



@kev_han

Developments in Agri-food Trade

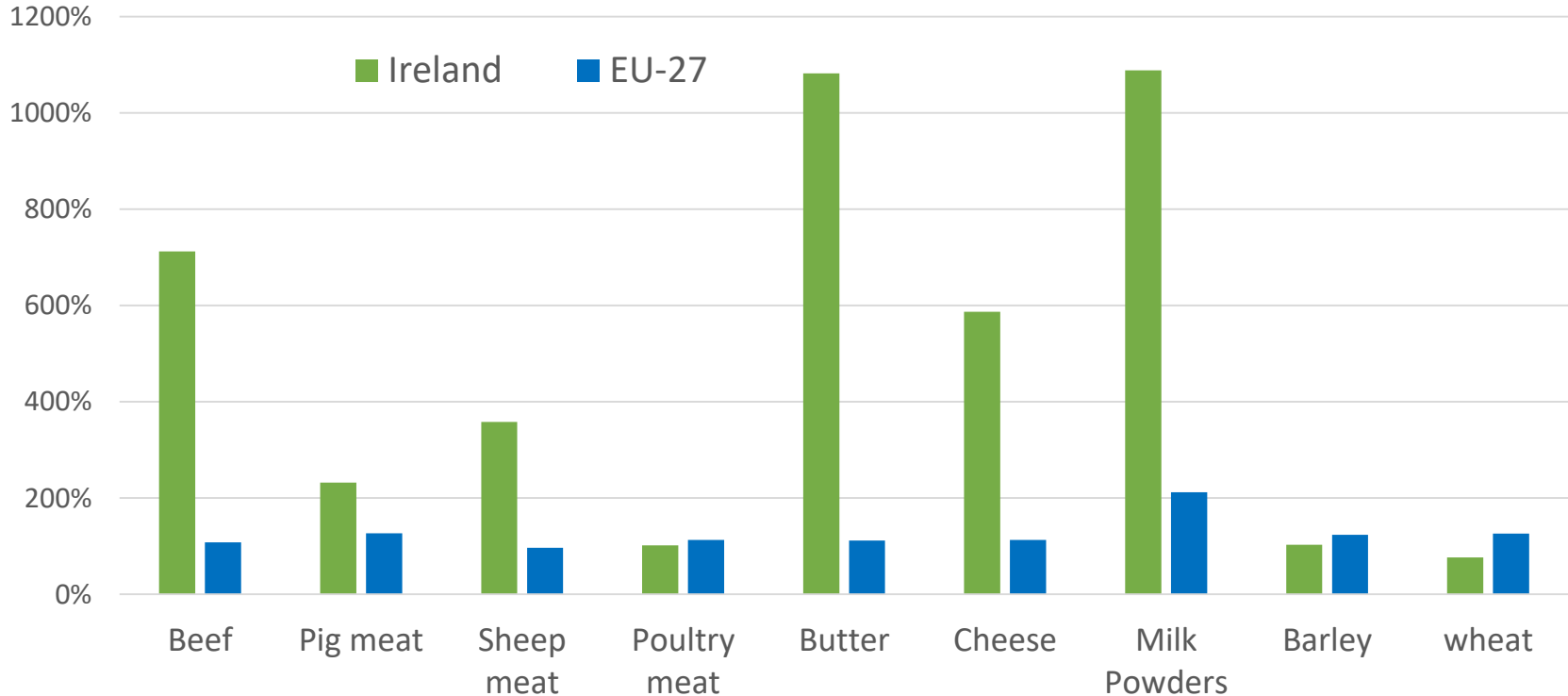
Kevin Hanrahan



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

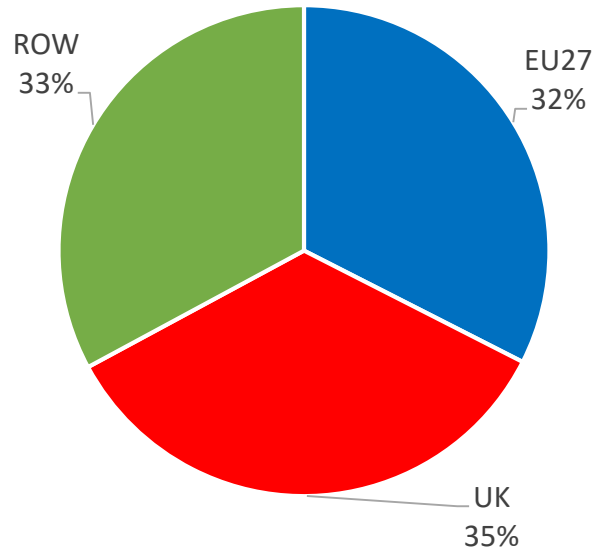


Source: EU27 DG Agri 2021, CSO Meat S&U 2020, Cereal S&U 2011/2012, Milk Products S&U 2010

