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**Date:** 2/5/2014

**GAIN Report Number:** E14009

## **Belgium EU-27**

**Post:** Brussels USEU

### **EU-U.S. Agricultural Trade and the TTIP**

**Report Categories:**

Agriculture in the Economy

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**Report Highlights:**

The EU enjoys a \$5 billion trade surplus with the United States in agriculture and related products.

Although it is not surprising that the EU Member States (MS) that are most profitable in the agricultural sector are the most vocal against facilitating an agricultural trade deal between the United States and the EU. It is less clear why a MS such as Germany, having a significant agricultural trade deficit, seems to be less than enthusiastic about negotiating an agreement. It could be asserted that MS including Bulgaria and Austria, having increased their agricultural exports to the United States over time without the benefit of a trade deal, see no reason to promote one now.

## **General Information:**

### **EU-U.S. Agricultural Trade in the T-TIP**

On June 14, 2013, the Council, comprising the 28 sovereign Member States (MS) of the EU, approved the mandate for the Commission to begin negotiating the Transatlantic Trade and Investment Partnership (TTIP) with the United States. With this mandate, the Commission is authorized to negotiate on market access, regulatory issues and non-tariff barriers. The Council's view on the content of the negotiations is shaped by each individual MS's position and its respective weight in the voting process. The number of votes allocated to a MS is determined by the size of its population, with an adjustment that leads to relative over-representation of the countries with small populations. Agriculture is a particularly contentious issue within TTIP and those MS that have been allocated the largest number of votes have a significant influence on sensitive agricultural issues.

Although the European Parliament has no formal role in the negotiating procedure, the Parliament's consent is required to conclude an agreement. The Parliament's Resolution of May 23, 2013 urging the Council to approve the negotiating mandate for TTIP emphasized that the agreement should include "...strong protection of precisely and clearly defined areas of intellectual property rights, including geographical indications..." and identified agriculture as a sensitive area in the negotiations "...where perceptions of GMOs, cloning and consumer health tend to diverge between the U.S. and the EU".

Total bilateral trade between the EU and the United States is valued at around \$30 billion. The EU has an agricultural trade surplus with the United States, any way you look at it. When one includes agricultural related products, such as ethanol, biodiesel, distilled spirits and fish and forestry products, the EU enjoys a \$5 billion advantage. When one calculates strictly agricultural products, the value of EU agricultural exports is \$7 billion more than its imports from the United States. The EU ships mostly high-valued consumer oriented products and the United States ships primarily bulk commodities.

The number of votes at the Council allocated to individual MS ranges from the 29 (France, Germany, Italy and UK) and 27 (Poland and Spain) at the high end, to 4 (Cyprus, Estonia, Latvia, Luxembourg and Slovenia) and 3 (Malta) at the low end. Sixteen MS have 10 or more votes and of those, 8 (France, Italy, Poland, Greece, Hungary, Czech Republic, Austria and Bulgaria) have significant trade surpluses with the United States. The amassed votes allocated to these 8 MS represent 41 percent of the total 352 votes at Council. Of those MS, France and Italy enjoy the highest agricultural trade surplus with the United States.

### **Distribution of Votes for Each Member State**

Germany, France, Italy, United Kingdom	29
Spain, Poland	27
Romania	14
Netherlands	13
Belgium, Czech Republic, Greece, Hungary, Portugal	12
Austria, Bulgaria, Sweden	10
Croatia, Denmark, Finland, Ireland, Lithuania, Slovakia	7
Cyprus, Estonia, Latvia, Luxembourg, Slovenia	4
Malta	3
<b>TOTAL</b>	<b>352</b>

### EU-U.S. Agriculture Trade by Selected Member States

France, for instance, exported \$2.5 billion worth of agricultural products to the United States in 2012 while the United States shipped only \$750 million to France. More than one half of France's agricultural exports to the United States was in wine and beer (\$1.4 billion), followed by exports of French cheese (\$166 million). These two big ticket items are already strongly protected under the geographical indications scheme and Americans will certainly continue to import French wine and cheese. Thus, they are not threatened. The largest exports, value-wise, from the United States to France are distilled spirits and their value is much less (\$116 million) than the amount of French cheese entering the United States.

