



@kev\_han

# Developments in Agri-food Trade

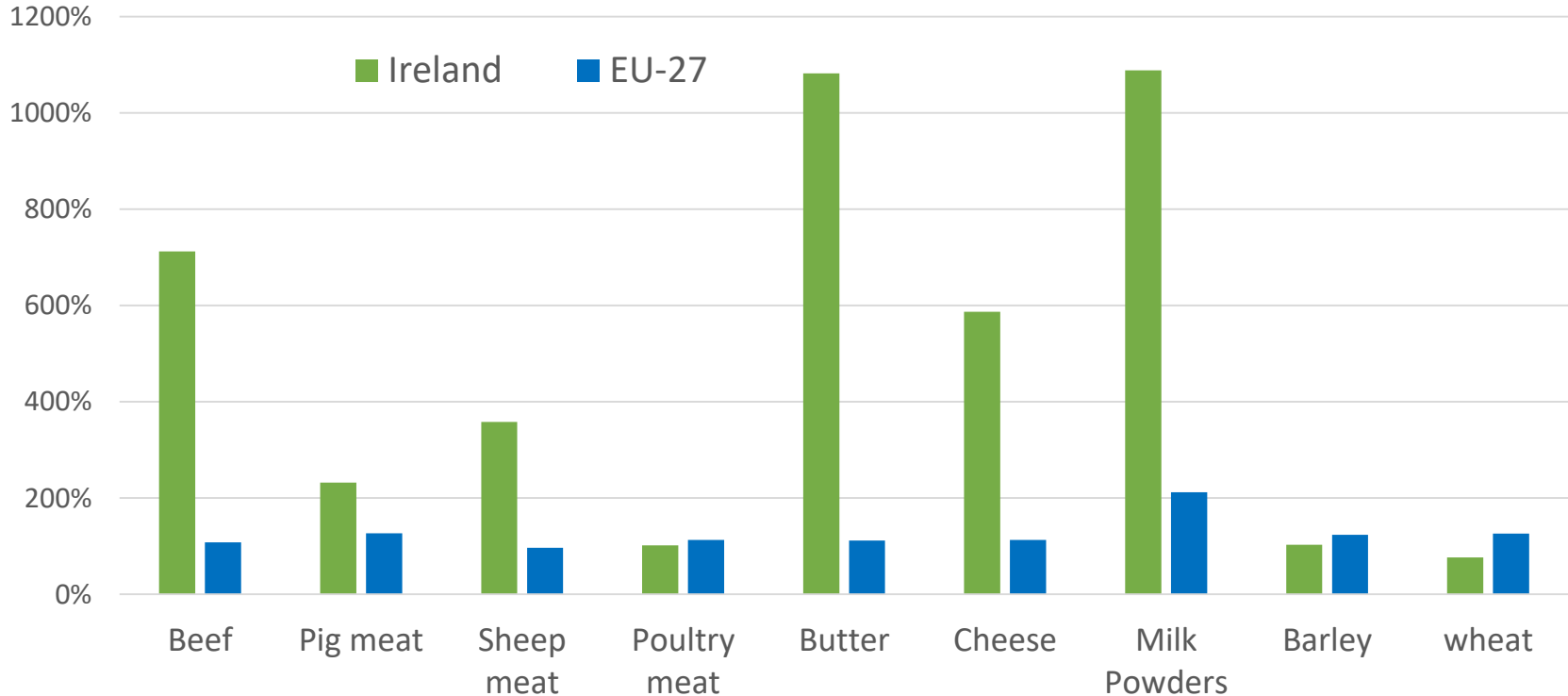
Kevin Hanrahan



# Outline

- Irish agri-food industry trade dependence
  - Why what happens in other places is so important
- Developments in agri-food trade in 2021
- Important issues for 2022 (Brexit ?)