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

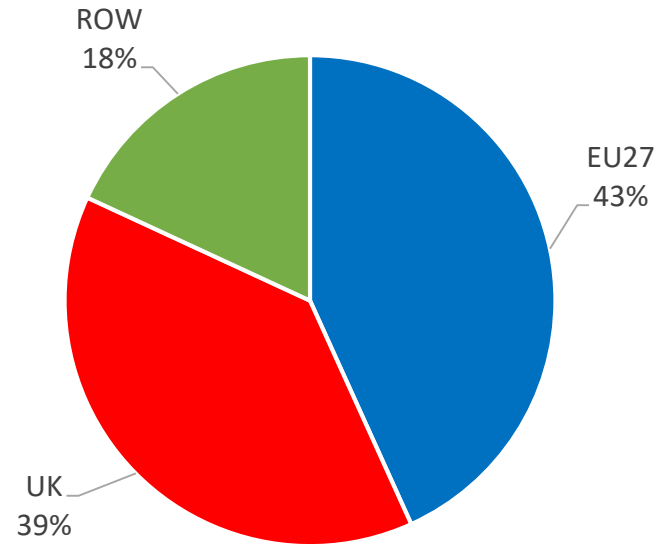
2021 Agri-food Destinations & Sources

Exports



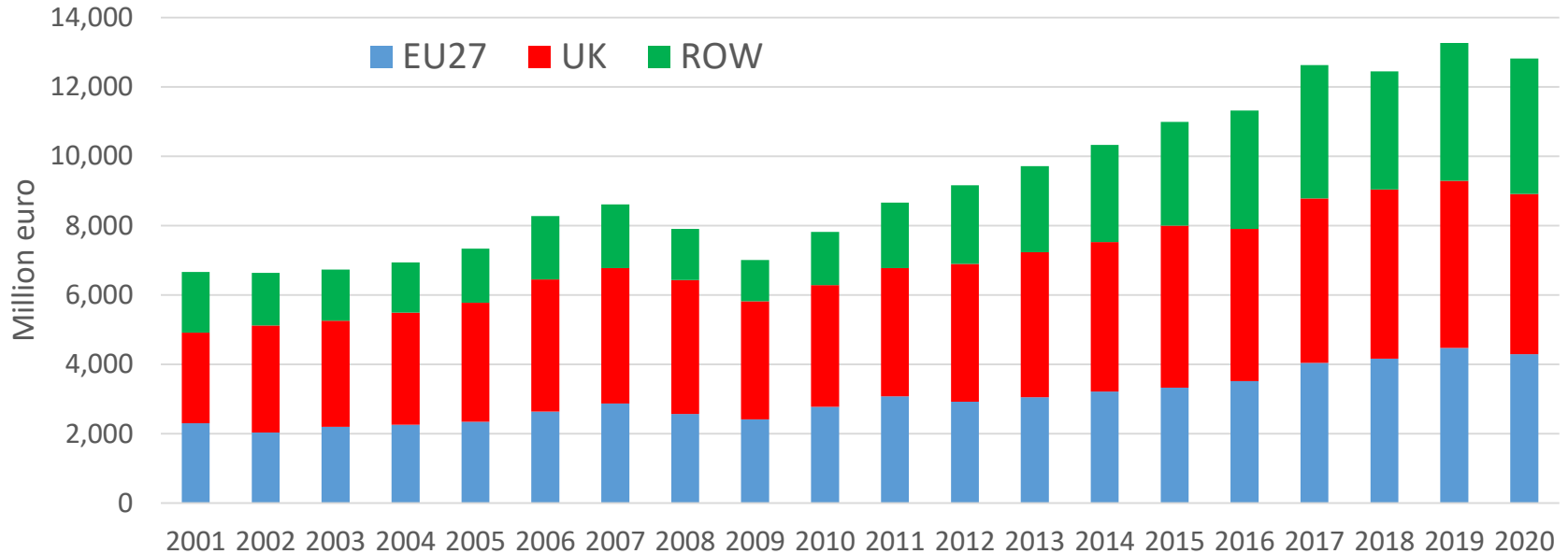