Italy's agricultural exports to the United States reached an unprecedented level of \$3.59 billion, while the United States' exports did not even reach \$1 billion (they are at \$975 million). As with France, Italy's most profitable exports were in the wine (\$1.6 billion) and cheese (\$301 million) category, and, of course vegetable (olive) oils (\$548 million). The United States' top export, tree nuts, was valued at \$165 million.

Austria exported nearly three quarters of a billion dollars' worth of agricultural products (\$648 million) while the United States only exported a half a million dollars (\$54 million) to Austria. Poland reached record level exports last year (\$339 million) and shipped more than \$100 million worth of agricultural products more to the United States than they imported. Poland's two highest agricultural exports were in the areas of processed fruits and vegetables and snack foods, both of which reached record levels last year. Greek agricultural exports to the United States grew to \$240 million while U.S. exports to Greece were only at \$82 million. Bulgaria exported \$81 million and imported \$33 million worth of agricultural products last year from the United States (both in tobacco). Hungary exported \$47 million and imported only \$27 million worth of agriculture products from the United States. The Czech Republic exported \$45 million and imported \$31 million.

Germany and the UK, although they exported less than they imported from the United States last year, both still reached record highs, as did Spain whose exports are on par with their imports. The U.S. and the Netherlands are also on par with each other in agricultural trade at \$2 billion.

Top EU MS Exporters of Agricultural and Related Products by Council Votes Allocated (2012 CY data)

EU MEMBER STATE	EXPORTS TO THE U.S.	IMPORTS FROM THE U.S.	TOP AG EXPORTS
ITALY	\$3.59 billion	\$975 million)	Wine (\$1.6 billion), vegetable oils (\$548 million), cheese (\$301 million)
FRANCE	\$2.5 billion	\$750 million	Wine, (\$1.4 billion) forest products (\$196 million) and cheese (\$166 million)
AUSTRIA	\$648 million	\$54 million	Other consumer oriented (\$544 million), wine and beer (\$15 million) and snack foods (\$18 million)
POLAND	\$339 million	\$209 million	Processed fruit and vegetables (\$76 million), snack foods (\$41 million) and red meats, prep/pres (\$40 million)
GREECE	\$240 million	\$82 million	Processed fruit and vegetables (\$138 million), cheese (\$23 million) and other vegetable oils (\$20 million)
BULGARIA	\$81 million	\$33 million	Tobacco (\$27 million), other dairy products (\$12 million) and feeds and fodders (\$9 million)
HUNGARY	\$47 million	\$27 million	Snack foods (\$5 million), wine and beer (\$3 million) and essential oils (\$ million)
CZECH REPUBLIC	\$45 million	\$31 million	Wine and beer (\$10 million), feeds and fodder (\$5 million) and snack foods (\$3 million)
SPAIN	\$1.5 billion	\$1.5 billion	Wine and beer (\$330 million), processed fruit and vegetables (\$279 million) and other vegetable oils (\$244 million)
NETHERLANDS	\$2 billion	\$2 billion	Wine and beer (\$887 million), cocoa paste/butter (\$257 million) and nursery products (\$188 million)
GERMANY	\$1.7 billion	\$206 billion	Snack foods (\$304 million), \$wine and beer (\$240 million) and forest products (\$131 million)
U.K.	\$762 billion	\$2.3 billion	Wine and beer (\$136 million), snack foods (\$94 million) and seafood products (\$114 million)

It is not surprising that those MS that are most profitable in the agricultural sector when measured in terms of trade balance are the most vocal against facilitating an agricultural trade agreement. Although it is understandable that these MS are making efforts to protect their agricultural sectors, it is worth highlighting that they are against a successful and equitable conclusion to the TTIP negotiations as regards agriculture. Germany, on the other hand, has a significant agricultural trade deficit with the United States and would be expected to favor trade liberalization. However, Germany has been openly against TTIP. Bulgaria, a MS that was not exporting to the United States five years ago, exported \$80 million worth of agricultural products to the United States in 2012. Similarly, Austria increased its

exports of agricultural products to the United States from \$380 million in 2008 to \$621 million in 2012 with an analogous decrease in U.S. imports to that MS. As those exports increased so dramatically without a trade agreement with the United States, it could be asserted that those MS have no logical interest in TTIP.

