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Report Name: EU Report Outlines How Food and Feed Omnibus Could Cause EU Agricultural Imports to Decrease 41 Percent

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Report Highlights:

On August 11, 2026, the European Commission's Joint Research Centre (JRC) released a 161-page study estimating the potential impact on EU trade, farm production, and consumer prices if the EU lowered maximum residue levels (MRLs) for the most hazardous banned pesticides to the limit of quantification (LOQ) on imported food and feed products. The study identifies 18 non-EU-approved active substances that could be affected, spanning 235 commodities and 86 exporting countries. Modeling three scenarios that vary by assumed exporter adaptation, the JRC finds that EU agricultural imports could decline by as much as 41 percent under a "no adaptation" scenario. This report summarizes the JRC's key findings, methodology, and limitations for exporter awareness.

Executive Summary

According to the European Commission's Joint Research Centre (JRC) report, approximately $16 billion of U.S. agricultural exports to the European Union may be adversely affected should the EU Commission adopt proposed articles in the Food and Feed Omnibus that would reduce maximum residue levels (MRLs) for certain pesticide substances to a limit of quantification (LOQ) – effectively banning use of the identified pesticides.

Background

In its Vision for Agriculture and Food, the European Commission established the objective that the most hazardous[1] pesticides banned in the EU for health and environmental reasons should not enter the EU market through imported products. To support this objective, the Commission tasked the JRC in November 2025 with conducting an analytical study of the potential economic impacts of reducing import residue tolerances for these pesticide substances to effectively zero.

Scope and Methodology

The research team, drawn from the JRC in Spain and consultants at Seidor in Belgium, compiled a new dataset covering EU approval status, current MRL levels, third-country pesticide authorizations, residue monitoring results, and trade flows. This dataset enabled identification of the specific commodities and exporting countries that would be affected by reducing MRLs on the 18 pesticides[2] to the LOQ. In total, the affected substances span 235 commodities[3] and 86 exporting countries, corresponding to 10,583 substance-commodity-country combinations, of which 5,473 are reflected in recorded EU trade. The team implemented the scenarios in the CAPRI[4] agro-economic model and conducted a detailed case study on one specific pesticide, cyproconazole, to test the scenarios' plausibility and results.

The Three Scenarios

The study specifies that its contents are not predictions or forecasts — the results are meant to show plausible best-case and worst-case scenarios, not a single expected outcome.

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[1] A *hazard* is an intrinsic property of a substance — its potential to cause harm under certain conditions, independent of actual exposure. The EU's study classifies pesticides strictly on hazard grounds (e.g., mutagenic, carcinogenic, toxic for reproduction, endocrine-disrupting, persistent organic pollutant, persistent/bioaccumulative/toxic (PBT), or very persistent/very bioaccumulative (vPvB)), regardless of whether current residue levels pose a consumer risk. *Risk*, by contrast, accounts for both hazard and actual exposure under real-world conditions; a substance may be hazardous in a technical sense while posing negligible risk if exposure is sufficiently low. This risk-based approach — weighing how much of a substance is present and how it is consumed — has traditionally underpinned MRL-setting by regulators such as EFSA. The U.S. position holds that MRL decisions should remain grounded in risk-based, case-by-case scientific assessment, rather than automatic hazard-based cutoffs applied without regard to actual exposure or harm.

[2] The 18 active substances are: Benomyl; Benthiavalicarb; Carbendazim; Chlordecone; Clofentezine; Cyproconazole; Dicofol; Dimethomorph; Flufenacet (formerly fluthiamide); Glufosinate; Isopyrazam; Mancozeb; Mepanipyrim; Metiram; Metribuzin; Quinoxyfen; Spirodiclofen; and Thiophanate-methyl.

[3] See Annex 1, page 104 of the study: https://publications.jrc.ec.europa.eu/repository/handle/JRC147659

[4] CAPRI – the Common Agriculture Policy Regionalised Impact modelling system, is a global comparative static, partial equilibrium model for the agricultural and primary processing sectors.

- **Upper-bound scenario ("no adaptation")**
    - *Assumption:* Producers continue current practices.
    - *Exports:* Face a full trade shock.
- **Intermediate scenario**
    - *Assumption:* Some producers adjust practices, based on likely profitability.
    - *Exports:* +20 percent
- **Lower-bound scenario**
    - *Assumption:* A smaller share of producers adapt; adaptation is cheaper.
    - *Exports:* +5 percent

The authors also suggest these scenarios can be read as a timeline: adaptation is limited right after a rule change but tends to increase — at lower cost — the longer producers have to adjust. Over the long run, some exporting countries might even align their own pesticide rules with the EU's.

Study Results

1. Trade Impact (EU Imports)

Scenario	*Change in EU Agricultural Imports*
Upper-bound (no adaptation)	-41% (citrus: -92%; soybeans: -90%)
Intermediate	-8%
Lower-bound	-0.4%

2. EU Production Impact

Across all scenarios, EU crop production grows as domestic farmers fill the gap left by reduced imports — the authors note this reflects "increased competitiveness of EU producers" as import volumes fall.

