



Agri-food Trade in 2015 and Outlook

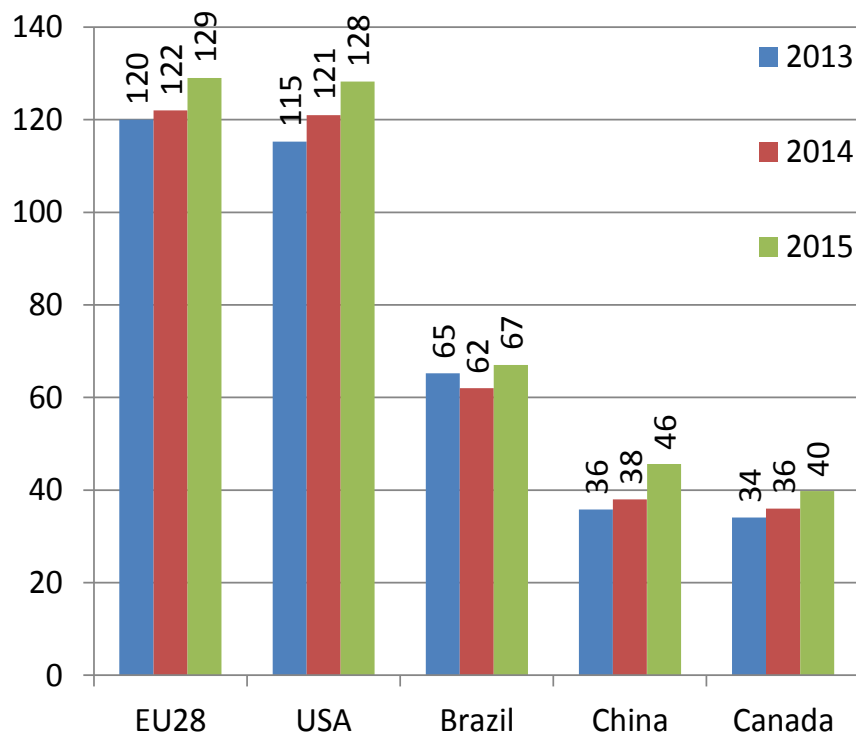
***CDG International Aspects of Agriculture
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Unit B2: Analysis of Trade and International Policies

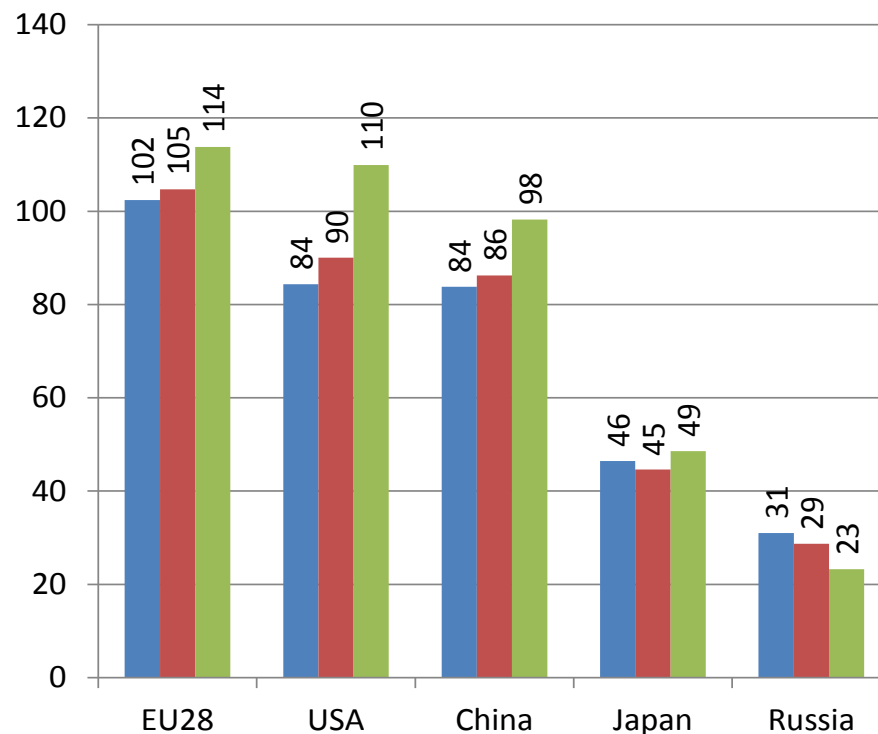
Overall growth of world trade in agri-food