2020 Full year €12.8bn

Imports



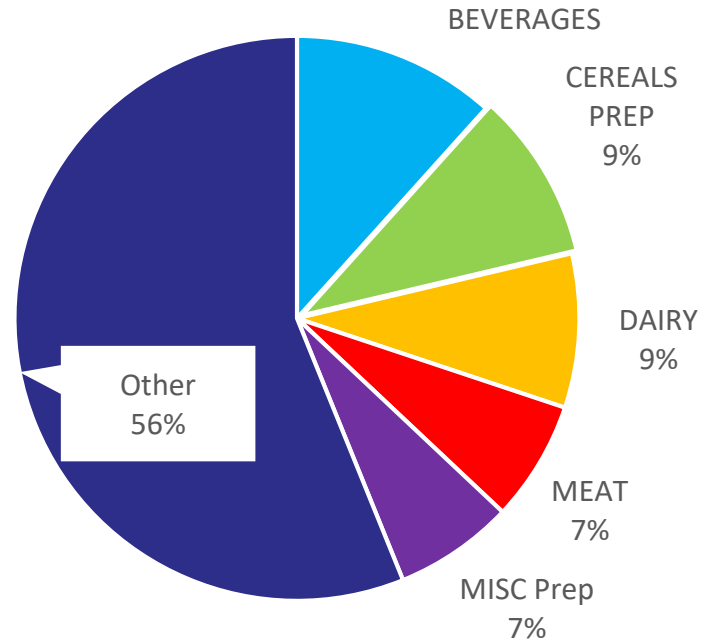
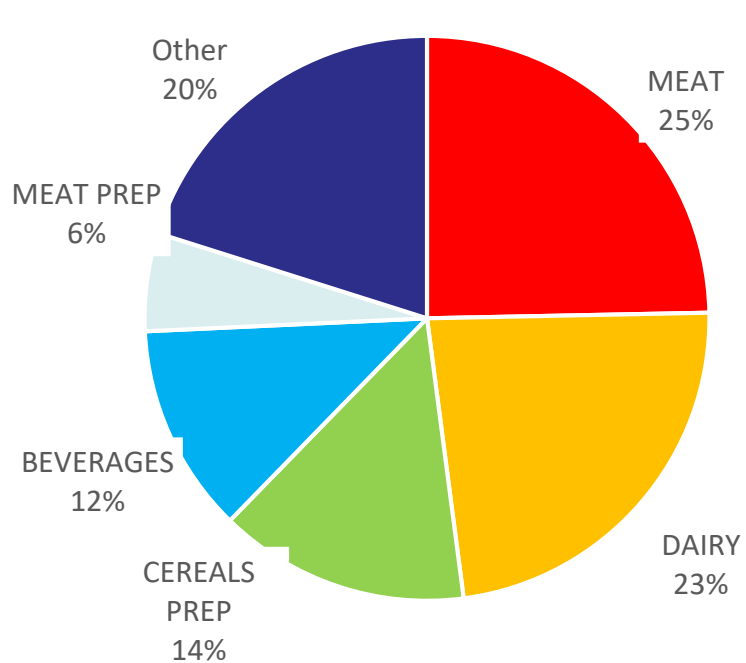
2020 Full year €8.6bn

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 ?

