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EUROPE 1992

WORKING GROUP REPORT

ON

AGRICULTURE AND FOOD PRODUCTS

DECEMBER 1989

EUROPE 1992

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EUROPE 1992 INTERDEPARTMENTAL WORKING GROUP REPORTS

This report is one in a series of publications dealing with the European Single Market being released by the Government of Canada. It reflects the research and analysis of one of the Government's interdepartmental working groups, established at the request of the Department of External Affairs and International Trade, to assess the legislation put into place by the European Community to complete its internal market.

The working groups have been asked to analyze the EC legislation pertaining to their area of expertise and assess the potential impact that this legislation and the changes that it might induce will have on the Canadian economy. To complete this task, they have been working in consultation with the Sectoral Advisory Groups on International Trade and with industry associations.

The working groups' reports do not represent the final position of the Canadian Government. They are working documents published to facilitate Government's consultation with the provinces and the private sector and to disseminate technical information on the European Single Market, their purpose is to assist Canadian businesses in preparing their own responses to the challenge of 1992.

In addition to the working group reports, the Department of External Affairs and International Trade has commissioned consultants' studies on the implications of the European Single Market. The first study, on the impact of 1992 on Europe, was released in April 1989; the second study, on the impact of 1992 on specific sectors of the Canadian economy, are being released in stages, starting December 1989.

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AGRICULTURE AND FOOD PRODUCTS

It is evident that a number of issues concerning trade in agriculture and food products raised by the EC integration of 1992 must be dealt with in other ongoing international negotiations. Problems of access and competition in third markets, notably the level of protection against imports of primary and processed agricultural products in the EC, can only be negotiated in the current Uruguay Round of multilateral trade negotiations (MTN) under the GATT. Technical barriers, which may require adjustments to Canadian shipping and processing practices if Canada is to maintain market access, must be dealt with as part of the bilateral relationship with the EC as well as in the MTN and in international standard setting bodies such as the Codex Alimentarius Commission and the UN Economic Commission for Europe.

The development of harmonized standards in Europe will also have to be considered by the Working Groups on harmonization under the Canada/US Trade Agreement. While the development of different standards for Europe and North America would be detrimental, working towards a common standards base should benefit the agricultural industry world-wide.

It will be necessary to keep abreast of developments in Europe through the Canadian Missions in Brussels and the Member States and cooperate with other countries looking into the trade effects of the integration process. Regular contacts with Canadian industry will be required to ensure that specific concerns about the proposed regulations can be notified to the EC authorities.

SPECIFIC FINDINGS/IMPACT

The EC market is difficult to enter because of the variable levy system which prices most primary and processed agricultural imports out of the domestic market. Where Canada is successful in exporting to the Community, there could be benefits from harmonization of national standards and from the further integration of the European market.

The EC may adopt standards of labelling and health and sanitary requirements which differ from accepted international practice. This should be monitored not only through the EC bodies drafting regulations, but also as part of the Uruguay Round of negotiations.

Veterinary and Plant Health Standards

In the area of health regulations, of concern are measures governing trade in livestock and fresh meat. Clarification of the directives concerning EC standards on slaughterhouses and the storage and transportation of fresh meat is still required. For live animals, measures to eradicate contagious diseases such as swine fever, tuberculosis, brucellosis and leukosis have been identified as a central priority and this could result in increased competition both within the EC and in third markets for Canadian exports.

Although not directly related to the 1992 program, the present problems faced by Canadian exporters of beef and various meat products to the Community illustrate how the adoption of common health and sanitary policies can adversely affect Canada. The sources of the current problems are the regulation banning the use of growth hormones in livestock feeding and the third country directive specifying details for slaughtering and meat processing facilities.

The hormones issue is a good example of how EC standards, which are more stringent than Canadian practices, could undermine our competitive position in third country markets. Countries which are net meat importers have nothing to lose by insisting on the EC's hormone-free certification, especially if there is an expressed consumer preference. Scientific justification becomes a secondary consideration.

In relation to regulations concerning breeding livestock, commercial interest in a two-way flow of both livestock and animal genetic material (e.g., semen and embryos) ensures that both sides will have an incentive to keep barriers to a minimum. Progress in relation to the elimination of specific diseases may be required to meet the new EC requirements for semen imports. The EC initiative to focus inspection on shipping points is a positive one which should not create problems for Canadian exporters.

The long standing difficulties in maintaining access for exports of seed potatoes provides an example of potential difficulties in relation to harmonized plant health regulations. At present, it is uncertain whether the current system of derogations from EC standards for products needed by certain Member States will continue to operate. If derogations are no longer permitted, this would have an adverse impact on certain Canadian exports such as seed potatoes and soybean seed.

Food Legislation

In this area, five general framework directives on food are under consideration:

1. additives;
2. materials and articles in contact with food;
3. food labelling;
4. foods for particular nutritional uses; and
5. food processes, sampling, inspection, irradiation, new foods obtained through biotechnology, etc.

The aim is to provide a framework within which agreement could be reached on uniform treatment with no exceptions in all Member States, thus removing all technical barriers to trade in all these respects.

While the Member States have reached agreement in principle of mutual recognition of national standards, much work remains to be completed on matters such as permitted additives, residue levels, the precise materials deemed to be safe under Community law and the exact wording to be used to inform consumers what they are buying. Clearly, Canadian exporters of food products such as honey, maple products, canned and frozen fruit and vegetables could face additional costs in meeting these new standards. On the other hand, once the standards are met, sales to all twelve Member States within the Community will be facilitated. Currently, different standards exist in each Member State which makes Community-wide marketing and promotion difficult.

In the area of food products in particular, there could be a tendency for the new EC requirements to be adopted as standards by other countries. In view of this, it will be important that the activities of international standard bodies such as the FAO/WHO Codex Alimentarius are strengthened. In this context, the use of international standards should be emphasized as a key element in the current GATT Round.

CONCLUSION

All opportunities must be used to monitor developments in the EC carefully so that any adverse impact on Canadian exports can be minimized. At the same time, the Uruguay Round is providing a forum for promoting improved and more secure access to the EC market for Canadian agricultural and food products. This parallel approach will ensure that improvements in access negotiated in the MTN are not nullified by the harmonized regulations which will be in effect after 1992.

EC 1992 WORKING GROUP ON AGRICULTURE AND FOOD PRODUCTS

REPORT

I Issue

The initiative by the European Community (EC) to introduce a unified market by the end of 1992 presents a number of uncertainties for countries exporting agricultural and food products such as Canada. It is possible that the single market could result in more rapid economic growth and fewer restrictions on imports and therefore an improved environment for Canadian farm exports. On the other hand, it is has been claimed that the new regime could involve an intensification of present EC restrictions on imports from outside the Community ("fortress Europe").

In the area of agricultural and food products, the impact of EC 1992 is especially critical. At the beginning of the 1980s, the EC was the leading export market for Canadian farm products. In the intervening period, largely because of the operation of the Common Agricultural Policy (CAP), the level of exports to the Community has declined sharply and the EC currently purchases less than 10% of total farm exports (compared with over 20% ten years ago). Whereas in the early 1980s, Canada had a favourable balance in agricultural, food and beverage trade with the EC of approximately $750 million, this has become a deficit of around $250 million in recent years (Figure 1). This represents a deterioration in the trade balance of $1,000 million in less than ten years. A further reduction in access to the EC market, as a result of EC 1992, would accentuate the considerable adjustment problems already faced by major sectors of the agri-food industry.