Source: COMEXT, GTA

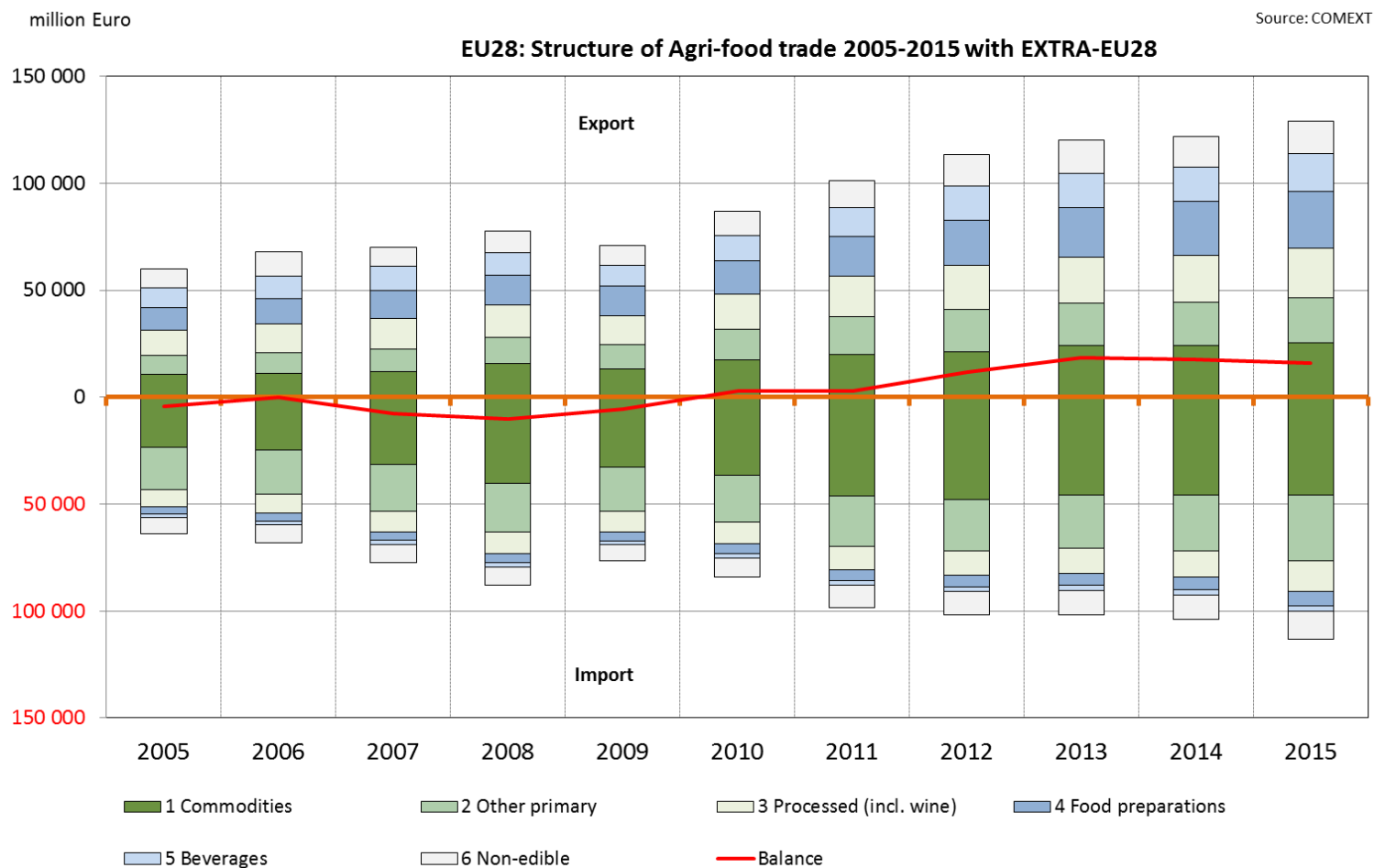
EXPORTERS



IMPORTERS

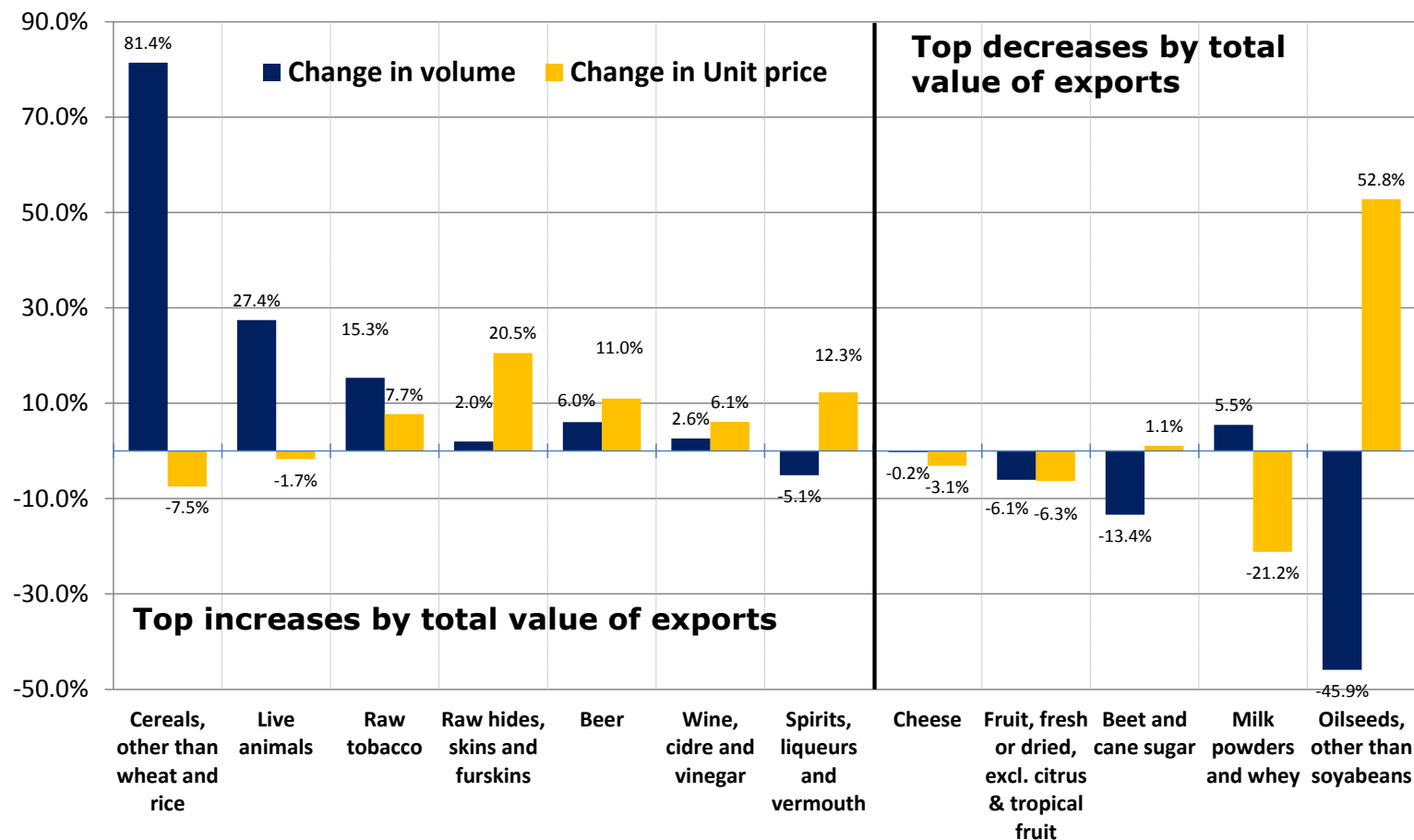


