

Voluntary Report – Voluntary - Public Distribution

Date: February 19, 2026

Report Number: BR2026-0009

Report Name: EU-Mercosur Trade Agreement - The Brazilian Perspective and Agricultural Impacts

Country: Brazil

Post: Brasilia

Report Category: Country/Regional FTA's, Trade Policy Monitoring

Prepared By: Thiemi Hayashi

Approved By: Joseph Taylor

Report Highlights:

On January 17, 2026, the European Union (EU) and Mercosur (Argentina, Brazil, Paraguay, and Uruguay) signed the EU-Mercosur agreement, the culmination of negotiations started in 1999. Agricultural liberalization was one of the most politically sensitive components of the negotiations, resulting in phased tariff reductions and safeguards for select agricultural products. The Brazilian agricultural sectors expected to see the greatest export gains by value include vegetable oils and fats, pork and poultry meat, and other food products. By percentage, notable increases are also anticipated for Brazilian beef, sugar, and rice exports. The European Commission estimates the agreement will boost EU agricultural exports to Mercosur by approximately 49 percent, most notably beverages, fruits and vegetables, vegetable oils, and dairy. While Mercosur countries are expected to quickly ratify the agreement, the timeline for EU ratification is less certain.

EU-Mercosur Trade Agreement – The Brazilian Perspective and Agricultural Impacts

Overview	3
Parties to the Agreement	4
Mercosur	4
The European Union	4
Agricultural Terms of the Agreement	5
Brazil-Specific Impacts	8
Commodity Specific Impacts	10
Beef	10
Poultry	11
Swine	11
Dairy	11
Coffee	11
Soybeans	12
Fruit	12
Chocolate	12
Wine	12
Biofuels	12
Sugar	13
Rice	13
Corn and Sorghum	13
Trade Protection Mechanisms	13
Geographical Indications	14
The Politics of Ratification and Implementation	16

Overview

On January 17, 2026, the European Union (EU) and Mercosur (Argentina, Brazil, Paraguay, and Uruguay) signed the EU-Mercosur agreement, the culmination of negotiations started in 1999. The agreement consists of two legal instruments: the Interim Trade Agreement (ITA), covering trade liberalization, and the broader Partnership Agreement (EMPA), which also includes political and cooperation pillars.

Agricultural liberalization was one of the most politically sensitive components of the EU-Mercosur negotiations. The agreement includes phased tariff reductions and safeguards for sensitive agricultural sectors, allowing tariff preferences to be reviewed and potentially suspended if EU imports increase by at least 5% or import prices are at least 5% lower than domestic ones. In addition, bilateral reciprocity clauses require Mercosur exports to comply with EU-equivalent standards in areas including food safety, animal health, and the use of pesticides banned in the EU.

The European Commission estimates the agreement will boost EU agricultural exports to Mercosur by approximately 49 percent, most notably beverages, fruits and vegetables, vegetable oils, and dairy. The Institute of Applied Economic Research (IPEA) estimates the agreement will increase Brazilian agricultural exports to the EU by US\$6.2 billion cumulatively by 2040, when all terms of the agreement will be fully implemented. This increase is driven by export gains in vegetable oils and fats (up US\$1.9 billion; 41 percent), pork and poultry meat (up US\$1.6 billion; 227 percent), and other food products (up US\$1.1 billion; 70 percent). Other notable projected increases by percentage include beef (up US\$ 531 million; 101 percent), sugar (up US\$300 million; 64 percent), rice (up US\$9 million; 304 percent), and dairy products (up US\$3.6 million; 255 percent). The agreement vastly expands geographical indication (GI) protections, with the EU recognizing 195 products from Mercosur, 37 of which are from Brazil, and Mercosur recognizing of 344 products from the EU.

Following the January 17 signing, both sides are now working through their respective ratification processes. In Mercosur countries, both the ITA and EMPA follow the same legislative path through national assemblies for ratification, which will likely move quickly. The President of Brazil's Lower House announced plans to vote on the agreement by the end of February. There is no indication that Brazil's Congress, with its strong agribusiness caucus, will impede approval of the agreement. Paraguay's Congress has also begun its internal ratification process.

