



Council of the
European Union

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NOTE

From: General Secretariat of the Council
To: Council

Subject: Announced opening of trade negotiations of the EU with New Zealand
= Information from the Polish delegation

Delegations will find in Annex an information note from the Polish delegation on the above subject to be presented under "Any other business" at the Council (Agriculture and Fisheries) on 23 January 2017.

Announced opening of trade negotiations of the EU with New Zealand

Apart from the countries that are major global exporters of agricultural products, such as Canada, the USA and MERCOSUR countries, with which the EU has already concluded free trade agreements (FTA) or has already started trade negotiations, the European Commission intends to begin negotiations with the two remaining largest global net exporters of agricultural products, i.e. Australia and New Zealand. The report on the effects of concessions under free trade agreements on the EU agricultural sector refers also to the impact of agreements with those two countries. It points to possible negative consequences for the EU agriculture due to liberalisation of import, in particular the import of dairy products from New Zealand. In view of the conclusions of the report, Poland is particularly concerned about reports that the Commission intends to quickly negotiate the FTA with New Zealand. Poland has always declared that the results of negotiations should be the priority. In our opinion it is much more important to achieve favourable solutions for Member States' economies during trade negotiations than to quickly complete the negotiations.

In this context, Poland would like to point out that there are 12,000 milk processing plants in the EU. The dairy sector is the economic basis of the European agriculture and the key processing sector in less-favoured areas. Over 700,000 dairy farms cooperate with the processing sector, accounting for 14% of the EU food and beverages sector and employing over 300,000 workers. The European dairy sector is dominated by small and medium-sized enterprises (over 80% of the total number of dairy producers in the majority of the EU Member States). In recent years, over EUR 6 billion were invested in dairy plants in the EU in order to increase their efficiency after abandonment of the milk quota scheme and in response to the growing global demand.

The data on the size and structure of dairy cow herd, growth of production and exports of dairy products in New Zealand confirm that its dairy sector is a strong competitor for the EU dairy sector.

Taking into account the above and the mounting crisis situations in the dairy sector, Poland is of the opinion that the dairy sector should be excluded from liberalisation under the planned FTA with New Zealand.