EU agri-food trade balance in 2015 - expansion on both sides



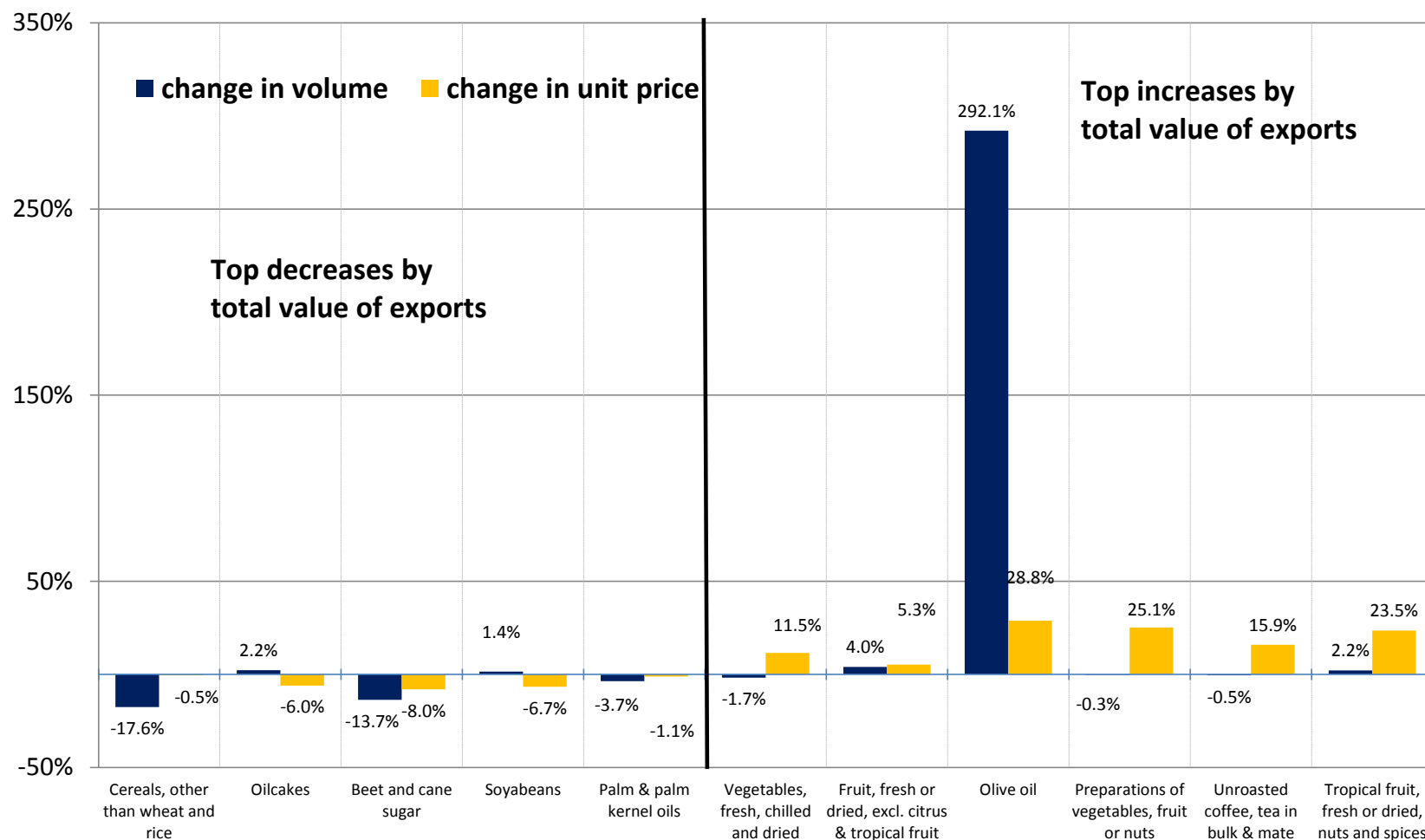
Cereal exports up by quantity, milk powders down due to low prices

