Trade facilitation for agricultural products

Advancing Sustainable Development through Trade Facilitation.

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What was the value of agrifood trade last year ?

US$ trillions ?

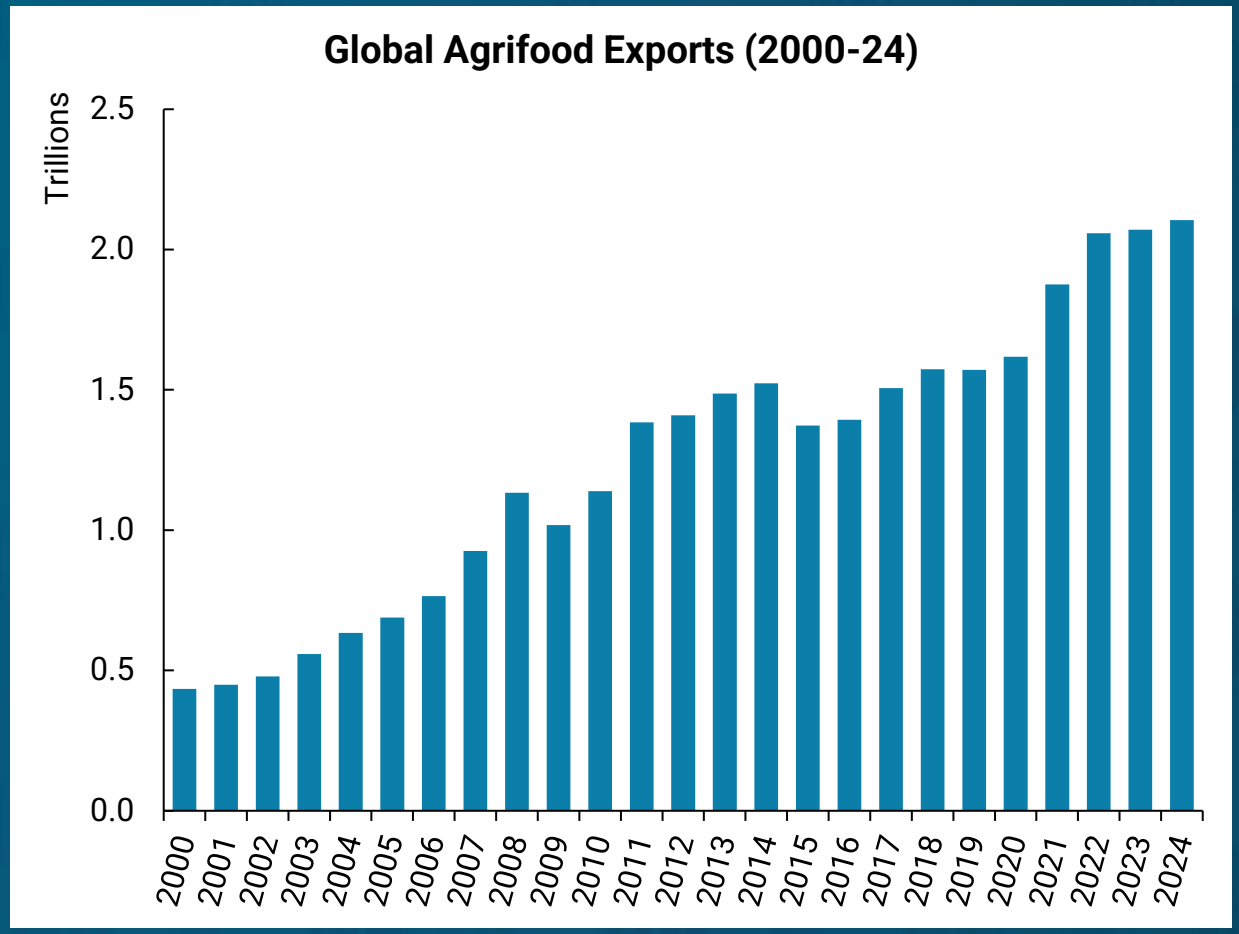
% of merchandise trade?

Why facilitation of agrifood trade is so critical ?



