

CEMA calls for EU-U.S. Mutual Recognition Agreement on Conformity Assessment for Agricultural Equipment

Ten years ago, in April 2013, CEMA took a position in favour of an EU-US trade mini-deal achieving mutual recognition of machinery Conformity Assessment. In light of the recent Trade and Technology Council talks between the European Union and the United States exploring new opportunities to improve cooperation in conformity matters, including components, machinery and other sectors, CEMA wants to reiterate its support for a Transatlantic agreement on conformity assessment.

Introduction

CEMA is the association representing the European agricultural machinery industry. With 11 national member associations, the CEMA network represents both large multinational companies and numerous European SMEs active in the sector.

The industry comprises about 7,000 manufacturers, producing more than 450 different types of machines with an annual turnover of about €40 billion (EU28 - 2016) and 150,000 direct employees. CEMA companies produce a large range of machines that cover any activity in the field from seeding to harvesting, as well as equipment for livestock management.

CEMA considers freer trade to be an increasingly important component of global food security in regard the challenge of feeding a growing, more affluent and increasingly urbanized population in the decades ahead. Freer trade in agricultural machinery and new technologies will benefit farmers by broadening access to and choice of quality farming equipment. This in turn enables farmers to boost productivity and sustainability to the benefit of customers and the environment.

The EU and the USA are the two largest agricultural machinery producers worldwide including companies such as John Deere and AGCO of American parentage, who also are major manufacturers in the EU, and CNH Industrial, Kuhn and Kubota of European parentage who also have major production plants in the USA. Many of the larger agricultural equipment manufacturers produce specific components and spare parts centrally in one location on either side of the Atlantic for subsequent shipment to specific production sites in the EU, USA or the rest of the world. Agricultural machinery markets in the EU and the USA are increasingly interconnected, yet still divided by a lack of mutual recognition on conformity assessment.

Agricultural equipment trade volumes between the EU and the US are substantial and fast growing. In 2020 the EU exported agricultural machinery worth EUR 2.3 billion to the US, 2.9 billion in 2021 and 4.2 billion in 2022 (almost doubling in 3-year time).

In terms of the statutory and regulatory regimes governing agricultural machinery production, sales and utilization on both sides of the Atlantic, some joint provisions already apply, such as:

- Requirement for Roll-Over Protection Systems (ROPS) on the tractors are harmonized under the OECD; and
- Several UNECE regulations apply to both geographies.

However, Mutual Recognition on Conformity Assessment for Agricultural Equipment between the EU and the US remains limited. This is partially due to different legal systems that sometimes prohibit the ability for notified Bodies in the EU or the US to certify products for the conformity assessment required by the other partner.

Also, there are no certifications of US agricultural machinery, type-approval schemes or operating licenses required for the US. There are no administrative or legal barriers to US market entry at the federal level. A product marketed in the EU will have few adaptations needed to enter the US.

In the EU more than 150 notified bodies approved for the Machinery Directive also serve as U.S. Recognized Testing Laboratories, approved by the U.S. Occupational Safety and Health Administration (OSHA). In the US, there is currently no notified body approved for assessing the Machinery Directive requirements because of various barriers, mainly coming from the EU legal framework; trade technical barriers that CEMA calls for being lifted.

The limited number of notified options able to certify equipment on both sides create real barriers to trade, especially for US companies and EU SMEs, especially regarding components.

Therefore, CEMA calls on the EU and the US partners to address the following points in the upcoming negotiations led by the Trade and Technology Council.

1. Achieving greater coordination on technical requirements for entering the agricultural machinery market in the EU and the US.

Greater coordination on mutual recognition of certifications for agricultural machinery in the EU and the US would substantially reduce transaction costs for businesses and for the benefit of customers. In addition, common technical standards in the field of occupational safety, road safety, autonomy and environmental protection would lower production costs in Europe and

the United States. At the same time, this would not come at any expense in terms of the quality or safety of the final products.

CEMA calls on the TTC to promote the development of common standards (such as ISO-CEN standards or UN-ECE regulations) for cross safety aspects for agricultural equipment. CEMA would welcome formal alignment in the areas of cross-sector safety aspects for agricultural machinery and support same requests coming from other mechanical industries.

There may be also scope for EU authorities to establish notified bodies in the US. This the advantage that no regulatory adaptation or change would be needed from the United States. It would be a matter of contract between the authority and a business partner delivering conformity assessment for the EU market.

2. Achieving mutual recognition of certification between the EU and the US.

In the same way, as differences in certification procedures continue to exist between EU Member States, they also exist between the EU and the US, mainly on tractors (European type-approval in the EU versus ISO standards in the US) and occupational safety for agricultural machines, trailers and interchangeable towed equipment (Machinery Directive with harmonised standards in the EU versus ISO standards in the US).

Thanks to the close links that exist between the EU and the US within the large producers of agricultural machinery, the technical provisions that are outlined in ISO and CEN standards for agricultural machinery are often made within the Vienna agreements between ISO and CEN so that a duplication of work is avoided.

The procedures on how to certify machines which comply with these standards are, however, markedly different between the US-EU.

CEMA therefore calls on the EU and the US to create one common platform, through the TTC, either within ISO and CEN or directly between the EU and US administrations to decrease the administrative and testing costs for companies by developing a common certification procedures for agricultural machinery on both sides of the Atlantic

Frankfurt agreement for IEC or Vienna agreement for CEN are provided to promote the exchange of information, to increase transparency and to avoid duplication of work. These should be more leveraged for common certification procedures in the future.

Also, normative references not allowed today to perform conformity assessment in the EU bring new challenges. Indeed, new technologies are developed sometimes under US SDOs

and some consensus should be found through relevant ETSI partnerships such as 3GPP, OneM2M or the well-known consortium applying FRAND* principles, like for Bluetooth.

Regarding the EU more specifically, CEMA is of strong opinion that the New Legislative Framework (NLF) offers the best basis to ensure legal certainty.

This will ensure that exporters with similar products in their portfolio will be able to work with one Certified body for their whole portfolio and will not be bound to use the services from various bodies whether they sell products to the domestic or the export market, having a positive impact on the export administrative costs. Language barriers should also be removed to lower unnecessary costs.

3. CEMA encourages cross sector harmonization

CEMA encourages cross-sector harmonization, where there are further opportunities. AEM, ORGALIM, CEMA, CECE, EGMF, EUROMOT are the relevant trade associations for developing a consistent and a common approach of all off-road sectors in new areas of work around autonomy, electrification, alternate fuels and chemicals/substances.

These stakeholders should become EU and US partners to consult with in a coordinated fashion when a regulation impacting their sectors is being drafted, so that the proper functioning of the EU and US markets will be both preserved from unnecessary Non-Trade Barriers.

ABOUT CEMA

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