In the EU, the EMPA must be ratified by all 27 individual member states, a process expected to take many years. In some cases, such as Belgium, regional parliaments must also approve. The ITA was already approved by the EU Council and now only requires European Parliament approval. On January 21, the Parliament significantly delayed the ratification timeline by voting to refer the agreement to the European Union Court of Justice (ECJ) to assess its compliance with EU treaties. The ECJ's review may take multiple years and could force revisions if any part of the agreement is found incompatible with EU law.

Once at least one Mercosur country ratifies the agreement, however, the EU Commission could decide to provisionally apply most of the ITA trade liberalization measures pending the ECJ ruling and subsequent vote in the EU Parliament.

Parties to the Agreement

The EU-Mercosur agreement covers 31 countries and 700 million people. The EU is Mercosur's second-largest trading partner, with annual EU exports to Mercosur projected to increase 39 percent (€50 billion) by 2040. In 2024, the EU accounted for 16.8 percent of Mercosur's trade.

Mercosur

Created in 1991, the Southern Common Market (Mercosur) is a regional integration bloc originally formed by Argentina, Brazil, Paraguay, and Uruguay. Bolivia and Venezuela later joined as State Parties, but neither is a party to the EU-Mercosur agreement because Venezuela is currently suspended and Bolivia's accession occurred only in July 2024, at which point it began a four-year transition to adopt the laws and trade policies of the bloc. Mercosur's associate members include Chile, Colombia, Ecuador, Guyana, Panama, Peru, and Suriname.

Figure 01

Mercosur Members and Associate Parties, 2026



Chart Post Brasilia

Mercosur's total population is approximately 270 million. The bloc has 11 trade agreements with countries and other economic blocs, including free trade agreements with Israel and Egypt, and preferential trade agreements with India and the Southern African Customs Union (SACU). The combined gross domestic product of Argentina, Brazil, Paraguay, Bolivia and Uruguay is estimated at US\$2.97 trillion in 2025.

The European Union

The European Union is a political and economic union of 27 member countries with a combined population of 450 million people. The EU operates as a single market, allowing the free movement of

goods, services, capital and people among member states. In 2025, the EU's combined gross domestic product reached approximately €18 trillion (US\$21.2 trillion).