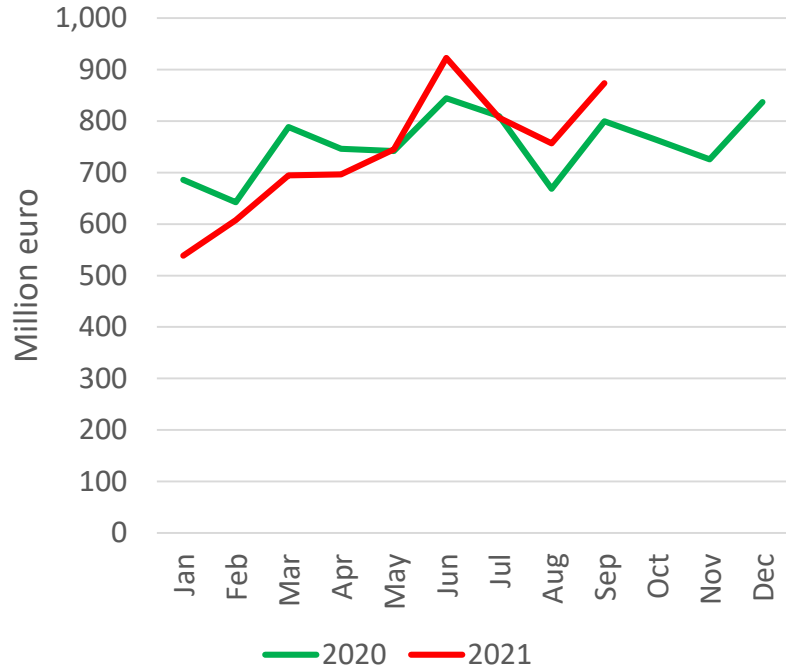
- The UK Government introducing pre-notification for agri-food exports to the UK from the EU (and transits through the UK) from January 1, 2022
- Export health certification and physical (SPS) checks to be introduced in 3 phases from July 1, 2022
 - Animal, meat products & high risk food products not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

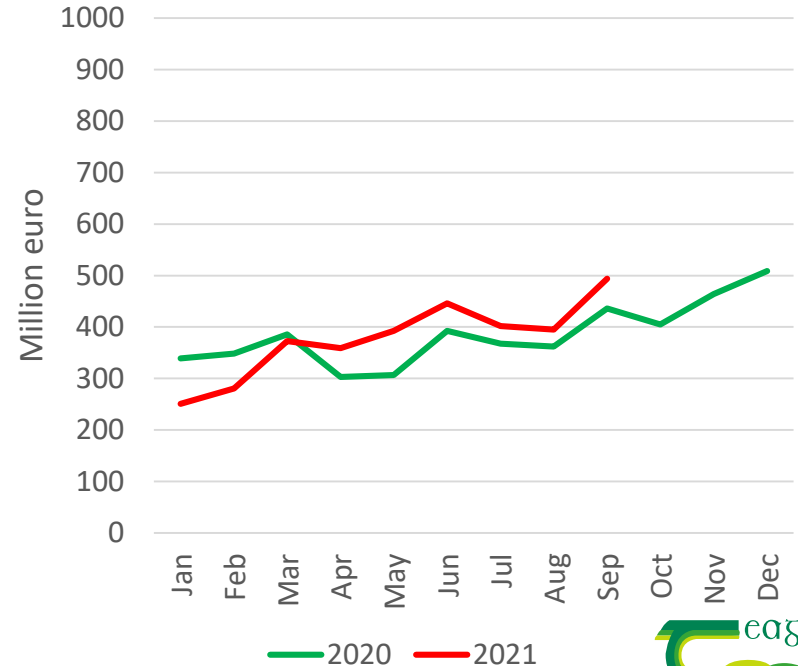
- Important to recall that the EU has treated UK like any another WTO member with which it has a PTA
 - Qualifying goods granted tariff free access under TCA terms
 - Customs procedures & SPS checks - since they are essential to PTA
- What lessons can we draw from the ways in which trade flows have changed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



