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U.S., Europe Trade Deal A Challenge for Agriculture

Farm Foundation forum participants outline hurdles for TTIP, remain positive it can provide freer trade between U.S. and EU

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As the first round of talks on the Transatlantic Trade and Investment Partnership kicked off Friday, agricultural trade experts say it marks the beginning of a challenging but hopefully rewarding process that could result in the largest trade deal in the world.

At present, the United States and the EU have about \$2.7 billion of trade daily, and nearly \$4 trillion is invested each other's economies, said J.B. Penn of Deere and Co., moderator of a Wednesday Farm Foundation discussion panel comprised of agricultural trade experts.

Penn noted that the already significant trade relationship between the U.S. and the EU represents an opportunity for the U.S. to expand trade for many products, but a special opportunity for agricultural products, which account for the largest sector exported.

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But as panelist said, there are hurdles to expanding trade and negotiating a trade deal. Specifically, regulations for biotech crops and food safety expectations, along with differences in production and processing methods will require participation from the ag community and special consideration from negotiators.

Read more: [U.S., EU Begin Trade Negotiations](#)

Many have noted the non-tariff trade barriers represent one of the biggest concerns for the agriculture and food industries.

"We believe TTIP offers a genuine opportunity to expand dairy exports," said Sue Taylor, Leprino Foods Company. She noted that elimination of tariffs and regulatory barriers are the top priority for the dairy industry.

We want to "ensure that our products have access to the EU market without unwanted burdens. Unfortunately, this is currently not the case," Taylor said.

Among the trade issues, Taylor said, are somatic cell count limits and bans on the use of generic food names.

Along with issues on the food safety and dairy front, biotechnology has gotten a good look from both sides of the negotiation as an expected sticking point.

But Matt O'Mara, Director of International Affairs for Food and Ag at the Biotechnology Industry Organization, said the biotech industry largely sees a potential FTA as a positive way forward for biotech.

He said biotech is growing in the U.S., but there's rapid adoption of technology is outside of the U.S., too. He estimated that more than 17 million farmers are using biotechnology, and 90% are resource-poor. That figure, he noted, shows the need for across-the-board adoption of technology in trade.

If the technology is employed in the exporting country but not in importing there's a disruption in trade, he said, speculating that it will take management of the global regulatory process and major import markets coming to a decision on the product all around the same time.

"It's critical that we get these timelines to be as synchronous as possible – when this doesn't happen there's trade disruption," O'Mara said.

While he believes ag and related industries – including manufacturers of technology-rich farming equipment – want to see a "rational discussion" between negotiators to move forward, he doesn't anticipate a "complete nirvana as a result of the TTIP."

"We need to be realistic here," he said. "We need technology. We need to use existing resources in a more efficient way."

O'Mara said one of the things that many stakeholders are talking about now is food labeling and genetically modified organisms. The EU implemented labeling of GMOs in 2004.

We're not seeking to change their approach to labeling – that's not our desire with this agreement. We want to find ways to facilitate trade," O'Mara said.

Point blank, O'Mara said his organization sees biotechnology only getting bigger and the EU FTA an opportunity to cooperate on that trend.

"Agriculture and technology is synonymous at this point, and we need to embrace that," he said.

Read more: [EU Energy, Biotech Policies Cast Doubt on Trade Agreement](#)

American Farm Bureau trade specialist Dave Salmonsens Monday shared a similar outlook on the trade deal in an AFBF interview, but he explained further the outlook from the EU side.

"They want better access for their beef products—we have some restraints against that that they want looked at," he said.

EU also has an issue called "geographic indications," Salmonsens explained, where they want to have recognition of their system in the U.S. of relating food products to a specific region of Europe.

That's where common names of food products come into play – parmesan cheese, for example, originates from the Parma region of Italy. "We have a disagreement of how those trademarks are going to be used," Salmonsens said.

Despite the seemingly steep road that's ahead, negotiations will continue this fall on the TTIP during a second round.

"These same people have been working on this issue and the run up to this over the last two years and they will continue to work in contact with each other throughout this period of a few months between rounds," Salmonsén said. "And then when the next round happens they'll have more new papers, new ideas in front of them, and they'll see if they can make progress on these."

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