

EU-MERCOSUR AGREEMENT: IMPACTS AND PROPOSALS FOR THE MAIZE SECTOR

**For a more coherent European Union
and better protected farmers**



CEPM
maiz'EUROP[®]

OUR STUDY, IN BRIEF



The European Union is the leading importer of maize, ahead of China

Did you know? In 2022/2023, the European Union will once again be the world's biggest importer of maize, importing 26 million tonnes. With one million hectares of maize lost over the last twenty years on our European soil, one out of every four tons of maize consumed in the EU is now produced elsewhere in the world.

Faced with this growing dependence on maize imports for uses that are highly strategic in terms of food and energy, the European Commission is taking a strange gamble. It is committed to tightening the regulations imposed on European farmers, even if this means weakening their production capacity... while at the same time multiplying the commercial opportunities offered to other maize production systems around the world, which do not respect European environmental and health production standards!

The European Commission's strange gamble: the Green Deal and the free trade agreement with Mercosur

This is the case, for example, of the maize farms in Mato Grosso, a region in central-western Brazil that has become the temple of the agro-industrial export industry. It is a region for which the European Commission wishes to facilitate access to our market even further, notably through the draft EU-MERCOSUR free-trade agreement concluded in 2019, the ratification of which is vigorously encouraged. Among other concessions, the agreement provides for an additional quota of one million tonnes of grain maize and sorghum, with no customs duties to be paid; one thousand tonnes of sweetcorn; and new quotas with zero - or reduced - customs duties for high added-value outlets for European maize producers, such as poultry (180,000 tonnes) or ethanol (650,000 tonnes).

Some farms in Mato Grosso are as large as 500,000 hectares - twice the size of Luxembourg!

These "agro-holdings" in Mato Grosso, which grow "safrinha" maize in the off-season, after the soybean harvest on land that has generally been deforested, are in high contrast to maize production in the EU. Firstly, in terms of size: the largest exporting farms cover up to 500,000 hectares, twice the size of Luxembourg! Secondly, because of their practices: almost all the maize planted there is GMO, and growers make massive use of plant protection products based on active substances that are strictly forbidden in Europe, in some cases for many years.

From atrazine to neonicotinoids: 52% of the active substances authorised in Brazil for Mercosur producers are banned in the EU!

In total, of the 178 active substances authorised for use on maize in Brazil and Argentina, 92 are banned in Europe because they are considered to pose risks to health or the environment. In other words, **52% of the active substances authorised for Mercosur producers who export their maize to the European Union are banned in the EU!** This proportion is even higher in some Member-States such as France: 138 of the 178 active substances authorised in Brazil and Argentina are banned in France (77,5%).

This is the case for instance with **atrazine**: an herbicide that is harmful to humans and toxic to the environment because of its presence in water and aquatic environments, banned since 2007 at the European level. This ban, which has been in force for almost twenty years, has not prevented the European Union from opening its market to imported maize - from Brazil, for example - which is weeded with atrazine.

Another example: **neonicotinoids**. These insecticides, banned in the European Union, are routinely used by Mercosur maize growers. And here again, the European Commission's «out of sight, out of mind» approach does not seem likely to call into question the many commercial outlets offered on the European market to the world's leading maize producers.

It's a lose-lose gamble for the European Commission, which is losing on all fronts, from food sovereignty to the ecological transition.

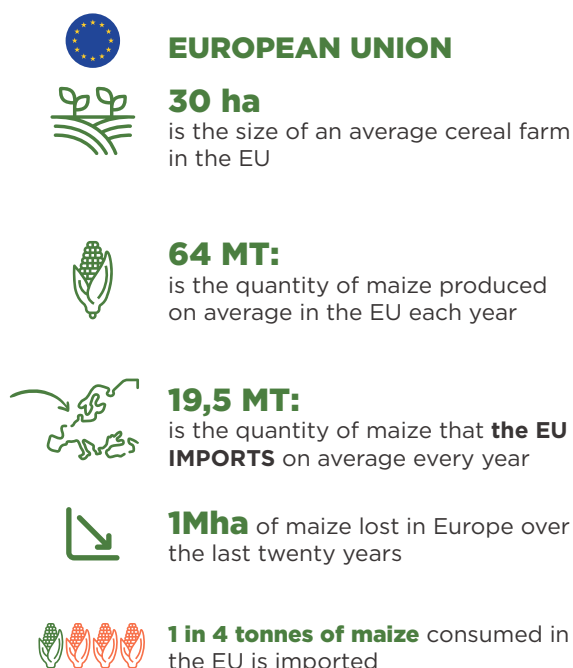
The EU is taking a strange gamble, because **by systematically leaving behind this central issue of the production standards on the food and agricultural products it imports** - and their impact on the health and environment - it is losing out on all fronts.

Firstly, on the ecological transition front, it discourages the efforts of European farmers to change their practices, while encouraging Mercosur production systems based on practices banned in Europe. Secondly, on the food and energy sovereignty front, the outlook is alarming: while the EU could - according to projections by the European Commission - lose another 600,000 hectares of maize by 2032, **Brazil could see its maize acreage increase by 3.8 million hectares over the same period.** To achieve this, the country is counting on new transport infrastructures enabling to export more maize to the rest of the world... and on 40 million hectares of agricultural land that is still at Brazil's disposal!

Will 1 in 3 tonnes of maize consumed in Europe soon be from importations?

Faced with stable demand for maize in Europe, it is to be feared that **European imports of Brazilian maize will double, to the detriment of European maize production.** According to projections based on Brazilian production's outlook and the competitive gap between Brazilian and European maize, **these imports could rise from 5 to 10 million tonnes by 2030.** Around 1 in 3 tonnes of maize consumed in the EU would then be imported!

Maize sector in Europe vs. maize sector in Brazil and Argentina: KEY FIGURES



OUR 5 SOLUTION



Rejecting these inconsistencies, European maize growers united within CEPM put forward 5 solutions in their study to bring the EU's trade policy into line with its objectives in terms of sovereignty and sustainability:

SOLUTION N°1

In-depth amendment of the free trade agreement between the EU and Mercosur to include "mirror clauses" making any trade preference granted for maize or maize-derived products conditional on the non-use of active substances that have been banned in Europe because they present a risk to human health and/or the environment.

SOLUTION N°2

Adopt "mirror measures" under European sector legislation, as authorised by WTO rules, aimed at banning imports of maize or maize-derived products treated with active substances banned in the EU and considered to be the most toxic (atrazine, etc.).

SOLUTION N°3

Impose the structuring of sectors dedicated to exports to the EU within the main maize exporting countries, inspired by existing precedents in the livestock sector (ban on hormone- treated beef, in force since 1988). **These sectors will have to guarantee that the banned active substances are not used at any stage of agricultural production AND to carry out checks on the production standards in the exporting countries** - which would not be limited to checks on the "Maximum Residue Limits" of imported maize.

SOLUTION N°4

Add the Cerrado savannah areas to the list of ecosystems covered by the **European Regulation for Deforestation-free products**.

SOLUTION N°5

Renovate the customs duty mechanism for maize to effectively protect European production capacity and support the efforts of European farmers towards the ecological transition.