

To:

Mr Frans Timmermans Executive Vice-President for the European Green Deal Ms Stella Kyriakides Commissioner for Health and Food Safety Mr Janusz Wojciechowski Commissioner for Agriculture

Subject: Shameless instrumentalization of the Ukraine conflict by trade associations to waive EU food and feed safety standards

Dear Vice-President Timmermans, dear Commissioners Kyriakides and Wojciechowski,

We are writing to you in reaction to the attempt of severable trade associations to take advantage of the terrible Ukrainian war to challenge the existing EU food and feed safety standards.

In a letter from 1st of March (cf. annex), several importers have called for a temporary waiving of EU Maximum Residue Limits (MRLs) for pesticides in imported food products and feeds, which would allow commodities that do not comply with EU safety standards to access the European market for six months. Such measures would allegedly be required for the EU to address an expected shortage of animal feed in the light of the war in Ukraine, argue these actors.

There are no words strong enough to condemn such shameful lobbying activity which has neither the EU's interest nor consumer protection in mind, but only that of traders and importers. Regulation (EC) No 396/2005 on maximum residue levels of pesticides in or on food and feed of plant and animal origin aims at a *"high level of consumer protection"*. To that end, EU MRLs *"should be set at the lowest achievable level consistent with good agricultural practice for each pesticide with a view to protecting vulnerable groups such as children and the unborn"*. This applies equally to pesticides currently or formerly used in or outside the EU, and therefore to traders and importers which must comply with the objective and strict criteria of Regulation (EC) No 396/2005 to introduce their commodities on the European market.

EU MRLs are already setting the highest level of pesticide residue that is legally tolerated in or on food or feed to ensure consumers' safety, including for unauthorised pesticides in the EU. Lifting them, either by applying Codex Alimentarius MRLs (CXLs) which have not been taking over in the EU or by relying on the MRLs applied in the country of origin, would result in allowing traders and importers to export to the EU food products and feeds contaminated with pesticide residue levels, that the EU does not consider safe for consumers. Such a step backwards in EU food and feed safety standards would expose European consumers to significant risks and imply that the EU is no longer able to guarantee a high level of consumer protection due to its reliance on imports.

This would run counter to the EU ambition to move toward greater European food sustainability and self-sufficiency, as underpinned by the Farm to Fork Strategy's proposal to review imported MRLs and the ongoing discussion on the implementation of "mirror clauses" to trade partners.

Still, the rapid organisation of an extraordinary <u>meeting</u> of the Standing Committee on Plants, Animals, Food and Feed by DG SANTE to discuss this trade associations' request suggests the European Commission is seriously considering discussing EU standards, based on a concrete EFSA's screening of the relevant MRLs. As we are constantly being told that EFSA's significant workload explains the little progress made on several key issues, including the review of outdated MRLs according to article 12 of Regulation (EC) No 396/2005, this screening in less than two weeks indicates that your institution loses sight of its priorities. The way forward for the EU is to protect and strengthen European food and feed safety standards in the context of its Farm to Fork Strategy, not to sell them off to trade partners.

We, therefore, call on your leadership to ensure the European Commission not to be fooled by this shameful intent of these trade associations, which only seek to gain a share from the current Ukrainian war. It is unacceptable to observe that various players in the agri-food industry are instrumentalizing the Ukrainian crisis to serve their economic interests and undermine the European Green Deal ambitions. In a first <u>letter</u>, PAN Europe united with more than 85 NGOs, has already condemned this industry effort to influence the future of the EU food supply chain by relying on fears. In this second letter, we feel the need to also highlight **the importance of not undermining what the EU has already achieved so far**, especially at a time when it is to do more.

The compliance of imported food with relevant EU regulations and standards is a key commitment of the Farm to Fork Strategy, which has gained significant political and civil support in recent months. It is therefore on this path of ending double standards that the EU must continue to engage, by aligning the EU standards imposed on importers with those imposed on European producers, not the other way around.

We strongly hope that you will consider this letter with due care and diligence.

Yours sincerely,

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Michael Scannell Deputy Director General DG AGRI European Commission Rue de la Loi / Wetstraat 200 B-1049 Brussels

Brussels, 1st March 2022

Dear Michael,

Re : Measures required in the face of the Ukraine crisis

As discussed during the last few days, the members of COCERAL, FEDIOL and FEFAC are facing a great many challenges since the invasion of Ukraine by Russia.