Figure 02
European Union Members, 2026

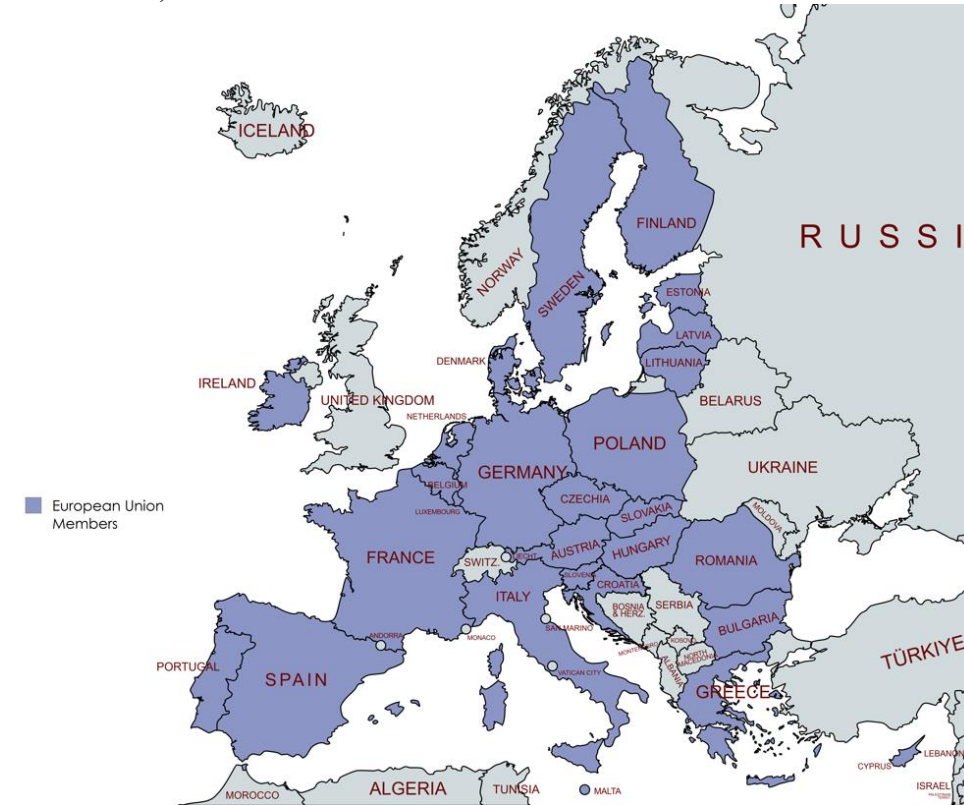


Chart Post Brasilia

Agricultural Terms of the Agreement

Given political sensitivities, agricultural liberalization under the agreement follows a managed approach based on phased tariff reductions for sensitive products, tariff-rate quotas (TRQs), extended transition periods, and safeguard mechanisms. Approximately 90 percent of agricultural tariffs are scheduled for liberalization over time, with full duty-free access largely limited to non-sensitive products. For sensitive commodities, market access is provided primarily through TRQs that maintain volume ceilings while reducing in-quota duties.

Mercosur's biggest exports to the EU in 2024 were agricultural products (42.7 percent of total exports), mineral products (30.5 percent), and pulp and paper (6.8 percent). The EU's exports to Mercosur in 2024 included machinery and appliances (28.1 percent of total exports), chemicals and pharmaceuticals products (25 percent), and transport equipment (12.1 percent).

The deal will eliminate about €4 billion in overall tariffs. Once ratified, the EU will immediately eliminate import duties on Mercosur exports of shelled peanuts, certain fruits, seafood products including cod, tuna, shrimp, and lobster, vegetable oils for industrial use, beans, and soy flour.

Chart 01

Main EU concessions in the agricultural sector

Product	Treatment
Beef	99,000 tons carcass weight (55% chilled and 45% frozen), linear increase over 5 years, in-quota tariff of 7.5%. The tariff within the Hilton Quota (10,000 tons for Brazil), currently 20%, will be eliminated upon entry into force of the agreement.
Poultry	180,000 tons carcass weight (50% bone-in and 50% boneless), linear increase over 5 years, zero in-quota tariff.
Pork	25,000 tons, linear increase over 5 years, in-quota tariff of 83 euros/ton.
Sugar	180,000 tons upon entry into force of the agreement, zero in-quota tariff. Specific quota for Paraguay of 10,000 tons, zero in-quota tariff.
Ethanol	450,000 tons of industrial ethanol, linear increase over 5 years, zero in-quota tariff upon entry into force of the agreement. 200,000 tons of ethanol for other uses (including fuel), linear increase over 5 years, in-quota tariff at 1/3 of the applied European tariff (6.4 or 3.4 euros/hectoliter).
Rice	60,000 tons, linear increase over 5 years, zero in-quota tariff upon entry into force of the agreement.
Honey	45,000 tons, linear increase over 5 years, zero in-quota tariff upon entry into force of the agreement.
Corn and Sorghum	1 million tons, linear increase over 5 years, zero in-quota tariff upon entry into force of the agreement.
Orange Juice	Depending on the format and commercial value, tariff elimination in 7 or 10 years or a 50% margin of preference.
Cachaça	Bottles under 2 liters will have trade liberalized in 4 years. Bulk cachaça will have a quota of 2,400 tons, linear increase over 5 years, zero in-quota tariff.
Cheese	30,000 tons, linear increase over 10 years, in-quota tariff decreasing to zero over the period. Does not include mozzarella.

Source: [*Brazilian Ministry of Foreign Affairs*](#)

Mercosur, in turn, will reduce or eliminate tariffs on key EU agri-food products, such as wine (up to 35 percent), chocolate (20 percent), and olive oil (10 percent). Duties for some products will be liberalized over longer staging periods to allow sufficient time for impacted sectors to adapt.

The European Commission estimates EU agricultural exports to Mercosur could increase by almost US\$1.43 billion (49 percent) by 2040. The largest projected export increases include beverages (US\$722 million or 53 percent), fruits and vegetables (US\$220 million or 36 percent), vegetable oils (US\$101 million or 21 percent), and dairy (US\$101 million or 102 percent).

