



## **EU and French agricultural and food trade in 2019 and 2020**

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Easy Comext published on 18 March 2021 the 2020 *agricultural* trade data – as defined in Annex 1 of the WTO Agreement on Agriculture (AoA), in the Harmonised System nomenclature – and *food* trade – which includes fish and preparations but not non-food agricultural products, in SITC nomenclature – of both the EU28 and the EU27 (EU28-UK), and of France. To simplify matters, we limit ourselves to the broad outlines of the evolution of this trade from 2019 to 2020, without going into details according to products, but we do have the data for 2010 to 2020, knowing that we can already review the SOL analyses made from 2010 to 2019<sup>1</sup>. Nor do we go into the main reasons for this evolution from 2010 to 2020, including those linked to the COVID-19 pandemic which reduced the possibilities of exports and imports from and to partner countries, the interim period of the Brexit, and the increase in US customs duties on some EU products.

### **I – EU28 and EU27 agricultural trade in 2019 and 2020**

Soon DG Agriculture will be able to boast about the brilliant results of its so-called *agri-food* trade of 2020 in the EU28 – but this is *agricultural* trade alone, which forgets fish and preparations, yet an essential food product, and we will come back to this –, with exports having reached €181.8 billion (bn) after €151.4 bn in 2019 (up 20%), with a surplus of €28.2 bn (after €30.3 bn in 2019, down 6.1%). The main sources of this surplus are the 55% drop (–€8.7 bn) in the deficit on fruit and vegetables and preparations, the increase in the surplus on pigmeat (+€4.4 bn), dairy products (€3 bn), beef and veal (€2.4 bn), and poultry meat (€1.8 bn). On the other hand, the cereals surplus only increased by 1% (€235 million) as the increase in imports (+9.5%) exceeded that of exports (+3.6%), while the surplus on beverages fell by 14.2% (€3.8 bn).

However, after Brexit (effective with customs duties since 1 January 2021), more attention should be paid to EU27 trade, which was less rosy because, while extra-EU27 exports of all agricultural products even exceeded those extra-EU28 (184,4 bn) but with a mere 1.3% increase over 2019 (€2.4 bn), the surplus only increased by 3.9% (+€2.3 bn) because EU27 imports were very close to those of the EU28. The surpluses were mainly in cereals (€3.5 bn), pigmeat (€2.4 bn), beef and veal (€821 million, mn) and dairy products (€703 mn), while the surplus in beverages fell (by €2.4 bn) and the deficit in fruit and vegetables rose by €1.3 bn.

### **II – EU28 and EU27 food trade in 2019 and 2020**

Not including fish and fish preparations in *agri-food* trade is all the more incoherent as, even if there is a common fisheries policy, it only concerns the conservation and processing of fish and fish products, and sustainable exploitation of fisheries resources, since fisheries policy is the

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<sup>1</sup> *EU28 and United Kingdom trade in agriculture and food from 2010 to 2019*, SOL, 1<sup>st</sup> March 2020, <https://www.sol-asso.fr/wp-content/uploads/2020/01/EU28-and-United-Kingdom-trade-in-agriculture-and-food-from-2010-to-2019.pdf> ; *L'UE28 continue à recevoir une aide alimentaire structurelle des pays en développement*, SOL, 23 février 2019, <https://www.sol-asso.fr/wp-content/uploads/2019/01/LUE28-continue-%C3%A0-recevoir-une-aide-alimentaire-structurelle-des-pays-en-d%C3%A9veloppement.pdf>;

responsibility of the Ministries of Agriculture of the largest fishing countries in the EU and they manage the funds of the Common Fisheries Policy under the EMAFF (European Maritime Affairs and Fisheries Fund) and the EAFRD (on rural development), and the funds allocated to fisheries in the EU's ultra-marine regions come under POSEI, one of the chapters of the EAGF. There is also a Joint Agriculture and Fisheries Committee within the Council.

Extra-EU28 food exports amounted to €165.8 bn in 2020, up 21.5% over 2019 (€136.5 bn), thanks to exports to developing countries (DCs) of €112.4 bn, up 42.3% (by €33.4 bn), and the total surplus (€29.1 bn) was 7.7 times greater than in 2019, as imports remained stable. The increase in the surplus is essentially attributable (for €28.9 bn) to developing countries (DCs)<sup>2</sup> with whom we have gone from a deficit of €18.9 bn in 2019 to a surplus of €10 bn in 2020. As the deficit in fish and fish preparations fell by €3.2 bn (from €20.7 bn to €17.5 bn), without fish the food surplus doubled, from €25.1 bn to €51 bn.

