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European Union

Oilseeds and Products

European Oilseed Alliance Complaint

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Report Highlights:

A group called the European Oilseed Alliance intends to file a complaint with the European Commission against US soybean subsidies.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Brussels USEU [BE2], E2

On December 18, 2002, a group called the European Oilseed Alliance (EOA) announced that they plan to file a complaint with the EU Commission about US soybean subsidies. The complaint is expected to be formally filed during the week of January 6th. EOA was created by oilseed producers in France, Germany and other EU Member countries specifically to pursue a complaint against US subsidies. FEDIOL, the European seed crushers and processors federation is not participating.

EOA plans to file their complaint under an EU Regulation called the "Trade Barriers Regulation" which says that the EU Commission is required to act upon complaint by a citizen or group that says they are affected by a trade barrier. The group making the complaint must be shown to be representative of the affected industry. When the Commission receives the complaint, they have 45 days to decide whether to pursue the complaint by opening an "examination procedure." This examination procedure should be completed within 5 to 7 months of its announcement in the Official Journal. If the examination shows it is warranted, further action would then be taken, including bilateral negotiations or WTO consultations. Full details can be found in Council Regulation 3286/1994.

EOA allegedly claim that the US is in breach of its Uruguay Round commitments saying that US subsidies exceed the 1992 baseline level and therefore are not covered by the Peace Clause. They claim that this has lowered prices and therefore damaged their interests. Showing damage is required under the Trade Barrier Regulation. At this time, it is unclear whether or not the EU Commission intends to pursue the complaint. The first formal indication will be after the 45-day period after filing, at which time the Commission will publish their decision about whether or not to open an investigation.