

STUDY

Requested by the INTA committee



Trade aspects of the Strategic Dialogue on the future of EU agriculture and the impact of trade on the competitiveness and sustainability of European agriculture



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ABSTRACT

This paper examines the trade aspects of the Strategic Dialogue on the future of EU agriculture and its impact on the competitiveness and sustainability of European agriculture. It highlights the dual role of trade as both a challenge and an opportunity for the EU agricultural sector. On the one hand, trade opens new markets and provides access to essential inputs, thereby increasing productivity and profitability. On the other hand, it introduces competitive pressure and market volatility, requiring constant innovation and efficiency. The paper identifies offensive sectors of EU agriculture, such as alcoholic beverages and cereals, which benefit from trade, and defensive sectors, such as beef and sugar, which are vulnerable to international competition. It also discusses the regulatory divergences faced by EU farmers and the need for a level playing field to ensure fair competition. The paper concludes with recommendations to support farmers, strengthen border controls, promote EU standards globally and reduce import dependency in order to improve the resilience and sustainability of the EU agricultural sector.

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Executive summary

This study examines the trade dimensions of the Strategic Dialogue on the future of EU agriculture, focusing on the impact of trade on the competitiveness and sustainability of European agriculture. The analysis shows how international trade affects different agricultural sectors within the EU, presenting both opportunities and challenges.

Trade plays a dual role in the EU agricultural sector. On the one hand, it can bring significant benefits to the sector by expanding markets and increasing sales, especially in areas where the EU has a comparative advantage or is known for high quality. Trade also provides access to essential inputs, such as fertilisers, which increase the productivity and profitability of EU agriculture. On the other hand, trade can introduce competitive pressure into the EU market. This can lead to lower prices, lower incomes and lower employment.

The study identifies EU agricultural sectors as either offensive or defensive based on their trade performance and level of protection. Offensive sectors, such as alcoholic beverages and cereals, benefit from trade and have significant export values driven by strong global recognition. These sectors are well positioned to capitalise on international market opportunities, enhancing their competitiveness and profitability. In contrast, defensive sectors such as beef and sugar face higher production costs and are currently highly protected in the European market. They are more vulnerable to international competition in the event of trade liberalisation. The paper emphasises the importance of a balanced trade policy to protect these sensitive sectors while promoting overall agricultural growth.

The study identifies as a major challenge the EU's dependence on imports for certain final products, such as fruit, and key agricultural inputs, including vegetable oils, oilseeds and fertilisers. This reliance poses significant risks, particularly in the event of supply disruptions.

The study highlights the increasing use of standards worldwide, driven by consumer demand for safer and more sustainable products and the need for traceability in international production processes. It highlights the stringency of the EU regulatory system designed to ensure the quality, safety and environmental sustainability of agricultural products. Certain EU standards increase production costs for EU farmers, by reducing their competitiveness against imported products, and by imposing administrative burdens on farmers. However, they also protect the EU market from foreign competition by preventing non-complying products from entering the market. Moreover, they boost consumer confidence, thereby increasing sales of domestic producers on the European market. Relevant EU standards apply to both domestic and imported products, with strict border controls to ensure compliance. Enforcing standards on [Non-Product Related Process and Production Methods \(NPRPPMs\)](#) at borders is challenging, as it requires extensive monitoring and verification.

To address these challenges and enhance the resilience and sustainability of the EU agricultural sector, the paper makes several recommendations. First, it suggests that farmers should be helped to cover additional expenses due to regulatory requirements by implementing targeted funds within the Common Agricultural Policy (CAP). Simplifying administrative procedures and promoting innovation in sustainable practices are also recommended to ease the burden on farmers. These measures aim to support farmers in adapting to regulatory demands while maintaining their competitiveness.

Strengthening border controls is another key recommendation. Developing traceability tools and supporting technology to detect difficult-to-detect substances are essential steps. These efforts would help ensure that imported products meet EU standards, protecting both consumers and domestic producers.

Promoting EU standards globally is also emphasised. The paper suggests using trade agreements to promote EU standards and defend EU preferences in international institutions and standard-setting bodies. By advocating for high standards worldwide, the EU can create a level playing field for its farmers and promote sustainable agricultural practices globally.

In order to achieve these objectives, it is essential to support third countries in ensuring the traceability and sustainability of their agricultural production and in complying with EU standards. Technical support and capacity building through regulatory cooperation and technical assistance are therefore recommended.

Finally, the paper highlights the need to reduce the EU's dependency on imports. Promoting trade agreements and strategic partnerships to diversify sources of essential inputs is essential. Encouraging sustainable agricultural practices to reduce reliance on imported inputs is also decisive to ensure the resilience of EU agri-food systems. These strategies would help mitigate the risks associated with import dependency and enhance the overall sustainability of the EU agricultural sector.

In conclusion, trade has a multifaceted impact on European agriculture, presenting both opportunities and challenges. The paper underscores the importance of balancing trade liberalisation with the need to protect vulnerable sectors and maintain high standards for quality, safety and environmental sustainability. Through targeted support, robust regulatory frameworks and strategic international partnerships, the EU can navigate the complexities of global trade while promoting a competitive and sustainable agricultural sector.

1 Introduction

Agriculture is crucial to the security of the European Union, by ensuring a stable supply of food and raw materials. It also plays a central role in European societies, supporting rural economies, preserving cultural heritage and promoting sustainable development. The EU agricultural sector is currently facing many challenges. It has to deal with major environmental issues such as climate change, pollution, loss of biodiversity and depletion of natural resources. On the global market, intense competition is now coupled with increasing protectionism, adding to the uncertainties facing the sector. The diversity and complexity of the EU agri-food systems make these challenges even more difficult to address, requiring tailored and multifaceted approaches to policy and practice.

For its agricultural sector, the EU has a number of key objectives. The first is to ensure a fair standard of living for farmers by making their activities both competitive and profitable. Secondly, the EU aims to guarantee food security and nutrition for all consumers, ensuring that everyone has access to safe, nutritious and sustainable food. Finally, the EU seeks to promote sustainability and resilience within the agricultural sector, enabling it to adapt and thrive in a rapidly changing world.

The EU has implemented several policies to promote a sustainable, fair, healthy and environmentally friendly agri-food system. The Common Agricultural Policy (CAP) is central to these efforts, providing financial support to farmers to stabilise their incomes and encourage agricultural productivity. The CAP encourages sustainable farming practices through direct payments linked to environmental and social requirements, and supports rural development initiatives to address specific local needs. The European Green Deal is a comprehensive strategy to make the EU economy more sustainable and to tackle climate and environmental challenges head-on. Within this framework, the Farm to Fork Strategy promotes sustainable food production and consumption practices. In addition, the Biodiversity Strategy aims to protect and restore ecosystems and biodiversity, which are essential for maintaining the health and sustainability of agricultural landscapes. These policies are linked, with the CAP supporting the objectives of the Green Deal, Farm to Fork and Biodiversity strategies, working together towards a resilient and sustainable agri-food system in the EU.

Launched in January 2024, the Strategic Dialogue on the Future of EU Agriculture aims to develop a common understanding of the EU's future agricultural and food system. The final report emphasised the need for a sustainable, resilient and competitive agri-food system in Europe. It highlighted the importance of tackling climate change, biodiversity loss and pollution, while supporting farmers through innovative practices and policies. It also called for greater cooperation between stakeholders to ensure a socially responsible and economically viable future for EU agriculture. In February 2025, the Commission presented its Vision for Agriculture, which sets out a roadmap for creating a fair, competitive and sustainable agri-food system in the EU. In particular, the vision identifies as a priority objective a greater alignment of production standards for imported products to ensure that the EU's ambitious standards do not lead to competitive disadvantages, while remaining in line with international rules.

With a market share of 12.5 % as an exporter and 8.5 % as an importer, the European Union is the major player in world agricultural trade. Over the past three decades, it has been actively involved in numerous trade agreements with third countries. However, both farmers and consumers have been sceptical about the fairness of trade liberalisation in the agricultural sector. Concerns arise in

particular from differences in production costs, often influenced by differences in labour costs, and differing regulatory standards.

This briefing addresses the crucial question of how trade affects the competitiveness and sustainability of European agriculture in the context of the Strategic Dialogue on the future of EU agriculture. Trade has potentially different types of impacts on the agricultural sector. On the one hand, it creates some opportunities by opening up new markets and providing access to inputs that are either not produced in the EU or produced at lower cost abroad, which can increase productivity and profitability. On the other hand, trade may be associated with certain risks, such as increased competitive pressure on the domestic market and increased market volatility, which requires constant innovation and efficiency. The impact varies between agricultural sectors, depending on global demand, EU tariffs, regulatory differences and differences in production costs. For example, sectors with high global demand may thrive, while those with lower competitiveness may struggle. The impact of trade on consumers should not be forgotten. Trade provides access to cheaper products or goods not produced in the EU, such as tropical fruits and off-season vegetables. This increases consumer choice and helps to stabilise prices.