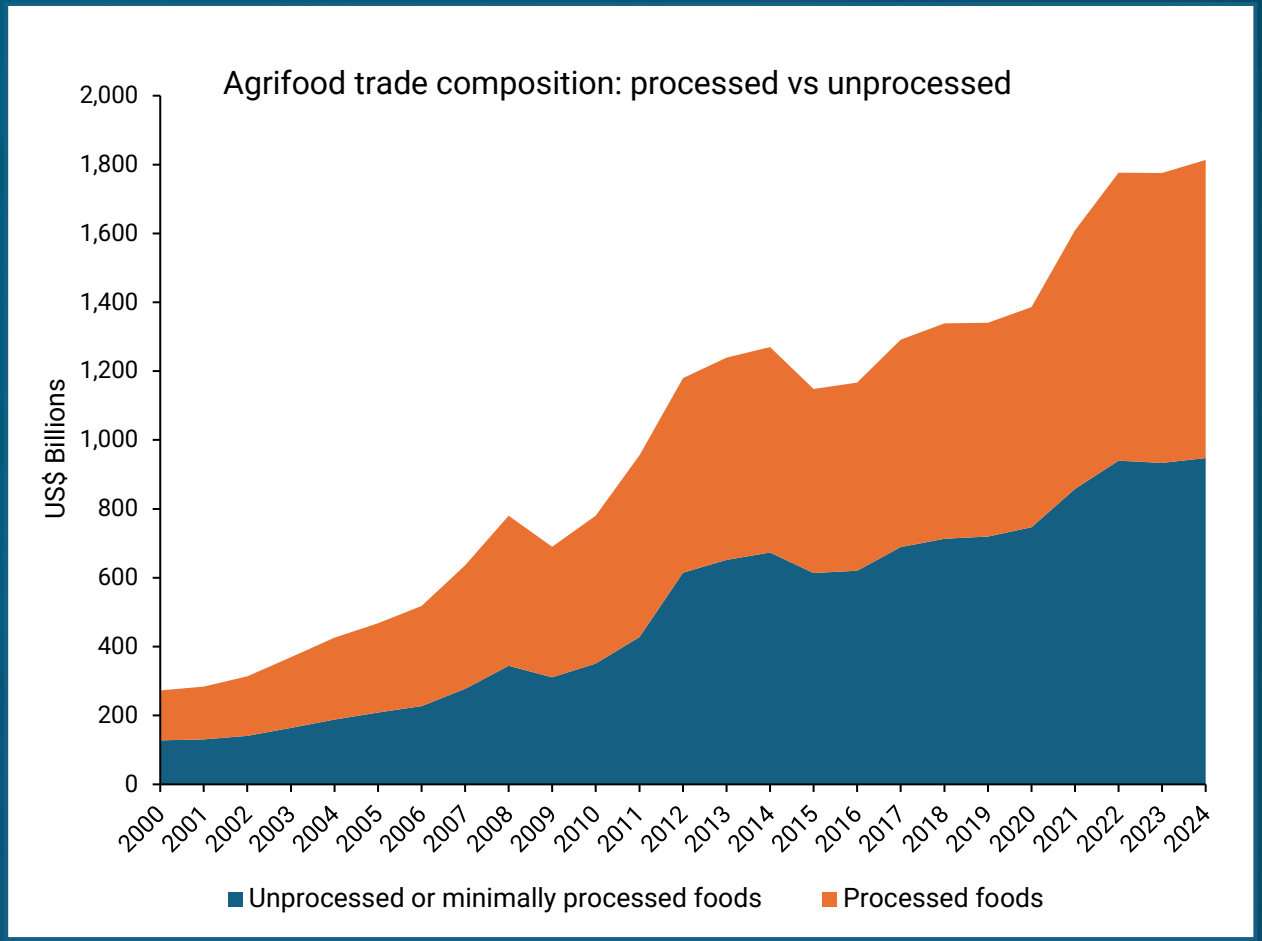
Why TF is particularly important for agrifood trade

- US$ 2.2 trillion, 9% of world trade on average
- Increasing net-food importing countries across the globe (139 in 2000 to 152 in 2024).
- Food security implications: 22% of calories traded are derived from international trade, feeds around 2 billion people
- Perishable nature of products, leading to food loss and waste, 30% is already lost.
- Health implications: associated diseases, foot and mouth disease in the UK a few years ago, currently the same issue in Southern Africa.
- As a result, Agrifood trade attracts a range of standards set by Codex, IPPC, and WoAH, as well as NTMS (SPS, TBT) and VSS
- Information gaps: policy changes, tariff peaks, seasonal tariffs, TRQs
- Others: Agrifood trade GVCs; sustainability requirements



Evolution of agrifood exports by processing level

- Trade in processed food accounts for approximately half (48%) of total food trade, valued at US$865 billion in 2024.
- These proportions have remained largely stable since 2000.
- Among various processing categories, ultra-processed foods represent the largest segment, accounting for about one-fifth of total food exports.



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FAO e-learning: Trade Facilitation in the WTO framework

Understanding the TFA: architecture, objectives, scope, and relevance to the agriculture sector



POLICY RATIONALE

The case for trade facilitation as a response to border red tape and its disproportionate impact on business



LEGAL STATUS

The negotiating history and legal standing of the TFA (Bali 2013; entry into force 2017)



CORE PILLARS

Movement and clearance of goods, customs cooperation on compliance, and Special and Differential Treatment (SDT) and technical assistance



PERISHABLE GOODS

Specific provisions on perishable agricultural goods (Article 7.9)

FAO e-learning: TFA–SPS interlinkages

Where trade facilitation meets sanitary and phytosanitary measures



SPS-plus OBLIGATIONS

How certain TFA provisions go beyond the SPS Agreement



SPS ANNEX C / TFA

The connection between TFA provisions and SPS Annex C on control, inspection and approval procedures