Chart 02

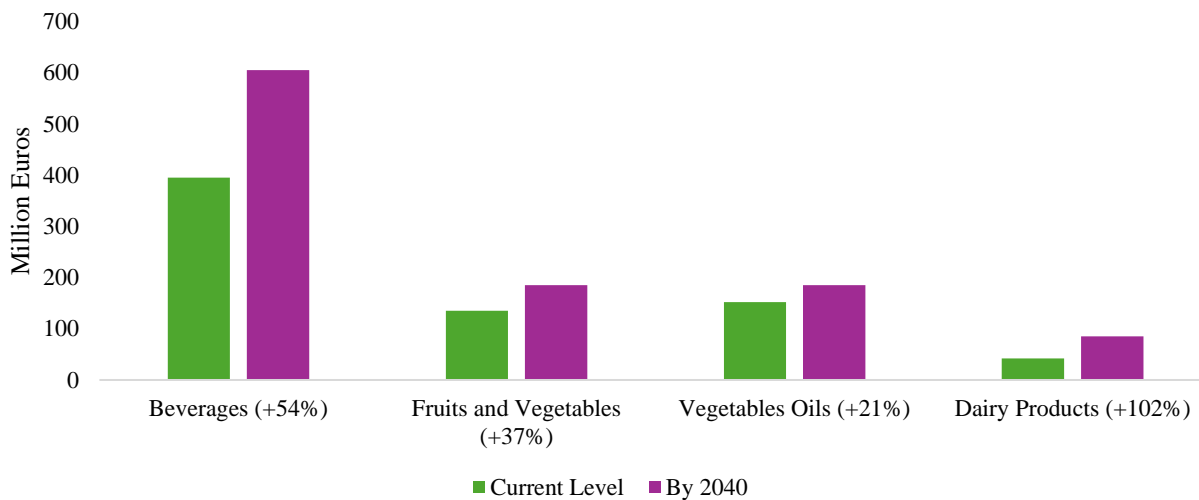
Mercosur Agricultural Tariff Liberalization – Select Products

Product	Tariff Rate	Tariff Rate After Implementation and Phase Out Period
Whiskey and other spirits	20–35%	0% upon entry into force
Wine	27%	0% upon entry into force
Chocolate	20%	Subject to tariff elimination schedule to be eliminated in 11 equal annual stages, tariff-free on 1 January of year 10
Pastries, waffles, and biscuits	18%	Subject to tariff elimination schedule to be eliminated in 11 equal annual stages, tariff-free on 1 January of year 10
Sparkling wines	20–35%	Tariff-free upon entry into force of the agreement if the customs value is equal or higher than 8 USD FOB/liter. If the customs value is below 8 USD FOB/liter, sparkling wines will be subject to tariff elimination schedule of 12 years after the entry into force of the agreement, tariff-free on 1 January of year 12.

Source: [European Commission 1](#) and [European Commission 2](#)

Figure 03

Expected EU Export by 2040, in million Euros



Source: [European Commission](#), Chart Post Brasilia

The agreement includes limited preferential tariff rate quotas for Mercosur products, but current tariffs would be reimposed once specified export levels are reached. For beef, the quota allows in only an additional 1.5 percent of total EU production, and for poultry, 1.3 percent. Moreover, if there are sudden, sharp rises in imports, the EU can impose measures to limit them. Products subject to quotas or non-tariff measures account for about 3% of goods and 5% of the value imported by the EU, with these measures primarily applied to agricultural and agri-industrial products.

Mercosur countries will determine how to divide the quotas for selected products after the agreement is fully ratified. The Brazilian Ministry of Development, Industry, and Trade has indicated that the criteria for quota administration—including access modalities, possible allocation among member states, and

internal distribution—will require specific regulations. It is likely that the distribution of quotas among the countries will reflect current market shares.

The agreement also protects the branding of over 344 traditional EU food products, such as champagne and parmesan cheese, requiring non-EU products with those names to be rebranded before entering the Mercosur market. Mercosur included 195 products on its list of protected geographic indications, 37 of which are Brazil-specific.