To analyse the impact of trade on the competitiveness and sustainability of Europe's agricultural sectors, this paper first provides an overview of previous research on the subject, showing how international trade can be either a risk or an opportunity for the EU's agricultural and food sectors. Second, it conducts an in-depth analysis – using trade, production, consumption and tariff data – to identify which sectors or products benefit from trade, and which are vulnerable. In particular, it distinguishes between offensive sectors, which are well positioned to take advantage of global markets, and defensive sectors, which are more vulnerable to international competition. The paper then discusses the regulatory divergences faced by farmers and makes recommendations on how to level the regulatory playing field between EU and non-EU farmers to ensure a fair and rules-based trading system. This approach aims to maintain the global competitiveness of the sector and a balanced trade policy. Finally, the last section concludes and proposes forward-looking recommendations based on the findings of the previous sections.

2 Existing knowledge on the impact of trade on EU agriculture

2.1 Trade as an opportunity

Trade can be an **opportunity for agricultural sectors as it expands markets, allowing access to more consumers and inducing higher sales.** This is particularly true for sectors where the EU has a comparative advantage or where EU quality is well known, such as dairy, pork or alcoholic beverages (JRC, 2024).

Ex-post assessments of the impact of agreements signed by the EU suggest that trade liberalisation can benefit the European agricultural sector. A study conducted for the European Commission in 2016 (EC, 2016) found that trade agreements with Mexico, South Korea and Switzerland increased EU agri-food exports by more than EUR 1 billion. According to Brehon (2024), in the four years following the implementation of the Comprehensive Economic and Trade Agreement (CETA), EU exports of pork to Canada tripled and exports of French cheese increased by 57 %. Exports of German cheese to Switzerland increased by EUR 530 million following the EU-Swiss agreements (EC, 2016). Exports of wines and spirits, such as cognac and champagne, particularly increased after the opening of Asian markets, according to Harada and Nishitatenno (2021) and Czermińska (2023).

Increased exports generally have a positive impact on agricultural production and employment (Greenville et al., 2019), especially when they involve high-value products (Cheong et al., 2013). However, it is difficult to assess the real impact of increased sales on EU farmers. Forget et al. (2019) suggests that, for the EU's largest agricultural exporters (Germany, Belgium, the Netherlands, Spain, Italy and France), the increase in exports offsets the negative impact of imports, with a net positive effect of trade openness on unskilled employment. Export demand was also found to support employment in pork processing and farming (Chatellier, 2021). The report by the European Commission (EC, 2016) estimates that trade agreements with Mexico, South Korea and Switzerland have increased value added in the agri-food sector by EUR 600 million and supported nearly 20,000 jobs in the agri-food sector, of which 13,700 are in primary agriculture. These job gains are mainly due to the increase in EU exports to South Korea and Switzerland, which led to increased exports of high-value products, while the agreement with Mexico mainly led to an increase in imports. The positive impact of trade liberalisation on European agriculture depends thus not only on the sector concerned, but also on the trade partner. Agreements with high-income countries, which are more likely to import high value-added European products, are more beneficial for European agriculture (EC, 2016). Increase in exports **also benefits other actors in the agri-food supply chain**, including wholesale and retail trade and other business activities related to the production and export of agri-food products (Greenville et al., 2019).

The positive impact of trade on the agricultural sector is not limited to expanding markets for exports. As suggested by Tangermann (2011), both exports and imports **help to reduce price volatility in the domestic market**. Year-to-year fluctuations in domestic production can be effectively buffered by adjusting the quantities imported or exported, leading to more stable markets.

2.2 Trade secures inputs

International trade plays a key role in strengthening European agriculture by **providing access to essential and diverse inputs at competitive prices**. In particular, trade facilitates **access to chemical fertilisers such as nitrogen and phosphate**, which are essential to maintain high levels of production, especially on poor soils. According to Loi et al. (2024), the EU imported 45 %, 46 % and 58 % of its consumption of inorganic nitrogen, phosphate and potash nutrients respectively in 2022. Nitrogen and phosphate fertilisers, which are essential for maintaining agricultural yields, depend heavily on imports from countries such as Russia, Morocco, Egypt and Algeria.

Albaladejo Román (2023) also points out that more than **75 % of the European Union's vegetable protein requirements for animal feed, in 2018, were met by imports**, mainly soybeans from Brazil, the United States and Argentina.

Finally, European agriculture also **benefits from energy imports**, which is essential for agricultural production processes and the manufacture of fertilisers.

The interconnection of the EU agri-food system with international markets reduces production costs and makes farms more competitive on the world market. By taking advantage of these resources, European agriculture can maintain high yields to meet the population's food needs. However, reliance on imported fertilisers or plant proteins is not without risk: it creates situations of dependency that need to be examined and addressed through the implementation of appropriate policies.

Loi et al. (2024), has stressed the need to reduce European agriculture's dependence on imported inputs. It advocates a **transition towards more resilient agro-ecological models that depend less on external inputs, in order to ensure food security and the long-term sustainability of the EU's agricultural sector**. Dependency is even worse when imports come from a limited number of global suppliers (Loi et al., 2024). Recent crises, such as COVID-19 and the war in Ukraine, have highlighted the fragility of European agricultural systems in the face of external shocks. The EU's structural reliance on imports questions EU resilience to supply-chain disruptions, to world price volatility and to geopolitical shifts, **highlighting the urgent need for diversification and sustainability in the food system**.

2.3 Trade increases competition on the EU market

Trade represents an opportunity for European agricultural sectors but also carries certain risks. Specifically, **imports of agricultural products, when more competitive than domestic products, compete with European production**. This competition can potentially lead to lower prices, and therefore lower income or employment, as is the case in low- and middle-income countries (Greenville et al., 2019).

In the case of the European Union, Forget et al. (2019) suggest that imports had a **significant and negative effect on employment and the wages of unskilled workers** during the period 1995–2015. The effect is more pronounced if the imports come from Africa or America, which compete more directly with domestic sectors that are intensive in unskilled labour. In the beef sector, Chatellier (2021) suggests that imports from South America and New Zealand create challenges for European producers of high-value beef, particularly in France.

Foreign competition can have a negative impact on employment and income, but **the competitive effect of agricultural imports can also have a positive impact on agricultural productivity** (EC, 2016). This finding is confirmed by Olper et al. (2013), who show that the pro-competitive effect of import penetration accounts for more than 20 % of total factor productivity growth in nine agrifood sectors. This effect goes hand in hand with a trend towards farm consolidation, where smaller farms are unable to compete and are either absorbed by larger firms or go out of business altogether. According to [Eurostat](#), there were 9.1 million farms in the EU in 2020, an estimated 5.3 million fewer than in 2005, a decrease of about 37 %.¹

Most studies on the impact of trade on European agriculture focus on the effects of free-trade agreements (FTAs). These studies aim to assess the impact of agreements either before they are signed (ex-ante evaluation) or a few years after their implementation (ex-post evaluation). Ex-post analysis is more data intensive than ex-ante analysis. Many years are needed to fully assess the impact of agreements once they have been implemented, while ex-ante evaluation only uses a single reference year. As a result, there are relatively few ex-post evaluations of FTAs. Nevertheless, the European Commission carries out ex-post analyses for all signed agreements.² For instance, the impact of the agreements with Mexico, Korea and Switzerland on European agricultural imports was found to be relatively small (EC, 2016), which is consistent with the findings of most ex-post studies on other agreements. This can be attributed to the fact that **the EU agricultural sector remains largely excluded from trade liberalisation, despite the agreements signed by the EU**. This is mainly due to the European Commission's precautionary approach to sensitive sectors. Bureau et al. (2018) highlight the low level of trade liberalisation in European agriculture, noting that average tariffs decreased by only 0.9 percentage points between 2001 and

¹ <https://ec.europa.eu/eurostat/web/products-eurostat-news/-/ddn-20230403-2>

² https://policy.trade.ec.europa.eu/analysis-and-assessment/ex-post-evaluations_en

2013. Almost all of this decline was due to a reduction in EU unilateral protection, suggesting that FTAs **have only marginally contributed to opening up EU agricultural markets**.

Ex-ante studies make up a significant part of the analysis of the impact of FTAs. These studies, generally based on general equilibrium or partial equilibrium models, evaluate the potential consequences of a given economic policy through various pre-defined scenarios. They help to identify specific sectoral issues and heterogeneities across sectors, but they are by no means predictions. The expected impact of trade liberalisation in ex-ante evaluations depends strongly on the scenarios considered and the trading partners with which the EU engages. Bureau et al. (2019) simulate the economic consequences for the agricultural sectors of two stylised scenarios. **If all trade agreements under negotiation at the global level were to be implemented, excluding products generally considered as sensitive in past FTAs, European agricultural production would fall by 0.1 %**. For comparison, a global trade war would have a very negative impact on trade (imports and exports), but a relatively marginal impact on production (-0.3 %). The small magnitude of these effects is due to the fact that **the EU's domestic market remains the main outlet for European agriculture**.

The European Commission's Joint Research Centre (Ferrari et al., 2024) evaluates the prospective effects of new FTAs under negotiation (Australia, India, Indonesia, Malaysia, Philippines, Thailand) or recently negotiated (Mercosur, Mexico, Chile, New Zealand) on the EU agricultural sector. According to this report, agri-food imports are expected to increase by between 2.7 % (EUR 3.1 billion, conservative scenario) and 3.6 % (EUR 4.1 billion, ambitious scenario) following the implementation of these FTAs, with Mercosur countries contributing strongly to the increase in EU imports. Some sectors – including **beef, sheep meat, poultry, sugar and rice – are very sensitive to import competition, leading to a fall in production and prices**. These sectors are exactly those that are at the core of farmers' concerns and have led to social and political unrest, particularly during the negotiations of CETA and the recent EU-Mercosur FTA.

