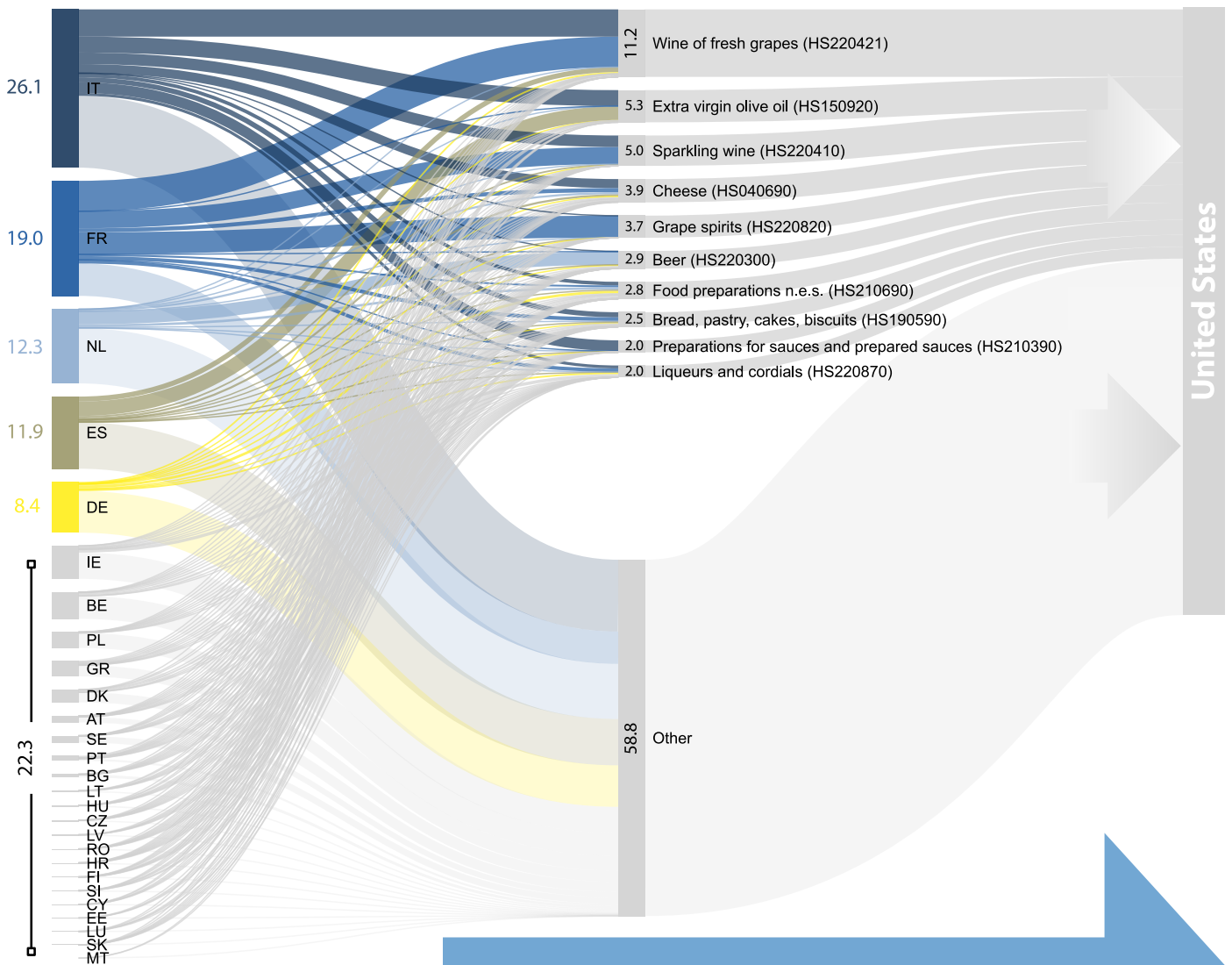




European Committee of the Regions

The repercussions of US agri-food tariffs on EU regions

The United States is the European Union's second-largest export market for agri-food products, absorbing around 5–6% of total EU agri-food exports. EU exports to the US are dominated by high-value, quality-differentiated products and are highly concentrated in a limited number of Member States and product categories.



