluntary COOL measure came into force (April 1, 2020), the Italian measure has been extended and will remain in force until at least December 31, 2021.

Protect international relations



4. ANY OTHER BUSINESS Ott (11:45 – 12:15) – Bru (17:45 – 18:15)

4.1 Information on EU proposal for nutritional labelling

Canada is monitoring this legislative development and is seeking an update from the EU on this issue.

4.2 Information on Canada front-of-package labelling of certain foods

EU is seeking an update from Canada on this issue

4.3 Information on EC Product Environmental Footprint pilots

Canada is monitoring this legislative development and is seeking an update from the EU on this issue.

4.4 Sustainability certification of Canadian canola exports to the EU

Canada would like to note with the Committee its desire to continue to work with the European Commission to ensure that more Canadian canola growers can be certified to export their products to the EU for biofuel production.

- 5. Action Items – including reporting to CETA Committee on Goods Ott (12.15-12.30) – Bru (18:15 – 18:30)**