Against this background, it is important that the implications of the single market be reviewed and analyzed. It is necessary to identify areas where the sector could be placed at a disadvantage. In this way, representations can be made to the EC Commission in order to minimize any further adverse effects on the Canadian agri-food sector. In this context, the following aspects will be considered:

a) the Community's presence in Canada's domestic markets;

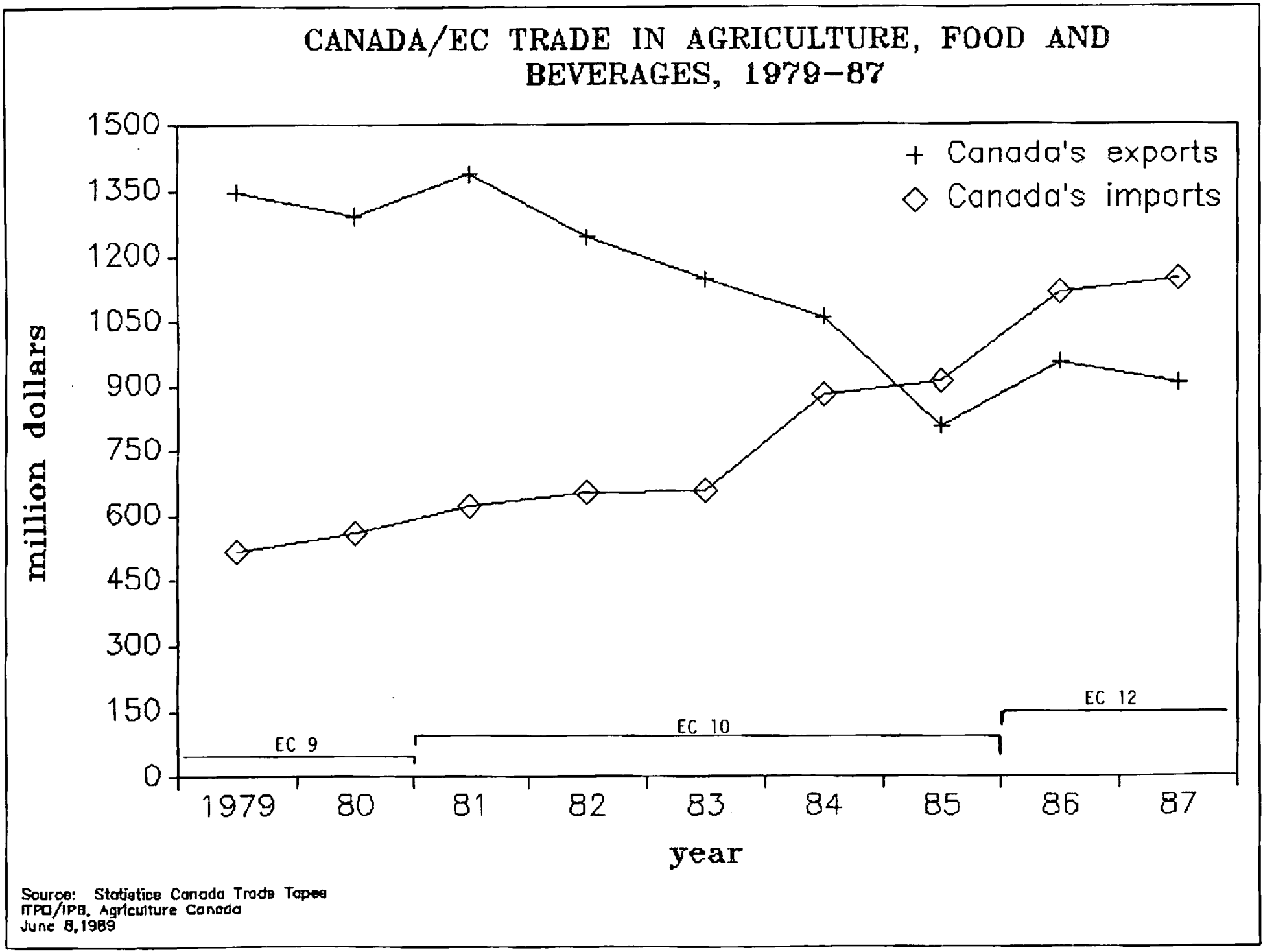
b) Canada's access to and competitiveness in EC markets;

c) Canada's ability to compete with EC products in third country markets;

d) the implication of 1992 integration on the implementation of the Canada/US Free Trade Agreement; and

e) the implication of 1992 integration on Canada's Multilateral Trade Negotiations (MTN) agenda.

FIGURE 1


CANADA/EC TRADE IN AGRICULTURE, FOOD AND BEVERAGES, 1979-87
+ Canada's exports
◇ Canada's imports
million dollars
1500
1350
1200
1050
900
750
600
450
300
150
0
EC 9
EC 10
EC 12
1979
80
81
82
83
84
85
86
87
year
Source: Statistics Canada Trade Tapes
ITPD/IPB, Agriculture Canada
June 8,1989

II Background and Objectives of EC 1992

The EC 1992 initiative represents the latest stage in the development of the Community (Appendix 2). The program for the completion of the internal market was set out in the Commission's White Paper of June 1985. This provided a detailed analysis of the barriers which need to be abolished and the action to be taken before the single market can be achieved. It details some 300 measures, since reduced to 279, which are to be implemented and the timetable within which this is to be accomplished.

The White Paper's analysis of the steps to be taken is set out under three headings:

- removal of physical barriers;
- removal of technical barriers;
- removal of fiscal barriers.

1. Physical Barriers

In relation to trade in agricultural and food products, the removal of physical barriers can be expected to affect domestic and imported products in the same way. The Commission sees it as essential to remove the customs barriers situated at national frontiers where goods are systematically stopped and checked. From an economic standpoint, substantial savings can be made by limiting or removing cross-frontier controls on movements of goods.

Checks are currently made on the movement of goods for the following reasons:

- to enforce national import quotas which may exist in some sectors;
- to operate the Community system of monetary compensatory amounts (MCAs);
- to collect Value Added Tax (VAT) and excise duties;
- to carry out health controls;
- to carry out transport controls;
- to collect statistics.

In the agri-food sector, the removal of physical barriers will mainly have an indirect impact. Border inspection for health and safety reasons will no longer occur. Similarly, elimination of customs posts would make it impossible to apply the MCA system (see Item 3).

2. Technical Barriers

A major objective of the EC 1992 initiative is the elimination of all technical barriers which exist within Member States as a result of law, norms or practices which inhibit or prevent intra-Community trade. The barriers are many and various. Examples include:

- the need to meet different technical regulations or standards in different Member States;

- the duplication and certification procedures in different Member States;

- the reluctance of the public authorities in certain Member States to open public procurement to nationals of other Member States.

Two methods to remove technical barriers are being followed; the **Cassis de Dijon** or **"mutual recognition"** approach and the **harmonization** approach.

In the **Cassis de Dijon** case, the European Court of Justice ruled that where a product is lawfully manufactured and marketed in one Member State, it should be able to be sold without restriction throughout the Community. In other words, if a product meets the legislative requirements in one Member State it is presumed to be of such a standard that it can be resold in all other Member States even if it does not precisely meet the requirements of the other states. This important judgment established the principle of **mutual recognition** of standards. The importation and sale of a product from another Member State can only be refused if, in the particular circumstances of the case, it is necessary to satisfy a limited range of public interests, e.g., health, safety and consumer and environmental protection.

In the **Cassis de Dijon** case, cassis (a liqueur) was marketed in France. German law required such liqueurs to contain a specific minimum amount of alcohol, which was higher than that contained in cassis. The European Court of Justice held that cassis could not be banned from sale in Germany because it did not contain the quantity of alcohol required by German authorities. A minimum alcohol requirement was not a **necessary** provision for the protection of public health.

The mutual recognition principle may not, however, always be sufficient. It does not deal with all cases where differing national regulations address similar public interest issues such as the protection of consumers in different ways, or whether Member States adopt incompatible technical standards (as in the case of television or telecommunications). In such cases Community rules are needed to replace the varying legislative provisions of the Member States. This process, known as **harmonization**, has been extensively used and relied upon by the Community for the past twenty-five years. The difficulty has been that the adoption of each harmonization measure has normally required unanimity in the Council of Ministers. This has often either been impossible to achieve or taken up to fifteen years to agree.

Accordingly, the Commission has decided to reduce harmonizing legislation to a minimum, i.e., to harmonize only where this is essential in the interests of health, safety and consumer and environmental protection. The Single European Act ensures speedier passage of such legislation by replacing the requirement for unanimity by qualified majority voting in most cases.

In areas where harmonization is not absolutely necessary, the mutual recognition principles applies. Goods lawfully produced or marketed in any Member State can be sold in all other Member States. For example, a recent court decision has prevented Germany from attempting to ban the sale of sausages which do not contain 100% meat. Similarly, Italy can no longer insist that pasta be manufactured exclusively from durum wheat.

3. Fiscal Barriers

These barriers arise due to Member States operating different types and rates of indirect tax. In particular, problems are created in relation to Value Added Tax (VAT) and excise duties.