The next section presents a detailed analysis using trade, production, consumption and tariff data to determine which sectors or products benefit from trade, and which are at risk.

3 Offensive and defensive European agriculture sectors

3.1 The EU, a major player in global agricultural trade

The European Union is the **major player in global agriculture**, accounting for 12.5 % of global exports in 2023 ([BACI – Base pour l'Analyse du Commerce International, Gaulier and Zignago, 2010](#)).³ In addition, the EU is an important destination for international agri-food exporters, importing 8.5 % of the world's agri-food products. The EU maintains an overall positive trade balance in the agri-food sector, amounting to USD 69 billion (EUR 64 billion) in 2023. This figure masks significant disparities between sectors: while the EU is a key exporter in some sectors such as cereals, alcoholic beverages, dairy, vegetables and pigmeat, trade is very low for other meats and sugar (Figure 1). In the fruits, oil crop and vegetal oil sectors, the EU is even a net importer.

Cereals are the leading agricultural sector in the European Union. In 2023, cereal exports reached USD 45,512 million (EUR 42,141 million), accounting for 21 % of the EU's agricultural exports (Figure A.1). The EU is a major player in the world market, contributing almost 15 % of the world's cereal

³ https://www.cepii.fr/CEPII/en/bdd_modele/bdd_modele_item.asp?id=37

exports (Figure A.2). The value of exports for these products soared between 2013 and 2023 (+86 %, Figure 3), partly due to price effects. In addition, the EU imports several types of cereals, which make up 11 % of its agricultural imports. These imports include rice, as well as different varieties of corn and wheat. This did not prevent the EU from having a positive trade balance of USD 29,272 million (EUR 27,104 million) in this sector (Figure 2).

Alcoholic beverages are also an important sector for the European Union, with more than USD 33,831 million (EUR 31,325 million) of exports in 2023, accounting for 16 % of EU agri-food exports. With a global market share of 29 %, the EU stands as the world leader. In addition, the EU imports various alcoholic beverages to increase the varieties available to its consumers, including whiskies, bourbons and wines from the New World. Similar to cereals, the sector has a large positive trade balance, which improved between 2013 and 2023.

Dairy is the third most important agri-food sector in the EU by export value; exports rose from USD 15,000 million in 2013 to USD 21,013 million (EUR 19,457 million) in 2023. This sector accounts for 10 % of the EU's exports and is highly competitive, with a 20 % share of the global export market. The EU has a positive trade balance in dairy products, as imports are relatively low.

The EU also benefits from a positive trade balance in the **vegetable sector**, which represents 8 % of EU exports, and in miscellaneous **edible preparations**, which account for 9 % of EU exports. The EU holds a good world market share in these two sectors, with 18 % for miscellaneous edible preparations and 13 % for vegetables.

The position of the meat sector in the EU varies considerably between different types of meat, although all are characterised by relatively low levels of imports, resulting in positive, albeit modest, trade balances. **Pigmeat** stands out with the highest level of exports at USD 6,881 million (EUR 6,372 million). Although it accounts for only 3 % of EU agri-food exports, its 19 % share of the world market makes the EU a major player in this sector. **Poultry** exports are lower at USD 3,396 million (EUR 3,145 million) and have a smaller share of the world market at 10 %, but this is still a notable figure. In contrast, the **beef sector** has very low levels of exports and imports, resulting in an almost balanced trade. It should also be noted that, in the meat sector, animal products other than meat (offal, bones, hair, leather) are not negligible, representing 4 % of EU exports.

The **sugar** sector in the European Union has a positive but small trade balance, characterised by low levels of trade accounting for less than 3 % of total EU imports and exports. While exports are slightly higher than imports, they do not correspond to the same product, as the EU exports beet sugar while importing cane sugar.

Fruits and nuts are the top agri-food import in the EU, accounting for 21 % of imports and valued at USD 29,547 million (EUR 27,358 million). This makes the EU an important market for global fruit exporters, representing 15 % of world fruit imports. However, the EU also exports fruits, holding 6 % of the global export market. The EU does not import and export exactly the same products, as a significant share of EU imports consists of out-of-season and exotic products. Between 2013 and 2023, imports increased by 34 % without any corresponding rise in export levels, leading to a deterioration in the trade balance, which became the most significant among other sectors in 2023.

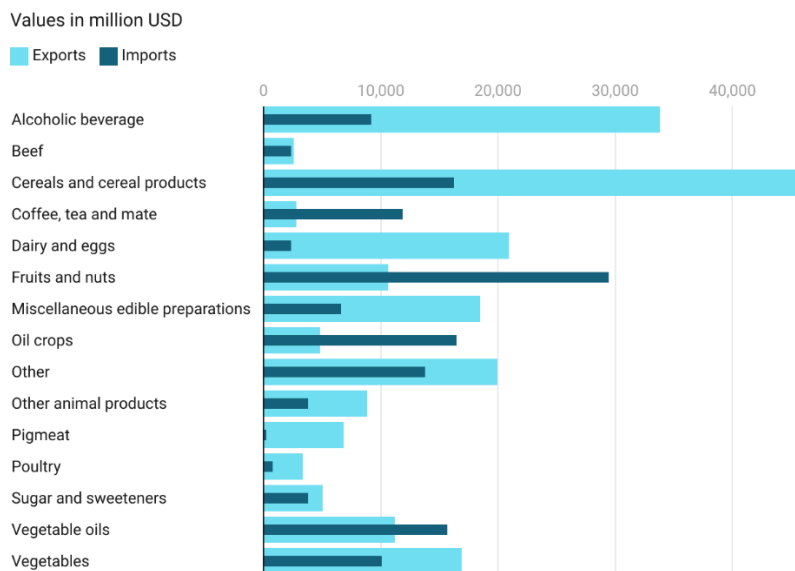
Oil crops account for 11 % of the EU's agri-food imports. The EU is an important market at world level, importing 11 % of the world trade in oil crops, mainly for animal feed (soya cake). The EU's exports of oil crops are relatively low, resulting in a negative trade balance.

Vegetable oils are the third most important agri-food import for the EU, with imports of over USD 15,757 million (EUR 14,590 million), representing 11 % of EU agri-food imports. The EU accounts for 11 % of world imports. While EU exports of vegetable oils are substantial at USD 11,222 million (EUR

10,391 million), the trade balance remains negative. This overall figure hides the heterogeneity within the sector, as the EU does not import and export the same products. The EU exports mainly olive oil, while it imports groundnut oil and palm oil, which are used in various processing sectors.

Finally, the EU heavily relies on the world market for the sector of **coffee and tea**, which has a negative trade balance and represents 8 % of EU agri-food imports.

Figure 1. EU-27 exports of agri-food products in 2023



Note: In 2023, the EU-27 exported \$33,831 million of alcoholic beverages to the rest of the world, and imported \$9,265 million of alcoholic beverages from outside the EU. * "Other" includes cocoa products, non-alcoholic beverages and spices.

Source: BACI • Created with Datawrapper

Figure 2. EU-27 trade balance by agri-food sector

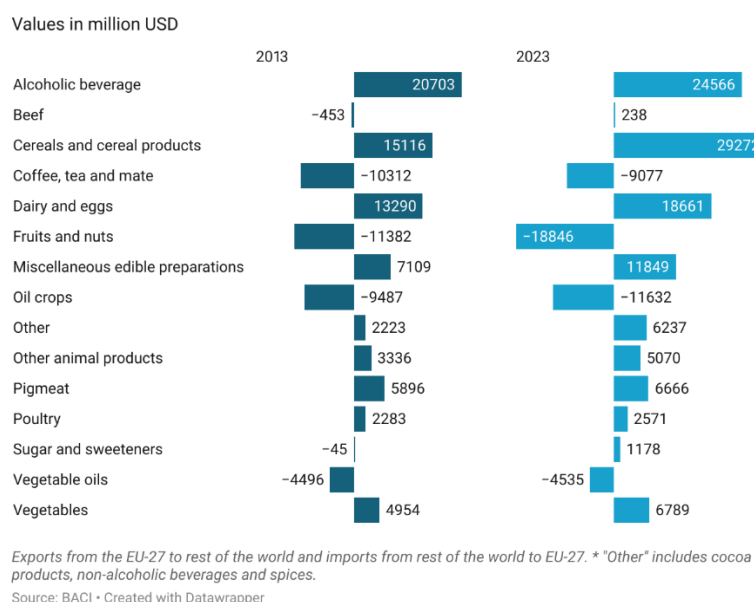
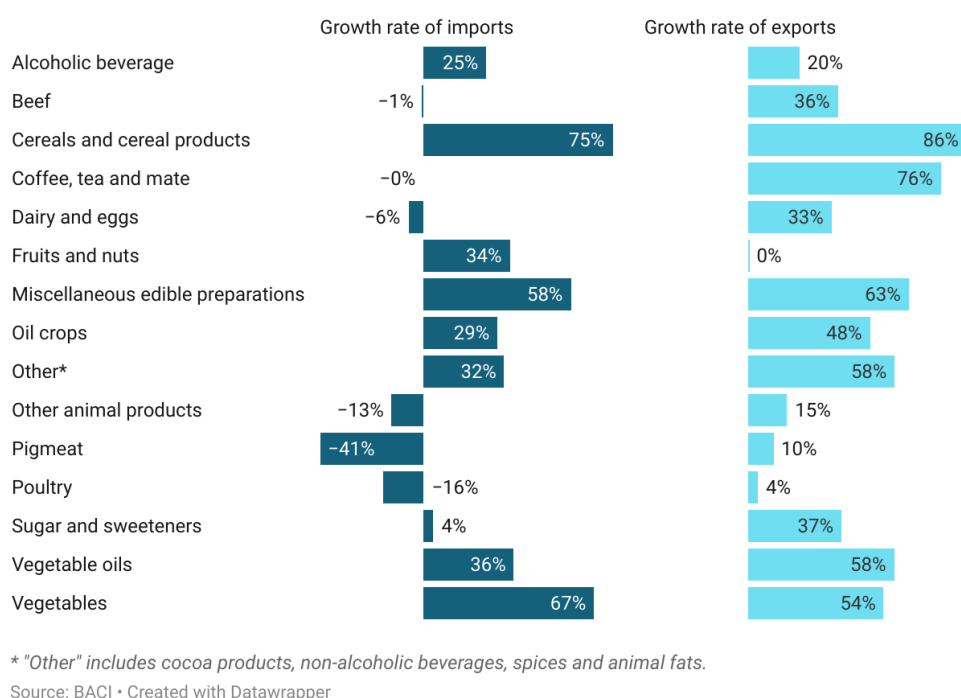