Extra EU27 food exports were €168.2 bn in 2020, up by only 2.1% on 2019 (+ €3.4 bn), thanks also to a 2.6% increase to DCs (€115.1 bn vs. €112.1 bn in 2019), including a 7% increase to Africa (from €15.9 bn to €17 bn), of which by 16.3% to West Africa, from €3.9 bn to €4.5 bn.

### **III – France's agricultural and food trade in 2019 and 2020**

There are two possible sources: French customs and Eurostat (easycomext). However, the customs data are calculated FOB-FOB (free on board, or export value including for EU imports), cover only the years 2015 to 2020 and include fish and preparations, but they can be deducted from the total and, moreover, they do not make it possible to identify the groups of partner countries, unlike those of Eurostat, where imports are in CIF value (cost-insurance-freight or import value), with separate nomenclatures for agricultural products (HS) and food products (SITC) and easy identification of partner countries or groups of countries.

According to French customs, agri-food exports (mixing agricultural and food products) were €62 bn in 2020 and €60.7 bn without fish, down €2.3 bn on 2019, and the surplus was €6.3 bn, but €10.6bn without fish<sup>3</sup>. I have summarised several tables to group together exports and imports and calculate the balance.

According to easycomext, France's extra+intraEU *agricultural* exports were €63 bn in 2020, compared to €65.6 bn in 2019 (down 4%) and the surplus fell by 18.5% (from €7.2 bn to €6.4 bn), although the extraEU surplus increased by 10.3% (from €15.1 bn to €16.7 bn) while the intraEU deficit more than tripled (from €1.9 bn to €5.9 bn). As the beverages surplus is considerable, although it fell from €9.9 bn to €9.3 bn (-6.2%), the agricultural trade deficit without beverages increased by 41.7% (from €359 mn to €637 mn) and the deficit with DCs increased by 42% (from €1.348 bn to €1.919 bn). This confirms that, without beverages – which are not a basic food product – France continues to receive food aid from DCs. Similarly, the trade deficit in coffee+cocoa+tea+spices (CCTS) – which are also not basic food products – was €2.841 bn in 2020, although down 1.4% on 2019 (€2.881 bn), of which €1.862 bn was with DCs, of which €622 mn with West Africa. In other words, the French food deficit vis-à-vis DCs

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<sup>2</sup> Trade with developing countries is the difference between total trade and trade with developed countries, assumed as the 9 Western OECD countries (Australia, Canada, Iceland, Israel, Japan, New Zealand, Norway, Switzerland, United States) plus Russia.

<sup>3</sup> *Synthèse des échanges agricoles et alimentaires françaises de 2015 à 2020 selon les douanes*  
<https://www.epsilon.insee.fr/jspui/handle/1/140148>

without the beverages surplus but with the CCTE deficit was €3.781 bn in 2020, of which €502 mn with West Africa.

France's extra+intraEU *food* exports fell by 3.6% from 2019 (€61.3 bn) to 2020 (€59.1 bn) and the surplus fell by 19.5% (from €8.8 bn to €7.1 bn), including by 41.4% with DCs (from €2.339 bn to €1.372 bn) but the deficit on West Africa increased by 30% (from €32.8 mn to €42.7 mn). While the balance of trade in beverages fell by 14.1% (from €12.8 bn to €11 bn), the food trade surplus excluding beverages fell by 2%, from €3.971 bn to €3.890 bn, and the deficit with DCs fell by only 1% (from €4.569 bn to €4.519 bn), and rose slightly with West Africa (from €169 mn to €170 mn). While the CCTS trade deficit with DCs fell slightly from €2 bn in 2019 to €1.9 bn in 2020, the food deficit with DCs without the beverages surplus but with the CCTE deficit fell slightly by 2.2%, from €6.564 bn to €6.422 bn, but the deficit with West Africa increased by 8.8%, from €724 mn to €788 mn.

However, I have just asked Easycomext why, while the data for EU agricultural trade (in HS nomenclature) and food trade (in SITC) are not identical depending on whether one calculates trade with the EU-EU or with the EU27, they are identical for France's extra+intra agricultural and food trade.