# Irish and EU27 Commodity Self-sufficiency

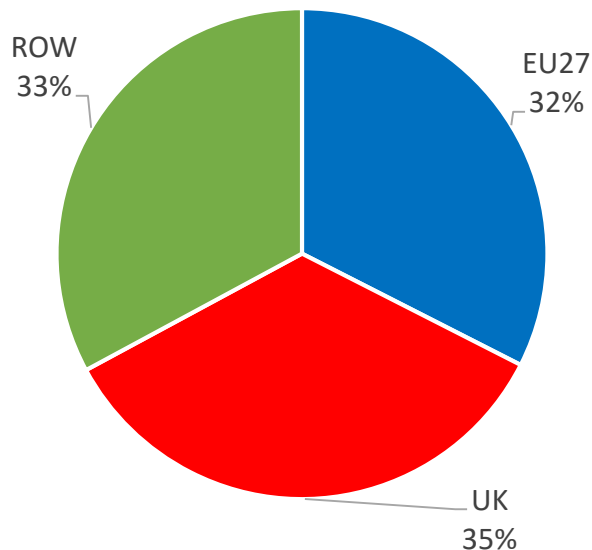


Source: EU27 DG Agri 2021, CSO Meat S&U 2020, Cereal S&U 2011/2012, Milk Products S&U 2010

