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NOTE

from: General Secretariat
to: Council

Subject: EU-China Cooperation Plan in Agriculture and Rural development
- Information from the Commission

Delegations will find in Annex a document submitted by the Commission to be presented under "Any other business" at the Council ("Agriculture and Fisheries") at its session on 16 July 2012.

EU – China Cooperation Plan in Agriculture and Rural Development

The EU and China agree that agriculture is of crucial interest for the economy and social development of both parties, and therefore express their strong interest in deepening their bilateral cooperation in the fields of agriculture and rural development. Addressing the issues of food security, food safety, climate change and rural development will be an important challenge for both the EU and China in the upcoming years. In that context, both Parties will mutually benefit from establishing more pragmatic and closer relationship in agriculture, at the bilateral and international level.

I. Grounds and principles for an EU-China agricultural cooperation

1. Agricultural trade between EU and China is growing fast

The EU-China trade in agricultural and food products has been growing steadily over the past few years. The EU has seen large growth in the exports of high quality and high value products (wines, spirits, dairy products and certain meats). China predominantly exports labour-intensive products such as fruits and vegetables, and processed agricultural goods.

The **EU and China are two major trading partners in agriculture**. EU agro-exports to China have grown more than 2.5 times between 2005 and 2010 and experienced a rate of growth higher than EU imports from China, the bilateral trade is more balanced. EU is currently the third largest export market of agricultural products for China and EU is the fifth largest source of import for Chinese market. China-EU agricultural trade is becoming more and more important and both parties would mutually benefit to engage in a closer global cooperation on agriculture and rural development.

2. Importance of fostering the current bilateral and multilateral cooperation in agriculture

- Since the **EU-China Dialogue on Agriculture** was established in July 2005, six rounds of structured dialogue successfully took place, enabling both parties to exchange on bilateral and multilateral agricultural issues and promote mutual understanding, trust and bilateral cooperation.

- Fostering cooperation is of particular importance in the context of discussions within the **G20 Action Plan** on Food Price Volatility and Agriculture launched in 2011. Action on food security implies giving priority to investing in sustainable agriculture, enhance the role of science and technology in agricultural production and restrain international speculative actions targeting important commodities

- Some other cooperation platforms have been developed on agriculture: the **pilot project on Geographical Indications "10+10"** enhanced cooperation on quality in agriculture, as well as the ongoing negotiation for a **Geographical Indications agreement**.

Building on these fruitful discussions, the EU and China are willing to take this dialogue further and to start a strengthened cooperation in the field of agricultural research, rural development, food security and quality policies.

3. Principles of the future EU-China agricultural cooperation

- Sharing best practice, enhancing mutual understanding of each other's policies

- **Mutual benefits from an agricultural cooperation:** deepening and strengthening the agricultural cooperation will be of equal benefits to the EU and China. Both parties will mutually gain from sharing ideas, exchanging best practices, researching for innovative solutions. Such a cooperation will enlarge the horizons of the two parties helping them improving food security, addressing the environmental challenges, finding a sustainable model of agricultural, and improving their agricultural trade relations.

- **International cooperation:** Continued consultation and coordination on agricultural and rural development issues during international events and multilateral fora, **especially within the G20.** Indeed, G20 represents a privileged platform for the EU and China to foster their cooperation while addressing agricultural and rural development issues. Another example could be the new dialogue that has been launched on agriculture under the UN Framework Convention on Climate Change which may help improving understanding of and addressing the scientific and technical issues on climate change for the agricultural sector.

- **Focusing on priority interests:** starting cooperation on key sectors could give a great impulse to the EU-China strengthened relationship in agriculture and rural development. These priority sectors could be among others: **food security, international cooperation, environmental-friendly agriculture, organic farming, and food safety.**

- **Closer People to People relationship in agriculture:** cooperating in agriculture will also mean that European and Chinese farmers and agricultural stakeholders will be working more and more with one another. This will create a closer and tighter people to people bond between the EU and China regarding agricultural issues.

II. EU-China Cooperation on issues related to Rural Development

1. Preserving and revitalizing rural territories

- **Revitalization of rural areas:** building on the EU's expertise in rural development for the revitalization of rural areas and interconnections with urban areas. This can be achieved through strengthening exchanges and communication.
- **Protecting the rural heritage:** preservation of the rural areas and their patrimony (cultural, traditional knowledge and economic development).
- **Establishment of environmentally friendly Agriculture:** Awareness campaigns, share of best practices to promote environmentally sustainable farming practices could help both the EU and China to move towards a more environmental-friendly agriculture. Cooperation projects could address the main following issues: prevention of land

degradation, facilitating water availability and improving water conservation, promoting biodiversity.