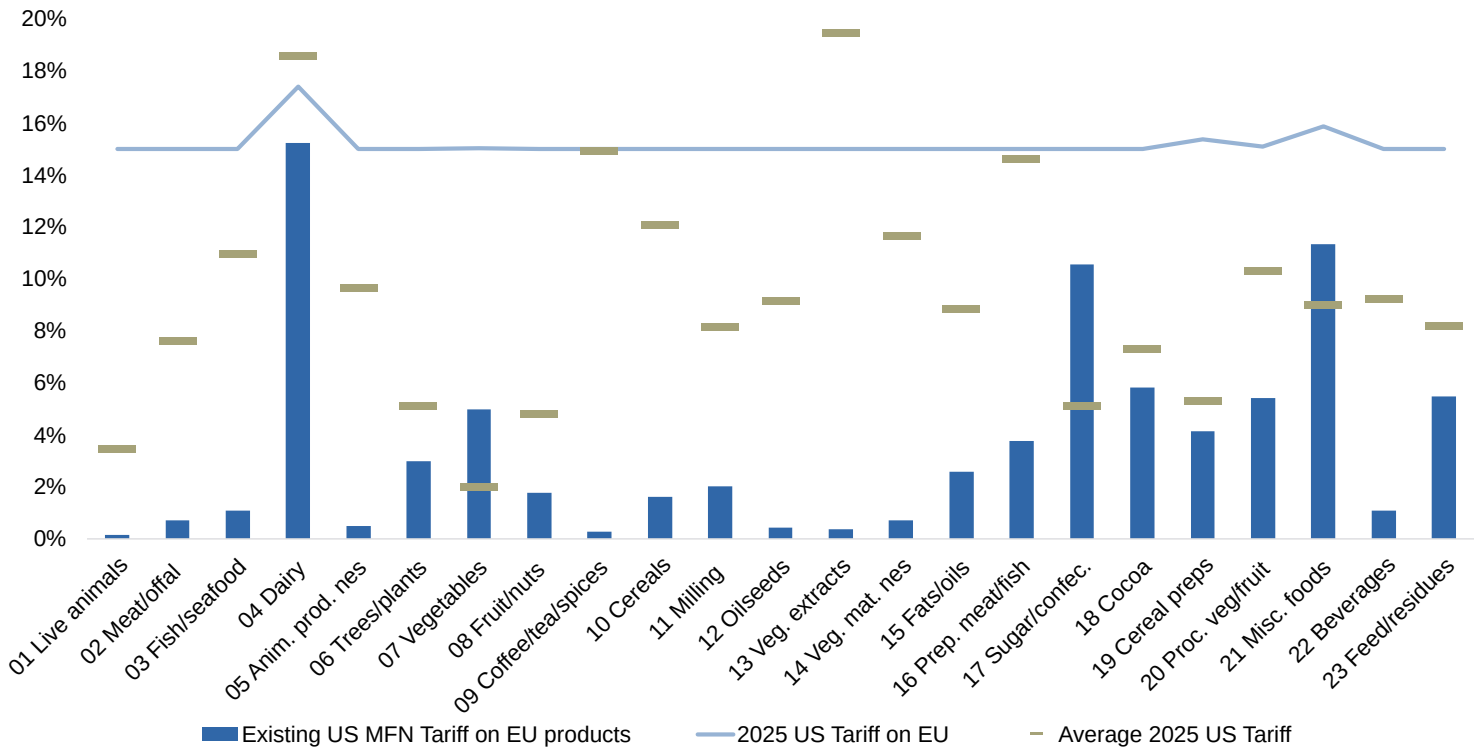
EU27 agri-food exports to the US in 2024, shares in % by Member States and product group (top 10 + other agri-food products); source: Eurostat

EU agri-food exports to the US are **highly concentrated in a limited number of Member States and product categories**. While this structure has supported export growth and value creation, it also increases vulnerability to external trade measures.



