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Proposal for a

COUNCIL DECISION

**on the signing, on behalf of the European Union, of the Agreement between the
European Union and the Republic of Chile on trade in organic products**

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

In its conclusions on organic farming of the 3237th Agriculture and Fisheries Council meeting, the Council of the European Union encouraged the Commission to improve the current mechanisms to facilitate international trade in organic products and require reciprocity and transparency in any trade agreement.

On 16 June 2014 the Council authorised the Commission to negotiate agreements between the EU and third countries on trade in organic products.

On the basis of the Council's negotiating directives, the Commission has negotiated with Chile an agreement reciprocally recognising the equivalence of the respective organic production rules and control systems as regards certain products.

The agreement with Chile on trade in organics products aims at fostering trade in organic products between the EU and Chile, achieving a high level of respect of the principle of organic production rules as well as the reciprocal protection of the organic logos.

The equivalence agreement will allow for products produced and controlled according to EU rules to be directly placed on the Chilean market and conversely. It will also provide for a system of co-operation, exchange of information and dispute settlement in organic trade.

Chile will recognise as equivalent all Union's organic products included in the scope of Regulation (EC) No 834/2007, namely: unprocessed plant products, live animals or unprocessed animal products (including honey), aquaculture products and seaweeds, processed agricultural products for use as food (including wine), processed agricultural products for use as feed, vegetative propagating material and seeds for cultivation.

On the other hand, the Union will recognise as equivalent the following products from Chile: unprocessed plant products, honey, processed agricultural products for use as food (including wine), vegetative propagating material and seeds for cultivation.

Chilean production rules for animal products other than apiculture as well as feed were not found equivalent and could possibly only be recognised as equivalent at a later stage, once Chile develops its legislation for these products. Although Chile has no rules for organic aquaculture, it has accepted to recognise EU organic aquaculture products and seaweeds.

While for the Union no conditions on imported ingredients are foreseen, processed agricultural products for use as food that have been processed in Chile must use Chilean organically grown ingredients or ingredients imported to Chile either from the Union or from a third country recognised as equivalent (in accordance with Article 33 (2) of Regulation (EC) No 834/2007) by the Union - but not from third countries for which the EU has only recognised control authorities or bodies (in accordance with Article 33 (3) Regulation (EC) No 834/2007).

2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

The Commission negotiated this agreement according to Council Decision of 16 June 2014 that authorised the Commission to negotiate agreements between the EU and third countries on trade in organic products and adopted the relevant negotiating directives.

Trade policy is within Union's exclusive competence. Consequently, this Agreement is negotiated and signed in accordance with Articles 207 and 218 of the TFEU.

3. RESULTS OF EX-POST EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS

Not applicable

4. BUDGETARY IMPLICATIONS

No budgetary implications

5. OTHER ELEMENTS

Not applicable

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular the first subparagraph of Article 207(4), in conjunction with Article 218(5) thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) On 16 June 2014, the Council authorised the Commission to open negotiations with third countries with a view to conclude agreements on trade in organic products.
- (2) The Commission has negotiated, on behalf of the Union, an agreement with the Republic of Chile on trade in organic products ('the Agreement').
- (3) In this Agreement, the Union and the Republic of Chile recognise the equivalence of their rules on organic production and control systems as regards organic products.
- (4) The Agreement aims at fostering trade in organic products, contributing to the development and expansion of the organic sector in the Union and in the Republic of Chile, achieving a high level of respect of the principles of organic production rules, of guarantee of the control systems and of integrity of organic products. The protection of the respective organic logos should also be improved. The Agreement also aims at enhancing regulatory cooperation between the Parties on issues related to organic production.
- (5) Therefore, the Agreement should be signed on behalf of the Union, subject to its conclusion at a later date,

HAS ADOPTED THIS DECISION:

Article 1

The signing of the Agreement between the European Union and the Republic of Chile on trade in organic products is hereby approved on behalf of the Union, subject to the conclusion of the said Agreement.

The text of the Agreement to be signed is attached to this Decision.

Article 2

The Council Secretariat-General shall establish the instrument of full powers to sign the Agreement, subject to its conclusion, for the person(s) indicated by the negotiator of the Agreement.

Article 3

This Decision shall enter into force on [...].

Done at Brussels,

*For the Council
The President*