Note: Self-sufficiency = (production/domestic Use)\*100

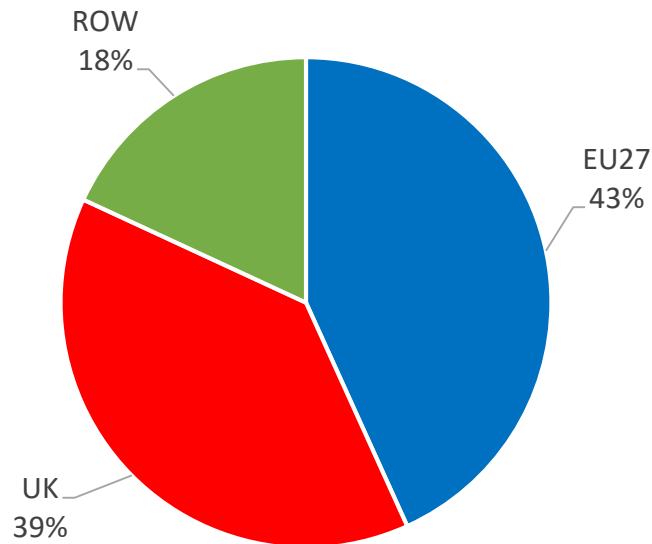
# 2021 Agri-food Destinations & Sources

## Exports



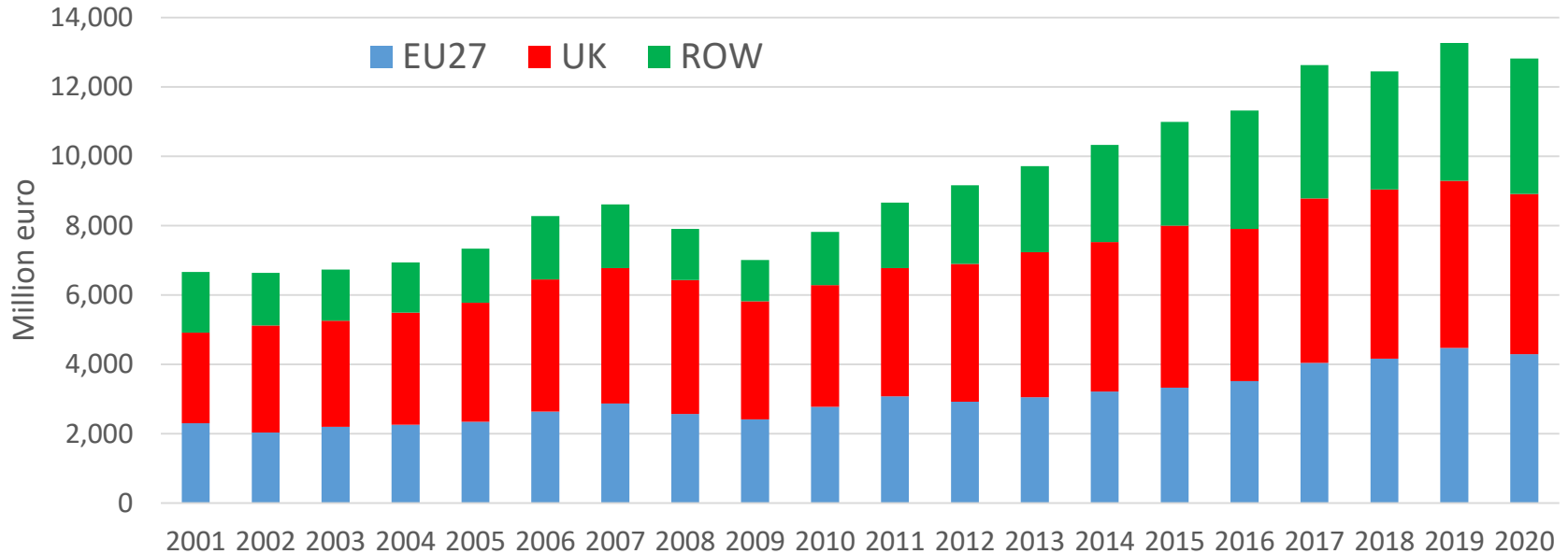
2020 Full year €12.8bn

## Imports



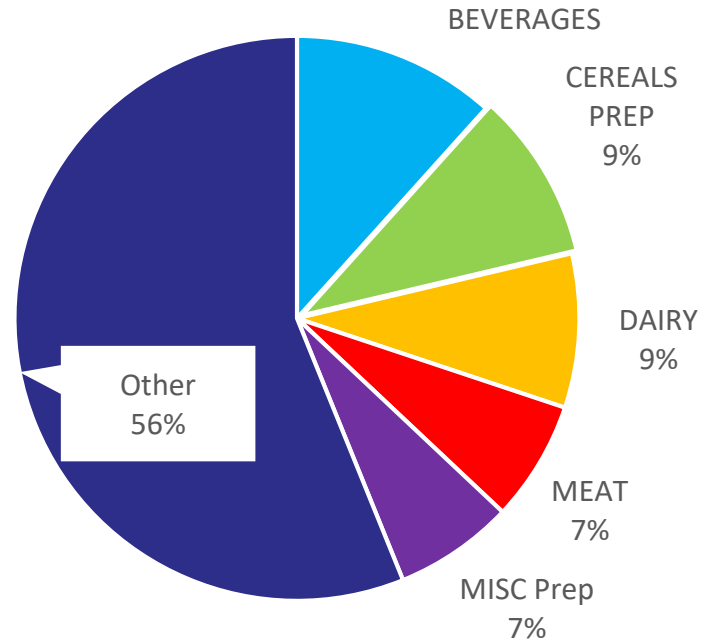
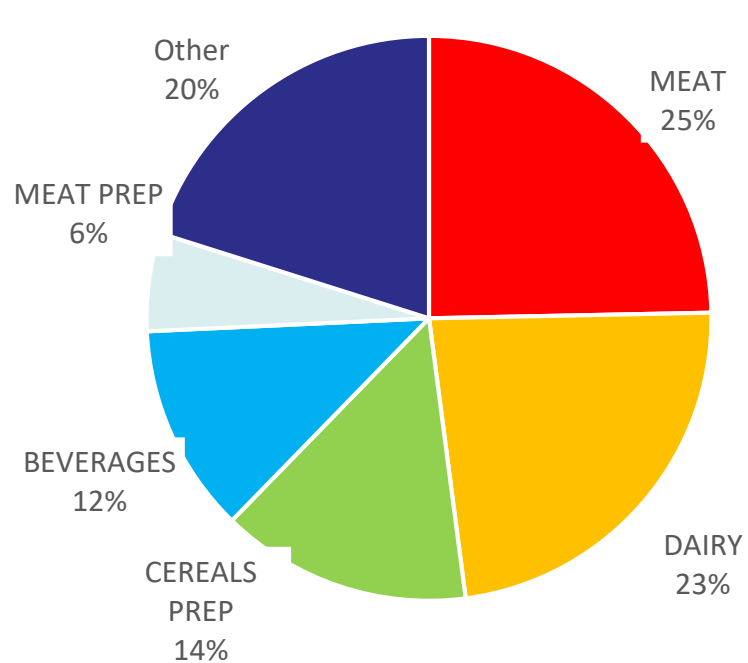
2020 Full year €8.6bn

# Agri-food Exports from Ireland 2001-2020



Fastest growth since 2001 has been in exports to ROW, then EU, then UK  
Since GFC growth in exports to ROW > 11% p.a., EU > 5%, UK < 3%

# Irish agri-food exports and imports: 2021



Largest 5 two digit codes account for 80% of Irish exports.  
Meat & dairy alone account for close to 50%. Imports much more diverse