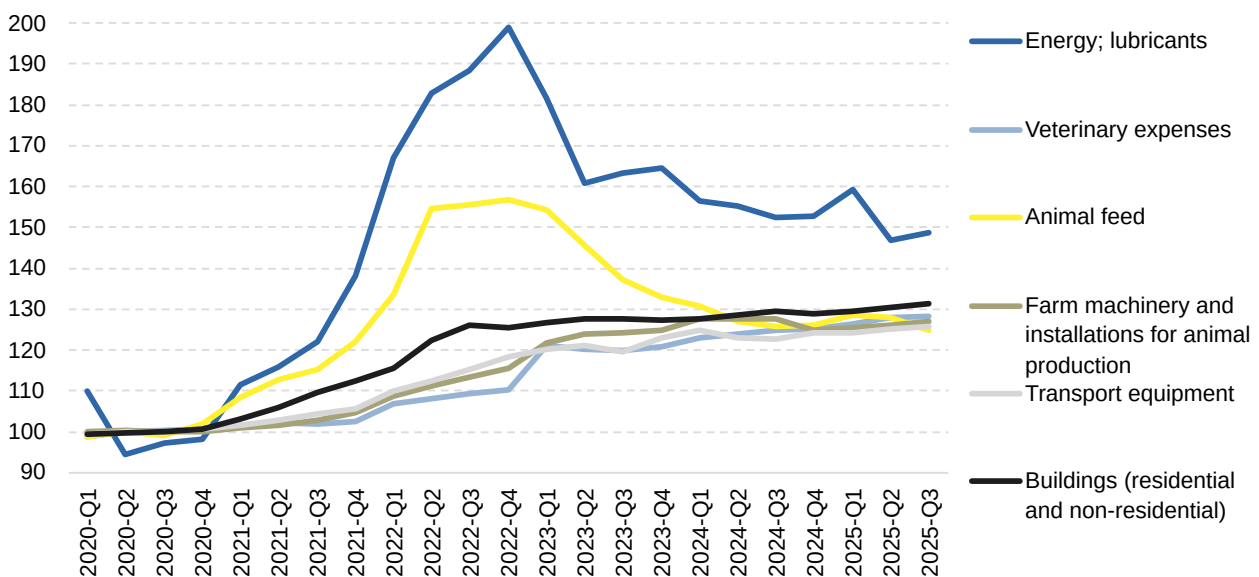
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The introduction of a uniform 15% ad valorem US tariff represents a significant increase for the vast majority of EU agri-food exports. The tariff increase is projected to reduce EU agri-food exports to the US by around 23.5%, corresponding to an estimated EUR 7 billion loss compared to 2023 export levels.



US tariffs: MFN versus 2025 changes; own calculations based on UNCTAD TRAINS database.

While US tariffs represent a significant shock, **pre-existing cost pressures have already weakened resilience in EU agri-food systems**. Energy, feed and veterinary costs remain elevated, while investment-related costs for machinery, transport and buildings have continued to rise, constraining margins, investment and adjustment capacity — particularly in capital-intensive and specialised regions.