EU28 - Extra trade - Change in export volume and unit price - 2014/2015



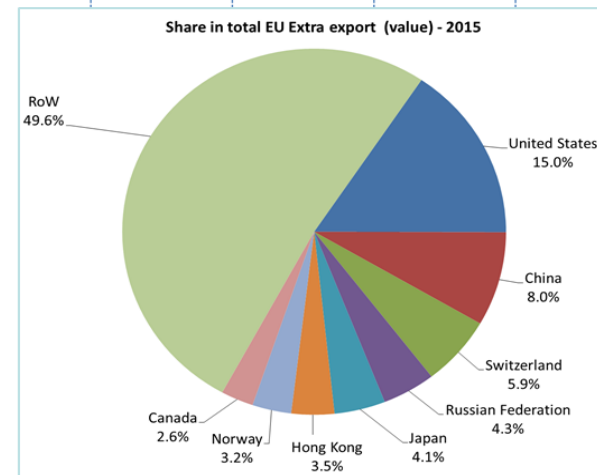
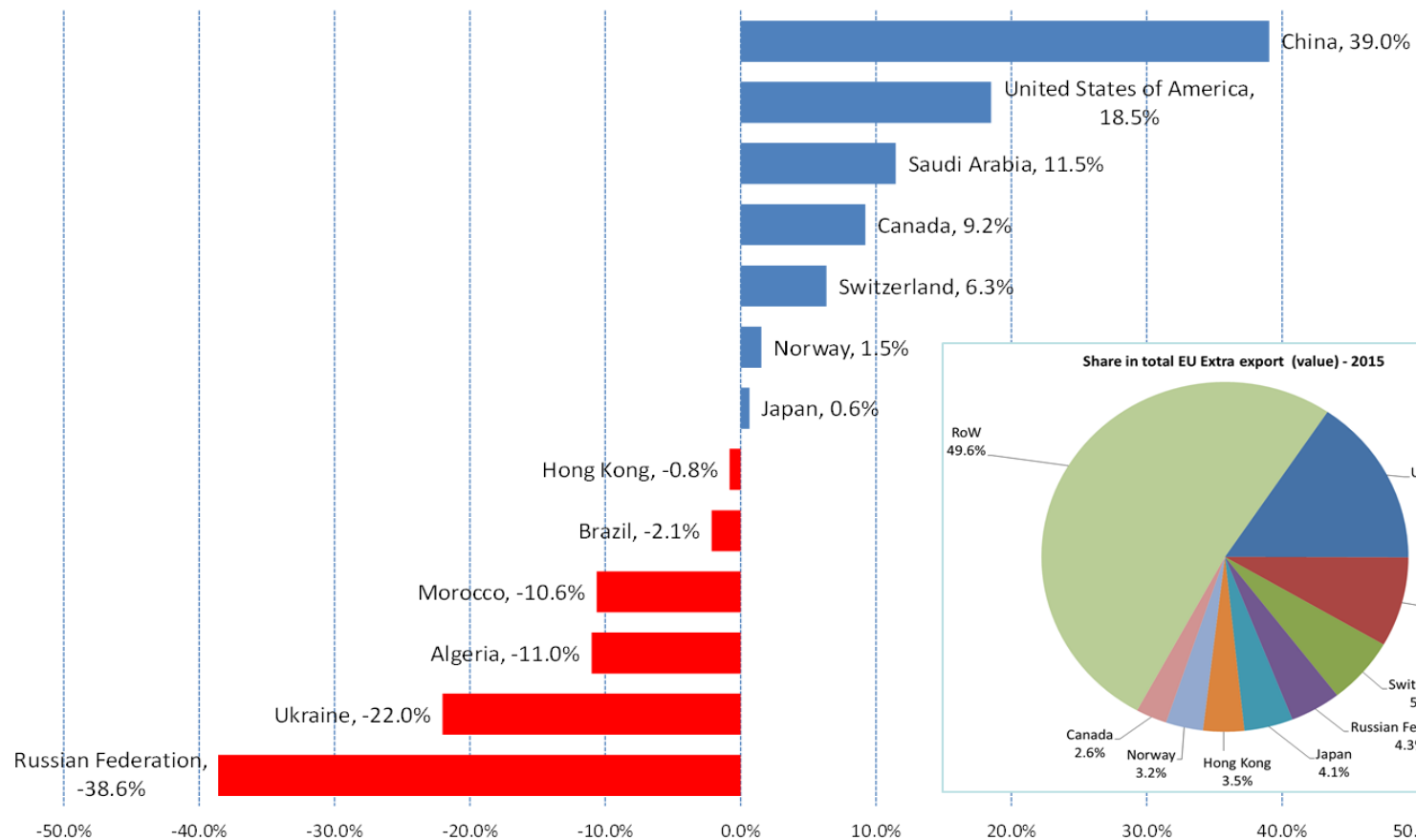
Olive oil from Tunisia shows record growth