**2022: What about Brexit ?**

# UK Customs and SPS Checks in 2022 ?

- The UK Government introducing pre-notification for agri-food exports to the UK from the EU (and transits through the UK) from January 1, 2022
- Export health certification and physical (SPS) checks to be introduced in 3 phases from July 1, 2022
  - Animal, meat products & high risk food products not of animal origin from July 1
  - Dairy products from September 1
  - Remaining animal products, composite products & fish from November 1

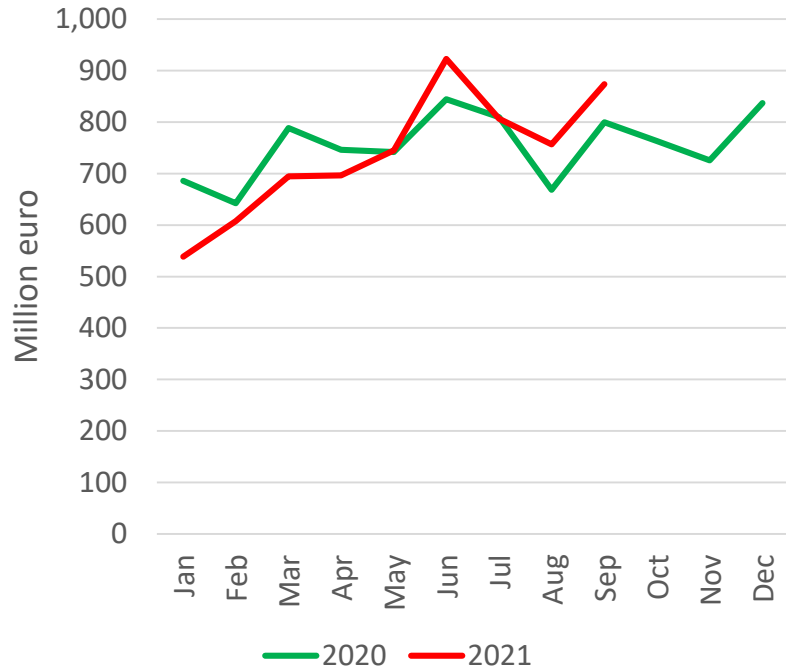


# Irish and EU agri-food exports to the UK in 2022

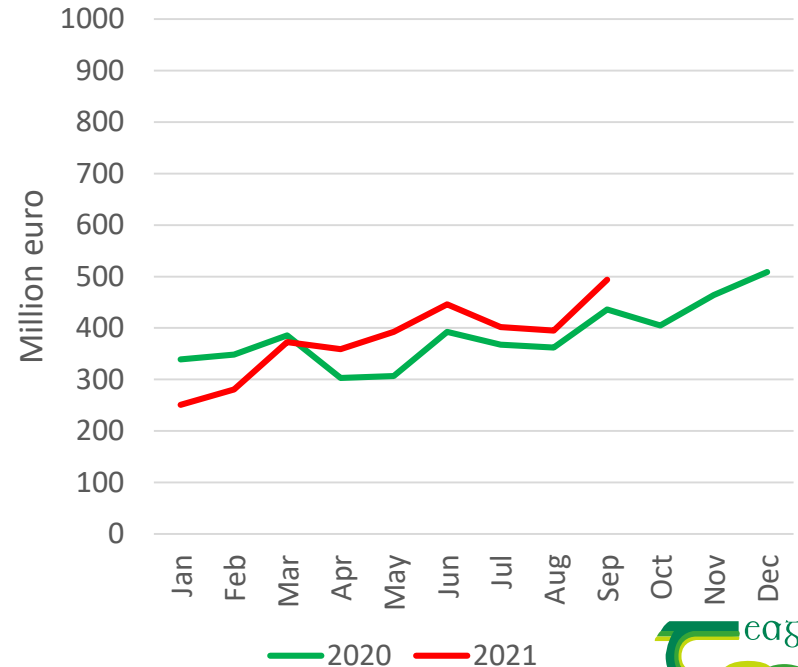
- Important to recall that the EU has treated UK like any another WTO member with which it has a PTA
  - Qualifying goods granted tariff free access under TCA terms
  - Customs procedures & SPS checks - since they are essential to PTA
- What lessons can we draw from the ways in which trade flows have changed between the EU and the UK to date for the future of Irish agri-food exports?