These are excruciating times for the Ukrainians, and it is difficult to take one's mind away from the humanitarian tragedy that is unfolding in the country. At the same time, we are alerted by the impact that the war will have on the poorest countries, where wheat is a staple food. Whilst COCERAL, FEDIOL and FEFAC members are worried about their ability to supply the EU market, they believe that the priority should be to make sure that the EU exports sufficient grains to the poorest regions in the world to avoid a humanitarian catastrophe there, too. Engaging in food aid programs should therefore also be considered. Some of those countries were already starting to suffer from drought and high food and energy prices before the invasion of Ukraine. The EU should therefore continue exporting to ensure food security in these countries.

Companies across the board are taking steps to ensure the security of their employees in Ukraine and seek to help where they can, whilst striving to continue honouring their contracts with their partners in the EU and in countries relying on EU exports, and maintaining their economic viability.

The importance of Ukraine's supply of agricultural raw materials and ingredients to the EU is such, that our inability to import from that country will create severe shortages, both for the feed and food industries.

As you can see from Annex 1, the Black Sea region represents an important supply of grains and oilseed products for the world market. Ukraine in particular exports about 60 million tonnes of grain to the world. It was expected in the current marketing year that Ukraine would export about 33 million tonnes of corn and 24 million tonnes of wheat.

In Europe, maize is the main imported product from Ukraine with a yearly average of 11 million tonnes imported in the last three years. Per the latest update from EU customs declaration (21 February), Ukraine exported 5.5 million tonnes of corn.

Three other exporting countries, Argentina, Brazil and the US, can be considered as alternative sources of supply. However, EU food and feed regulations limit imports from these countries to the extent that they will not be able to cover the gap left by Ukraine.

The challenges COCERAL, FEDIOL, and FEFAC members are coming against under the current circumstances are related, 1) on the immediate need to enable the vessels that are loaded to sail and then unload in the EU, and 2) on the need to find alternative sources of supply in order to service their customers and ensure their processing plants continue to run.

Immediate challenges :

>> Ensure that the vessels and trains that are able to leave Ukraine can unload in the EU

The destruction and/or obstruction of Ukrainian ports prevent local authorities from providing the required documentation to vessels sailing for the EU. As a result, some ship owners refuse to load the vessels, whilst other vessels are waiting to sail in absence of a guarantee that they will be allowed to unload in the EU without the certificates of origin and relevant phytosanitary documents. The same holds for true for EUR1 certificates, in the absence of which an import levy of €95/MT will be applied.

We therefore urge that a decision be made by the Council to waive requirements for the documentation that is typically provided by the country of origin. Sanitary checks can be arranged at the arrival of the vessels in the EU Member State of destination.

Please see Annex 2 for more details on the measures that should be applied to ensure these vessels can unload in the EU.

>> Ensure that the vessels and trains that are trying to enter Ukraine can be stored or unloaded in an EU Member State

With this regard, flexibility should be granted for customs formalities. This would entail that the number of warehouses with transit status be increased in relevant Member States.

In addition, in case where the goods in transit are needed on the EU market, we would need to see the same flexibility to these goods as for other imports into the EU from third countries, as detailed below.

Medium-term challenge :

>> Avoid that the supply of agri raw materials and ingredients required by the EU food and feed sectors be interrupted in the next few weeks

In many EU countries, and in particular Southern Member States, feed compounders and oilseed crushers/refiners have stocks for 4 to 6 weeks. Vegetable oil refiners in particular rely very heavily on imports of sunflower seed oil from Ukraine and will find themselves soon in a critical situation to supply from limited alternative sources.

For the feed sector and the other food industries, there are, as described above, alternative sources of supply such as Argentina, Brazil, and the US. Other countries, such as Canada, Serbia and South Africa, only export marginal quantities and are therefore not considered as viable alternatives.

Importing from Argentina, Brazil and the US has its own challenges : Argentina has suffered a drought, and the US is increasingly using grain into bio-ethanol, which means that a higher demand on the US market will further drive prices up to forbidding levels. The length of the voyage is also much greater compared to Ukraine. Indeed, it only takes a week for Ukrainian goods to reach the EU, whilst it takes almost a month from North and South America.

These are challenges for which there is no remedy. Losing sourcing from Ukraine will unavoidably lead to higher logistics costs, and operators will have to face them.

However, with the current EU food and feed legislation, operators cannot source from Argentina, Brazil and the US, because producers at these origins are either not able to guarantee compliance with EU standards.

For example, even though dichlorvos has been forbidden in Argentina, operators do not want to buy corn from that origin when there is a risk of traces being found in their cargo. Similarly, non-GM requirements exclude imports from the US for certain raw materials.

