News Details
News Details

04.02.2014

EU-US free trade agreement of no benefit to dairy farmers

The news everywhere in the media at the moment is that the EU and the USA are currently negotiating a transatlantic free trade agreement. In times of severe economic crises in many EU member states, the EU Commission is expecting from it a boost for growth and new jobs in Europe.

What may be good for sectors of the manufacturing industry does not necessarily apply to European milk producers, though. The structure of farms and the constraints on milk production in the EU and the USA are too different. Whereas, for instance, the use of growth hormones to increase meat and milk production is common practice in the USA, it is banned in the EU for good reasons. With the conclusion of the free trade agreement the fear is that the governments will agree on the lowest standards, of advantage solely to the agricultural industry. This could compromise consumer protection in the EU, where it is based on the precautionary principle. The consequences of the resultant price war and the loss of trust among European consumers would be unforeseen for family farming in Europe.

Another problem of the EU-USA free trade agreement is EU border protection with dairy products. Unlike most industrial products, sizeable duties are still levied on dairy products imported into the EU. Maintaining this border protection by customs duties is crucial to the European Milk Board's central demand for flexible supply management in the EU milk market. Should it become possible in future to import into the EU without or with very low duties on the level of world market prices, the aim of cost-covering prices for milk producers in the EU would become remote.

This would open the floodgates even more to the agroindustry’s plans for an ever increasing concentration in the dairy market and the disappearance of smallholding agriculture. As the official name of the free trade agreement – Transatlantic Trade and Investment Partnership – already indicates, it is not solely about free trade, instead it is mainly about promoting and securing industrial investments. This does not, of course, exclude dubious agricultural industry investments.

The worst thing about this free trade agreement between the EU and the USA, however, is that the EU Commission is negotiating with the US government behind closed doors. There is no provision for maximum transparency with the disclosure of all documents and texts of the negotiations, as is usually the case with national and EU legislative processes. The absolute primary concern must therefore be the demand that the negotiation process be made accessible to the public. Only in this way will it be possible to realise the dangers to which European dairy farmers will be exposed. Should that not be the case, our democracy is fundamentally put at risk.

There has already been one small success resulting from public outrage over the negotiations on the free trade agreements. The EU Trade Commissioner Karel de Gucht announced that from March 2014 there will be a public consultation on planned investment protection clauses in the agreement. It is feared on many sides that, because of these clauses, governments could be sued by companies before private courts of arbitration if they were of the opinion that legal provisions, e.g. of an environmental nature, jeopardised the profitability of their investments. This could crucially restrict governments’ legal room for manoeuvre.

The EMB has allied with other civil-society organisations in Europe to follow the course of the negotiations in Brussels closely. At its Members' Assembly in spring, the EMB will adopt a position paper on the planned free trade agreement.

<<< back