In the agricultural sector, the system of monetary compensatory amounts (MCAs) can also be viewed as a fiscal barrier. These artificial "green" exchange rates are used to translate CAP support levels defined in terms of European Currency Units (ECUs) into the national currencies of Member States. They have given rise to the well-known system of subsidies and taxes on Community trade in farm products known as MCAs. MCAs are necessary since the green rates diverge from the "real" or market exchange rates by differing amounts, and without MCAs the variation in effective support prices between countries would severely distort trade flows and over-burden certain CAP intervention systems.

Green rates and MCAs have existed since 1969 when mutual revaluation of the strengthening Deutschmark and devaluation of the weakening French franc was resisted by both governments in terms of its effect on agricultural prices. In the German case, there was a reluctance to reduce nominal levels of support to farmers, while in France there was a desire to avoid added inflationary pressures. To maintain existing farm price levels after a currency re-alignment, a positive MCA is needed as a tax on imports entering, and a subsidy on exports from, the country with the stronger currency. A negative MCA acting to the opposite effect is required in the case of a weaker currency.

Over the past 20 years, all EC countries have at one time or another used green rates for either of these purposes (and sometimes both, at different times). They have

played an important role as a "national" policy instrument under the CAP, green rates being specific to a particular country's currency, and effectively alterable only on the proposal of that country (rather than the Commission). A Minister may therefore choose the timing of such a proposal to suit domestic politics, or as part of a package deal alongside agreement to changes in common (ECU) support prices and other CAP instruments.

The Commission has always emphasized the temporary nature of MCAs because they are in conflict with the principle of a common market in farm products. The EC 1992 initiative provides an opportunity to remove the existing arrangements.

III Institutional Arrangements and Timing

1. Insitutional Arrangements

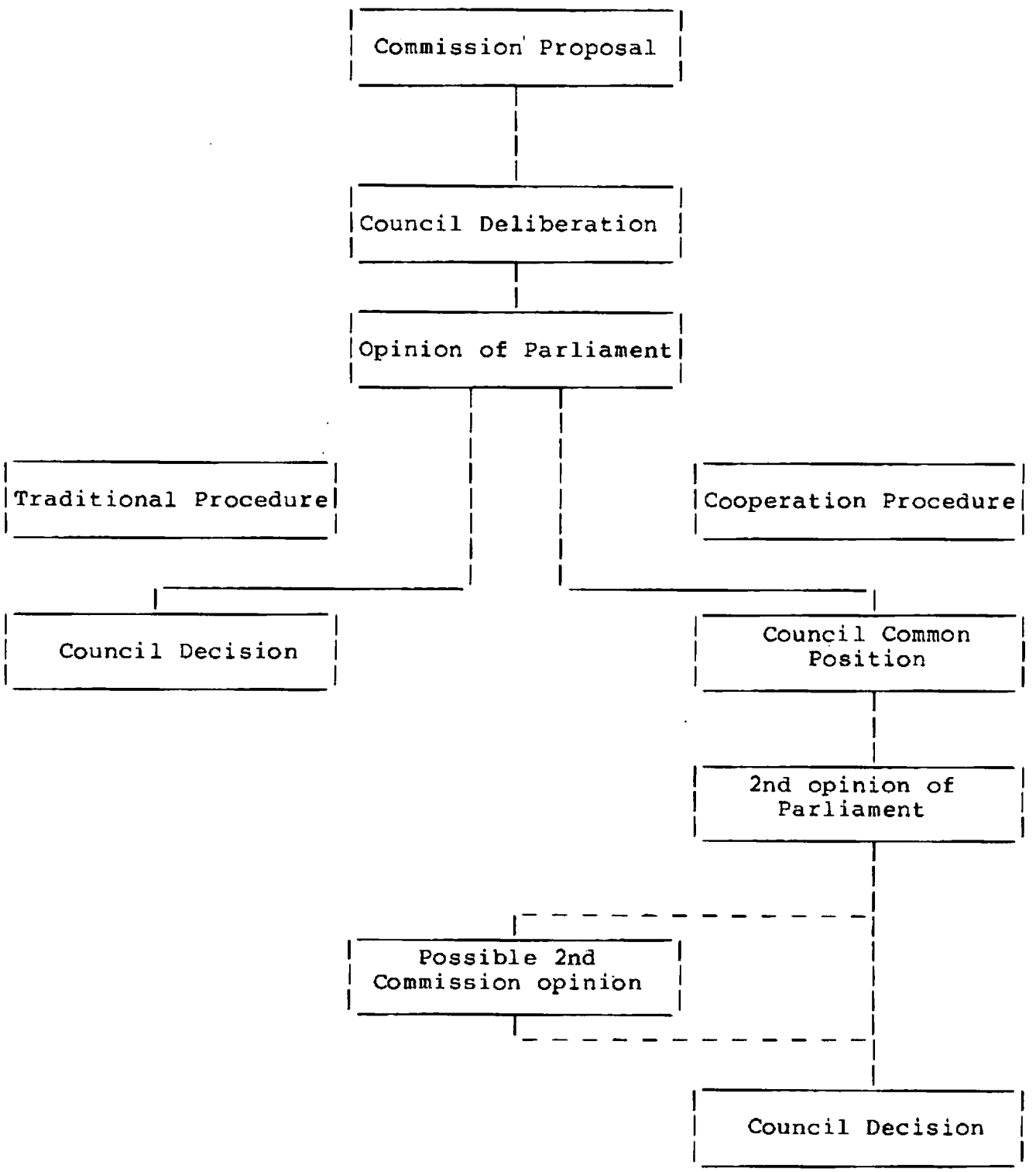
The four Community institutions primarily involved in the 1992 program are the Commission, the Council, the Parliament and the European Court of Justice (ECJ). The Commission proposes, the Parliament advises and the Council decides. These three institutions are subject to the supervision of the Court of Justice.

The first stage in the Community's legislative process is the drafting of a proposal by the Commission. The Commission's proposal is then forwarded to the Council. The Council is the primary law-making body in the Community. The Council will deliberate on the Commission's proposal and is empowered to reject, amend or approve, as it so wishes. Where the Treaty provides for consultation with the Parliament, however, the Council must first obtain the Parliament's opinion on the proposed measure before it makes its final decision.

The Single European Act has introduced what is known as the **"cooperation procedure"** in respect of certain measures. Whenever the cooperation procedure applies, the Council may not adopt a final decision upon receipt of Parliament's opinion. Rather, it must adopt what is known as its **common position.** That common position is then referred back to the Parliament for a second reading. The Parliament may decide to approve, reject or amend the Council's common position. It will then refer its second opinion to the Council. Should the Parliament propose amendments to the Council's common position, then the Commission must also put forward its views on the common position and on the Parliament's proposed amendments. Only upon receipt of the Parliament's second opinion may the Council finally makes its decision. The various stages in the process are outlined in Figure 2.

FIGURE 2

Law-Making Process in EC



Source: 1992 - An Introductory Guide, Clifford Chance

2. Timing

It should be stressed that "1992" means December 31, 1992. Moreover, the end of 1992 should not be seen as a fixed date by which the internal market will or will not be achieved depending upon whether the Community institutions and the Member States are successful in their objectives. Rather, it is a dynamic process which has already started and will continue beyond 1992. A number of measures have already been adopted and a larger number remain to be agreed.

There are no formal time constraints in the early stages of the decision making process. The dates set out in the White paper are targets. The Commission may make a proposal when it feels fit, Parliament is under no obligation to give its opinion by a certain time, nor is the Council under any such obligation in respect of its common position. The Parliament may deliberately postpone the delivery of its opinion as a delaying tactic to force the Commission to make concessions. With the increased role given to the Parliament the decision making process has become even longer and more cumbersome. At least one proposal has already lapsed altogether during the process of adoption. Against that, there are now many measures where the Council may ultimately make its decision by a qualified majority rather than by unanimous vote.

Most measures adopted under the White Paper are directives. This means that they must still be incorporated into the law of each Member State before they come into force. In many cases, therefore, even if a directive is adopted before the end of 1992, it will not come into force for some months or years after that date. Some Member States, and particularly those who have joined more recently, may be granted extra time within which to comply with certain measures.