- **Preserving vulnerable soils.** Spatial planning cooperation projects could be developed, building on the grounds of the EU-China Partnership on Sustainable Urbanisation.

2. Reducing disparities between urban and rural areas

- Round tables of experts for exchanges and sharing information on rural and urban development and on how to **reduce rural poverty and integrate rural migrants into the urban environment.**

3. Diversifying the economy of rural areas

- **Diversification** of the activities in rural communities could help multiply and diversify the sources of income through the development of high-quality products, rural tourism, conservation of the environment and cultural heritage.
- **Promote local initiatives** in sharing information and best practices between farmers or farming organizations: promote round tables or visits.

4. Involving farmers

- **Strengthening farmers' role in the food supply chain:** cooperation between China and the EU with regard to the involvement of farmers and farmers' organizations to involve them in the whole food supply chain.
- **Supporting young farmers:** sharing of best practices and expertise on how to encourage the entrance and the participation of young farmers to rural life.

III. EU-China Cooperation on Agricultural Research and Innovation

1. Helping address environmental challenges

- Through the **EU-China Innovation Dialogue** launched in 2012, scientific cooperation could help find innovative solutions to produce more while being sustainable for the environment.
- Importance of **climate change impact on agriculture:** Investments in Research and Innovation could help finding innovative solutions to address climate change effects.
- **Raise awareness on the consequences of pollution for agriculture:** Try to develop a long-term strategy for agriculture rather than a short-term approach. Promote a better use of fertilisers and pesticides.

2. Promoting a Sustainable Resource Management

- Through the **Horizon 2020 strategy**, funds could be dedicated to projects aiming at improving the sustainable management of resources in China and in the EU. This would include preservation of the soil, raising awareness on the use of pesticides, sharing experiences on a good and sustainable use of water.

- **Developing pilot agro-environmental projects:** based on the previous experience of the 2009 – 2011 Agro-ecological Project run under the EU-China Policy Dialogue Support Facility (PDSF). Focusing on pilot sites will enable the transfer of expertise and apply it to the different situations of the parties. Such pilot projects could include the share of effective technologies, of expertise in setting up environmentally friendly regulation and ecological policies. They aim at developing a sustainable agriculture, assuring food security whilst protecting the environment.

3. Identifying concrete projects for future EU-China cooperation

- **Use of the Task Force on Food, Agriculture and Biotechnologies** platform set up in 2011 between EU and China in order to promote cooperation, exchange views on priorities, and facilitate the implementation of the programmes and exchange best practices, results and outcomes of projects. Agricultural cooperation projects are currently undertaken (crop breeding, fibre crops, and animal health). More projects related to agriculture could be developed under this Task Force.

- **Projects related to animal and crop pests and diseases:** with growing international trade, especially with China and climate change, the geography of diseases is gradually changing and renewed efforts on international cooperation are necessary. There are obvious gains for both parties in finding solutions to mitigate animal diseases (pig sector, poultry, etc...) as well as in the crop sector (e.g. diseases in the fruit and vegetable sector; cooperation on integrated pest management). Parties can also benefit from sharing information and practices on the possible management of these diseases in case of an outbreak.

- **Projects related to food safety cooperation and animal health:** deepen scientific cooperation on improving standards in food safety and animal health regulations.

- **Projects related to food security:** making sure that through the EU-China cooperation, food is managed properly and sustainably, and that overall agricultural productivity is increased so that there is enough food in the future to be available for growing populations.

IV. EU-China Cooperation for an Agricultural Quality Policy

1. Cooperating in the field of organic agriculture

- Cooperation on organic farming could be built on the basis of the **Memorandum of Understanding** on mutual recognition in organic agriculture.

- **Facilitating mutual recognition and reciprocal arrangements** for the recognition of each other's organic laws and regulations and the assessment of each other's system enabling an improved market access for organic products for both Parties.

- **Establishing regular contacts and communication** concerning the respective legislation, technical standards, procedures and controls in the field of organic agriculture.

2. Quality Policy through the Geographical Indications agreement

- Both EU and China would **equally benefit from a quality policy** in the field of agriculture. Both Parties products could enjoy a high quality and high value image in each other's territory. This would increase the attractiveness of the products for the consumer and enable exports to increase by helping the product to be positively publicized.

- Reaching a **meaningful Geographical Indications agreement** in order to protect products from both parties and drawing lessons from the Geographical Indications "10+10" pilot project.

3. Raising awareness of the consumer

- Encouraging a **healthy lifestyle of consuming agro-products**: Areas of action could include food quality and food safety, through the development of new food quality schemes.

- **Promotion campaigns** and tours for publicizing the products and increasing knowledge about both Parties products in each other's territories.



**Comissioner
for Agriculture and Rural
Development
European Commission**



**Minister of Agriculture
People's Republic of China**