EU28 - Extra trade - Change in import volume and unit price - 2014/2015



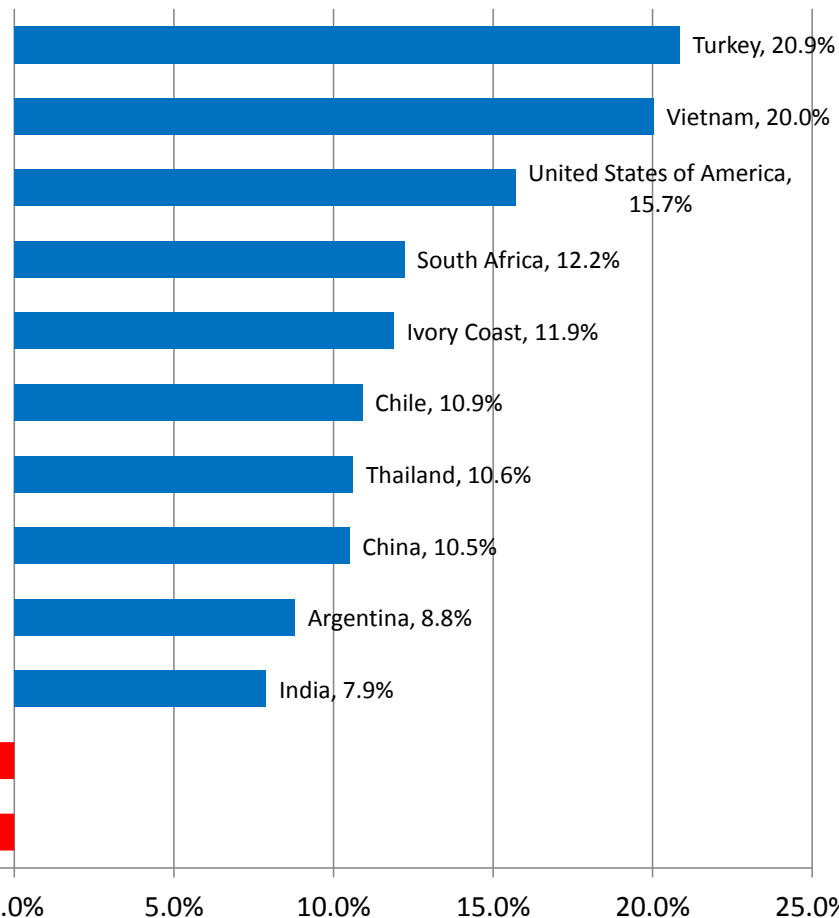
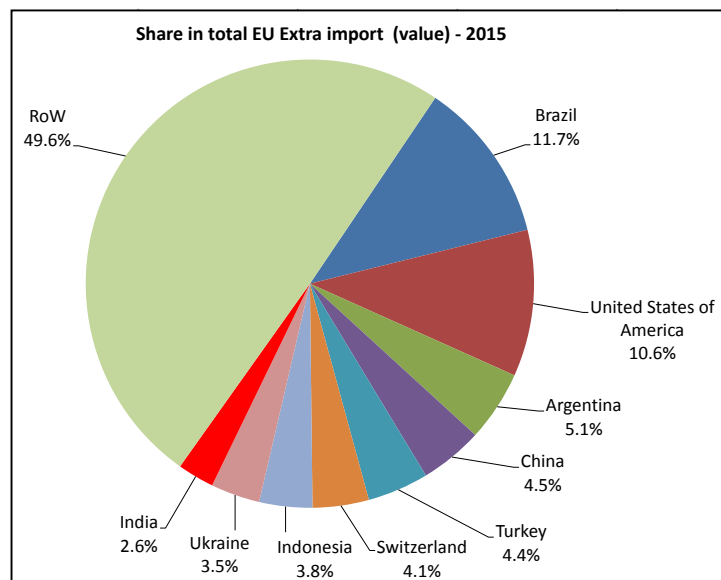
USA big and getting bigger as a destination

Change export 2014-15



Imports: Brazil and USA equal suppliers, Turkey moves up

Change import 2014-15





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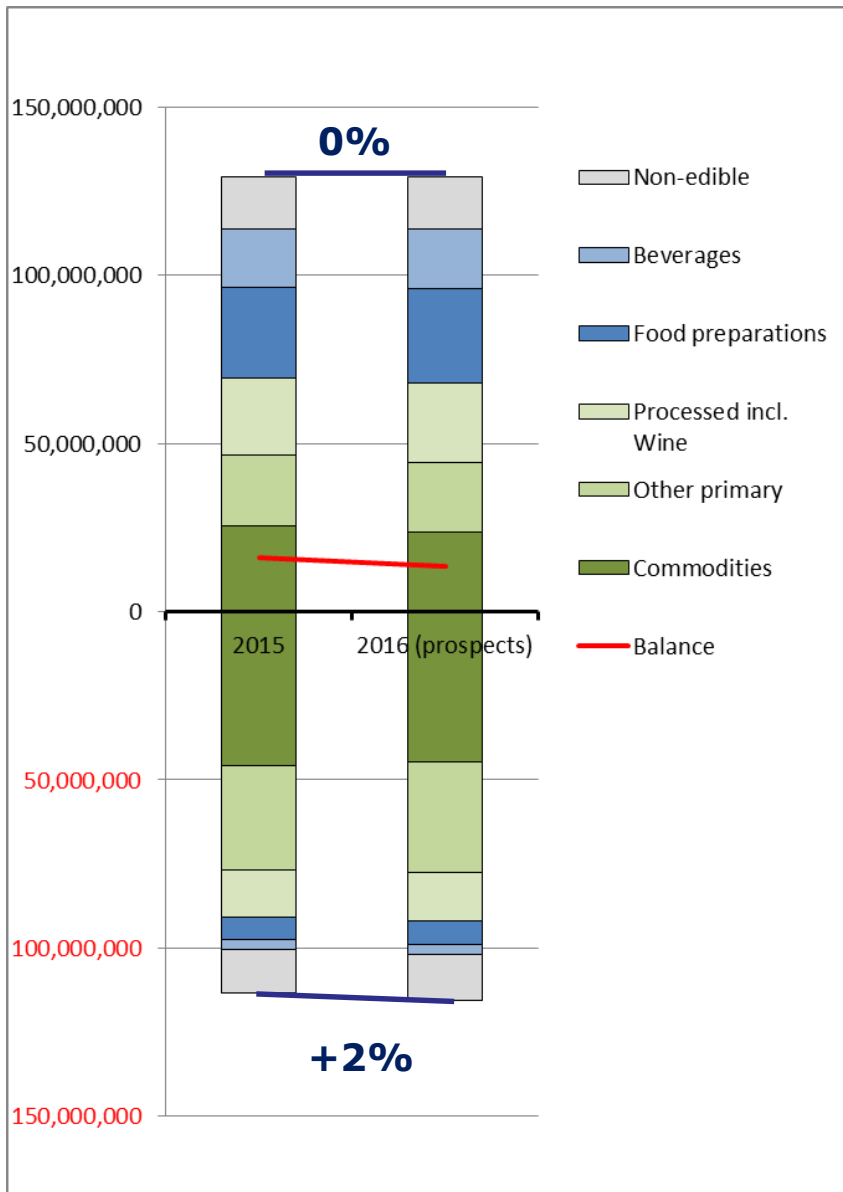
Prospects 2016 and beyond