IV Relationship Between the MTN and EC 1992

It is important that the EC 1992 initiative is not viewed in isolation. The move to a single EC market is taking place at the same time as the Uruguay Round of Multilateral Trade Negotiations (MTN) is under way in Geneva. It is anticipated that a successful MTN will have a greater impact on Canada's trade in agricultural and food products with the Community than EC 1992.

The major barriers to exports to the EC are already unified under the Common Agricultural Policy (CAP) e.g., tariffs, variable levies, high support prices, export subsidies. Progress in eliminating and providing more disciplines on these intervention measures within the MTN remains the key to

improving access for farm exports to the EC. At the same time, it will be important to ensure that improved access negotiated in the MTN is not nullified by restrictive measures introduced as part of EC 1992.

This situation is reflected in an Agra Europe analysis of the implications of EC 1992 for the agri-food industry. The report indicates that

> "The possible effects for external trade are a much greater cause for concern. The Communiqué issued by the Heads of State at the Hannover Summit in June 1988 said that:
>
> 'The internal market should not close in on itself. In conformity with the provisions of GATT the Community should be open to third countries and must negotiate with those countries where necessary to ensure access to their markets for Community exports. It will seek to preserve the balance of advantages accorded, while respecting the identity of the internal market of the Community'.

In relation to the EC's import policy, the report indicates:

> "The Community's commitment to the General Agreement on Tariffs and Trade (GATT) is clear and most of the negotiations with regard to access to the Community market are carried out within its framework. But, despite lip service to liberalisation of trade by the Community, the Community is protectionist now and will be just as protectionist - if not more so - once the 1992 ideal is a reality. This is inevitable because Member States, who may be forced into removing the internal protectionism which now exists, will require assurances that their industries do not suffer more competition from third countries."

It will also be necessary to monitor how the EC intends to interpret paragraph 20(2) of the Mid-Term Review Chairman's Report within the MTN which reads:

> "strenghten Article XX so that measures taken to protect human, animal or plant life or health are consistent with sound scientific evidence and use suitable principles of equivalence"

The question arises as to whether the EC will apply the phrase "sound scientific evidence" in a manner that requires this evidence to prove product safety, or will it be applied in a manner that requires it to prove the more stringent criteria of complete absence from risk.

Against this background, it will be important that the single EC market does not lead to additional protection against imports from third countries. Hopefully, the increased level of economic activity expected after 1992 will generate increased demands for imported agricultural and food products.

V Implications for Canadian Agri-food Sector

1. Technical Barriers Affecting Agri-food Trade

a) Animal Health and Veterinary Regulations

Scope

The dismantling of border posts will mean that checks on animal health can no longer be applied at frontiers. Provisions have therefore been necessary to control the spread of disease. So far a number of decisions and directives have been adopted with this aim in mind. These include provisions for Spain, Portugal, and a few other parts of the Community where routine control has still to be achieved, to be brought up to a similar health standard for brucellosis and tuberculosis as the rest of the Community (Dec 87/58). The decision allows an additional 3-year period above current provisions for the final eradication of these diseases. Eradication plans must be Community-approved. Thereafter there will be regular on-the-spot checks on implementation of these plans.

Considerable progress has already been made towards the eradication of foot and mouth disease through harmonized Community rules (Dir 85/511). Control measures for dealing with an outbreak of foot and mouth disease have been harmonized and the rapid diagnosis of the disease and identification of the virus type, the slaughter of affected animals and disinfection procedures been provided for.

Harmonization of non-veterinary standards for trade in pure-bred breeding cattle, their semen and embryos has been introduced (Dir 87/328). In particular the new legislation states that there must be no prohibition, restriction or impediments on pure-bred females for breeding and pure-bred males for natural service. If pure-bred bulls and their semen are accepted for AI in one Member State, then other Member States cannot restrict imports. Semen must come from officially approved AI centres. Pure-bred bulls and their semen should be identified by blood grouping or other methods, and testing and assessment methods must be harmonized. A further directive on bovine semen has recently been adopted, which establishes harmonized

arrangements for intra-Community trade in bovine semen and imports from third countries, and in particular harmonizes veterinary certification (Dir 88/407). In particular a Member State in which semen is collected is under an obligation to see that the semen has been collected and processed at approved and supervised semen collection centres, and obtained from animals whose health status is such as to ensure that the risk of spread of disease is eliminated.

Progress to Date

Present directives and proposals still rely upon the presence of frontier posts for document checks and for quarantine measures and hence are not in agreement with the main concept of EC 1992. As such, they are only transitionary measures.

Much work still remains to be done both to determine the detailed arrangements for controls on the movement of animals and animal products, and on the documentation which will be needed. The long-term objective is to raise the health status of all Member States to the highest ruling level so that restrictions on trade are unnecessary. In the short-term, movement will have to be controlled through mutually agreed inspection procedures at departure points and certificate verification at arrival points.

For disease of a serious nature, control will be on a regional basis. For less serious diseases the concept of "herd freedom" will operate and for the lesser diseases there will be a form of certification based on a voluntary health scheme as already happens in the UK. The state veterinary services will be responsible for certification in the above three cases, common rules for which will be laid down at a Community level. Individual traders will be allowed to demand additional standards but certification will then have to be sought privately.

Potential Impact

i) There will be greater freedom of movement and increased intra-Community trade in beef cattle and pigs and the meat therefrom. Health checks will still be conducted, but at source rather than at frontier posts with verification of the necessary certificates at the point of destination. This will entail a shift of administrative procedures away from border posts to within the country. For successful operation of this system mutual confidence between Member States in veterinary services and meat inspectorates will be essential.

ii) Barriers to prevent the spread of serious disease (e.g., swine fever, foot and mouth, and rabies) will still be necessary and are likely to be based on the concept of disease-free regions, or herds.

iii) The present commercial interest in both Canada and the EC in a two-way flow of breeding livestock and animal genetic material (e.g., semen and embryos) should ensure that both sides will have an incentive to keep barriers to a minimum. However, it is generally expected that the uniform health requirements for 1992 will only accept semen from IBR negative bulls. The Canadian artificial insemination industry is moving to have more, and eventually all studs free from IBR. It is expected that considerable progress towards this objective will be made by 1992.

iv) The EC initiative to focus inspection on shipping points is a positive one which should not create problems for Canadian exporters.

v) Member States currently the subject of harmful diseases should see an increase in productivity following successful eradication of these diseases. This could increase competition for those countries already having a high health status such as Canada and which have developed a thriving export trade in livestock and livestock products based on its disease-free status.

b) Meat and Other Animal Products

Scope

EC legislation relating to animal products is principally concerned with ensuring the safety of those products in respect of human and animal health. This legislation is based mainly on two directives introduced in 1964 (Dir 64/433: on health problems affecting intra-Community trade in fresh meat) and in 1977 (Dir 77/99: on health problems affecting intra-Community trade in meat products).

Specific aspects relating to hygiene have been dealt with in a series of directives. Harmonized methods of microbiological analysis of equipment in slaughterhouses, and in meat and poultry processing plants have been laid down as a means of assessing and improving the standard of hygiene (Dir 85/323, Dir 85/324). Existing legislation concerning the requirement for persons working on fresh meat, fresh

poultry meat and meat products to have a medical certificate has been amended, replacing the old system of annual renewal by a new staff medical check-up scheme, which offers equivalent guarantees (Dir 85/325, 85/326, 85/327).

The hygiene rules to be followed during the trade in offals (liver, kidney, heart) and frozen meat have been laid down in directive 88/288. Provision is made for adjusting health inspections to take account of changes in the prevalence of diseases and environmental health conditions in Member States. Dir 88/289 sets out similar conditions for imports from third countries.

It is now possible for Member States to authorize the importation of glands and organs for use in the pharmaceutical manufacturing industries on a more liberal basis than was previously the case (Dir 87/64).

Finally, Council Decision 88/491 (SHIFT project) enables the Commission to undertake by 1991 a study of the computerization of information applicable to veterinary checks of live animals and animal products, at the point of their entry into the Community. By linking Community frontier posts, the central authorities of Member States and the EC Commission, the rapid exchange of information should enable these checks to be properly and efficiency carried out.