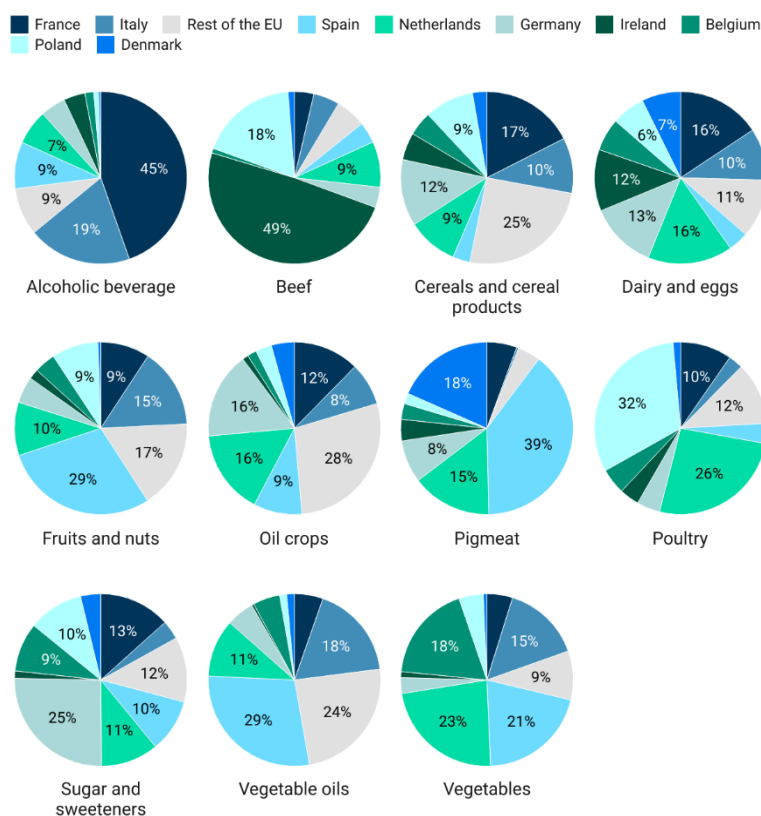
Figure 3. Variation in EU trade between 2013 and 2023, by agri-food sector



Member States show considerable heterogeneity in agri-food exports, with **strong specialisation patterns by country** (Figure 4). For example, France dominates the alcoholic beverages sector and accounts for 45 % of EU exports of these products. Ireland is responsible for almost half of the EU's beef exports. The Netherlands and Spain together account for 58 % of EU poultry exports. Pigmeat exports are concentrated in Spain (39 %) and Denmark (18 %). Spain is also the leading exporter of fruits and nuts (29 %) and vegetable oils (29 %). On the other hand, cereal exports are more evenly distributed among Member States such as France, Germany, Italy and the Netherlands, as are dairy exports, which are shared between France, the Netherlands, Germany and Ireland.

The heterogeneity between Member States also matters in terms of **trade openness and main partner countries**. Some countries, such as the Netherlands and Germany, are highly dependent on foreign markets outside the EU for their exports and imports, reflecting their global trade orientation (Figure A.3). The Netherlands, for example, exports a large share of its agricultural products outside the EU, which is partly explained by its role as an export platform for other members (Rotterdam effect). In contrast, other Member States, such as Spain and Italy, trade mainly within the EU and are more dependent on intra-EU trade. These differences highlight the diversity of EU Member States' trade priorities and challenges, reflecting different agricultural strengths and market dependencies.

Figure 4. Distribution of EU-27 exports by agri-food sector and Member State in 2023



Source: BACI • Created with Datawrapper

3.2 Trade in European agricultural production and consumption

Analysis of EU trade shows the EU's strategic strengths and vulnerabilities in the global agri-food market. The EU is a strong exporter with positive trade balances and substantial global market shares for cereals, alcoholic beverages, dairy, and pig meat. On the other hand, the EU relies heavily on imports and has negative trade balances for fruits, oil crops, vegetable oils, and coffee/tea. The trade patterns for poultry, beef and sugar are less clear, with positive trade balances but relatively low levels of trade.

To understand the degree of dependence of European agricultural sectors on international trade, it is necessary to compare trade with EU production and consumption (see Figure 5). **Cereals and alcoholic beverages are clearly trade-oriented** sectors: almost a quarter of European production in these sectors is exported, while about 10 % and 13 % respectively of total EU consumption is imported from non-EU partners. Trade is therefore essential for these sectors as it provides an

important outlet for production. The EU has strong comparative advantages and, in the case of beverages, benefits from well-established global recognition.

A **considerable proportion of EU pigmeat and vegetable production is also exported (21 %)**, making international trade crucial for farmers' incomes. Imports play an important role in vegetable consumption, especially for off-season products but also because of differences in production costs. The pattern is somewhat different for **dairy products, where only 12 % of production is sent to extra-EU markets**, possibly due to perishability and higher trade costs in this sector.

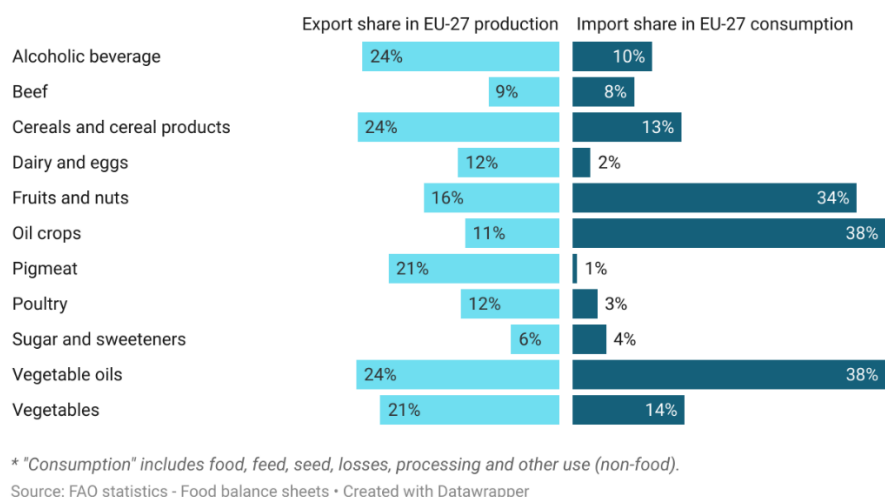
Comparing imports with EU consumption clearly shows the **high level of trade dependency in the sectors of fruits, oil crops, and vegetable oils**, with 34 %, 38 %, and 38 % of consumption, respectively, composed of imported goods. Interestingly, the vegetable oil and fruit sectors also rely on foreign markets for exports; 16 % of fruit production and 24 % of vegetable oil production (mainly olive oil) are exported.

Trade does not play a strong role in the consumption or production of poultry, beef and sugar for the European Union. The poultry sector exports 12 % of its production, but the share of imports in consumption is very low (3 %). In the beef sector, only 8 % of production and consumption is traded, indicating limited dependence on international markets. The same holds for the sugar sector, with only 4 % of consumption and 6 % of production traded. These sectors are relatively closed to trade, reflecting a more self-sufficient approach within the EU.

It's important to note that, even though trade volumes are relatively low in the meat and sugar sectors, they are not completely disconnected from the global market and **remain sensitive even in the case of small imports variations**. Agricultural markets are characterised by inelastic supply and demand, meaning that production and consumption levels do not easily adjust to changes in market conditions (agricultural products are often perishable and their production cycles are long, making it difficult for local producers to quickly adapt to sudden changes in market supply). As a result, even a small increase in the quantity of imported products can lead to significant price fluctuations.

Prospects from the EU Agricultural Outlook 2024 suggest that the **EU will remain a net importer of maize and oil crops** (EC 2024). The EU is expected to **continue to be self-sufficient in wheat, meat, dairy products, olive oil and wine** and to stay a net exporter in these sectors. However, changes could result from EU consumption patterns. In particular, the EU's demand for meat is projected to decrease, while the consumption of plant proteins is expected to increase, potentially leading to an increase in imports. As these changes take place relatively slowly, their impact is likely to be small, at least in the medium term.