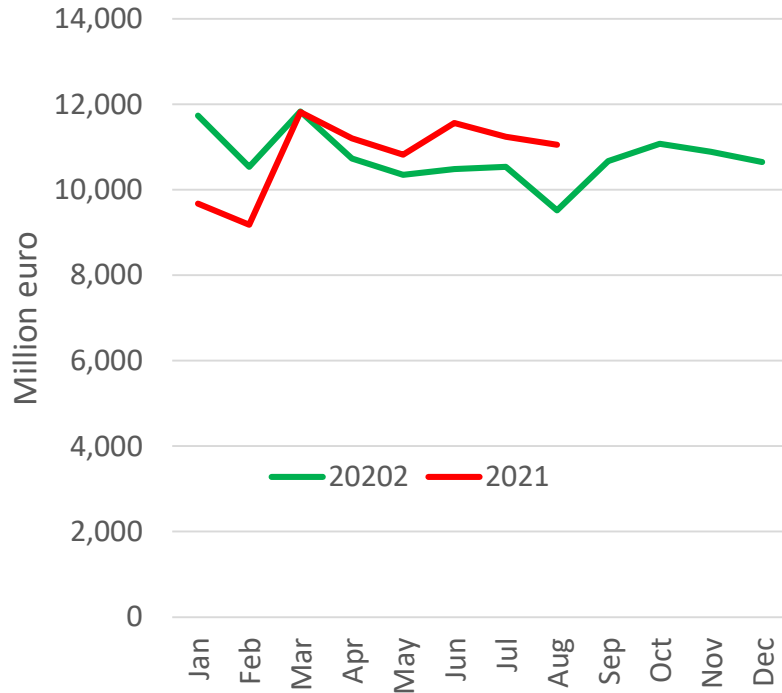
Irish Agri-food exports to UK



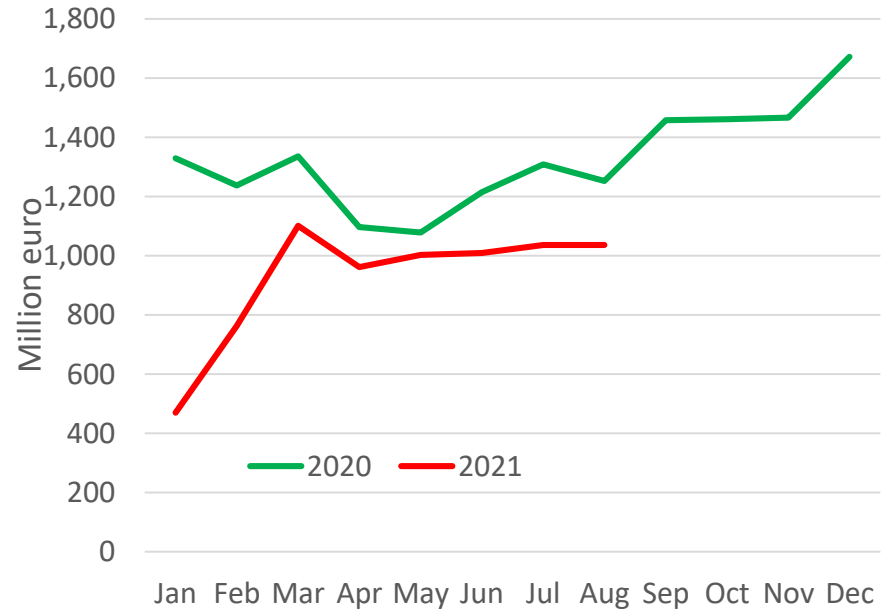
EU agri-food imports

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