2016 prospects - methodology

- ***Not a forecast, only prospects***
- *Relies on available outlooks (DG AGRI short-term and medium-term, DG ECFIN, World Bank, IMF, USDA) and expertise from DG AGRI Market Units*
- *When no precise information available (essentially for food preparations, beverages and industrial non-edible agricultural products), extrapolation of the last four years (2012-2015) past trends*
- *As a result, the prospects are a mix of:*
 - trade values from outlooks (32% of export values and 43% of import values)
 - trade values extrapolated from past years' trends (68% and 57% respectively).
- ***Conclusion:*** *stabilisation of total EU agri-food **exports** at **EUR 129 billion**; **EU imports** to increase (+2% at EUR 115 billion) albeit at a much slower pace than in 2015 (+9%)*
→ Trade balance *still largely positive (EUR 13.5 billion) despite further decline (-15%)*



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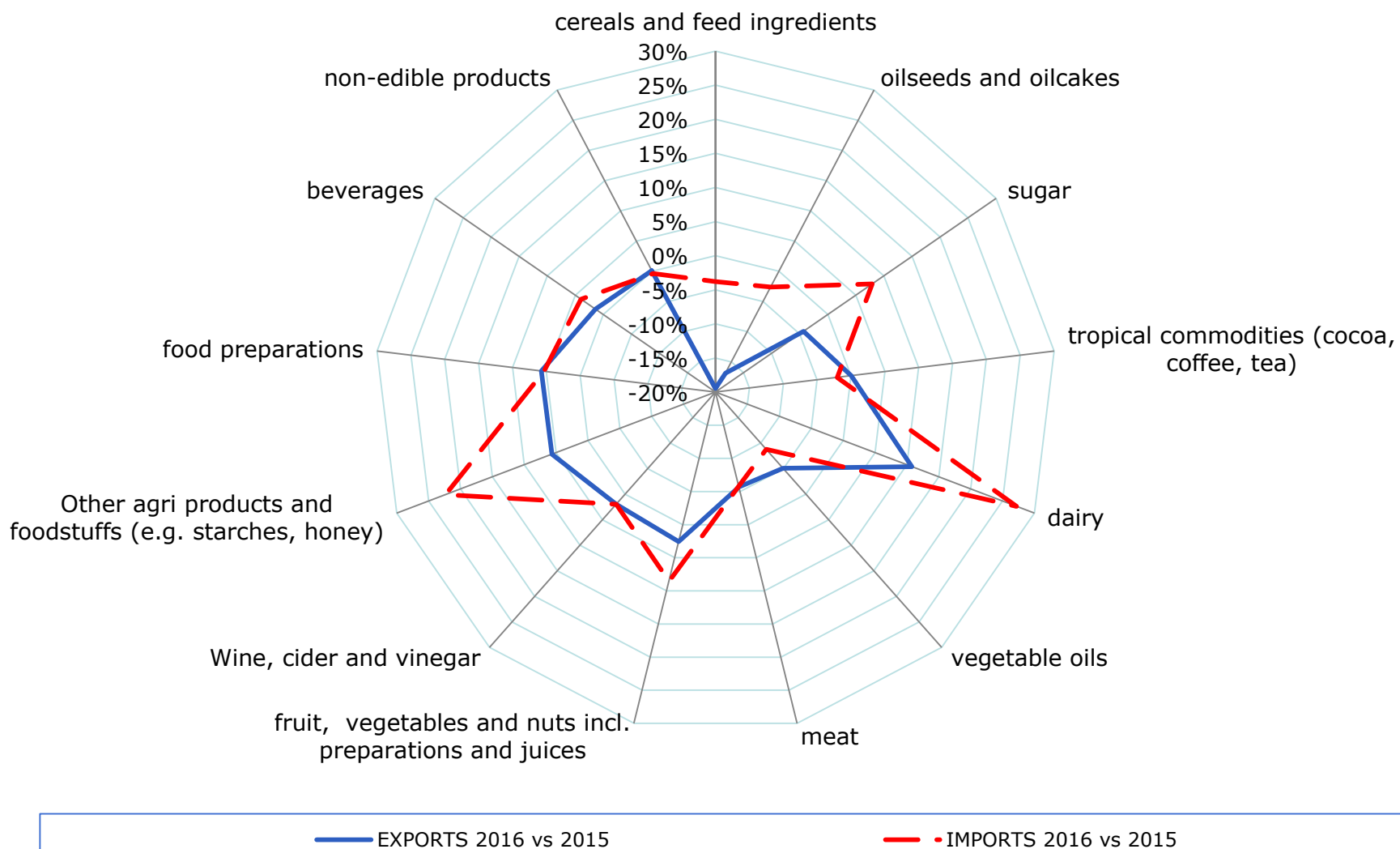


Exports:

- *Agricultural prices down → exports of commodities and other primary agricultural products to decline in 2016 (-7% and -1% respectively);*
- *if past trends are followed other groups of products overall only compensate the decline, with food preparations to see strong growth thanks to from low oil prices and weak Euro*

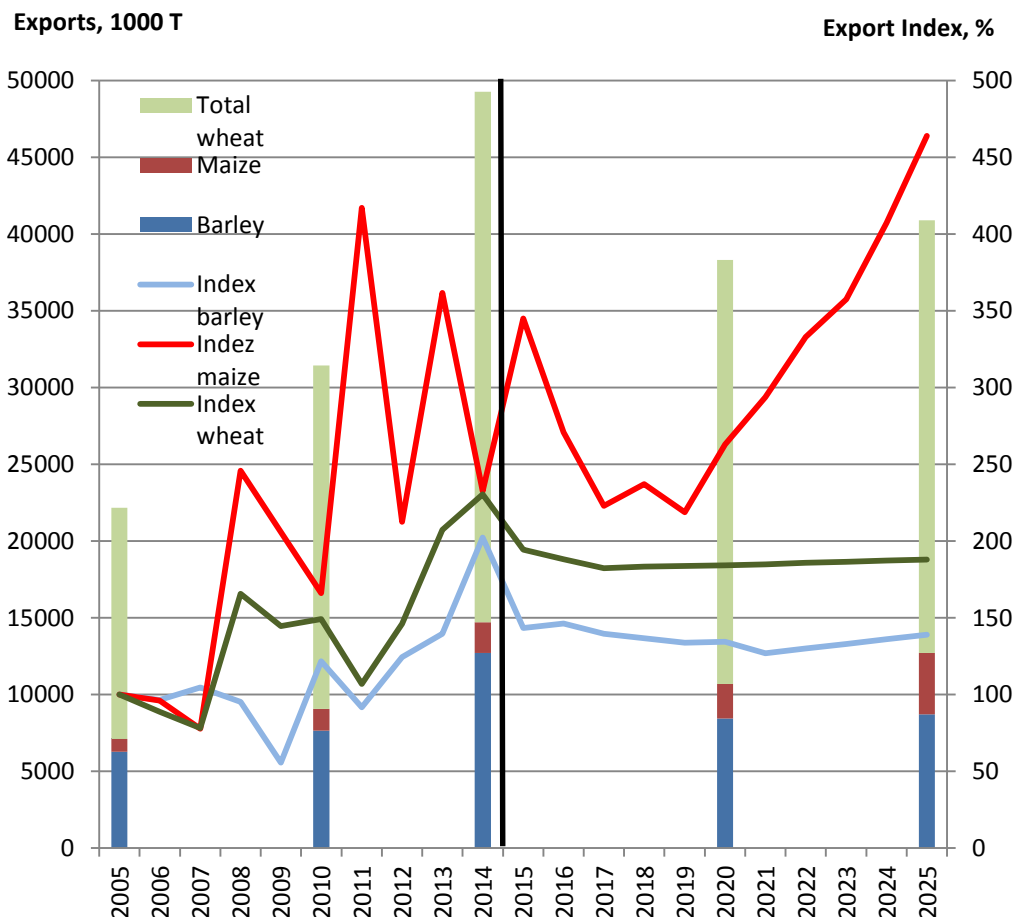
Imports:

- *Slight decline in commodities imports (-2%) due to lower prices;*
- *if past trends are followed other groups of products to largely offset the reduction – especially strong increase in other primary products*