Figure 5. Share of imports and exports in EU-27 production and consumption in 2022



3.3 Varying levels of tariff protection at entry to the EU

Differences in the trade orientation of European agricultural sectors reflect not only EU specialisation but also trade policies. The level of customs duties depends on the EU’s priorities, such as protecting farmers’ incomes in sectors facing international competition or allowing affordable sourcing both for producers (intermediate inputs) and consumers (final goods). The level of tariffs also depends on a complex system of preferential agreements signed by the European Union.

Sectors where supply is a priority and production levels are low tend to have lower tariffs (MAcMap-HS6, Guimbard et al. 2012). Sectors previously identified as highly import-dependent, such as **vegetable oils, oil crops, coffee and tea, have low tariffs at entry of the EU market**, respectively 4.7 %, 0.3 % and 0.3 % in 2022 (Figure 6). The relatively small level of production in Europe compared to consumption, as well as the use of these products as inputs in animal production (e.g. soy cakes) or in the processing industry (e.g. palm oil and peanut oil), makes it advantageous for EU farmers and companies to have access to these products at low prices.

Similarly, sectors considered to be competitive on exports markets are less protected than others. For example, the **alcoholic beverages sector has a relatively low tariff** of 7.7 % compared to the average tariff of 13.3 % for EU agricultural sectors. This lower tariff reflects the competitiveness of the sector and its strong export orientation, which makes it less dependent on high levels of protection.

Cereals, fruits and vegetables have tariffs that are relatively close to the average, at 11.4 %, 9.8 % and 5.6 % respectively. However, these averages conceal significant heterogeneity depending on specific products. For instance, tariff peaks can be found for most products protected by compounded duties (expressed as a combination of a percentage and a tariff expressed in euro per imported unity), among which products garlic (9.6 % + 120 EUR/100kg, i.e. 311 %), mushrooms (18.4 % + 191 EUR/100kg, i.e. 227 %) or some orange juice (33.6 % + 20.6 EUR/100kg, i.e. 39.2 %) exhibit a high level of protection. Nevertheless, some products are imported tariff-free such as dried shelled beans, fresh coconuts or mangoes.

On the other hand, the European Union’s tariff aims to protect from international competition certain sectors that are considered more strategic, sensitive or less competitive. **Animal products**

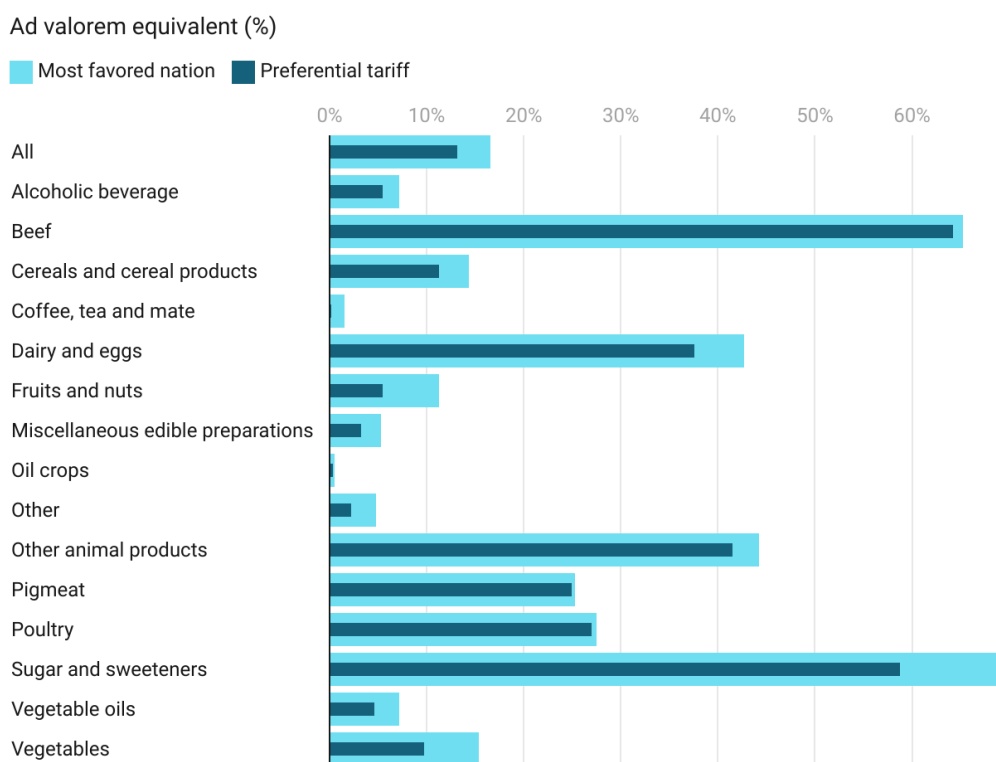
and sugar are by far the most protected sectors at European market entry. These sectors traditionally have high tariffs worldwide, but they are particularly high at EU market entry. In 2022, the tariff for beef was 64.3 %, compared to the global average of 38 % (Figure A.4). Similarly, sugar had a tariff of 58.9 %, while the global average was 38 %. Other animal products faced a tariff of 41.5 % (28 % globally), dairy products 37.6 % (similar to the global level), poultry 27.1 % (24 % globally), and pig meat 25.1 % (similar to the global level). These high tariffs explain the low level of EU imports in these sectors, as they are very prohibitive.

High tariffs in the **meat, dairy and sugar sectors suggest that these are the sectors most sensitive to trade liberalisation.** Some fruits and vegetables are also protected by high tariffs or by entry price systems (where the entry price determines the level of tariff applied). These products are currently highly protected from international competition and there is significant potential for market opening that could be of interest to partner countries.

A comparison of most favoured nation (MFN) tariffs (applied in the absence of tariff preferences) with preferential tariffs (including all preferences such as bilateral trade agreements and the European Generalised System of Preferences) (GSP) shows that the preferences granted so far under preferential agreements have not been very high for the sensitive agri-food sectors. Not only are **preferential tariffs still high**, but some preferences, such as those for beef, poultry and sugar, are mainly regulated using tariff rate quotas, which grant a low preferential tariff only for a limited imported quantity. For example, under the Comprehensive Economic and Trade Agreement (CETA) between the EU and Canada, the beef quota is limited to 48,000 tons per year ('Hilton', fresh and frozen), i.e. 0.77 % of EU consumption. Despite the many preferential agreements signed by the EU, the most sensitive agricultural sectors in the EU remain highly protected from international competition, which explains their low degree of openness to international trade.

The combination of tariff and trade data suggests that, while **alcoholic beverages are clearly an offensive sector for the EU, beef, sugar and poultry are identified as defensive interests.** The EU is a major exporter of **pork, cereals and dairy products, but high tariffs in these sectors make them potentially sensitive to trade liberalisation.**

Figure 6. European tariffs on agri-food products in 2022



* "Other" includes cocoa products, non-alcoholic beverages, spices and animal fats.

Source: MAcMap-HS6 (Guimbard et al., 2012) • Created with Datawrapper

3.4 Differences in production prices

Given the current level of tariff protection at the entry of the European Union for certain sectors, it is difficult to accurately assess their sensitivity to international trade, as they are only marginally exposed to it. A comparison of the production costs of the most sensitive products in the EU with those of the main exporting countries in the world gives an idea of the EU's relative competitiveness in these sectors. These figures should be treated with caution, as products from different countries are not directly comparable and production conditions can be very heterogeneous within each country or region (as is the case within the EU-27). Nevertheless, they help to identify the products that may be most sensitive to increased competition in the EU market.

Based on Food and Agriculture Organization (FAO) data, the EU has consistently higher production costs for all types of meat (beef, pigmeat and poultry) compared to North America and Mercosur (Figure 7). The EU also has higher prices than Mercosur for cereals, milk and sugar, although these prices are lower than in North America. In contrast, Australia and New Zealand have higher farm-gate prices than the EU for beef, cereals and pigmeat that could be explained by higher quality, but lower prices for milk.

These figures highlight the **lower competitiveness of the EU compared to Mercosur**, which make these countries serious global competitors. The **higher prices for all meat products** indicate that these sectors represent a defensive interest for the EU in trade negotiations. This explains why, in most of the agreements signed by the EU, tariff concessions for these products are generally limited and defined for relatively small predefined volumes (for example, the tariff quota for beef negotiated in the agreement with Mercosur is 99,000 tonnes, equivalent to 1.2 % of European

consumption). It should be noted, however, that higher prices may also imply higher-quality products, although this is difficult to establish definitively. Overall, assessing the competitiveness of EU products is challenging due to the difficulty of measuring quality differences. EU production is characterised by high standards, resulting in higher costs but also potentially higher quality.

Figure 7. Average production prices in main agricultural sectors in 2020

Values in USD/tonne

	Beef	Cereals	Milk	Pigmeat	Poultry	Sugar
EU-27	2,627	209	395	1,722	1,524	32
Australia and New Zealand	2,886	301	381	2,217	1,383	29
Mercosur	1,486	174	316	1,473	1,142	19
North America	2,362	226	429	1,389	1,287	46

Source: FAO • Created with Datawrapper

4 Regulatory divergence faced by EU farmers

4.1 A stringent EU regulatory system

Low-quality or hazardous goods and production processes can harm humans, animals, plant life or the environment. Standards are therefore essential to ensure the quality, safety and environmental sustainability of food and agricultural products. They protect consumer health by, for example, prohibiting the use of harmful pesticides in agriculture and reducing the risk of food and water contamination. They address information asymmetry by providing consumers with clear and reliable information about the products they buy. Environmental standards promote sustainable practices and minimise the use of damaging chemicals to reduce pollution, deforestation and emissions.