# Despite Brexit Irish agri-food exports to the UK grew in 2021

## Total Irish Agri-food exports



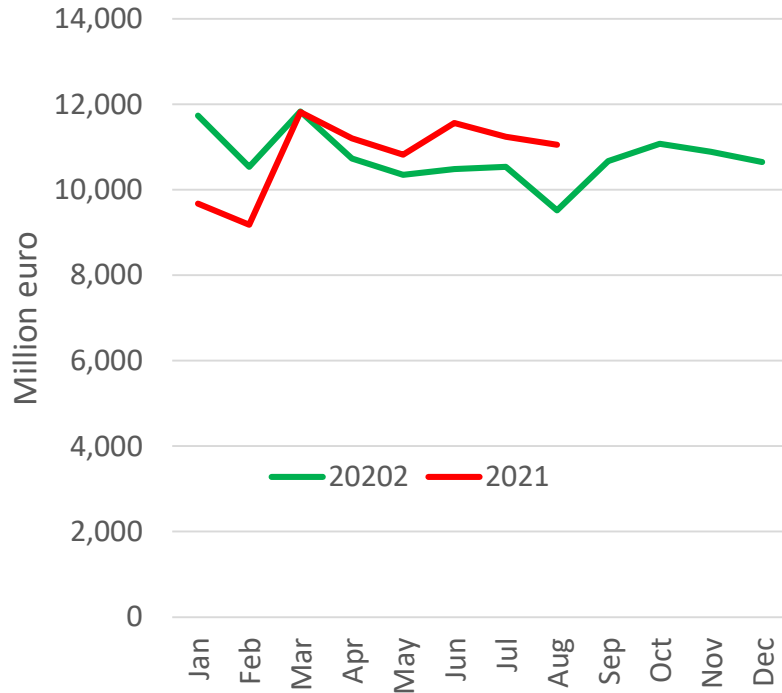
## Irish Agri-food exports to UK



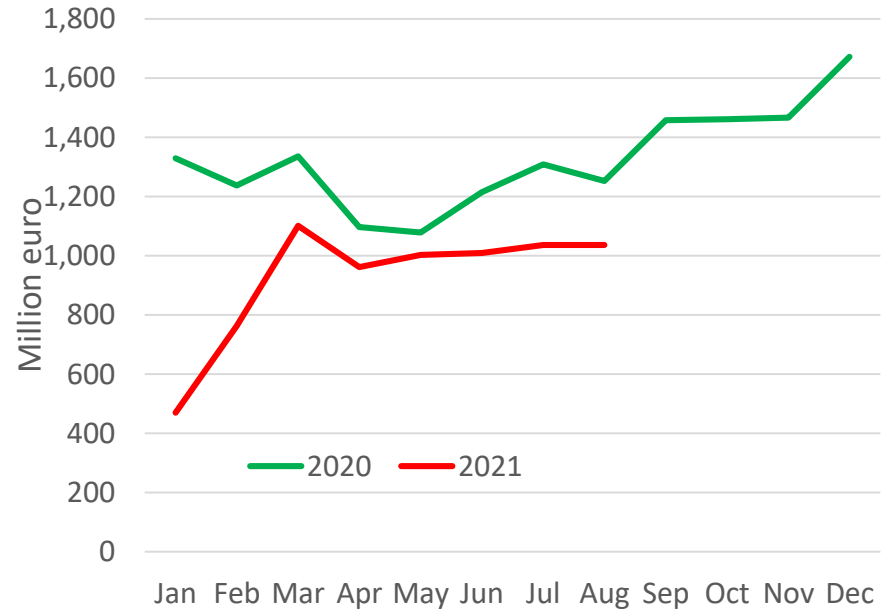
# EU agri-food imports

UK exports after adjustment period in Q1 remain over 20% lower than in 2021

## Total EU Agri-food Imports

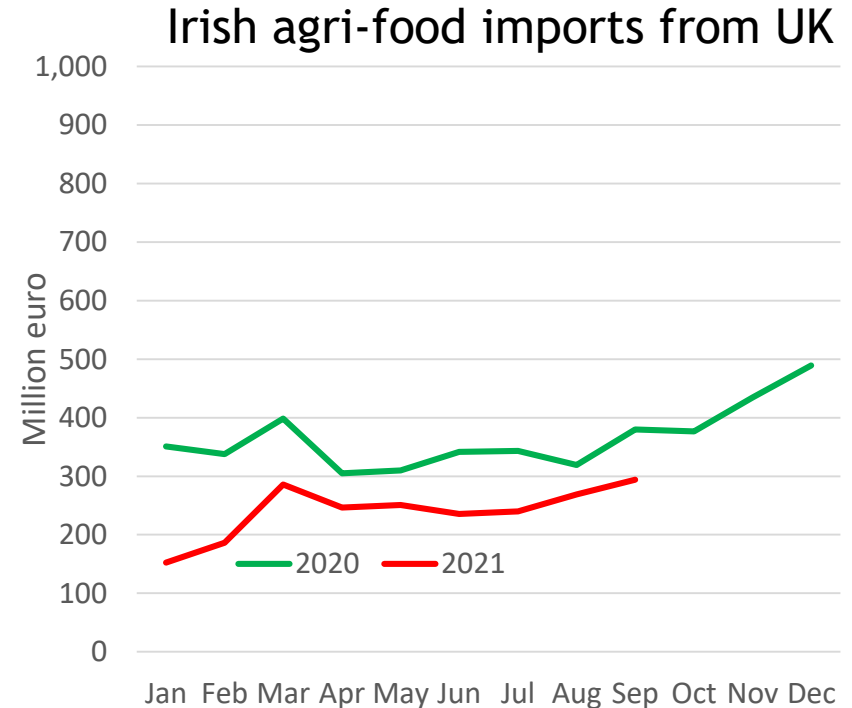
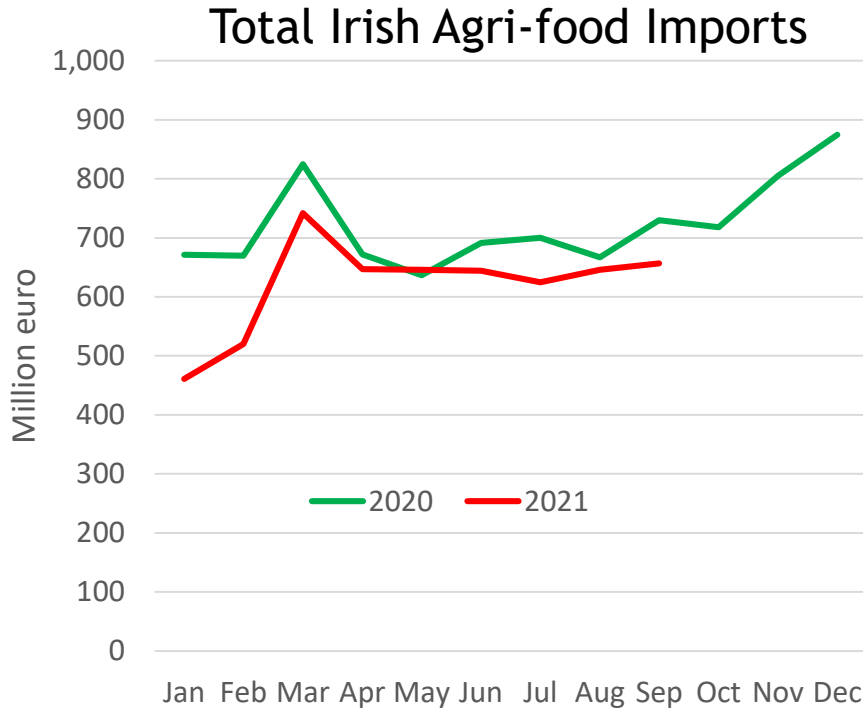


## EU agri-food imports from UK



# Irish agri-food imports

UK exports after adjustment period in Q1 remain over 20% lower than in 2021



# UK Customs and SPS Checks in 2022 ?

- If the UK Government announcement is implemented we will see a negative impact on UK demand for imports from the EU
  - Still unclear if physical facilities required for UK Customs Model will be in place by mid-year 2022
- The ongoing decline in the share of Irish agri-food exports shipped to the UK is likely to be accelerated in 2022.

# Summary and where to in 2022

- Likely that the ongoing contraction in the share of Irish agri-food exports to the UK market will continue and probably accelerate in 2022
  - UK “Taking back control” to start in January 2022
- Full Customs and Physical Checks on agri-food exports to the UK
- Observed changes in agri-food trade flows between UK & EU suggest that there will be significant additional costs and negative impacts on UK import demand
- Brexit remains a considerable short to medium term downside risk for Irish agri-food markets