According to a USDA/Economic Research Service study, increased productivity arising from innovation and changes in technology is the main contributor to economic growth in U.S. agriculture. As the agricultural biotech story in the EU demonstrates, Europe has not achieved similar benefits in productivity as a result of innovation. An increase in productivity rates in the United States cannot explain its trade deficit with the EU. The only logical conclusion for this trade imbalance is that access to the EU market is restricted by EU policy.

### United States and European Union Bilateral Ag Trade CY 2012

- EU exports mostly Consumer Products to the U.S.
- U.S. exports mainly Bulk Commodities to the EU.

<b>Total U.S. Exports to EU = \$13 billion (\$10 billion only counting ag products)</b>	<b>Total EU exports to the U.S. = \$18 billion* (\$17 billion* only counting ag products)</b>
Tree Nuts: \$1.7 billion*	Wine & Beer: \$5 billion
Soybeans: \$1.5 billion	Essential Oils: \$2 billion
Forest Products: \$926 million	Snack Foods: \$1 billion
Distilled Spirits: \$665 million*	Processed Fruit & vegetables: \$946 million
Vegetable Oils: \$558 million*	Other Vegetable Oils: \$919 million
Wine & Beer: \$492 million	Cheese: \$840 million
Planting Seeds: \$369 million	Cocoa Paste/butter: \$391 million
Tobacco: \$352 million	Live Animals: \$252 million
Processed Fruit: \$335 million*	Nursery Products: \$205 million
Wheat: \$316 million	Red Meats FR/CH/FR: \$204 million

\*Denote highest import/export levels since at least CY 1970

### United States and FRANCE (29 Council votes) Bilateral Agricultural Trade CY 2012

- U.S. exports mostly Consumer Products to France.
- France exports mainly Consumer Product to the U.S.

<b>Total U.S. Exports to France = \$750 million (\$456 million with only ag products)</b>	<b>Total France exports to the U.S.= \$2.5 billion (\$2.3 billion with only ag products)</b>
Distilled Spirits: \$116 million	Wine & Beer: \$1.4 billion
Tree Nuts: \$107 million	Forest Products: \$196 million
Planting Seeds: \$47 million	Cheese: \$166 million
Hides & Skins: \$32 million	Processed fruit & vegetables: \$108 million*
Wine & Beer: \$32 million	Snack Foods: \$99 million

Live Animals: \$26 million	Essential Oils: \$84 million*
Fish Products: \$153 million	Other Dairy Products: \$36 million

\*Denote highest import/export levels since at least CY 1970

### United States and GERMANY (29 Council votes) Bilateral Ag Trade CY 2012

- U.S. exports mostly Bulk Commodities to Germany.
- Germany exports mainly Consumer Products to the U.S.

<b>Total U.S. Exports to Germany = \$2.6 billion* (\$2 billion with only ag products)</b>	<b>Total U.S Imports from Germany= \$1.7 billion* (\$1.6 billion with only ag products)</b>
Soybeans: \$867 million*	Snack Foods: \$304 million*
Tree Nuts: \$137 million*	Wine & Beer: \$240 million
Forest Products: \$402 million	Forest Products: \$131 million
Vegetable Oils ex soybean: \$85 million*	Coffee, Unroasted: \$118 million
Tobacco: \$71 million	Other Dairy Products: \$96 million*
Processed Fruit: \$67 million	Live Animals: \$85 million*
Wine & Beer: \$57 million	Processed fruit &vegetables: \$83 million*

\*Denote highest import/export levels since at least CY 1970

### United States and ITALY (29 Council votes) Bilateral Ag Trade CY 2012

- U.S. exports mostly Consumer Products to Italy.
- Italy exports mainly Consumer Products to the United States.