COCERAL, FEDIOL and FEFAC are therefore requesting that a flexible approach be introduced with regard to MRLs, Import Tolerances and non-GM requirements for imports from non-EU countries during a period of 6 months.

It is not our intention to challenge existing EU food and feed safety standards, but to adapt the legal provisions as required, depending on the specific situation of the countries of origin.

Options to be considered for Plant Protection Products residues :

- In case of missing or low MRLs, i.e., whenever the EU has established MRLs at technical 0 level or level of quantification (LOQ), and export countries have higher MRLs. In these cases, the EU would either allow the import of grains and oilseeds that are in compliance with the MRLs applied in the country of origin;
- Apply the Codex Alimentarius MRLs (CXLs). This could also leave margins of manoeuvre to our members;
- Allow imports of raw materials with limits diverging from the EU if such MRLs have been approved and established in at least one OECD country sharing risk assessment practices; or, if not an OECD country – and depending on the severity of the supply disruption – at least an authoritative risk assessment body from a sovereign country.

Options to be considered for GMO residues:

- The requirement for feed, in order to allow a low-level presence (and at 0,1%) from GMO, should be in place also for food;
- GM events already approved in the EU as single traits and instead, present in stacked (combined) events in imported varieties should benefit of some leniency and considered as safe as the single traits already approved in the EU (for a specific period, from certain export countries).

In addition, a provision should be made to lift import duties in case of severe shortage or exceedingly high prices on the EU market.

Beyond the fact that we are all profoundly affected by the war that is raging in Ukraine, we also consider Ukraine a privileged and reliable partner. We have but one wish : that peace be restored in the country so that we can resume sourcing from its farmers and producers. We are therefore viewing the measures we are advocating for above as temporary and reversible.

Moreover, COCERAL, FEDIOL and FEFAC members will continue importing from Ukraine to the extent that it is possible to do so.

We are hopeful that the Commission and the Member States will come to an agreement that will provide the trade and the industry the means to reach out to alternative markets in order to supply their customers in the EU and remain at your full disposal for any additional information you may require.

Thank you very much in advance for your time and consideration.

Best regards,

Mayo Michaels Nathalin Levo of

Nathalie Lecocq

FEDIOL

Secretary General

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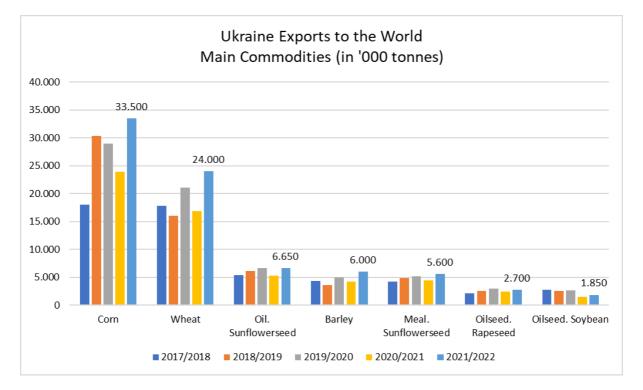
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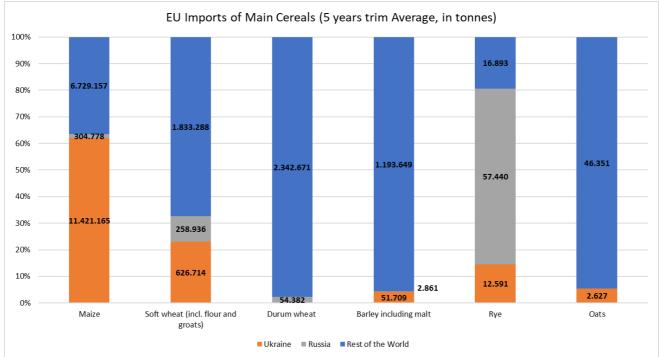
Alexander Döring Secretary General FEFAC



Annex 1

Imports of grain from Ukraine and Russia (Source DG AGRI and USDA)











Annex 2

Waivers to be granted to vessels that are afloat ex-Ukraine

Document	Measure
Phytosanitary certificate by Quarantine authority	Sanitary checks to be done upon arrival
Sanitary certificate (for SFO)	Sanitary checks to be done upon arrival
COO by Chamber of commerce	To be replaced by seller's declaration of origin
EUR1 by customs for goods exported to EU	Consider Bill of Lading and seller's declaration of origin
Missing analysis	Sampling and further testing to be performed at discharge, if necessary
Hard copy documents	No requirement to present hard copies for payment/customs clearance where docs were issued and scan copies are available.