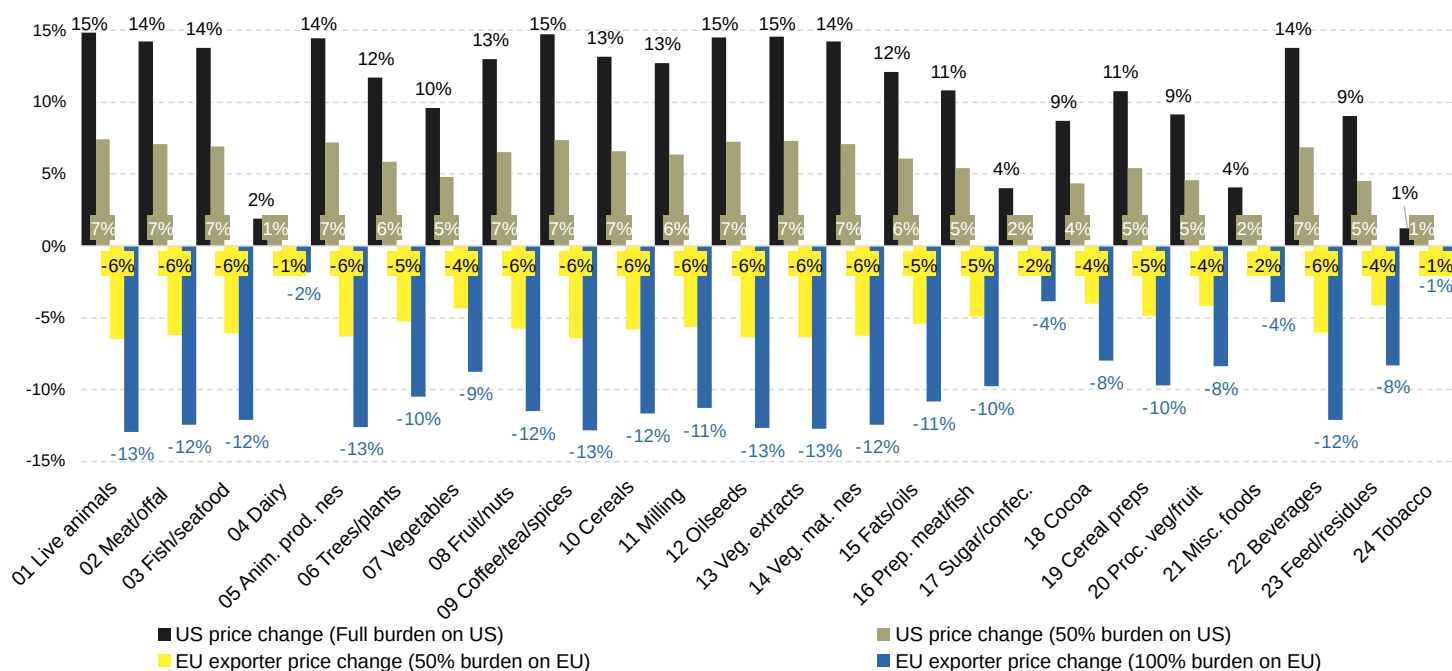


Price indices of the means of agricultural production, input (index, 2020 = 100, EU27); source: own elaboration, based on Eurostat data.



Who bears the cost of the tariff shock?

The economic impact of the new US tariff depends on how costs are split between US consumers and EU producers. Either way, **most agri-food sectors face price increases of over 10%, via higher consumer prices, lower producer prices, or both, creating significant and uneven adjustment pressures.** SMEs and producers heavily reliant on the US market are especially vulnerable when EU producers bear a larger share, as they often lack the margins and diversification to absorb prolonged price drops.

