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TEXTS ADOPTED

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**P8\_TA(2018)0091**

**US attack on EU farm support under the CAP (in the context of Spanish olives)**

**European Parliament resolution of 15 March 2018 on US measures on EU farm support under the CAP (in the context of Spanish olives) (2018/2566(RSP))**

*The European Parliament,*

- having regard to the interim decision taken by the US Department of Commerce, which has imposed a tariff on Spanish olives after concluding that the subsidies that the olive producers received in the EU meant that olive products could be imported into the US at below market price,
  - having regard to the question to the Commission entitled ‘US attack on EU farm support under the CAP (in the context of Spanish olives)’ (O-000006/2018 – B8-0007/2018),
  - having regard to Regulation (EU) No 1307/2013 of the European Parliament and of the Council of 17 December 2013 establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy and repealing Council Regulation (EC) No 637/2008 and Council Regulation (EC) No 73/2009<sup>1</sup>,
  - having regard to Rules 128(5) and 123(2) of its Rules of Procedure,
- A. whereas the decision to impose tariffs of varying percentages on olive products exported by Spanish firms is based on the idea that aid to the olive sector granted under the common agricultural policy (CAP) could constitute unfair competition vis-à-vis US producers;
- B. whereas the decision calls into question, in an unfair and arbitrary manner, all the EU’s farming support programmes and could potentially affect all recipients of payments under the CAP;
- C. whereas there are serious doubts about whether the formula used by the US investigators to calculate the preliminary antidumping margin is compatible with the WTO rules;
- D. whereas the Commission has affirmed on several occasions that the support measures

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<sup>1</sup> OJ L 347, 20.12.2013, p. 608.

targeted by the countervailing duty (CVD) investigations (including the basic payment scheme, promotion measures and payments for young farmers) are not trade-distorting;

- E. whereas subsidies allocated from the CAP to primary producers of table olives in Spain qualify as ‘green box’ support according to Annex II of the WTO Agreement on Agriculture, since they are decoupled from production and are non-trade-distorting;
  - F. whereas the CAP measures under investigation are not product-specific and therefore not countervailable under Article 2 of the WTO Agreement on Subsidies and Countervailing Measures;
  - G. whereas the investigation launched into the Spanish olives case is one of the numerous trade defence investigations already opened by the US;
  - H. whereas the CAP has been transformed by means of several reforms in order to bring most support measures into line with the WTO’s green box requirements, and it is currently designed so as to ensure full compliance with WTO agreements, after switching from a coupled to a decoupled support system;
  - I. whereas the US is also a significant user of green box subsidies in agriculture;
  - J. whereas the US has imposed provisional antidumping duties of an average of 17,13 % on the three Spanish companies under investigation, and countervailing duties of an average of 4,47 % on any Spanish exported products;
  - K. whereas the provisional measures risk triggering a spiral of defence investigations by the US and other countries into green box subsidies for agricultural products; whereas that would ultimately damage EU and US producers; whereas this escalation puts long-established and carefully negotiated WTO agreements at risk;
  - L. whereas the Spanish manufacturers could lose the US market, while competitors from third countries would benefit from the export gap caused by the US decision;
  - M. whereas the economic impact on the Spanish olive sector, if these tariffs become permanent, is estimated by the sector to be between EUR 350 and 700 million over the next five to ten years, which could potentially lead to the end of Spanish ripe olive exports;
  - N. whereas the competitiveness of the Spanish exports, whose market share has progressively increased in the US in recent years, is the result of efforts made by these companies to reduce costs by means of investment in cutting-edge technology and quality improvements, and is not a consequence of European subsidies;
  - O. whereas the increase in Spanish exports to the US (+ 20 % since 2013) has enabled the creation of thousands of jobs and provided economic relief to areas of Andalusia that were among the hardest hit by the economic crisis;
1. Calls on the US authorities to withdraw their interim decision and re-establish a mutually constructive approach in this domain to the mutual benefit of producers and consumers on both continents;
  2. Expresses its serious concerns about the negative consequences that the US

countervailing procedure may have for the whole European agricultural model;

3. Calls on the Commission to take all necessary diplomatic steps, both at bilateral level and in the WTO, to defend our system of CAP support, which is regarded by the WTO as non-trade-distorting and which has been approved under the WTO green box procedure;
4. Asks the Commission to study the possibility of challenging any final US decision before the WTO;
5. Calls on the Commission to continue assisting the Spanish olive sector and the Government of Spain in order to ensure that WTO rules are fully respected by the US authorities in the course of these investigations;
6. Asks the Commission to give clear advice and strong support to the Spanish olive sector, which has been affected by the US investigations;
7. Calls on the Commission to join forces with the Spanish authorities and the Spanish olive sector and to continue exchanging all relevant information with the US authorities in order to prevent the imposition of any unjustified measure;
8. Instructs its President to forward this resolution to the Commission and the US authorities.