<b>Total U.S. Exports to Italy = \$975 million (\$755 million with only ag products)</b>	<b>Total Italy exports to the U.S. = \$3.59 billion* (\$3.5 billion* with only ag products)</b>
Tree Nuts: \$165 million	Wine & Beer: \$1.6 billion
Wheat: \$130 million	Other Vegetable Oils: \$548 million
Forest Products: \$113 million	Cheese: \$301 million
Hides & Skins: \$62 million	Snack Foods: \$129 million
Beef & Beef Product: \$58 million	Red Meats Prep/Pres: \$88 million*
Processed Vegetables: \$46 million	Forest Products: \$78 million
Wine & Beer: \$40 million	Roasted and Instant Coffee: \$68 million*

\*Denote highest import/export levels since at least CY 1970

United States and UNITED KINGDOM (29 Council votes) Bilateral Ag Trade CY 2012

- U.S. exports mostly Consumer Products to the U.K.
- U.K. exports mainly Consumer Products to the U.S.

<b>Total U.S. Exports to UK = \$2.3 billion* (\$1.5 billion with only ag products)</b>	<b>Total UK exports to the U.S = \$762 million* (\$662 million with only ag products)</b>
Forest Products: \$307 million	Wine & Beer: \$136 million
Wine & Beer: \$227 million	Snack Foods: \$94 million
Tree Nuts: \$130 million*	Seafood Products: \$114 million
Soybeans: \$108 million	Salmon Whole or Eviscerated: \$52 million
Prepared Food: \$105 million	Wheat: \$50 million
Live Animals: \$87 million	Other Dairy Products: \$42 million
Soybean Meal: \$78 million*	Live Animals: \$24 million

\*Denote highest import/export levels since at least CY 1970

United States and SPAIN (27 Council votes) Bilateral Ag Trade CY 2012

- U.S. exports mostly Bulk Commodities to Spain.
- Spain exports mainly Consumer Products to the U.S.

<b>Total U.S. Exports to Spain = \$1.5 billion (\$1.3 billion with only ag products)</b>	<b>Total U.S Imports from Spain= \$1.5 billion* (\$1.4 billion* with only ag products)</b>
Tree Nuts: \$413 million	Wine & Beer: \$330 million*
Soybeans: \$320 million	Processed fruit & Vegetables: \$279 million
Vegetable Oils: \$163 million*	Other Vegetable Oils: \$244 million*
Wheat: \$130 million	Snack Foods: \$86 million*
Distilled Spirits: \$63 million*	Other Fresh Fruit: \$69 million
Pulses: \$40 million	Other Dairy Products: \$59 million
Planting Seeds: \$38 million	Spices: \$53 million*

\*Denote highest import/export levels since at least CY 1970

United States and POLAND (27 Council votes) Bilateral Ag Trade 2012

- U.S. exports mostly Intermediate Products to Poland.
- Poland exports mainly Consumer Products to the U.S.

<b>Total U.S. Exports to Poland = \$209 million (\$176 million with only ag products)</b>	<b>Total U.S Imports from Poland= \$339 million* (\$284 million* with only ag products)</b>
Soybean Meal: \$50 million	Processed Fruit & Vegetables: \$76 million*
Tobacco: \$46 million	Snack Foods: \$41 million*
Wine & Beer: \$12 million	Red Meats, Prep/Pres: \$40 million
Processed Fruit: \$11 million	Other Dairy Products: \$23 million
Tree Nuts: \$7 million	Fruit & Vegetable Juice: \$13 million
Prepared Food: \$6 million	Wine & Beer: \$10 million

\*Denote highest import/export levels since at least CY 1970

United States and ROMANIA (14 Council votes) Bilateral Ag Trade CY 2012

- U.S. exports mostly Intermediate Products to Romania.
- Romania exports mainly Consumer Products to the U.S.

<b>Total U.S. Exports to Romania = \$89 million (\$78 million with only ag products)</b>	<b>Total U.S Imports from Romania= \$16 million (\$11 million with only ag products)</b>
Soybean Meal: \$24 million	Coarse Grains: \$3 million
Planting Seeds: \$17 million	Processed Fruits & Vegetables: \$2 million
Soybeans: \$14 million	Wine & Beer: \$1.3 million
Tobacco: \$12 million	Cheese: \$1.1 million
Oilseeds: \$3 million	Snack Foods: \$ 0.9 million
Prepared Foods: \$3 million	Fresh Vegetables: \$0.3 million

\*Denote highest import/export levels since at least CY 1970



United States and GREECE (12 Council votes) Bilateral Ag Trade CY 2012

- U.S. exports mostly Consumer Products to Greece.
- Greece exports mainly Consumer Products to the U.S.