Total EU Agri-food Imports

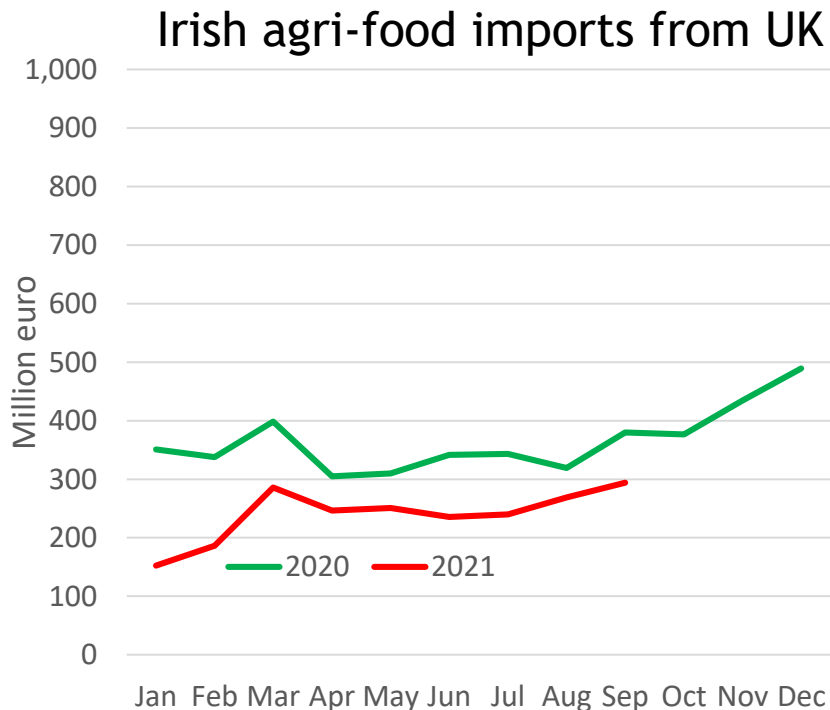
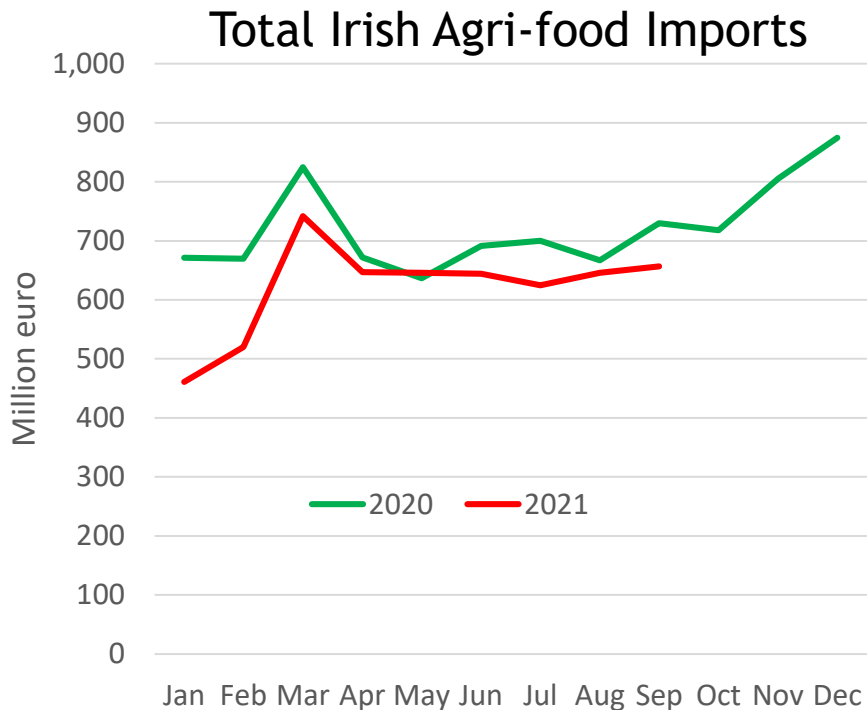


EU agri-food imports from UK



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