

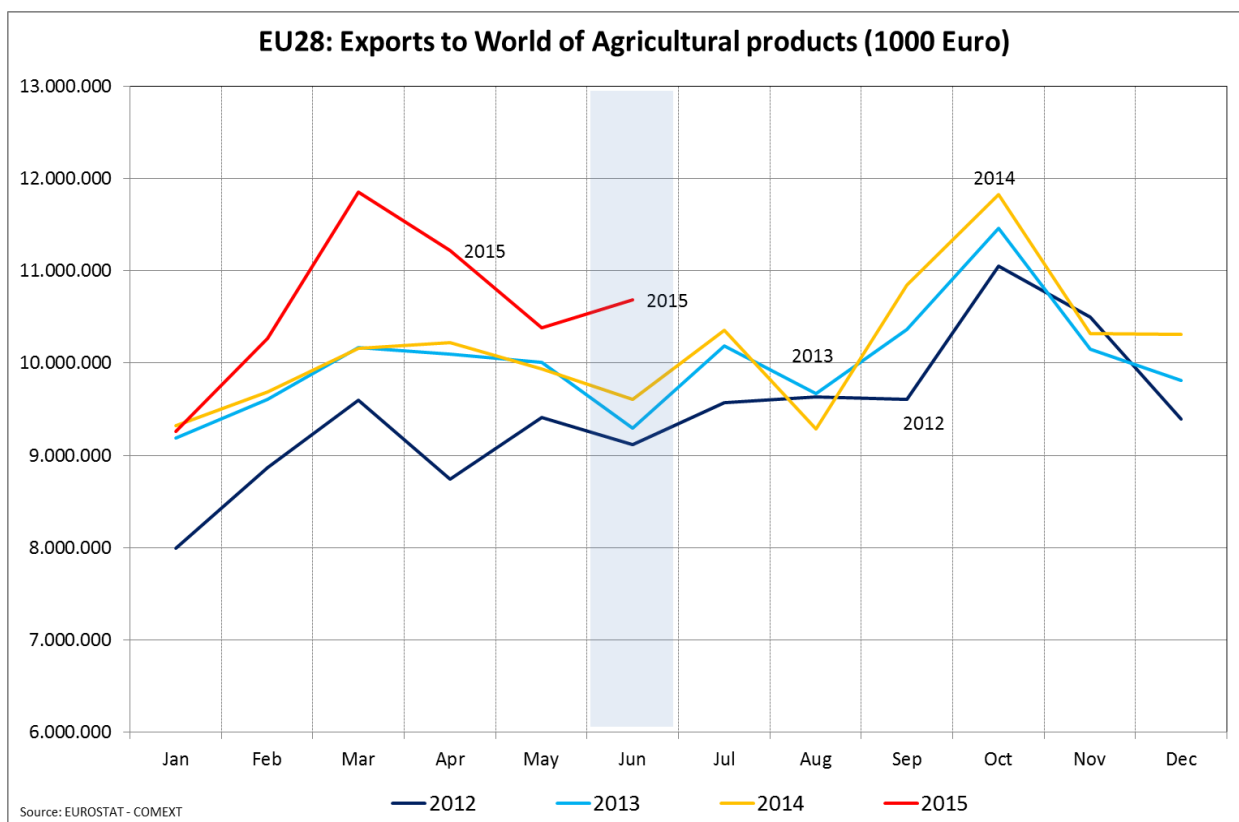
## Russian import embargo: EU agri-food export development until June 2015

On 7 August 2014, the Russian authorities introduced an import embargo for certain agricultural products originating from the United States, the EU, Canada, Australia and Norway. Meat, dairy products, fruits and vegetables were the main targeted categories (out of HS chapters 02, 04, 07, 08 and 16). On 25 June, Russia announced the extension of the import embargo for one year (until August 2016). Furthermore a ban has been recently introduced also to imports of these products from other countries: Iceland, Liechtenstein, Albania and Montenegro.

Compared to the equivalent period one year before, EU agri-food exports to Russia decreased between August 2014 and June 2015 from € 10.2 billion to € 5.8 billion (€ -4.4 billion; -43 %). This was the result of an almost complete disappearance of exports within the banned product categories and a slight decrease for products not subject to the ban.

At the same time, however, total EU agri-food exports to third countries increased in value by € 5.9 billion (+5.3 %). In spite of the Russian ban, monthly EU28 agri-food exports (all products) reached an all-time high in March 2015 at almost €12 billion. June 2015 agri-food exports also were higher (+11%) compared to June 2014.