Progress to Date

The Community's aim is that by 1993, most meat and meat products should be produced to common public health standards throughout the Community. Several proposals have been made by the Commission but still await Council adoption. One such proposal suggests measures to prevent the introduction of exotic animal diseases through meat products, produced by meat obtained in third countries (Com(84)530). It proposes that such meat should only be obtained from authorized slaughterhouses and the products manufactured in authorized establishments (i.e., the same requirements as for meat products produced in the Community). Other elements of the proposal include on-the-spot Community inspections, transportation under an animal- and a public-health certificate and provision for co-ordinated emergency procedures should disease break out or spread.

Harmonized charges for health inspections for both red meat and poultry meat are to be introduced in all Member States on January 1, 1991. Where the actual

costs of inspection are low, a reduction of up to 55% from the standard charges will be permitted until 1993[1]. From January 1, 1992, all meat produced within the Community will have to be inspected in accordance with common rules. Further proposals are expected from the Commission on the requirements for personnel responsible for public health inspections.

It is proposed that an official veterinarian should supervise and inspect cutting premises and storage rooms for poultry, but where these are separated from abattoirs, then other suitably qualified people (i.e., an environmental health officer) may qualify (Com(81)504). For meat products, supervision of hygiene, inspection and certification must be carried out by a veterinarian.

Decisions are to be taken before October 1, 1989 on the extent to which the Community's requirements on structure and layout should be applied to all slaughterhouses. Common standards are likely to be those of premises currently engaged in intra-Community trade. However, it is possible that less strict standards will be applied to premises producing only for a "local" market and which are not capable of reaching export-approved standard by the end of 1992[2].

Potential Impact

i) The main impact of 1992 will be improved guarantees in the safety of meat and animal products with regard to human and animal health.

ii) Slaughterhouses and manufacturing establishments will be subject to Community inspections and common standards of design, which will be along the lines of present export-approved standards. Some Canadian establishments will have to make considerable investments in order to meet these standards, if they wish to remain competitive and trade within the Community.

iii) The present problems faced by Canadian exporters of beef and various meat products to the Community illustrate how the adoption of common health and sanitary policies can adversely affect Canada. The sources of the current problems are

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1 MAFF News Release (231/88), 20 June 1988
2 Department for Enterprise (September 1988). The Single Market: The Facts, Second Edition

the third country directive specifying details for slaughtering and meat processing facilities as well as the regulation banning the use of growth hormones in livestock feeding.

iv) In this area there is some evidence that the new EC standards could assume an increased role as international standards. This could adversely affect Canadian meat exports to third countries e.g., Japan.

c) Plant Health

Scope

Discussions in Brussels on plant health arrangements after 1992 have not progressed very far; much of the Commission's thinking is still in very general terms and there is a long way to go before the precise shape of the eventual arrangements emerges.

The basis of the present Community regime is that certain plant pests and diseases are prohibited for entry to any Member State. These are referred to as "quarantine" pests. A list of pre-export requirements designed to prevent transmission of these pests and diseases is laid down in Community legislation and the exporting plant health authority issues certificates to give the importing authority assurance that these requirements have been complied with. They apply to all planting material and a wide range of plant products, wood and wood products, fruit, seeds, vegetables and cut flowers.

In its approach to regulating trade through, a system of plant health certificates, the Community is generally following the regulatory pattern ("plant passport") adopted for international trade under the International Plant Protection Convention. The move to a single internal Community market means, however, the removal of barriers to trade at the frontiers between Member States. This does not mean the removal of all regulation of trade, for plant health or for other purposes. It does mean, however, that regulation of trade will be seen on a Community-wide rather than a national basis.

In 1987, the Commission set out for the Council of Ministers its thinking on the strategy for developing plant health controls within a single market. It described the objective as to reconcile the establishment of free circulation of plants and plant material with the prevention of the introduction or spread of harmful organisms into areas where they are not established. To facilitate free circulation of

such material within the Community, it was proposed to shift the weight of inspection and enforcement work to the exporting Member State. The main feature of the new system were as follows:

i) All plants for propagation and other products such as wood, potatoes and certain cut flowers would be examined at the place of production and certified against agreed Community standards. The use of growing season and post harvest inspections was considered more efficient than pre-export inspections.

ii) Material which met the standard would then circulate freely throughout the Community under a "plant passport" which would perform a similar function to the present plant health certificates. This "passport" might take the form of a certificate, a label, a stamp or a seal.

iii) Imports from third countries would have to meet Community plant health standards; once checked, they would be permitted to move freely within the Community under their own "plant passport".

iv) It was envisaged that arrangements would be needed to establish protected zones in order to prevent diseases prevalent in some parts of the Community from spreading to other parts where they could seriously affect crops.

v) Controls would be enforced by national inspectorates, monitored and supplemented by a new Community Inspectorate.

vi) There was also mention of the possibility of establishing "rules of liability" in respect of plant health, which was later explained to mean the possibility of limited compensation payments to producers affected by the spread of a disease because of the failure of the control systems.

Progress to Date

Up to the present time, little progress has been made in the field of plant health in terms of meeting the goals set down in the White Paper. One proposal has been partially adopted and a further three proposals are currently awaiting Council adoption. One of these (Com(84)288) includes the updating of the phyto-sanitary certificate, permission for the use of the emergency procedure and the extension of the area in which derogations can be granted. A second (Com(88)170) suggests a basis for eliminating the

occasional checks mentioned above by December 31, 1990. The proposal also includes the appointment of Community health inspectors who would ensure that checks in consignor countries and checks of imports from third countries were correctly applied. Checks on third-country products may in certain circumstances be carried out by the Commission in that country. In the case of emergencies, it would be the primary responsibility of the Member State in which the plant health problem arises to take measures, as opposed to the state of destination, but the Commission would be empowered to intervene.

A proposal to update present legislation on the marketing of certain types of seeds has been made so as to include certain species that have become more important to facilitate the reproduction of seed in Member States, to improve the certification system, and to have official labelling of Community seed (not to be confused with labels under national provisions).

Plant health has fallen behind in terms of proposing and adopting the legislation necessary for the completion of the internal market. Progress is awaiting a working group discussion of Com(88)170. Present proposals make no mention of the "plant passport" so that further proposals on this matter are expected. The UK has stressed the need for having ecological zones for those areas of the Community with natural barriers to the spread of disease, and for these areas to be allowed to guard against serious plant diseases and pests and thereby maintain that status.

Potential Impact

i) Produce will be checked at source rather than prior to export. Countries in which diseases arise will be financially responsible for any control measures.

ii) "Plant passports" would mean that checking procedures for intra-Community trade would not be necessary.

iii) There will be a higher level of protection from diseases from third countries and there will be no more uncontrolled movements through transit Member States.

iv) The long standing difficulties in maintaining access for exports of Canadian seed potatoes provides an example of potential difficulties in relation to plant health. At present, it is uncertain whether the current system of

derogations from EC standards for products needed by certain Member States will continue to operate. If derogations are no longer permitted, this would have an adverse impact on certain Canadian exports such as seed potatoes and soybean seeds.

2. Harmonization of Food Legislation

Scope

Efforts to harmonize EC food legislation in the past showed that Member States appear to be able to agree on the general principles (horizontal legislation), but find it difficult to agree on the detailed composition of individual foodstuffs. Therefore, the Commission introduced a new strategy designed to speed up the process, which was based on mutual acceptance of national standards within an overall framework of Community principles. This new approach finds support in the case law of the European Court of Justice (ECJ), in particular in the ruling in the Cassis de Dijon case in which the "principle of proportionality" was emphasized, i.e., legal measures must not go further than is genuinely necessary to achieve the desired objective (see page 3).

In practical terms, it means that, considering that national food legislation is similar in all Member States, future Community legislation on foodstuffs should be limited to provisions justified by the need to:

- protect public health
- provide consumers with information and protection in matters other than health
- ensure fair trading
- provide for the necessary public controls.

Accordingly, the Commission published in 1985 a plan of Community legislation to achieve a single market in foodstuffs. Community action would consist of "horizontal" directives, which would be implemented by the Commission through a simplified procedure as regards further technical details. This procedure involves granting the Commission decision-making power, after consulting the "Standing Committee on Foodstuffs". This Committee is composed of representatives of the Member States and makes decisions by qualified majority voting instead of unanimity.

In the area of processed foods, six general framework directives are under consideration:

a) additives;
b) materials and articles in contact with food;
c) food labelling;
d) foods for particular nutritional uses;
e) food processes, sampling, inspection, irradiation, new foods obtained through biotechnology, etc.; and
f) flavourings.

