



**Bayerischer
Bauernverband**

Potential impacts of the mercosur agreement on rural agriculture, with priority on beef production

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**Isabella Timm-Guri
Director Department of Production and Marketing
Bavarian Farmers Association (BBV)**

- Bavarian Farmers are interested in international trade and they are not afraid of competition.
- But they need a level playing field instead of double standards!
- European farmers have to respect a lot of production standards, e.g. plant protection, animal welfare, climate and environment protection.
- In Mercosur countries production standards and therefore also costs of production are substantially lower
- Impacts of the Mercosur deal are not only a topic for farmers but for consumers as well.



Consequences of double standards

- Competitive disadvantages for European farmers
- Study of Ruhr University Bochum and HFFA Research GmbH (2017): Comparison of costs for special production standards (environmental standards, but also animal husbandry, food safety)
 - Standards in main Non-EU competitor countries are weaker than in German respectively European agriculture
 - Therefore costs of production are different: In comparison to selected Non-EU competitor countries costs are on average only 34 % of the costs in Germany
 - Example: Costs for standards in beef production are in Argentina 10 % of the costs in Germany



Examples for lower production standards in Mercosur states

- **Pesticides**: Atracin and further pesticides which are banned in the EU are still allowed in the Mercosur countries. Farmers need no proof that they have expertise in the use of pesticides.
- **Antibiotics**: In the Mercosur countries antibiotics can be bought and used without veterinarian consultation. Monitoring or other strategies to reduce antibiotics do not exist.
- **Animal Welfare**: In comparison to the EU the animal welfare legislation in the Mercosur countries is very low and unspecific. Often there are no rules, just recommendations.
- **Traceability**: In the Mercosur countries there is a lack of traceability.



Potential impacts on the beef market

- Part of the Mercosur deal is a new tariff reduced (7,5 %) quota for beef in the amount of 99,000 tons.
- Bavarian cattle farmers fear a substantial rise in imports of prime cuts (e.g. steaks) from the Mercosur states. Already now retailers offer beef from the Mercosur states, preferential as a special offer.
- Particularly in combination with possible impacts of the Brexit and further trade deals - especially a trade deal with New Zealand/Australia (trade negotiations started in 2018) - the European beef market could get into trouble and disbalance.
- This is not only a topic for farmers but also for consumers. For example the carbon footprint for beef production in Brazil is almost 3 times as high as in Germany