- **Upper-bound scenario:** EU crop production up 1.1 percent overall; farmland use expands by 1.9 million hectares (1.2 percent of total EU farmed area); citrus production +47 percent, rapeseed +41percent, soybeans +29 percent
- **Intermediate scenario:** EU production up only 0.23 percent

However, there is a distinction for livestock: in the extreme no-adaptation scenario, higher feed costs (oilseed cake prices up 87 percent) cause pork production to fall 5.8 percent and poultry production to fall 5.4 percent. This negative livestock effect essentially disappears under the intermediate and lower-bound scenarios.

3. Consumer Price Impact (in the EU)

Scenario	*Biggest Price Increases*
Upper-bound (no adaptation)	Coffee +332%, soybean cakes +105%, citrus +85%
Intermediate	Table grapes +6.5%, coffee +6%, citrus +5.6%
Lower-bound	All commodities under +1%

4. Impact on Exporting (Third) Countries

If an exporting country can redirect its products to non-EU buyers, production stays largely stable. If it cannot easily redivert trade, producers in that country may see falling prices.

Beyond the main economic model, the JRC also conducted a qualitative (non-modeled) review of 180 additional commodities across 78 countries. It found:

- There are 30 exposed third countries, most of which could reroute trade elsewhere or sell domestically — though often at a discount
- The pesticides glufosinate, spirodiclofen, mancozeb, and metiram are tied to the largest import values at risk
- The EU is not self-sufficient in 29 of the impacted commodities, meaning it would likely need to find new suppliers — at an estimated 2–9 percent higher cost
- Figs, almonds, hazelnuts, and beans would be hardest for the EU to replace with other sources

5. Case Study: Cyproconazole (Fungicide)

The JRC took a deep dive into this one substance to test whether its broader modeling assumptions hold up. Findings:

- EU-approved substitutes exist, but switching could raise production costs by 20–40 percent
- That cost increase could be smaller in practice if substitutes perform better at controlling pests and disease, offsetting some of the added expense
- **Big-picture takeaway:** Costs vary enormously by substance, crop, and country — meaning a "one-size-fits-all" assumption about how exporters will react is unrealistic. Each pesticide needs its own tailored analysis.

Limitations

The JRC acknowledges several boundaries to the study's scope:

- It is not a formal impact assessment
- It does not address the environmental or social effects of the EU's pesticide bans
- It has not undergone public consultation
- It applies uniform assumptions across substances, products, and countries that differ significantly, due to gaps in detailed usage and cost data

- It does not cover livestock-based products, only crop-use pesticides
- It does not measure how EU consumers might perceive imported food differently in terms of quality or safety
- It does not account for any transition or grace period that would allow exporters to adjust before new limits take effect

The Commission's actual regulatory proposal remains under debate in the European Parliament and Council and would require its own dedicated impact assessment before any final regulatory changes are made.

Next Steps

The JRC recommends further research in two areas: better data on how these pesticides are actually used in exporting countries, and "after-the-fact" studies examining past cases where MRLs were lowered to the LOQ, to assess how producers responded in practice.

Conclusion

The JRC's study is a preliminary economic analysis feeding into the Commission's broader policy process under Omnibus X (Simplification and Strengthening of the Food and Feed Safety Requirements). If the Commission ultimately moves forward with lowering MRLs to the LOQ for these 18 substances, exporting countries using any of the listed active substances will face reduced market access or higher compliance costs. The exact scale of impact will depend on the substance, the commodity, and the extent to which producers are able to adapt.

Perhaps the most important caveat in the entire JRC report comes directly from the study's own authors, who explicitly acknowledge the limits of their analysis relative to the EU's formal regulatory process. As stated in the report: *"The present study does not meet the requirements of a full IA as set out in the Better Regulation Guidelines (EC, 2021). Any further policy action, including any regulatory changes should accordingly be informed by a more comprehensive analysis conducted in line with those guidelines."* This is a critical admission: the JRC itself is telling policymakers that this study — despite its scope covering 18 active substances, 235 commodities, and 86 countries — is not sufficient grounds on which to base final regulatory action. It is explicitly a preliminary, exploratory analysis, not the rigorous Impact Assessment required under the EU's own Better Regulation framework. This point reinforces why the United States and other trading partners are right to insist that no MRL reductions be finalized under Omnibus X until a complete, dedicated impact assessment — one that meets the EU's own procedural standards — has been conducted.

Given the U.S. share of EU imports in these categories — approximately $16 billion, or roughly 30 percent of the total EU agricultural imports — the United States has significant exposure and, correspondingly, strong reason to stay engaged as this legislation moves through the European Parliament and Council.

Study link: https://publications.jrc.ec.europa.eu/repository/handle/JRC147659

Attachments:

No Attachments.