Progress to Date

Two of the framework directives on which the single market in foodstuffs is to be based have been adopted - the additives framework directive and the framework directive concerning materials and articles in contact with food.

In the case of additives, however, the Council has reserved the right not only to adopt new lists of approved additives but also to administer the Community system, which will entail the adoption of several thousand separate decisions. It has to be noted that, in two cases of limited amendments to the directives on colourings and preservatives, the Council has not been able to reach a common position. The Commission is currently examining the policy implications of the lack of agreement.

The directive on materials and articles in contact with food allows harmonized legislation on all materials and articles in contact with food, including lists of substances permitted for use in specific materials and limits on migration.

Common positions have been reached on the remaining framework directives concerning food labelling, foods for particular nutritional uses and food inspection. These will be subject to a second reading by the European Parliament before being finally adopted.

The framework directive on food labelling will allow datemarking of foodstuffs to be harmonized across the Community. For example, in the UK the "sell-by" date will not be permitted after December 31, 1992 and will be replaced by a "best before" date for most foods and a "use by" date for highly perishable ones. Long life (e.g., canned) and frozen foods will in future also have to be datemarked.

The directives on foods for particular nutritional uses identifies the special foods (e.g., diabetic foods, baby foods, slimming foods, foods for sportsmen) for which free trade will not be permitted

until more detailed directives have been introduced covering these foods, in particular ensuring that the labelling and the composition are suitable for the dietary purpose intended.

The framework directive on food inspection is intended to set out general rules to be followed by national authorities for inspection of foodstuffs for human consumption and materials and articles intended to come into contact with some foodstuffs.

Potential Impact

i) Canadian exporters of food products such as canned and frozen fruit and vegetables could face additional costs in meeting these new standards.

ii) On the other hand, once the standards are met, sales to all twelve Member States within the Community will be facilitated. (Currently, different standards exist in each Member State which makes Community-wide marketing difficult.)

iii) As in the case of meat regulations, it is possible that the new EC regulations could be adopted as standards by third countries e.g., in terms of additive and residue levels.

3. MCA System

At this stage, it is not possible to predict whether the system of MCAs will be dismantled as part of the EC 1992 initiative. If exchange rates are relatively stable, the removal of MCAs could be envisaged. On the other hand, substantial changes in market exchange rates between now and 1992 could make it politically difficult to eliminate the MCA system.

The elimination of customs posts at internal borders would make it impossible to continue the present system of MCAs. The same situation would apply as in the case of health and sanitary inspections. The alternative would be to follow the same procedures to be used for animal and plant health certificates through transferring the required procedures to other locations, normally either the source or destination of the traded goods. Certificates would have to be produced on demand to ensure that MCAs were not being illegally claimed or avoided.

In its progress report of June 1989, the Commission makes little reference to the proposed abolition of MCAs except that they will be presenting a Communication to the Council proposing "a general framework and accelerated reduction in the use of MCAs with a view to their abolition from January 1, 1993".

As part of the 1989/90 fixing it was agreed to further reduce the incidence of monetary compensatory amounts as a phased step towards their abolition by 1992. MCAs currently only apply in the United Kingdom, Greece and Spain although it is possible that they will reappear in Italy and Portugal if currency movements are significant. Spain's decision to join the exchange rate mechanism - albeit at the wider fluctuation margin - should make it easier for MCAs to be phased out in that country. On the other hand, the pound sterling has weakened since the 1989/90 green rates were fixed and therefore the MCAs have increased. If this trend continues it is unlikely that the existing real monetary gap will be phased out in one tranche and this may have to be carried out over two years.

The Commission is expected to publish a paper shortly indicating how the existing MCAs can be phased out at a faster rate than previously considered. Even when the MCAs are abolished there is still the question of the gap between real market exchange rates and the "green" ECU which is used to calculate agricultural prices. This switchover coefficient is inflationary and should also be abolished - despite the political difficulties this would arouse - as it is important that the EEC rules as far as agricultural prices are concerned, should be as straightforward as possible.

4. National Measures

At present, individual Member States provide national programs to support their agricultural sectors in addition to programs under the CAP e.g., UK variable premium payments for beef and lamb. Similarly, national quota arrangements are in operation for milk and sugar. These national measures would seem to be inconsistent with the single market concept. At present, it is uncertain whether these measures will be eliminated or not.

The integrated market could also have implications for the Community's preferential arrangements for developing countries under the Lomé Convention. For example, at present, the UK imports bananas from ACP countries on a preferential basis. This arrangement involves special national legislation and prevents the free circulation of bananas within the Community, and therefore is not compatible with the objective of EC 1992.

VI Conclusion

It is evident that a number of issues raised by the EC integration of 1992 must also be dealt with in other ongoing international negotiations. Problems of access and competition in third markets, notably the level of protection against imports of primary and processed agricultural products in the EC, can only be negotiated in the MTN. Technical barriers, which may require adjustments to Canadian shipping and processing practices if Canada is to maintain market access, must be dealt with as part of the bilateral relationship with the EC as well as in the MTN negotiations and international standard setting bodies such as the Codex Alimentarius Commission and the UN Economic Commission for Europe.

The development of harmonized standards in Europe will also have to be considered by the Working Groups on harmonization under the Canada/US Trade Agreement. While the development of different standards for Europe and North America would be detrimental, working towards a common standards base should benefit the agricultural industry world-wide. It is also possible that the EC may adopt standards of labelling and health and sanitary requirements which differ from accepted international practice. This should be monitored not only through the EC bodies drafting regulations, but also as part of the Uruguay Round of negotiations.

In the area of health regulations, of primary concern are measures governing trade in livestock and fresh meat. Clarification of the directives concerning EC standards on slaughterhouses and the storage and transportation of fresh meat is still required. For live animals, measures to eradicate contagious diseases such as swine fever, tuberculosis, brucellosis and leukosis have been identified as a central priority. This could result in increased competition for Canadian exporters both within the EC in third markets. The present problems faced by Canadian exporters of beef and various meat products to the Community illustrate how the adoption of common health and sanitary policies can adversely affect Canada. The sources of the current problems are the regulation banning the use of growth hormones in livestock feeding and the third country directive specifying details for slaughtering and meat processing facilities.

In relation to regulations concerning breeding livestock, commercial interest in a two-way flow of both livestock and animal genetic material (e.g., semen and embryos) ensures that both sides will have an incentive to keep barriers to a minimum. Progress in relation to the elimination of specific diseases in Canada may be required to meet the new EC requirements for semen imports. The EC initiative to focus inspection on shipping points is a positive one which should not create problems for Canadian exporters.

The long standing difficulties in maintaining access for exports of seed potatoes provides an example of potential difficulties in relation to harmonized plant health regulations. At present, it is uncertain whether the current system of derogations from EC standards for products needed by certain Member States will continue to operate. If derogations are no longer permitted, this would have an adverse impact on certain Canadian exports such as seed potatoes and soybean seed.

In relation to food legislation, while the Member States have reached agreement in principle of mutual recognition of national standards, much work remains to be completed on matters such as permitted additives, residue levels, the precise materials deemed to be safe under Community law and the exact wording to be used to inform consumers what they are buying. Clearly, Canadian exporters of food products such as canned and frozen fruit and vegetables, honey, maple products, could face additional costs in meeting these new standards. On the other hand, once the standards are met, sales to all twelve Member States within the Community will be facilitated. Currently, different standards exist in each Member State which makes Community-wide marketing and promotion difficult.

In the area of food products in particular, there could be a tendency for the new EC requirements to be adopted as standards by other countries. In light of this, it will be important that the activities of international standard bodies such as the FAO/WHO Code Alimentarius are strengthened. In this context, the use of international standards should be emphasized as a key element in the MTN.

Appendix 1

SOURCE:

FOURTH PROGRESS REPORT OF THE COMMISSION

TO THE COUNCIL AND THE EUROPEAN PARLIAMENT

June 1989

The following timetables report on the progress of measures detailed in the White Paper as part of the package for the completion of the Internal Market. The first sections refer to proposals already adopted by Council giving details of the legislation and in some cases the date by which Member States should have implemented the measures. The second sections refer to proposals which have been formally presented to Council, and gives an indication of the stage which these proposals have reached (see key). The third sections list those measures on which the Commission have still to present formal proposals.

