

Final Remarks

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Agricultural trade is at a crossroads. The global agricultural trading system is undergoing a transformation and, as this book has argued, the changes observed in recent years are not temporary disruptions but reflect a deeper structural shift. The system has moved away from a relatively predictable, rules-based environment toward a more fragmented setting, where trade outcomes are increasingly shaped by geopolitical tensions, environmental disruptions, evolving policy instruments, and persistent structural asymmetries across countries. The erosion of predictability, the proliferating use of selective and non-MFN measures, the interaction between trade and broader geopolitical objectives, and the growing role of supply chains and logistics are redefining how agricultural trade operates.

This transformation builds on longer-term changes in global trade dynamics but is now being accelerated by a convergence of trade and logistical shocks and policy responses by the affected countries. Across the chapters, a consistent message emerges: the mechanisms through which trade adjusts, the actors that shape it, and the constraints faced by countries have all changed in ways that make the system more unpredictable and complex. These dynamics, discussed across contributions in this book highlight how the multilateral system is under strain and how the space for coordinated, rules-based outcomes have narrowed.

Section I of the book provides a global framing for this shift. Chapter 1.1 shows how geopolitical changes are reshaping trade relations, with countries using trade policy more and more as a strategic instrument related to wider economic and political objectives. This is reflected in the reconfiguration of trade partnerships and in the growing use of tariffs, export restrictions, and other measures linked to broader policy objectives. These developments are reinforced by the trends analyzed in Chapter 1.3. The proliferation of selective tariffs, exemptions, non-MFN measures, regulatory requirements, and private standards has fundamentally altered the landscape of trade policy. Trade governance is no longer defined by a single set of multilateral rules, but by a layered system of overlapping instruments that reduce visibility and contribute to unevenness across countries.

At the same time, Chapter 1.2 highlights that the WTO remains central, even in this more fragmented environment. Core issues—domestic support, market access, and export competition—remain largely unresolved, but they continue to define the structure of agricultural trade. However, progress has been limited, and the gap between existing rules and current realities has widened. As a result, countries increasingly turn towards unilateral or plurilateral approaches with mixed effects. Chapter 1.4 reinforces this point through modeling analysis, showing that when protectionism is combined with distortions, such as selective measures and retaliation, the contraction in agrifood trade is significantly larger than under uniform tariff increases. Fragmentation does not simply reduce trade; it reshapes it in ways that are uneven, persistent, and costly.

A key implication of these dynamics is that adjustment in agricultural trade is no longer driven primarily by changes in prices or production, but increasingly by the reallocation of trade flows. Trade policy, in turn, is no longer shaped solely by tariffs and traditional market access concerns. It is now influenced by a broader set of factors, including geopolitical tensions, digitalization, environmental measures, evolving supply chain networks, and domestic policy priorities.

As highlighted by the modeling and empirical analyses presented in this book, adjustment in global agrifood markets is occurring mainly through shifts in trade patterns rather than gradual changes in production or prices. This process leads to uneven outcomes: some countries may experience temporary gains, while others face significant losses. It also contributes to more persistent transformations in trade relationships, as supply chains reorganize and market linkages adapt to policy and logistical shocks. Section II shows how these global dynamics interact with the structural characteristics of Latin America and the Caribbean (LAC), a highly heterogeneous region that includes both major agricultural exporters and net food-importing countries. Chapter 2.1 highlights this dual nature: countries with strong production capacity and a significant presence in global markets coexist with others that rely heavily on food imports. Across both groups, vulnerabilities are closely linked to concentration—whether in export products and destinations or in import sources—as well as to uneven competitiveness and infrastructure gaps. These structural features become more binding in a fragmented and uncertain trade environment.

Insights from Chapter 2.2 further show that LAC's role in global food systems is shaped not only by its scale, but also by diversification across products and markets, as well as by counter-seasonal production patterns that allow the

region to supply global markets when other suppliers face constraints. These characteristics can enhance resilience by reducing exposure to localized shocks and smoothing global supply. However, they are not evenly distributed across countries, reinforcing asymmetries within the region.

Countries with more diversified production and trade structures are better able to adjust to shifting trade patterns, while those with more concentrated export or import profiles, or limited infrastructure, face higher adjustment costs and greater exposure to external shocks. In this context, strengthening competitiveness increasingly depends on innovation and productivity gains. The ability to adopt new technologies, upgrade value chains, and improve efficiency becomes central not only for expanding production, but for adapting to changing market conditions, meeting evolving standards, and sustaining participation in global agricultural trade. Chapter 2.3 emphasizes that improving competitiveness increasingly depends on innovation, sustainability, and the ability to upgrade value chains. Competitiveness is no longer mostly driven by efficiency or comparative advantage, but increasingly by the ability to respond quickly to shifting policies, changing standards, and disruptions in transport and supply chains. However, the capacity to adapt remains uneven across countries, creating risks that new sustainability requirements and market conditions may reinforce existing asymmetries.

Chapter 2.4 places these issues in the broader context of global food security. LAC plays a critical role as a supplier of agricultural products, but this role depends on stable and predictable trade conditions. At the same time, food security concerns have moved to the center of the trade debate. The recent sequence of shocks—including disruptions in major trade corridors, volatility in input markets, and the increasing use of export restrictions—has highlighted the vulnerabilities of global food systems. Trade remains a critical mechanism for moving food from surplus to deficit regions, but its reliability is no longer taken for granted. For exporters, this translates into unstable demand and increased exposure to policy changes in key markets, while for importers, it results in uncertain supply conditions, greater exposure to price volatility, and increased vulnerability to disruptions in global markets.

