EU-US agricultural trade: facts, features and their implications

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EU-US agricultural trade aspects

- **The (often forgotten) big picture**
  - Trade is a two-way street…
  - …with many lanes in each direction…
  - …and different speeds in each lane

- **The (generally prevailing) small picture**
  - Trade is about conflicts and competition…
  - …while the partnership component takes second stage

- **The challenge**
  - Keep things into perspective
US agricultural exports to the EU

$billion $
US agricultural exports to the world

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USDA Outlook Conference
EU agricultural exports to the US

billion $


Consumer-oriented Intermediate Bulk
EU agricultural exports to the world

billion $
US-EU bilateral agricultural trade

billion $
EU global agricultural trade

EU exports
EU imports
EU from DC

billion euro


EU global agricultural trade
EU and US agricultural trade aspects

- **The export side**
  - EU mainly exporter of value-added products
  - US exports more balanced, still significant exporter of bulk commodities

- **The import side**
  - EU largest import market of developing world
  - US import origin picture more diversified
  - Average tariffs relatively low (not only in the US, look at EU preferences)
  - Some sectors with high protection on both sides
EU and US agricultural trade policies

- **The export side: different tools of export support**
  - EU export subsidies declining as a result of domestic reform
  - US export support measures shifted to more targeted tools
  - WTO disciplines only for EU measures

- **The import side: market access and the DDA**
  - Role of least developed DCs crucial for EU
  - EBA initiative, preference erosion and SDT
  - EU move on “blended formula” and tariff escalation
  - Market access in third markets central for US
  - Bulk commodity dependence intensifies competition
EU-US agricultural trade frictions

- **Problems on US side**
  - Mostly outside agricultural sector
  - Mainly of traditional trade nature

- **Problems on EU side**
  - Several within agricultural sector
  - Mainly non-traditional trade issues

- **The overriding factor**
  - US policies still supply-driven
  - EU policies increasingly demand-driven