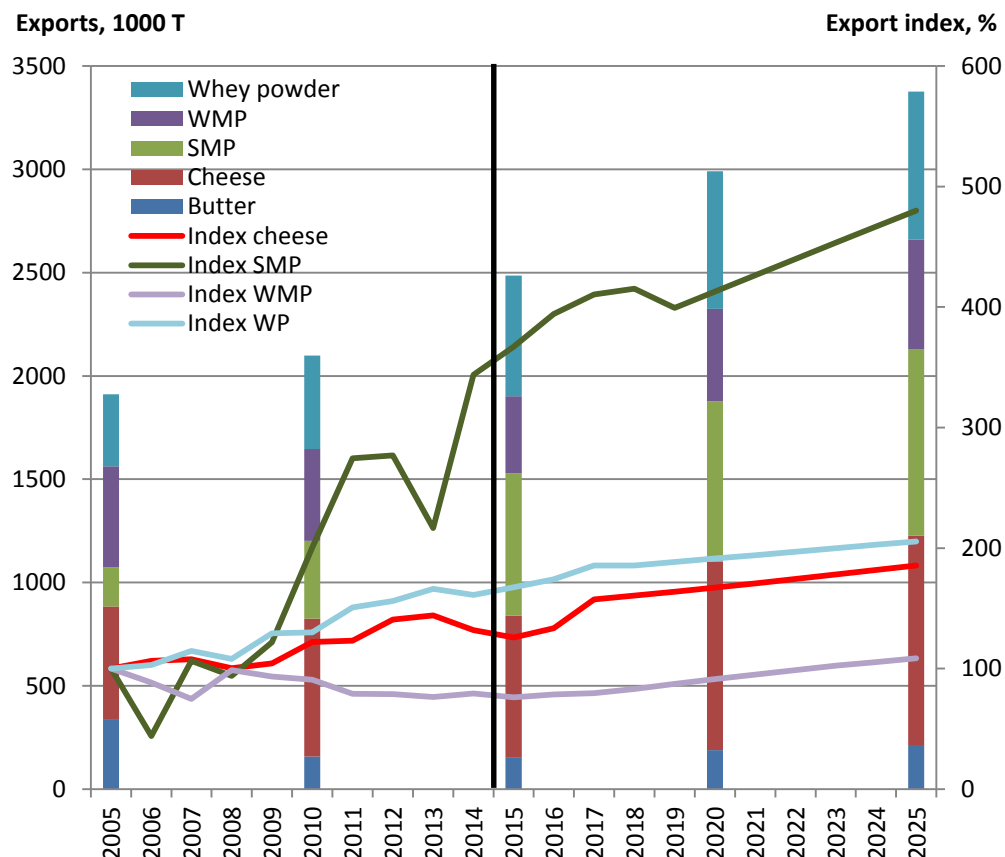
Medium term: arable crops steady

- Prices steady
- Production to grow (demand for feed and exports) but limited by reduction in arable land
- EU exports constrained
- Protein crops production up 40%
- Demand up for oilseed complex driven by livestock sector but supplied by imports



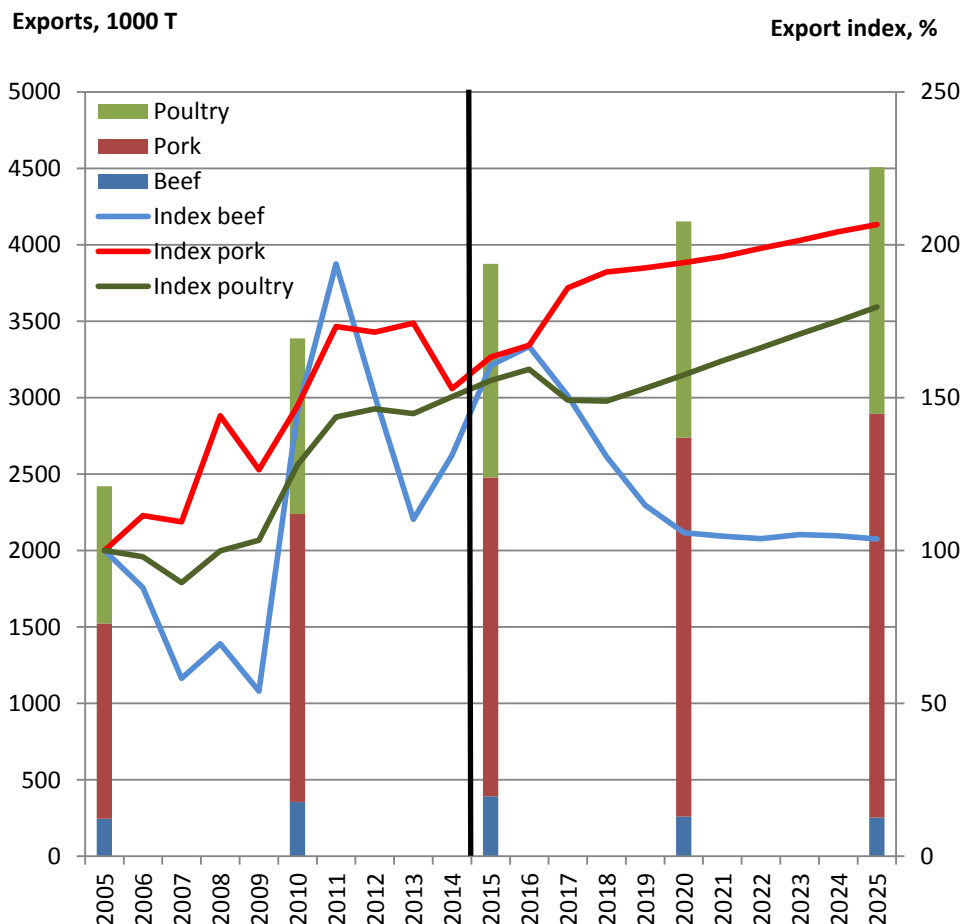
Dairy: demand would lead to recovery

- Import demand from regions ex. Russia and China
- Deliveries up 1% annually - world imports, EU demand
- EU share up in world exports
- Modest price recovery short term, up to EUR 360/t by 2020, risk of short-term market imbalances.
- Half of additional EU milk for powders (exports), 30% for cheese (EU consumption)



Meat: growth in pork and poultry

- World demand and EU exports up
- EU total consumption back to current level but poultry to increase
- Beef production follows dairy herd, up and then down
- Sheep to stabilise
- Pig meat up 2 % by 2025 (export growth and higher prices)
- Poultry production up 4 % (exports up 15% but pressure on prices)





Further Information

EU agri-food trade with all countries and regions:

http://ec.europa.eu/agriculture/trade-analysis/statistics/index_en.htm

Medium-term prospects for EU agricultural markets and income:

http://ec.europa.eu/agriculture/markets-and-prices/medium-term-outlook/index_en.htm

*Easy access to the texts of existing bilateral agreements
(trade profiles included):*

http://ec.europa.eu/agriculture/bilateral-relations/index_en.htm



Non edible
products

Non-edible products

Non-food and non-feed products (tobacco and cigarettes, raw hides and skins, cotton and other fibres, and ornamental flowers...)

Products of the
food and drink industry

Beverages

spirits, waters, soft drinks and beers

Food preparations

multi-ingredient products the agricultural component of which represents only a small part of the final value (confectioneries, chocolate, pasta, biscuits, infant food)

Agricultural
food and feed products

Agricultural processed products incl. wine

wine, cheese, olive oil, processed fruits and vegetables...

Other primary agricultural products

meat, fruit and vegetables

Commodities

highly standardised products mostly traded in bulk (cereals, vegetable oils, milk powders, cocoa, coffee beans...)

EU28 Agri-food import and export (2014)