The use of standards has increased worldwide since 1995 (UNCTAD-WTO, 2020). There are two main reasons for this trend. First, sanitary and environmental crises have increased consumer demand for safer, environmentally friendly products and better information. Consumers now prioritise products that ensure their health and safety while also being sustainable. Secondly, the internationalisation of production processes has made traceability essential. As producers no longer control their entire supply chain, standards help ensure that each step of the production process meets the required safety and quality criteria.

Differences in collective preferences are at the origin of standard divergences. In the European Union, standards tend to be higher due to different factors (Disdier and Fugazza 2020). First, the EU's high income allows it to pursue environmental and consumer protections that typically lead to higher prices. Second, public awareness and past scandals such as mad cow disease have made health, safety and environmental risks politically unacceptable. Finally, the higher standards in the EU can be attributed to the precautionary principle, which is a central component of EU regulatory decision-making (Bradford 2020). This principle allows decision-makers to take precautionary measures when the scientific evidence about a risk to the environment or human health is uncertain and the stakes are high, as in the cases of genetically modified organisms (GMOs) and beef hormones.

The EU regulatory system is also characterised by standards that are not compulsory but voluntarily adopted by producers. Organic labels and geographical indications (GIs) are two examples of these voluntary public standards. GIs protect products whose quality, reputation or other characteristics

are linked to their geographical origin. They inform consumers about product attributes, prevent misuse and counterfeiting, and protect producers from low-quality competitors. Organic labels ensure that products are made using sustainable production processes that promote environmental protection, such as avoiding artificial fertilisers, herbicides, pesticides or hormones. Both labels increase consumer trust and demand but also generate costs for producers (Duvaleix et al., 2021); their protection on the European market is ensured by public authorities in each Member State.

4.2 EU standards at the border

Relevant European standards apply to all products on the EU market, without distinction between imported and domestic products. To ensure compliance with these standards, the EU imposes strict border controls. These controls are more or less easy to implement, depending on the type of standard. Product standards are generally easier to enforce and check at the border. They may relate to the presence of certain chemicals in imported goods, or labelling or hygiene requirements. Their control is usually straightforward, although the detection of some specific substances can be challenging (Sanjuan, 2023). Standards on Non-Product Related Process and Production Methods (NPRPPMs), on the other hand, are more difficult to enforce because they require certification and inspection within trading partner markets. Good Agricultural and Environmental Conditions (GAEC) is a good example of a European NPRPPMs standard that is difficult to enforce at the border. Designed to ensure that agricultural practices are sustainable and environmentally friendly, they include requirements for soil management, water protection, and habitat and landscape conservation. Ensuring that imported agricultural products meet these standards requires extensive monitoring and verification processes that can be difficult to operate effectively in third countries where there may be limited capacity for effective monitoring and enforcement. Another example of this is the Deforestation Initiative, where the EU aims to prevent products linked to deforestation from entering its market. The challenging implementation of this directive highlights the complexity of enforcing border controls on process standards, even though the goal of this standard is to conserve a global resource.

Border related controls are internationally regulated by the Sanitary and Phytosanitary (SPS) and Technical Barriers to Trade (TBT) agreements under the World Trade Organization (WTO) framework. These agreements allow WTO members to enforce standards provided they do not create unnecessary barriers to trade or result in arbitrary discrimination, and if they are based on international benchmarks. The UNCTAD database shows that all agricultural and food products are subject to SPS measures when entering the EU market while TBTs affect over 98 % of products imported into the EU, making it one of the most regulated markets in the world ([UNCTAD database](https://trainsonline.unctad.org/bulkDataDownload)).⁴ This regulatory disparity between the EU and other regions is often a source of tension between trading partners. Some European standards are perceived as discriminatory and unnecessarily restrictive, ostensibly for protectionist reasons, leading to specific trade concerns being raised by the EU's trading partners (131 SPS and 320 TBT up to 2024, WTO Trade Concern Database). These concerns sometimes escalate into trade disputes (e.g. salmonella case with Brazil; see Ghodsi, 2022).

⁴ <https://trainsonline.unctad.org/bulkDataDownload>

4.3 Level the playing field

Stringent EU regulation has several effects on EU farmers. First, they increase production costs, leading to a loss of competitiveness on both internal and external markets. For example, EU farmers may face higher costs due to the need for additional inputs or changes in production practices to meet regulatory requirements. This can make their products more expensive than those from regions with less stringent standards (Fiankor et al., 2019). While some of these costs cannot be reduced without lowering the standards' requirements, managing these standards can also lead to administrative expenses for farmers (EC, 2018). Second, these regulations act as a quality signal, increasing product safety and consumer confidence, particularly within the European market but also abroad (Santeramo and Lamonaca, 2019). Consumers are more likely to buy products that they perceive as safer and of higher quality, which can increase demand for EU products. Thirdly, non-EU farmers face fixed and variable costs in complying with high EU standards, so it is only worthwhile to do so if there is sufficient market access. This is evident in sectors such as hormone-free meat, where producers have to invest in compliance measures in order to access the EU market. Therefore, the application of European standards at borders partly protects EU producers from international competition (Xiong and Beghin, 2014).

While standards protect the European market from its competitors and boost demand, they may also increase production costs. **Ensuring a level playing field appears essential to maintain the competitiveness of the EU agricultural sector, both domestically and internationally.**

On the internal market, the enforcement of standards at the border is key. This includes strengthening traceability systems and controls to ensure that EU rules prevent the import of incompliant products. Testing for pesticide residues and other contaminants needs to be intensified, possibly by supporting research to develop new detection methods for the substances most difficult to detect. As mentioned above, the challenge is to control production processes abroad, which is difficult even if they have a negative impact on EU or globally shared resources. To address this, it is important that the EU supports third countries to ensure the traceability and sustainability of their agricultural production, through regulatory cooperation, technical assistance and capacity-building. This approach not only ensures fair competition; it also promotes sustainable practices globally.

To keep EU agriculture competitive on export markets, one solution is to provide support to farmers to offset the costs of meeting high standards. Targeted funds could assist farmers in covering the additional expenses incurred due to regulatory requirements, thereby levelling the playing field. Direct payments and agri-environmental measures of the Common Agricultural Policy already follow this approach. Simplifying EU administrative procedures could enhance the competitiveness of European farmers on the international stage by reducing these burdensome costs.

However, these two solutions cannot stand alone. The EU must also **promote the global diffusion of its standards**. By encouraging other countries to adopt similar standards, the EU can reduce the competitive disadvantage faced by its farmers. This approach not only supports fair competition; it also promotes higher global standards for environmental protection, food safety and food quality.

To promote its standards worldwide, the EU has several major advantages. First, it benefits from a large and attractive market. With 449 million consumers and a GDP per capita of approximately EUR 40,000, the EU is one of the largest markets in the world, in terms of both population and economic influence. Second, it has a strong regulatory history and an efficient regulatory framework. The EU's ability to shape global markets through its regulations is known as the Brussels effect (Bradford 2020). This concept suggests that foreign companies find it more advantageous

to comply with EU standards than to opt for more lenient regulations elsewhere, because it allows them to gain access to a large and lucrative market, without compromising their ability to operate in other regions. Once companies adopt EU standards for their production processes, they often lobby for similar regulations in their own countries, promoting global alignment with EU standards. This influence enables the EU to establish high benchmarks for consumer protection, environmental sustainability and product safety. By using its regulatory power, the EU encourages a global race to the top in standards, promoting higher quality and safety worldwide.

However, the growing influence of Asian countries on the international market and the increase in tariff protection worldwide make market forces alone insufficient to spread EU standards to third countries. To ensure a level playing field and avoid disadvantaging companies in third-country markets, the EU should **adopt an ambitious agenda to become a global standard-setter**. It should use its bargaining power to defend its health, social and environmental preferences through both its compulsory and voluntary standards. This is particularly important given the current global context: the absence of US leadership in setting international standards, the rising economic power of Asia, and the crisis of the WTO. The WTO has struggled to harmonise technical regulations and standards among its members, leading to trade barriers and disputes. In addition, the WTO's dispute settlement mechanism has been weakened, making it difficult to effectively enforce international trade rules. In this environment, the EU's proactive stance is crucial to maintaining high standards and promoting fair competition worldwide (Negi, 2020).

To disseminate its standards and preferences, the EU may use different channels. First, it may promote EU rules through **provisions in preferential trade agreements** (PTAs). PTAs can include requirements for partner countries to adhere to specific standards related to environmental protection, labour rights and food safety, thereby fostering high-quality and sustainable practices. They may also facilitate mutual recognition of conformity assessments between trade partners, ensuring that products tested and certified in one country are accepted in another without additional testing, which helps meet EU standards and smooths trade processes. Additionally, some PTAs incorporate technical assistance and capacity-building components, helping partner countries to meet EU standards through training, sharing best practices, and improving regulatory frameworks. More generally, PTAs may feature chapters dedicated to sustainable development, outlining commitments to uphold high standards in areas such as environmental protection and labour rights, and often include mechanisms for monitoring and enforcing compliance (Borchert and Di Ubaldo, 2020).