INSTITUTIONAL COORDINATION

Cooperation requirements between customs and SPS authorities at the national level



ENQUIRY POINTS

The bridging role of SPS Enquiry Points in implementation

Making agrifood trade more efficient and transparent

Unlocking the potential of trade through **trade facilitation**

- Regulatory cooperation, establishing a process to **harmonize SPS standards** for food commodities
- Enhancing the adoption of **trade facilitation measures**
- Improving **national SPS control systems** and risk-based **decision-making**

Adoption of trade-related **digital technologies**

- Enabling access to **information & markets**
- Improving **transparency**
- Ensuring better **food traceability**
- **“Shortening” the distance** between producers and consumers

Reducing trade costs through transparency in SPS measures and paperless trade

Streamlining SPS procedures:

- Transparency on regulations & fees.
- Streamline documentary requirements & control procedures.
- Implement risk-based approaches.
- Strengthen coordination across SPS authorities & with customs.
- Integrate SPS controls in national single windows.
- Move towards electronic certification.

Advantages of electronic SPS certificates:

- Enhanced authenticity and integrity of the data in official documents.
- Reduced administrative costs and shorter clearance times due to electronic transmission with automated validation.
- As a result, swift movement of food from surplus to deficit areas, contributing to stability of supplies and food security.

Trade facilitation in selected African RECs

Focus on agriculture and women (1)

- The implementation of trade facilitation reforms has important implications for small-scale agrifood traders, particularly women. Although digital and paperless systems can simplify trade procedures, women often face barriers in accessing trade information, using digital platforms and complying with regulatory requirements.

- A recent FAO study (*forthcoming*) examined, among other areas, progress in the implementation of trade facilitation reforms, with a focus on agricultural and gender-related measures, across five Regional Economic Communities (RECs): COMESA, EAC, ECCAS, ECOWAS, SADC.

- Progress remains uneven across specific measures, particularly in SPS-related services, electronic certification and the treatment of perishable goods. Transaction costs, delays and compliance burdens can disproportionately affect small-scale agrifood traders, especially women.

Trade facilitation in selected African RECs

Focus on agriculture and women (2)

- Women in trade facilitation measures are only partially implemented across the 5 analyzed RECs, highlighting the need to strengthen policies and measures that support women traders.

- Overall, progress in implementing trade facilitation measures specific to women and agriculture remains uneven. While some RECs and countries have advanced, significant gaps persist.

- The impact of trade facilitation measures is shaped not only by their adoption but also by how gender considerations are effectively incorporated into implementation. Accessibility also matters, including whether women can effectively use trade facilitation systems through user-friendly procedures, digital skills and support services.

Investing in Trade Digitalization: The Case of ePhyto

What the ePhyto System Delivers

The FAO and EBRD report demonstrates that transitioning from paper-based to electronic phytosanitary certificates (ePhytos) reduces trade costs, accelerates border procedures, improves exporter margins, and strengthens agrifood trade efficiency.

Global-Level Assessment

- ePhyto adoption expanded from covering only **2% of global plant and plant product exports in 2019** to approximately **17% by the end of 2023**, corresponding to around **USD 90 billion** in trade.
- The report estimates that trade in plants and plant products using ePhyto could grow by approximately **11% annually through 2032**.
- Econometric analysis shows that ePhyto adoption reduces trade frictions associated with distance, documentation processing, and border procedures.
- The system strengthens supply chain resilience and facilitates faster, safer, and more reliable agrifood trade.
- Econometric gravity analysis indicates that minimum **57–112 certificates annually** (and exhchanged bilaterally between two countries) are needed to justify investment costs and maximize economic returns.
- Digital certification is particularly valuable for **highly perishable commodities**, where faster border clearance reduces spoilage, quality deterioration, refrigeration costs, and delays (a smaller number of ephytos for fruits and vegetables is required to be exchanged between a country-pairs in order to start seeing positive impact on plant and plant products exports)

Cost-Benefit Analysis

Economic benefits of ePhyto Implementation for 4 countries

Country / Sector	Savings per certificate / shipment (USD)	Savings per tonne exported (USD)	Potential annual savings per exporter (USD/year)	Aggregate annual savings for all exporters (USD/year)
Egypt	83.5	4.24	208,751	8.7 million
Serbia	4.5	0.22	1,120	48.6 thousand
Ukraine (cereals)	66.3	0.27	10,161	9.98 million
Ukraine (fruits)	18.1	1.01	2,204	38.3 thousand
Uzbekistan	3.7	0.18	379	132.1 thousand

Conclusion

Agrifood trade facilitation is very complex as it attracts a range of tariffs and non-tariff measures.

Facilitating this trade is much more than streamlining or digitizing customs procedures.

Future lies in smarter and coordinated borders as well as in harmonizing and mutual recognition of standards.



Thank you for the attention!

Markets and Trade Division (EST)