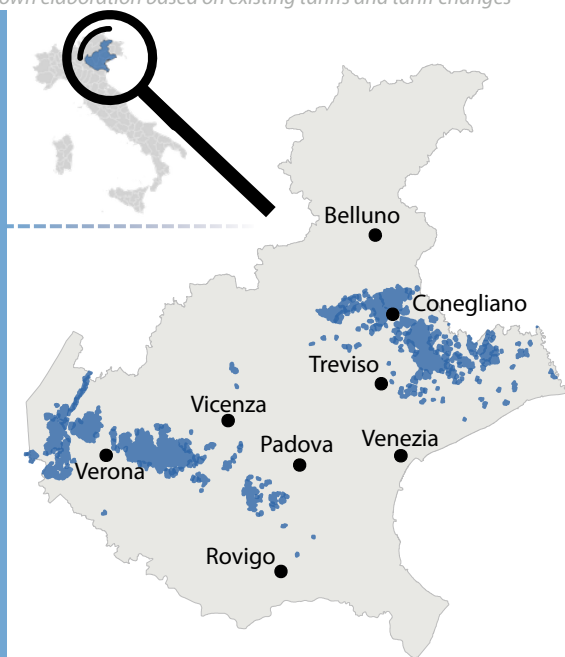


US and EU price changes under different burden sharing assumptions; source: own elaboration based on existing tariffs and tariff changes

Veneto Region (Italy): Vulnerability of the Wine Sector

Veneto produces renowned wines (*Prosecco, Valpolicella, Amarone, Soave*) and in 2024 generated EUR 3 billion in wine exports, about 37% of Italy's total, with the US as the top extra-EU market

The 2025 US tariff (15%) is expected to raise consumer prices by 12–13%, leading to estimated export reductions of 7.4% for sparkling wines and 6.8% for still wines. For Veneto specifically, *Prosecco* exports may drop 1.7% and regular wines 1.6%, translating to a 1.3–1.4% decline in regional output. Smaller producers and cooperatives are most vulnerable due to narrow margins, limited flexibility, and high inventory levels, while larger firms can absorb shocks through margin compression and market repositioning.



Vineyard area in the Veneto region; source: own elaboration, based on Copernicus Land Monitoring Service CORINE data.



New higher tariff measures lead to asymmetric territorial impacts: specialised regions, export-oriented value chains and SMEs face significantly stronger adjustment pressures than national averages suggest. Policy responses must therefore be territorially differentiated, combining EU-level crisis capacity with national and regional action tailored to local economic structures.

Policy recommendations

Strengthening the EU's capacity to respond to trade shocks

The EU should develop more flexible and rapid-response tools to address sudden, tariff-induced disruptions, ensuring targeted support for regions and sectors with high exposure to external trade measures.

Making Common Agricultural Policy (CAP) measures fit for trade-related disruptions

The EU should adapt CAP market measures to better reflect externally driven shocks, enabling faster activation and greater product-specific flexibility for exposed sectors such as wine, olive oil and cocoa-based products.

Reducing dependence on a limited number of export markets

The EU should make market diversification a strategic priority, using trade diplomacy, promotion programmes and targeted support to help agri-food producers access alternative markets beyond the US.

Enhancing export-promotion services and economic diplomacy

The EU and Member States should reinforce export-promotion and economic-diplomacy initiatives, particularly for SMEs and cooperatives, including collective promotion schemes and stronger protection of geographical indications.

Supporting product upgrading and value-chain advancement

EU and national authorities should incentivise quality enhancement, branding, traceability, sustainability certification and higher value-added processing to strengthen premium positioning in diversified markets.

Integrating trade-risk into regional development strategies

Regional authorities should incorporate trade-risk assessments into smart-specialisation and development strategies, including regular trade-vulnerability mapping and contingency planning.

Promoting complementary and diversified regional activities

Regions should encourage agritourism, local processing, direct sales and quality-related services to broaden economic bases and reduce reliance on single export markets.

Strengthening advisory and export-readiness support for small producers

LRAs should provide targeted advisory services, technical assistance and co-financing for branding, certification and export-readiness to prevent consolidation and market exit among small producers.

Aligning trade resilience with climate and resource resilience

EU, national and regional policies should integrate trade resilience with climate-adaptation and resource-efficiency investments.

Ensuring multi-level governance coherence

The EU, Member States and LRAs should strengthen structured dialogue and formal consultation mechanisms to improve coordination, territorial targeting and legitimacy of trade-response instruments.

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Publications Office
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PDF
QG-01-26-014-EN-N
ISBN 978-92-895-4029-2
DOI 10.2863/9624946