KEY

** : proposal awaits European Parliament Opinion or first reading

Where the Co-operation Procedure applies:

FR : Parliament has completed its first reading.

CP : A common position has been reached.

SR : Parliament has completed its second reading.

Voting procedures are indicated in the Council column as follows:

U : Unanimity

QM : Qualified majority

SM : Simple majority

1. ANIMAL HEALTH AND ANIMAL BREEDING

i) Proposals Adopted by Commission and Council

	Adoption Date
a) Swine fever	12/06/85 Dirs. 85/320, 85/321 and 85/322 O.J. L 168 of 28/06/85
b) Control of foot and mouth disease Implementation date: 01/01/87	18/11/85 Dir. 85/511 O.J. L 315 of 26/11/85
c) Live animals of the porcine species: eradication of African swine fever in Portugal	16/12/86 Dec. 86/649 O.J. L 382 of 31/12/86

Portugal to submit a reinforced plan to the Commission for the eradication of African swine fever and the restructuring of pig farms. No precise deadlines metioned in the decision. Commission to approve plans according to the procedure of the Standing Veterinary Committee which includes specific time limits, and follow the developments concerning the implementation of eradication plan (a report must be made to the Committee at least once a year)

d) Live animals of the porcine species: eradication of African swine fever in Spain	16/12/86 Dec. 86/650 O.J. L 382 of 31/12/86

Concerning Decision 86/650, Spain to submit reinforced plan for the avove-mentioned eradication scheme. No precise deadlines are mentioned in the decision. The Commission must approve these plans, according to the procedure of the Standard Veterinary Committee which includes specific time limits and follow the developments concerning the implementation of the eradication plan (a report must be made to the Committee at least once a year)

	Adoption Date
e) Live animals of the bovine species: amended eradication directives to provide for final eradication of brucellosis tuberculosis and leukosis in all Member States including Spain and Portugal	22/12/86 Decision 87/58 O.Js. L 24 and L 32 of 27/01 and 03/02/87 respectively

Member States shall draw up eradication plans to be submitted to the Commission within nine months of the notification of Decision; the Commission after examination of the proposed plans and any amendments thereto, shall approve them according to the procedure of the Standing Veterinary Committee. On the dates fixed by the Commission in its decision of approval, Member States shall bring into force the national provisions required to implement the eradication plans.

f) Eradication of classical swine fever in the Community as a whole and swine fever	07/04/87 Dec.87/230 and 87/231 O.J. L 99 of 11/04/87 decisions: Dirs 87/486, 487 and 489, Dec. 87/488 taken on 22/09/87 O.J. L 280 of 03/10/87

Decision 87/230 to apply from 01/01/87
Decision 87/231: Member States to enforce necessary measures to comply iwth decision not later than 31/12/87 and must inform the Commission thereof

Directives 87/486, 87/487 and Dec.87/488 drawn up in line with Article 2 of Decision 87/230 which required further Council decision on final measures before 01/11/87, and Directive 87/489 in line with Article 3 of Decision 87/231, which required further Council decision before 01/11/87

Directive 87/486 (control of classical swine fever): Member States to bring into force laws and other provisions necessary to comply with directive not later than 31/12/87; Commission to be notified of provisions

Directive 87/487 (conditions designed to render and keep territory free of classical swine fever): national programmes to be implemented in Member States not yet officially swine fever-free: minimum period of 6 years; maximum period 10 years

Adoption Date

Decision 87/488: (classical swine fever: financial measures) original eradication plan under Directive 80/1095 given a 6 year period; this has now been extended by 4 years; those Member States not yet officially swine fever-free must therefore submit a new plan not later than 3 months before the expiry of their initial plan

Directive 87/489: (swine fever: certain measures) Member States shall bring into force laws, etc. to comply with directive not later than 31/12/88 and must inform the Commission of these provisions.

g) Acceptance for breeding purposes of purebred breeding animals of the bovine species — 18/06/87 Dir. 87/328 O.J. L 167/87 of 26/06/87

Implementation date: 01/01/88

h) Semen of animals: bovin species (porcine species aspect yet to be adopted) COM(83)512, COM(86)657 — partially adopted 13/06/88 Dir. 88/407 O.J. L 194 of 22/07/88

i) Zootechnical standards porcine species — 19/12/88 Dir. 88/661 O.J. L 382 of 31/12/88

Implementation date: 01/01/91
Derogation until 01/01/93 for Spain and Portugal (but clause in decision which allows for prolongation of derogation)

j) Pedigree animals - sheep and goats — 30/05/89 Not yet published in Official Journal

ii) Proposals Submitted by Commission to Council which still require Council Adoption

	Date of Commission's Proposal	Projected date of adoption by Council as per White Paper
a) Semen of animals - porcine species (bovine aspect already adopted) (COM(83)512, COM(86)657	1983	13/06/88 1987 (QM)
b) Aujesky's disease and swine vesicular disease COM(82)529	1982	1985 (QM)

	Date of Commission's Proposal	Projected date of adoption by Council as per White Paper
c) Proposal for Regulation concerning veterinary checks in intra-Community trade with a view to the completion of the internal market COM(88)383	1988	1989 (QM)
d) Pedigree animals not covered existing directives: other species COM(88)598	1988	1989 (QM)
e) Embryos of farm animals COM(88)785	1988	1989 (QM)
f) Animal health problems - ovine and capring species (intra-Community and third countries) COM(88)742	1988	1989 (QM)

iii) Commission Proposals Still to be Presented to Council

	Expected Date of Commission Proposal	Expected Date of Council Adoption
a) Formulation of Directives on animal health, pedigree and competition problems relating to trade in live animals of the equine species	1989	1989
b) Brucellosis in small ruminants	1989	1989
c) Formulation of directives concerning veterinary inspection problems relating to trade in animals and products of animal origin not covered by existing Directives: rodents	1989	1989
d) Formulation of directives concerning veterinary inspection problems relating to trade in animals and products of animal origin not covered by existing Directives: genetically modified animals and other species	1989	1989
e) Harmonization of control of foot and mouth disease	1989	1990

2. MEAT AND OTHER ANIMAL PRODUCTS

i) Proposals Adopted by Commission and Council

	Adoption Date
a) Microbiological controls (meats, poultry, red meat)	12/06/85 Dirs. 85/323 and 85/324 O.J. L 168 of 28/06/85
Implementation date Dir. 85/323: obligation to conform to terms of directive contains period not yet fixed Implementation date Dir. 85/324: as above	
b) Medical examination of Personnel	12 & 20 June/85 Dirs. 85/325, 85/326 and 85/327 O.J. L 168 of 28/06/85
Implementation Dates: Dir. 85/325 - 01/01/86 Dir. 85/326: 01/01/86 Dir. 85/327: 01/01/86	
c) Production and trade in milk	05/08/85 Dir. 85/397 O.J. L 226 of 24/08/85
Implementation date: 01/01/88	
d) Modification of Directive 72/461 on health problems affecting intra-Community trade in fresh meat and Directive 72/462 on health and veterinary inspection problems upon importation of bovine animals and swine and fresh meat from third countries	30/12/86 Dir. 87/64 O.J. L 34/87 of 05/02/87
Implementation date: 01/01/88	
e) Amendment to Directive 80/215 on animal health problems affecting intra-Community trade	22/09/87 Dir. 87/491 J.O. L 279/87 of 02/10/87
Implementation date: 01/01/88	
f) Amendment to Directive 64/433 on health problems affecting intra-Community trade in fresh meat	03/05/88 Dir 88/288 O.J. L 124 of 18/05/88
Implementation date: 01/01/89	
g) Amendment to Directive 72/462 on health and veterinary inspection problems upon importation of bovine animals and swineand fresh meat from third countries	03/05/88 Dir. 88/289 O.J. L 124 of 18/05/88