<b>Total U.S. Exports to Greece = \$82 million (\$67 million with only ag products)</b>	<b>Total U.S Imports from Greece= \$240 million (\$217 million with only ag products)</b>
Hides & Skins: \$21 million*	Processed fruit & Vegetables: \$138 million
Tree Nuts \$20 million	Cheese: \$23 million
Tobacco: \$6 million	Other Vegetable Oils: \$20 million
Oilseeds (ex soybean): \$3 million	Wine & Beer: \$11 million
Planting Seeds: \$2 million	Tobacco: \$8 million
Prepared Food: \$2 million	Snack Foods: \$6 million

\*Denote highest import/export levels since at least CY 1970

United States and HUNGARY (12 Council votes) Bilateral Ag Trade CY 2012

- U.S. exports mostly Intermediate Products to Hungary.
- Hungary exports mainly Intermediate Products to the U.S

<b>Total U.S. Exports to Hungary = \$27million (\$24 million with only ag products)</b>	<b>Total U.S Imports from Hungary= \$47 million (\$41 million with only ag products)</b>
Planting Seeds: \$11 million	Snack Foods: \$ 5 million
Prepared Food \$3 million	Wine & Beer: \$3 million
Eggs & Products: \$1 million	Essential Oils: \$2 million
Non-Alcoholic Bev: \$1 million	Processed Fruit & Vegetables: \$2 million
Snack Foods: \$0.9 million	Spices: \$0.9 million
Tree Nuts: \$ 0.8 million	Red Meats Prep/Pres: \$0.6 million

\*Denote highest import/export levels since at least CY 1970

United States and BELGIUM (12 Council votes) Bilateral Ag Trade CY 2012

- U.S. exports mostly Consumer Products to Belgium.
- Belgium exports mainly Consumer Products to the U.S.

<b>Total U.S. Exports to Belgium = \$782 million (\$646 million with only ag products)</b>	<b>Total U.S Imports from Belgium= \$661 million* (\$647 million* with only ag products)</b>
Tree Nuts: \$131 million	Wine & Beer: \$236 million
Fruit & Vegetables Juices: \$63 million	Snack Foods: \$154 million
Wine & Beer: \$36 million*	Processed Fruit & Vegetables: \$43 million*
Tobacco: \$26 million	Live Animals: \$31 million*
Prepared Food: \$20 million	Feeds & Fodders: \$13 million
Wheat: \$18 million	Sugars, Sweeteners, Bev. Bases: \$10 million

United States and CZECH REPUBLIC (12 Council votes) Bilateral Ag Trade 2012

- U.S. exports mostly Consumer Products to Czech Republic.
- Czech Republic exports mainly Consumer Products to the U.S.

<b>Total U.S. Exports to Czech Republic = \$31 million (\$27 million with only ag products)</b>	<b>Total U.S Imports from Czech Republic = \$45 million (\$35 million with only ag products)</b>
Tree Nuts: \$6 million	Wine & Beer: \$10 million
Prepared Food: \$5 million	Feeds & Fodders: \$5 million
Tobacco: \$4 million	Snack Foods: \$3 million
Vegetable Oils: \$1 million	Hides & Skins: \$0.2 million
Processed Vegetables: \$ 1 million	Other Dairy Products: \$ 0.1 million
Feeds & Fodders: \$ 1 million	Live Animals: \$0.1 million

United States and AUSTRIA (10 Council votes) Bilateral Ag Trade CY 2012

- U.S. exports mostly Intermediate Products to Austria.
- Austria exports mainly Consumer Products to the U.S.

