

Press release

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Study presentation:

Impacts of TTIP on SMEs in the food and farming sector

“Unfair competition will ruin European farmers. Quality-orientated small and medium-sized businesses are at risk.”

This is the result of a study by UnternehmensGrün, the German Association of Green Business, presented today in Berlin.

“European farms are still mainly small and family run, and cannot compete financially with large American businesses,” says Reuter. European farmers and food manufacturers export very little to the USA. The vast majority can expect little other than additional competition from a free trade agreement with the United States.

Dr. Reuter, author of the study, explains: “It is completely irresponsible to open our markets to further competition at a time when many small farms are already being driven out of business.” The reason that products such as **wheat** are so much cheaper in the USA, is due to genetically-modified technology and lower standards for the use of pesticides. “It is still not clear how the EU intends to protect small and medium-sized farms and food manufacturers from this unfair competition,” warns Reuter.

The study shows that “**TTIP would make it more difficult to clearly label GM products**”, says **Joachim Weckmann, who runs a small bakery business** in Berlin. “If more genetic modified plants enter the European market, the non-GM farmers would be over-proportionately burdened with the costs of keeping their products separate and ensuring that they are GM free.” In the USA there has been no differentiation between conventional and genetically-altered plants since 1986. GM now accounts for 90 - 95% of all maize, soya, sugar beet and rapeseed.

Further results of the study include:



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- **TTIP makes it more difficult to label animal products, when animals have been fed on genetically modified feed.** This is despite the fact that the coalition agreement of the current German government calls to extend the labeling on this kind of products.
- **Meat farmers will not be able to compete with the economies of scale of large American industrial producers,** who work on a massive scale and use highly cost-efficient methods.
- The **Maximum Residue Limits of pesticides on fruit and vegetables in the USA is up to 500 times higher than in the EU.** TTIP requires a compromise. The current suggestion of the EU to base future standards on the Codex Alimentarius means a reduction of European standards.
- **Dairy farmers cannot expect exports to solve their current problems.** TTIP will mean even more price competition and drive yet more small dairy farmers out of business.

Dr. Katharina Reuter emphasises: “Our interviews with farmers and food producers show that TTIP ignores the needs of small and medium-sized businesses. Companies who wish to export are already able to do so. Besides, TTIP will not reduce all existing barriers to trade. TTIP ignores the emphasis on regional markets the local producers strive for.”

A summary of and the full study can be found at www.unternehmensgruen.de (in German)

“We do need trade agreements, including one with the USA,” says **Dr. Felix Prinz zu Löwenstein**, chairman of the German Association of Organic Farmers, Food Processors and Traders (BÖLW). “But any agreement must ensure that those who profit are not those with lower standards, or those who externalize their costs by harming the environment, the poor, or future generations. CETA and TTIP deliver the opposite. I fear that our right to set new standards in the future is in danger. Mechanisms which would allow partners to insist on their own high standards for imports are not envisaged. Yet such mechanisms can be part of trade agreements, as shown by the existing bio-equivalence agreement between the EU and the United States.”

Founder of the organic bakery **Märkisches Landbrot** in Berlin, Joachim Weckmann says: “Agriculture is inherently regional. Märkisches Landbrot buys around 80% of its wheat and other cereals locally. TTIP will endanger regional supply chains, if competition increases. The EU has just reported that German farmers lost more than one third of their income per employee last year, because prices for milk, wheat and cereals have fallen. At the same time more and more small farms are going out of business. Opening our market to cheaper competitors from the USA would dramatically increase the rate at which farmers are forced to sell up.”

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