

European Association representing the trade in cereals, rice, feedstuffs,
oilseeds, olive oil, oils and fats and agrosupply
Comité du commerce des céréales, aliments du bétail,
oléagineux, huile d'olive, huiles et graisses et agrofournitures

Ref. 17MAS03

Members of the European Parliament
INTA Committee
European Parliament
60 Rue Wiertz
1049 Brussels
Belgium

Brussels, 3 March 2017

Re: EU Trade supports the proposed Autonomous Trade Measures for Ukraine for wheat, maize and barley

Dear Member of the European Parliament,

I am writing to you on behalf of COCERAL members, representing the EU trade in cereals, rice, feedstuffs, oilseeds, olive oil, oils and fats and agro-supply.

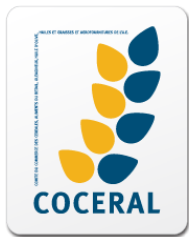
The INTA Committee and the European Parliament is set to vote on an important regulation, which will introduce autonomous trade measures to supplement trade concessions and the quotas administered under the Deep and Comprehensive Free Trade Agreement (DCFTA) with Ukraine.

While recognizing the importance of EU agriculture and the EU grown agricultural commodities for our sector, the increase in quotas for cereals, such as wheat, maize and barley, constitute an important and much needed element of the autonomous trade measures, as the EU is deficient and a net importer of these commodities.

As can be seen from the example below, when compared to the EU's total imports from 3rd countries in the past years, the proposed increases in tariff-rate quotas for wheat and maize only correspond to a minimal share of EU's total import demand and needs:

Common wheat, spelt and meslin, flour, groats, meal and pellets				
(tonnes/year)	2012	2013	2014	2015
TOTAL EU28 Imports	4,422,011	2,562,757	2,558,803	3,338,277
EU28 Imports from Ukraine	1,618,699	84,166	997,957	1,551,339
Proposed Quota Increase	100,000			
Quota Increase as percentage to total imports	2.26%	3.90%	3.91%	3.00%
Maize, other than seed, flour, groats, meal, pellets and grains				
(tonnes/year)	2012	2013	2014	2015
TOTAL EU28 Imports	8,368,946	11,079,182	14,219,468	11,682,744
EU28 Imports from Ukraine	5,758,166	6,849,937	8,364,354	7,950,873
Proposed Quota Increase	650,000			
Quota Increase as percentage to total imports	8%	6%	5%	6%

Source: Eurostat



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Moreover, we would like to highlight that, necessary measures are already in place to protect and safeguard the local EU production, should there be a need:

- The proposed autonomous measures are only applicable for 3 years, with inbuilt safeguard mechanisms that could protect the local EU production
- The wheat and maize prices are closely monitored by the EU Commission and EU Regulation 642/2010 foresees the introduction of variable import duties, should there be price movements to the detriment of EU producers of these commodities¹

Taking into consideration the above information, the EU trade sector strongly supports the adoption of proposed increases in quotas for wheat, maize and barley, as proposed by the European Commission, and encourages Members of the European Parliament to support enhancing the trade potential between the EU and Ukraine.

Kind regards,

Teresa Babuscio
Secretary-General
COCERAL

COCERAL is the European association of trade in cereals, rice, feedstuffs oilseeds, olive oil, oils and fats and agrosupply. It represents the interest of the European collectors, traders, importers, exporters and port silo storekeepers of the above mentioned agricultural products. **COCERAL's** full members are 21 national associations in 15 countries and 1 European association [Unistock]. With about 3500 companies as part of **COCERAL** national members, the sector trades agricultural raw materials destined to the supply of the food and feed chains, as well as for technical and energy uses. COCERAL has 1 associated member in Switzerland and 2 European Associations (EUROMALT and EUROMAISIERs). Gafta is an extraordinary member of COCERAL.

¹ The EU has bound duties for all cereals set under the GATT agreement. However, for some cereals, the rates applied are different. The system originates in the Blair House Agreement between the United States and the EU and involves setting tariffs on the basis of individual world reference prices for specific cereal types. The mechanism is triggered automatically. The duty is fixed on the basis of the difference between the effective EU intervention price for cereals multiplied by 1.55 and a representative cif (i.e. cost, insurance and freight) import price for these cereals at the port of Rotterdam.