Secondly, the EU may continue to promote its agricultural and food standards globally **through active participation in various international institutions**, in particular United Nations (UN) agencies. The Food and Agriculture Organization (FAO) is a privileged partner to influence global food policy and promote sustainable agricultural practices. The World Health Organization (WHO), which provides leadership on global health issues, including food safety, is also a key player in promoting international food safety standards to ensure that food products are safe and nutritious. To promote environmentally sustainable agricultural practices, the EU's cooperation with the United Nations Environment Programme (UNEP) is essential. In addition, the EU's participation in the United Nations Conference on Trade and Development (UNCTAD) can further enable the EU to integrate its standards into international trade agreements and development programmes. Finally, through the United Nations Forum on Sustainability Standards (UNFSS), the EU can actively participate in dialogues and initiatives to promote sustainability standards globally. The UNFSS facilitates cooperation between governments, the private sector and civil society to improve the

implementation of sustainability standards, and provides a platform for the EU to promote its high standards and share best practices. In addition to the UN agencies, the OECD is also a platform where standards are being developed and where the EU, through its representatives, plays a crucial role in defending its regulatory model.

Thirdly, the European Union (EU) may **strengthen its influence in international standard-setting bodies**, in particular in the organisations often referred to as the 'three sisters': the Codex Alimentarius, the International Plant Protection Convention (IPPC), and the World Organisation for Animal Health (OIE). By actively participating in the Codex Alimentarius Commission, the EU can help shape global food safety and quality standards, and ensure that they are in line with its strict rules and precautionary principles. Through engagement with the IPPC, the EU can promote strong phytosanitary measures to protect plant health and prevent the spread of pests. Working with the OIE, the EU can promote high animal health and welfare standards, and influence global practices. The role of private operators must not be forgotten. The private sector plays an important role in setting standards, with private standards such as the Hazard Analysis Critical Control Point (HACCP) system being voluntarily adopted by producers and often later incorporated into government regulations (Du, 2018). Increased EU participation in the International Organization for Standardization (ISO), an independent non-governmental organisation that develops international standards for a wide range of industries, including agriculture and food, may allow it to contribute to the development of comprehensive standards covering aspects of food safety, quality, and sustainability. This issue is all the more important as China is investing heavily in such organisations to increase its influence (Baron and Whitaker, 2021).

5 Conclusion

Trade has a strong impact on European agriculture. By increasing competitive pressure on the domestic market, trade openness can reduce prices and farm incomes, often driving out the least productive farms. This is a particular challenge given the higher production costs in the EU due to labour and energy costs, and high standards. However, trade can also have a positive impact on the agricultural sector when it creates opportunities by giving farmers access to larger markets and cheaper inputs.

We identify **offensive and defensive sectors in European agriculture** based on trade performance and protection levels in the EU. Alcoholic beverages, with significant export values driven by strong global recognition, are a clear offensive sector. Cereals, dairy and pigmeat also have substantial world market shares due to their high quality and competitive prices, but are potentially sensitive to trade openness as they are currently protected by high tariffs. Beef, sugar and poultry are defensive sectors with high production costs and strict regulations, making them vulnerable to international competition. The beef sector is potentially highly sensitive to trade liberalisation due to high tariffs and low export levels. Similarly, the sugar sector has low import and export levels, with high tariffs providing protection. Poultry has also relatively low export levels and high production costs. These sectors require careful management to remain competitive under global market pressures. In each trade negotiations, the EU has defensive and offensive interests. Defensive sectors seek protection from imports to safeguard domestic industries, while offensive sectors seek to use market access to increase their export potential and gain a competitive edge internationally. **This duality is crucial in shaping trade policies and strategies within the EU, balancing the need for protection with the pursuit of growth through international trade.**

The EU is highly dependent on foreign production for certain final products that cannot be produced in the EU, such as fruit, and for various inputs used in agriculture or the agro-industry, such as vegetable oil, oil crops and fertilisers. While these imports strengthen European agriculture by providing access to essential inputs at competitive prices, this dependence carries significant risks, particularly in the event of supply disruptions. In particular, the EU's high dependence on imports of soybeans and chemical fertilisers exposes the agricultural sector to vulnerabilities. To reduce this dependence, a transition to more resilient agro-ecological models and, in the short term, diversification of supply sources are needed.

This paper highlights the **stringency of the EU's regulatory system** to ensure the quality, safety and environmental sustainability of European agricultural products. European standards help to protect the EU market from imports of non-complying products from third countries. However, ensuring that imported goods meet these standards, particularly process standards, at the EU border is challenging and requires extensive monitoring and verification. Moreover, while these rules can boost consumer confidence and demand for EU products by acting as a quality signal, they also increase production costs and administrative burdens for EU farmers, thereby reducing their competitiveness. **In a context of global warming and growing consumer demand for safer, healthier and sustainable products, the EU should continue to defend its preferences without compromising the competitiveness of its agriculture, both domestically and internationally.**

The Strategic Dialogue on the future of EU agriculture recommends to ensure a greater coherence between its trade and sustainability policy. In this context, we make the following recommendations:

1. Support farmers to offset the costs of meeting high standards

- Implement targeted funds to assist farmers, particularly small and medium-sized farms, in covering additional expenses due to regulatory requirements within the CAP framework.
- Simplify EU administrative procedures to ease the burden on farmers complying with standards.
- Promote innovation in sustainable practices to make them more affordable.

2. Strengthen traceability and controls at the EU border

- Develop traceability tools for production processes, potentially with third-country public or private certification bodies.
- Support technology and innovation to develop new detection methods for difficult-to-detect substances.
- Assist third countries in ensuring the traceability and sustainability of their agricultural production through regulatory cooperation, technical assistance and capacity-building.

3. Disseminate EU rules as a regulatory reference point

- Promote the EU regulatory system in trade agreements with a real commitment to EU standards.
- Defend EU preferences, particularly the precautionary principle, through participation in international institutions (FAO, WHO, UNEP, UNCTAD, UNFSS) and standard-setting bodies (Codex Alimentarius, IPPC, OIE, ISO).
- Help third countries comply with EU standards through regulatory cooperation, technical assistance and capacity-building.

4. Reduce dependencies of EU agriculture on imported inputs

- Promote sustainable agricultural practices to reduce dependence on imported inputs, particularly for protein-rich feed and fertilisers, and ensure the resilience of EU agri-food systems.
- Promote trade agreements and strategic partnerships with third countries to reduce the dependency of the EU on specific suppliers.

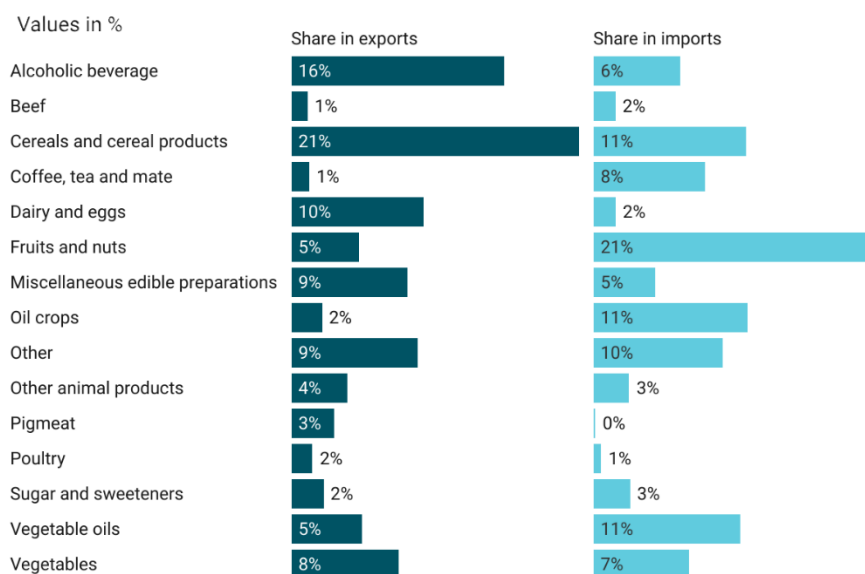
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Appendix