	Adoption Date
h) Hormone growth promoters	10/07/85 Dir 85/358 O.J. L 191 of 23/07/85 Dir 88/146 of 07/03/88 O.J. L 70 of 16/03/88
i) Minced meat and similar: health problems Implementation date: 01/01/92	13/12/88 Dir. 88/657 O.J. L 382 of 31/12/88
j) Modification of Dir. 77/99 - meat products Implementation date: 01/07/90 Derogation for Greece until 31/12/92 (in order to comply with the exception provided for in Article 3(1) and (9) of Directive 77/99)	13/12/88 Dir. 88/658 O.J. L 382 of 31/12/88
k) Imports of meat products from third countries (animal health and public health rules) Implementation date: 30/06/90	21/03/89 Dir. 89/227 O.J. L 93 of 06/04/89

ii) Proposals Submitted by Commission to Council which still require Council Adoption

	Date of Commission's Proposal	Projected date of adoption by Council as per White Paper
a) Boar meat - COM(83)655	1983	1985 (QM)
b) Personnel responsible for inspection COM(81)504	1981	1985 (QM)
c) Poultry meat and hatching eggs COM(89)9	1989	1989 (QM)

iii) List of Commission Proposals still to be Presented to Council

	Expected Date of Commission Proposal	Expected Date of Council Adoption
a) Poultry meat: animal health considerations	1989	1989
b) Harmonized health and hygiene conditions for production and trade in game meat, products and preparations	1989	1990
c) Harmonized health conditions for production and trade in food products of animal origin not covered by existing legislation - milk products, general hygiene rules and animal fats NB: Proposal partially approved by Commission: eggs aspect	1989	1992
d) Suppression of veterinary certificates for animal products and simplification of certificates for live animals - modification of existing directives (Dirs. 64/433, 77/99, 71/118 and 85/397)	1989	1992

3. PLANT HEALTH

i) Proposals Adopted by Commission and Council

	Adoption Date
a) Amendment to Directive 77/93 (plant health)	19/12/85 Dir. 85/574 O.J. L 372/85 of 31/12/85 and 14/11/88 Dir. 88/572 O.J. L 313/88 of 19/11/88

Implementation dates: Dir. 85/574 - 01/01/87
Dir. 88/572 - 01/01/89

	Adoption Date
b) Certification of seeds	13/06/88 Dir. 88/380 O.J. L 187 of 16/07/88
Implementation dates:	
Article 3(11) and Article 7(9)	: 01/07/82
Article 3(12)	: 01/01/83
Article 6(5), (6) and Article 7(6), (10) Article 2(8), (17), (20), (28); Article 3(18), (31), (37); Article 5(10), (19), (23), (25);	: 01/01/86
Articles 1(8), 2(10), 3(20), 5(12), 7(18)	: 01/07/92
All other provisions	: 01/07/90
c) Harmful organisms in seeds and seed potatoes	30/05/89 Not yet published in Official Journal

ii) Proposals Submitted by Commission to Council which still require Council Adoption

	Date of Commission's Proposal	Projected date of adoption by Council as per White Paper
a) Amendment to Dir. 77/93 on protective measures concerning entry into Member States of organisms harmful to plants or plant products COM(88)170	1988	1989 (QM)
b) Establishment of certain rules on liability in respect of plant health	1989	1990
c) Simplification of annexes in Directive 77/93/EEC (plant health)	1989	1991
d) Alignment of national standards and intra-Community standards in plant health	1989	1991
e) Reduction of role of phyto-sanitary certificate in intra-Community trade	1989	1991
f) Proposal for a system of certification in reproduction materials for decorative plants	1989	1990

	Date of Commission's Proposal	Projected date of adoption by Council as per White Paper
g) Extension of application Directive 70/458/EEC to seedlings	1989	1990
h) Proposal for creation of a European law on plant breeders	1989	1990
i) Suppression of plant health certificates	1989	1992
j) Directive on organic production of food-stuffs and marketing of organically produced foodstuffs	1989	1989

4. FOOD LAW

i) Proposals Adopted by Commission and Council

	Adoption Date
a) Simulants (plastic materials in contact with foodstuffs)	19/12/85 Dir. 85/572 O.J. L 372 of 31/12/85
Member States to take necessary measures to conform to present directive at the same time as measures are taken to implement directive 82/711	
b) General Directive on sampling and methods of analysis	20/12/85 Dir. 85/591 O.J. L 372 of 31/12/85
Implementation date: 22/12/87	
c) Preservatives (modification) COM(81)712	20/12/85 Dir. 85/585 O.J. L 372 of 31/12/85
Implementation date: 31/12/86	
d) Emulsifiers (modification)	24/03/86 Dir. 86/102 O.J. L 88 of 03/04/86
Implementation date: 26/03/88	

Adoption Date

e) Extraction solvents — 13/06/88
Dir. 88/344
O.J. L 157 of
24/06/88

Implementation date: 21/06/91

f) Flavourings — 22/06/88
Dir. 88/388
O.J. L 184 of
15/07/88

Implementation date: 21/12/89
(marketing of goods complying with the directive shall be permitted by 22/06/90 whilst marketing of goods not complying with the diretive shall be prohibited by 22/06/91

g) Jams — 18/11/88
Dir. 88/593
O.J. L 318 of
25/11/88

Member States to take measures in order to:
- permit trade in products which comply with this directive by 31/12/89;
- prohibit trade in products which do not comply with this directive by 01/01/91

h) Frozen foods — 21/12/88
Dir. 89/108
O.J. L 40 of 11/02/89

Member States to take measures in order to:
- permit trade in products which comply with this directive by 10/07/90;
- prohibit trade in products which do not comply with this directive by 10/01/91

i) Food additives — 21/12/88
Dir. 89/107
O.J. L 40 of 11/02/89

Implementation date: 28/06/90
Member States to take measures in order to:
- permit trade in products which comply with this directive by 28/12/90;
- prohibit trade in products which do not comply with this directive by 28/12/91

j) Materials in contact with foodstuffs — 21/12/88
Dir. 89/109
O.J. L 40 of 11/02/89

Member States to take measures in order to:
- permit trade in products which comply with this directive by 10/07/90;
- prohibit trade in products which do not comply with this directive by 10/01/92

	Adoption Date
k) Food for particular nutritional uses	03/05/89 Not yet published in Official Journal

Implementation dates:
- trade in goods complying with the directive to be permitted 18 months after notification of directive
- trade in goods not complying with the directive to be prohibited 2 years after notification of the directive

l) Food labelling (amendment) COM(86)89, COM(87)242 COM(89)223	14/06/89
m) Fruit juices (COM(86)688, COM(88)319	14/06/89
n) Food Inspection COM(86)747, COM(88)88 COM(89)225	14/06/89

ii) Proposals Submitted by Commission to Council which still require Council Adoption

	Date of Commission's Proposal	Projected date of adoption by Council as per White Paper
a) Preservatives (modification) COM(81)712	1981	partially adopted 20/12/85 Dir. 85/585 1985 (QM) FR
b) Obligation to indicate ingredients and alcoholic strength - COM(82)626	1982	partially adopted 26/05/86 Dir. 86/197 1985 (QM) FR
c) Modified Starches - COM(84)726	1984	1986** (QM)
d) Nutritional labelling (2 directives proposed) COM(88)489	1988*	1990 (QM) FR
e) Irradiation of foodstuffs COM(88)654	1988*	1989** (QM)

iii) Commission Proposals Still to be Presented to Council

a) Directive on foodstuffs obtained by biotechnical processes.

Appendix 2

European Milestones

1951	European Coal and Steel Community formed (Treaty of Paris) by six Member States (Belgium, France, Germany, Italy, Luxembourg and the Netherlands)
1957	European Economic Community formed (Treaty of Rome) by six Member States
1975	European Atomic Energy Community formed (Treaty of Brussels by six Member States
1960s	Formation of the Common Agricultural Policy
1965	The three Communities (ECSC, EAEC and EEC) merged to form the European Communities
1969	Monetary instability led to the introduction of green currencies and monetary compensatory amounts (MCAs)
1973	First enlargement to include Denmark, Ireland and the United Kingdom
1978	"Cassis de Dijon" in the European Court of Justice. The judgement in 1979 paved the way for the creation of the single market
1979	European monetary system and European currency unit established
1981	Greece joined the European Communities
1985	Commission White Paper on the completion of the internal market
1986	Portugal and Spain joined the European Communities
1987	Single European Act adopted
1992?	Complete removal of non-tariff barriers?

Source: 1992 - Implications for the Agri-food Industry, Agra Europe Report No. 48, January 1989

Appendix 3

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Appendix 4

EC 1992 Agricultural and Food Products

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