Figure 1: Exports to the World of agri-food products (in thousand Euro).



Over the entire period since the embargo started, the EU agri-food sector has managed to compensate the losses in export sales to Russia by increasing exports to other main destinations and alternative markets (table 1). Major gains in export values have been achieved in the US, China, Switzerland and in a number of key Asian markets, such as Hong Kong and the Republic of Korea.

**Table 1: EU28 agri food exports by destination (in million Euro).**

EU28 agri-food exports to .... (million Euro)	monthly data: June				cumulative data: August to June			
	Jun 2014	Jun 2015	Difference Jun 2015 to Jun 2014		Aug 2013- Jun 2014	Aug 2014- Jun 2015	Difference Aug14 - Jun15 to Aug13 - Jun14	
	mio €	mio €	mio €	%	mio €	mio €	mio €	%
Extra-EU28	9 936	10 384	448	5%	110 396	116 269	5 873	5%
United States	1 329	1 551	222	17%	14 283	16 515	2 231	16%
China	599	973	374	63%	6 326	8 400	2 074	33%
Switzerland	604	635	31	5%	6 577	6 855	278	4%
Hong Kong	395	440	45	11%	3 771	4 567	796	21%
Japan	483	426	- 58	-12%	4 823	4 745	- 78	-2%
Russian Federation	777	396	- 382	-49%	10 173	5 799	- 4 374	-43%
Saudi Arabia	284	385	101	36%	3 599	3 917	318	9%
Norway	372	347	- 25	-7%	3 652	3 734	82	2%
Algeria	373	268	- 105	-28%	3 358	3 146	- 211	-6%
Canada	267	265	- 3	-1%	2 861	2 996	135	5%
Turkey	197	245	48	24%	2 437	3 081	644	26%
United Arab Emirates	208	218	9	5%	2 324	2 616	292	13%
Australia	190	207	17	9%	2 148	2 421	273	13%
Korea, Republic of	169	205	36	21%	1 764	2 331	567	32%
Singapore	154	161	6	4%	1 806	1 771	- 35	-2%
Egypt	151	138	- 13	-9%	1 764	2 218	454	26%
South Africa	128	127	- 1	-1%	1 407	1 482	75	5%
Brazil	109	126	17	15%	1 432	1 522	91	6%
Mexico	95	110	15	16%	980	1 098	118	12%
Israel	98	110	12	12%	1 130	1 232	102	9%
other countries	2 951	3 051	101	3%	33 780	35 822	2 041	6%

EU exports in bovine meat and poultry between August 2014 and June 2015 increased by 21.3 % in value terms and 5.4 % respectively compared to the equivalent period twelve months before. For pig meat, exports were in line with the same period one year before. Please note that table 2 illustrates the export variations for the different sectors considered as a whole including in particular live animals which are not concerned by the embargo.

For dairy products, values of butter exports fully recovered from the initial shock and due to an increase of exports to Middle East countries. For cheese and milk powders, however, export values still lag behind. Concerning fruit and vegetables, the value of exports registered is still around 12% lower than for the period one year before.

**Table 2: EU28 agri-food exports by product sector (in million Euro).**

EU28 Agri-Food Export	EXTRA-EU28			Russian Federation			EXTRA-EU28 excl Russia		
	Aug13- Jun14	Aug14- June15	%	Aug13- Jun14	Aug14- June15	%	Aug13- Jun14	Aug14- June15	%
All agri-food products	110 396	116 269	5,3%	10 173	5 799	-43,0%	100 224	110 470	10,2%
Bovine meat (total)	1 249	1 515	21,3%	199	85	-57,3%	1 050	1 430	36,2%
Pig meat (total)	5 249	5 253	0,1%	804	39	-95,1%	4 445	5 213	17,3%
Poultry (total)	1 839	1 938	5,4%	117	40	-66,0%	1 722	1 898	10,2%
Butter	595	610	2,6%	154	2	-98,9%	440	608	38,2%
Cheese	3 548	3 055	-13,9%	879	33	-96,2%	2 669	3 022	13,2%
Skimmed milk powder	1 655	1 519	-8,2%	54	0	-99,5%	1 600	1 519	-5,1%
Whole Milk powder	1 541	1 161	-24,6%	12	0	-99,8%	1 529	1 161	-24,1%
Fruit & Vegetables	6 525	5 748	-11,9%	1 755	206	-88,2%	4 770	5 542	16,2%