Section III provides a comprehensive perspective on Africa's position in the global agricultural trading system, highlighting both persistent structural constraints and emerging opportunities. Chapter 3.1 shows that agricultural trade performance continues to be shaped by deep-rooted structural challenges, including high trade costs linked to weak infrastructure and inefficient border

procedures, a narrow export base in primary commodities with limited value addition, and growing food import dependence. These constraints not only define the continent's trade profile but also heighten its exposure to external shocks and limit its capacity to respond when disruptions occur. Despite agriculture's central role in employment and GDP, Africa remains positioned at the lower end of global value chains, with limited value addition and reduced ability to capture gains from trade. Weak logistics systems, low connectivity, and gaps in trade facilitation further constrain trade expansion, particularly for time-sensitive and perishable agricultural goods.

Chapter 3.2 connects these structural challenges within the multilateral trading system, highlighting how persistent asymmetries in the Agreement on Agriculture continue to disadvantage African countries. Limited policy space to provide domestic support, combined with competition from heavily subsidized producers, constrains the transformation of Africa's agrifood systems and exacerbates food security vulnerabilities. In this context, African priorities in WTO negotiations should reflect the need to rebalance the global trading system while preserving the flexibility required to support domestic production and ensure food security. At the same time, structural financing and investment gaps remain critical, underscoring the scale of resources required to enable meaningful transformation of the sector.

Against this backdrop, Chapter 3.3 highlights the potential of regional integration—particularly through the African Continental Free Trade Area (AfCFTA)—to address these structural weaknesses and strengthen resilience. Evidence suggests that agricultural trade is especially responsive to regional integration, with significant potential for expanding intra-African trade, developing regional agrifood value chains, and supporting structural transformation. Digitalization emerges as a key enabler to improve efficiency, transparency, and market access across agricultural value chains, but its impact remains constrained by uneven implementation, connectivity gaps, and inclusion challenges. Moreover, effective implementation of the AfCFTA requires robust governance, legal readiness, and stronger coordination across regional economic communities.

Together, Section III conveys a clear message: Africa's deeper integration into global and regional markets will depend on simultaneously addressing structural constraints, building institutional capacity, and advancing coherent trade policies across national, regional, and multilateral levels. Regional integration, anchored in the AfCFTA, offers a viable pathway to reduce vulnerability, enhance value addition, and build resilient agrifood systems.

For LAC and Africa, these developments carry particular significance. Both regions are deeply integrated into global agrifood markets, yet their roles differ in ways that are largely complementary. Parts of LAC are major agricultural exporters with strong production capacity and long-standing participation in global markets. Africa, by contrast, remains concentrated in a narrow range of largely unprocessed agricultural commodities and relies heavily on imports across most key agrifood categories, especially staple food. Despite these differences, both regions share vulnerabilities: exposure to policy uncertainty, rising protectionism pressures, and limited influence over the evolution of global trade rules.

Across the sections of this book, a consistent message emerges: preserving a multilateral system remains essential, but it is no longer sufficient on its own. Open markets are necessary but insufficient; predictability, transparency, and coordination are equally important. Without these, trade can amplify volatility rather than mitigate it. This reinforces the need to strengthen governance at both the multilateral and regional levels, and to ensure that trade rules support, rather than constrain, national food system strategies.

The discussions within the WTO Committee on Agriculture reflect this evolving landscape. There is growing recognition that negotiations must move beyond procedural repetition and engage more directly with the realities faced by countries. However, while renewed engagement is important, comprehensive outcomes are unlikely in the short term.

The post-MC14 period will be critical. Defining a forward-looking agenda that clarifies priorities and aligns interests to guide future work will be essential, not only in terms of what can be agreed multilaterally, but how countries navigate and respond to an increasingly fragmented and uncertain global environment.

For LAC and Africa, this implies moving beyond parallel positions toward more deliberate and strategic coordination where interests converge. A joint working agenda between the two regions could play a critical role in this process, not by eliminating differences, but by building on complementarities and shared priorities. Key areas for cooperation include:

- Strengthening coordination in multilateral negotiations. Both regions have an interest in preserving and revitalizing a rules-based system that ensures predictability and limits the use of unilateral and distortionary measures;

- Deepening cooperation on food security and trade, including improved information sharing, early warning systems, and coordinated responses to shocks;
- Promoting regional and interregional trade, particularly between surplus and deficit regions, although these remain constrained by infrastructure, standards, and regulatory barriers;
- Addressing structural constraints related to competitiveness and inclusion remains essential, particularly for smallholders and vulnerable groups; and
- Integrating emerging issues, including environmental-related trade measures and digitalization into the agenda, building on regional experiences, to avoid new forms of exclusion and ensure continued participation in global markets.

Underlying all these areas is the need to strengthen institutional capacity, data systems, and analytical tools. Importantly, this agenda must extend beyond Geneva, involving national governments, regional organizations, the private sector, and civil society. As trade policy becomes increasingly interconnected with broader development strategies, effective coordination across multiple levels will be essential. The value of such an agenda lies not only in its content but also in the process it creates. By fostering dialogue, building trust, and encouraging collaboration, it can help bridge differences and create a more cohesive approach to global trade challenges.

As highlighted throughout the book, the current trade environment is characterized by both disruptions and opportunities. While fragmentation and uncertainty pose significant challenges, they also create space for new forms of cooperation and innovation. LAC and Africa are well-positioned to take advantage of this space, given their complementary roles in global food systems.

This book provides a foundation for the next step, post-MC14, based on LAC and Africa's challenges and opportunities, and in a pragmatic and sustained way, linking multilateral discussions with regional and national strategies.

Ultimately, agricultural trade reform cannot be reduced to technical negotiation alone. It requires restoring confidence in rules, aligning trade with development objectives, responding to sustainable and food security challenges, and strengthening the capacity of developing regions to act collectively. The foundations for this effort are already in place. The task now is to build on them.