<b>Total U.S. Exports to Austria = \$54 million (\$43 million with only ag products)</b>	<b>Total U.S. Imports from Austria = \$648 million (\$621 million with only ag products)</b>
Planting Seeds: \$27 million	Other Consumer Oriented: \$544
Eggs & Products: \$4 million*	Wine & Beer: \$15 million*
Rice: \$3 million	Snack Foods: \$18 million*
Tree Nuts: \$2 million	Sugars, Sweeteners, Bev Bases: \$7 million
Fruit & Vegetable Juices: \$1 million*	Essential Oils: \$6 million*
Prepared Food: \$1 million	Feeds and Fodders: \$9 million*

\*Denote highest import/export levels since at least CY 1970

United States and BULGARIA (10 Council votes) Bilateral Ag Trade CY 2012

- U.S. exports mostly Consumer Products to the Bulgaria.
- Bulgaria exports mainly Bulk Commodities to the U.S.

<b>Total U.S. Exports to Bulgaria = \$33 million (\$25 million with only ag products)</b>	<b>Total U.S. Imports from Bulgaria = \$81 million (\$80 million with only ag products)</b>
Tobacco: \$10 million	Tobacco: \$27 million
Tree Nuts: \$7 million*	Other Dairy Products: \$12 million
Prepared food: \$2 million*	Feeds and Fodders: \$ 9 million*
Feed & Fodders: \$2 million	Processed Fruit & Vegetables: \$ 8 million*
Chocolate & Cocoa Products: \$1 million*	Essential Oils: \$4. million*
Processed Fruit: \$.3 million	Planting Seeds: \$1. million

United States and PORTUGAL (12 Council votes) Bilateral Ag Trade CY 2012

- U.S. exports mostly Bulk Commodities to Portugal.
- Portugal exports mainly Consumer Products to the U.S.

<b>Total U.S. Exports to Portugal = \$250 million (\$183 million with only ag products)</b>	<b>Total U.S. Imports from Portugal = \$121 million (\$100 million with only ag products)</b>
Soybeans: \$87 million	Wine & Beer: \$73 million
Tobacco: \$25 million	Other Vegetable Oils: \$ 9 million
Soybean Meal: \$13 million	Processed Fruit & Vegetables: \$5 million
Oilseeds: \$12 million	Cheese: \$3 million
Wheat: \$6 million	Snack Foods: \$2 million
Processed Vegetables: \$5 million*	Roasted & Instant Coffee: \$1 million

United States and SWEDEN (10 Council votes) Bilateral Ag Trade CY 2012

- U.S. exports mostly Consumer Products to Sweden.
- Sweden exports mainly Consumer Products to the U.S.

<b>Total U.S. Exports to Sweden = \$244 million* (\$176 million* with only ag products)</b>	<b>Total U.S. Imports from Sweden = 185 million (\$141 million* with only ag products)</b>
Tree nuts \$28.2 million	Snack Foods: \$22 million
Wine & Beer: \$27.1 million	Roasted and Instant Coffee: \$20 million
Processed Fruit: \$24 million	Processed Fruits and Vegetables: \$10.7
Condiments and Sauces: \$14 million	Hides and Skins: \$7 million
Processed vegetables: \$13 million	Cheese: \$4 million

Prepared Food : \$ 12 million	Other vegetable oils \$2.6
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\*Denote highest import/export levels since at least CY 1970

United States and NETHERLANDS (13 Council votes) Bilateral Ag Trade CY 2012

- U.S. exports mostly Consumer Products to the Netherlands.
- The Netherlands export mainly Consumer Products to the U.S.

<b>Total U.S. Exports to Netherlands = \$2 billion (\$1.7 billion with only ag products)</b>	<b>Total Netherlands exports to the U.S. = \$2 billion (same with only ag products)</b>
Tree Nuts: \$229 million*	Wine & Beer: \$887 million
Vegetable Oils (ex soybean): \$183 million*	Cocoa Paste/Butter: \$257 million
Ethanol: \$154 million	Nursery Products: \$188 million
Beef & Beef Products: \$126 million	Processed Fruit & Vegetables: \$99 million*
Prepared Food: \$120 million	Other Dairy Products: \$82 million*
Processed Fruit: \$113 million*	Planting Seeds: \$76 million*
Planting Seeds: \$112 million	Cheese: \$72 million

\*Denote highest import/export levels since at least CY 1970