



Latest update : May 2013

Bilateral agricultural trade relations

EU agricultural trade with Mercosur

Mercosur countries (Brazil, Argentina, Uruguay, Paraguay; Venezuela) are major suppliers of agricultural products to the EU. The main countries of the group, Argentina and Brazil, make up around 20% of EU agricultural imports. By contrast, the share of exports to Mercosur in total EU exports is quite small – only 1.6%. Moreover, the already large deficit in trade with Mercosur is showing a rather downward trend.

The top product categories imported from Mercosur include oilcakes, soya beans, coffee, bovine meat, fruit juices. It is important to appreciate that the four countries of the group are responsible for around 65% of imports of soya beans used by the EU as animal fodder, and 75% of imports of bovine meat into the EU. Argentina is the top supplier of bovine meat, while Brazil is the number one seller of soya beans. Moreover, Mercosur, predominantly Brazil, is also the leading supplier of poultry meat to the EU, covering near 90% of EU imports in volume terms.

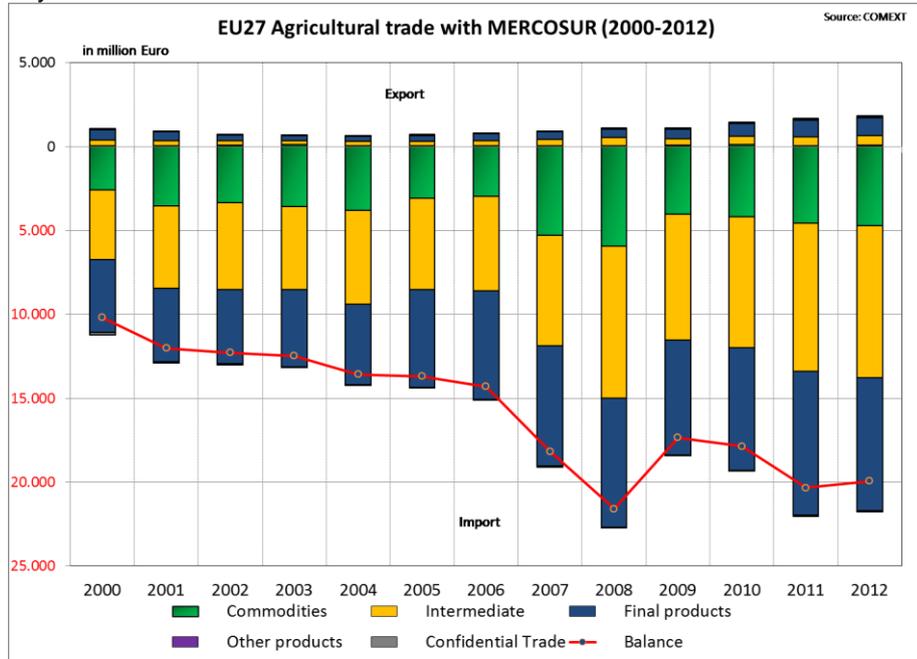
Brazil is an important supplier of sugar (mainly raw cane sugar) to the EU (around a third of EU total sugar imports) and ethanol. In the case of the latter, however, Brazilian supplies have diminished to the benefit of the US: from over 30% in 2010 down to just 1%¹.

EU exports, compared to imports, are negligible. The EU main exports include olive oil, spirits and liqueurs, wine and vermouth. Nonetheless, the EU is the largest supplier of agricultural products to Mercosur countries, accounting for around 30% of Mercosur's total agricultural imports.

¹ Here only imports under heading CN 2207 are taken into account



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Negotiations between the EU and Mercosur to conclude Bi-regional Association Agreement formally started in December 1999. The negotiation foresees political, cooperation and trade pillars. Trade pillar negotiations have been active between 2002 and 2004, when it was mutually decided to suspend the negotiation, because of far too diverging positions and expectations.

In May 2010 the Parties mutually announced resumption of negotiations of the three pillars. The trade provisions of the agreement are still being negotiated, and cover trade in goods, including agriculture, services and government procurement, the protection of intellectual property rights including geographical indications, sanitary and phytosanitary (SPS) measures and sustainable development change. Since then, nine negotiation rounds took place, focusing on normative aspects. Mercosur Ministers stated January 2013 that the exchange of market access offers could not take place before last Quarter of 2013.