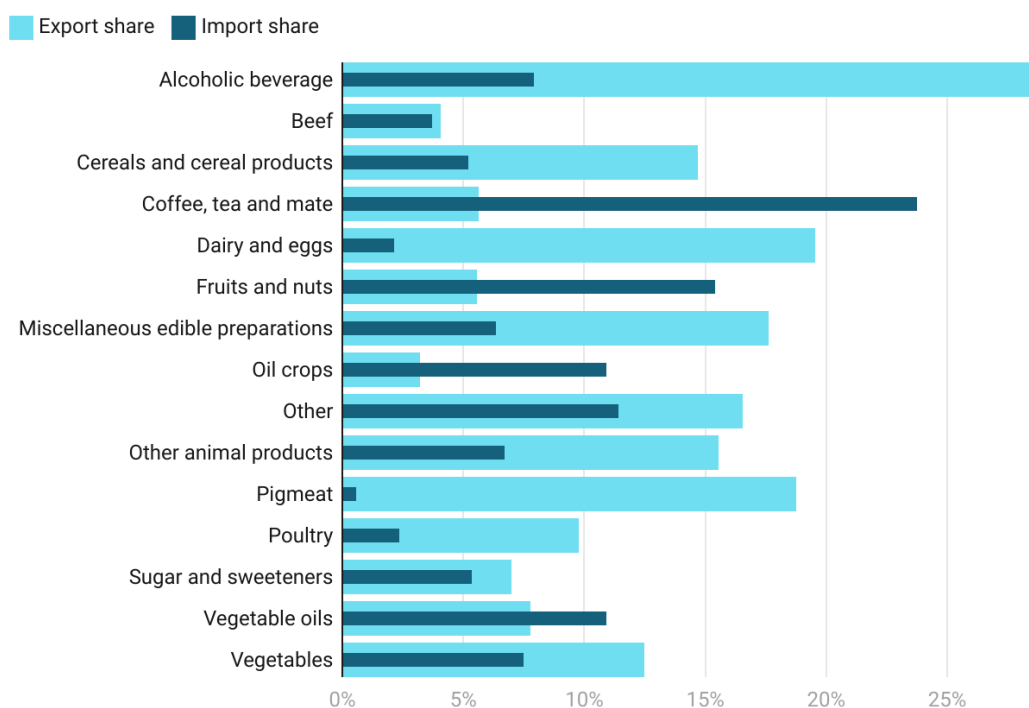
Figure A.1. Share in total EU-27 exports and imports of agri-food products in 2023



Trade between EU members states is excluded from the analysis.

Source: BACI • Created with Datawrapper

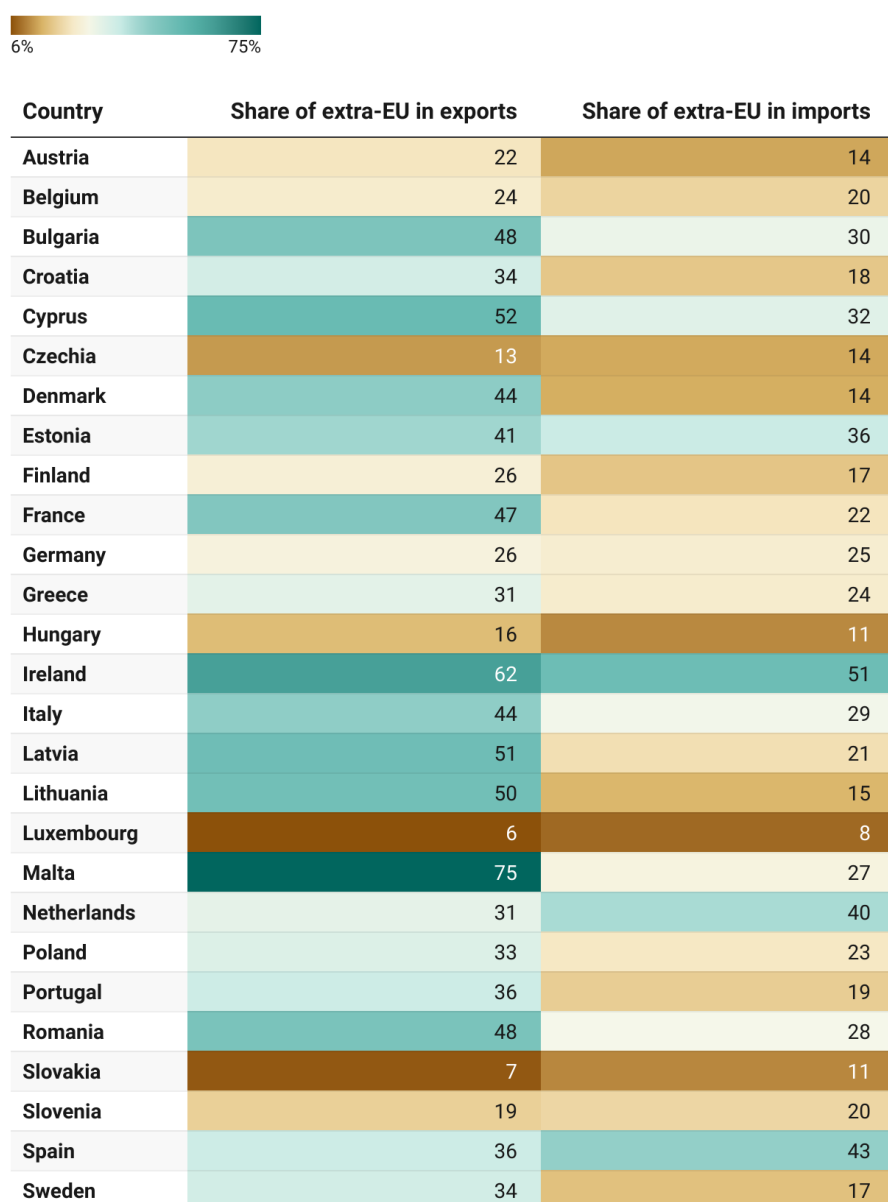
Figure A.2. EU-27 market share in global trade of agri-food products



* "Other" includes cocoa products, non-alcoholic beverages and spices.

Source: BACI • Created with Datawrapper

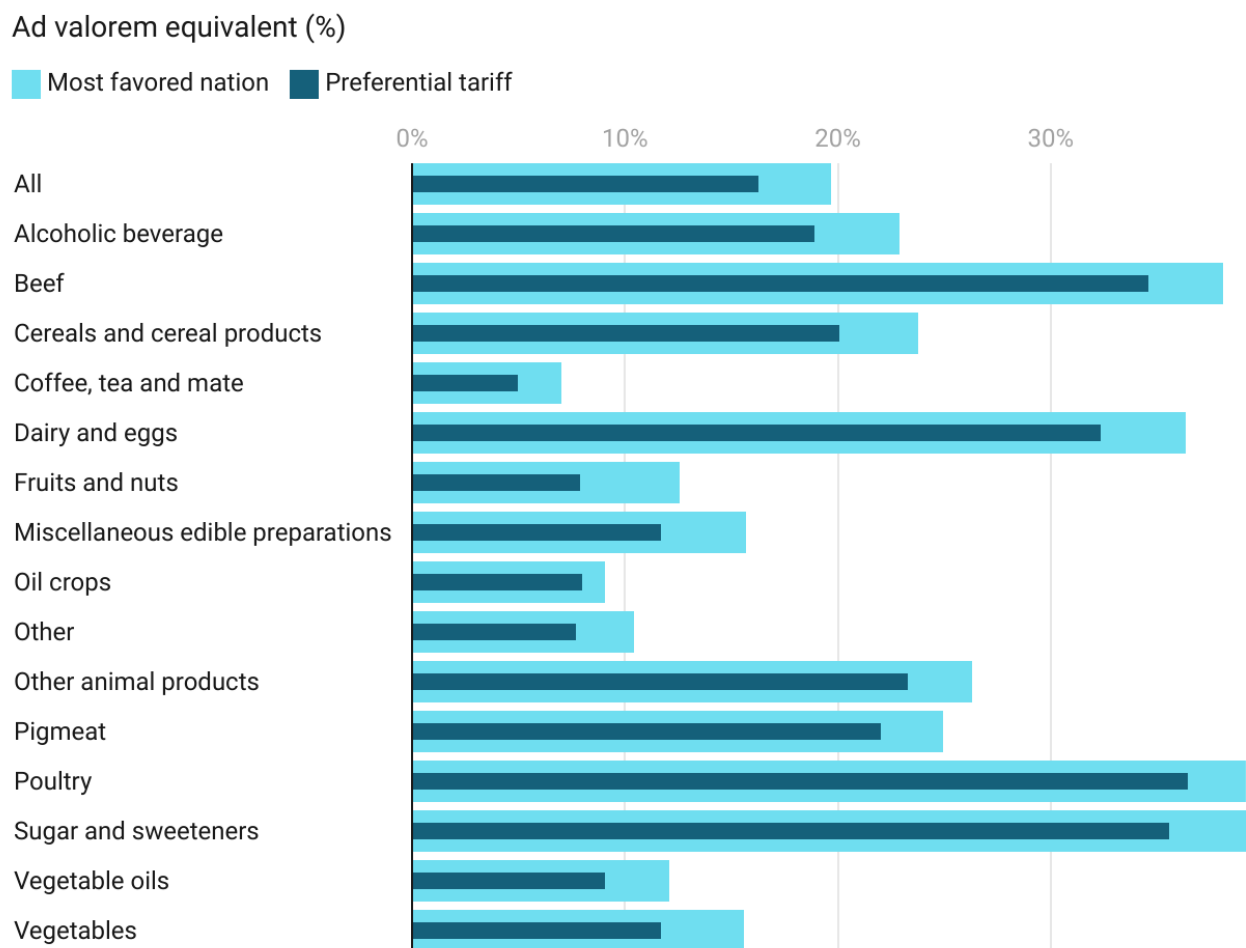
Figure A.3. Share of extra-EU trade in total agrifood trade by Member States in 2022



Source: BACI • Created with Datawrapper

Reading note: 22 % of agrifood exports of Austria is exported outside of the EU, and 14 % of Austrian agrifood imports come from outside of the EU.

Figure A.4. World tariffs in 2022



* "Other" includes cocoa products, non-alcoholic beverages, spices and animal fats.

Source: MAcMap-HS6 (Guimbard et al., 2012) • Created with Datawrapper

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