Brazil-Specific Impacts

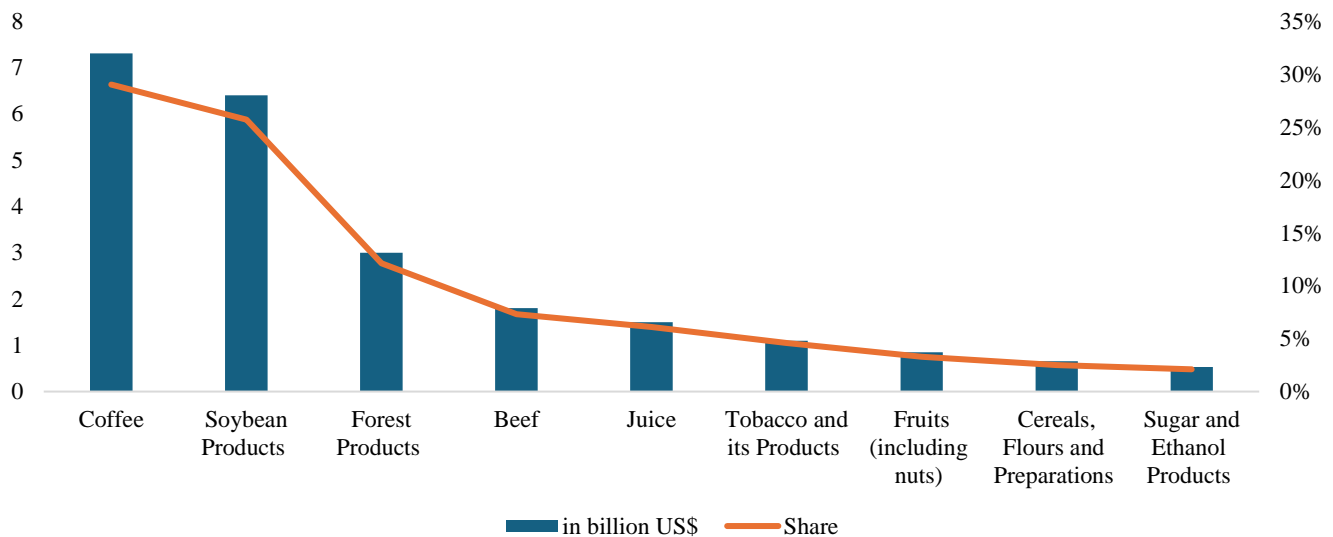
The EU is Brazil’s second-largest agricultural export market valued at US\$25 billion in 2025 —behind only China (US\$55 billion), and in front of the United States (US\$11 billion). Brazil’s leading agricultural exports are coffee (29 percent, US\$7.3 billion), soybean products (26 percent, US\$6.4 billion), and forest products (12 percent, US\$3 billion). EU agricultural exports to Brazil are more modest, valued at \$3.1 billion in 2025, with the top three being olive oil (US\$458 million). Wine (US\$199 million), and bottled water (US\$190 million).

According to IPEA, the agreement is expected to increase the value of Brazilian agribusiness production by US\$10.9 billion by 2040, including cumulative export gains to the EU of vegetable oils and fats (up US\$1.9 billion; 41 percent), pork and poultry meat (up US\$1.6 billion; 227 percent), and other food products (up US\$1.1 billion; 70 percent). Although smaller in dollar terms, notable export increases by percentage are also expected in beef (up US\$ 531 million; 101 percent), sugar (up US\$300 million; 64 percent), rice (up US\$9 million; 304 percent), and dairy products (up US\$3.6 million; 255 percent).

In turn, IPEA estimates Brazil will increase EU imports of other food products (up US\$493 million; 43 percent), vegetable oils and fats (up US\$296 million; 63 percent), and beverages and tobacco products (up US\$117 million; 29 percent).

Figure 04

Select Brazilian Agricultural Exports to the European Union, in 2025



Source: *Agrostat and Ministry of Agriculture*

In 2025, Brazil’s top five export products—crude oil, coffee, soybean meal and residues, copper ore, and soybeans—represented 51 percent of the total exports to the European Union. By contrast, Brazil’s imports from the EU are more diversified and predominantly consist of higher value-added goods, such as pharmaceuticals, automobiles, and other industrial products. The agreement will eliminate tariffs on more than 90% of all Brazilian exports to the EU and on over 76% of European products imported into Brazil over the next 14 years, the period set for full implementation of the agreement.

Based on 2024 data, 82.7% of Brazil’s exports to the EU will enter the bloc duty-free from the start of the agreement’s implementation. Conversely, Brazil has committed to immediately eliminating tariffs on 15.1% of imports originating from the European Union, but will have longer transition periods for other products, between ten and fifteen years, ensuring a gradual and predictable adjustment. As a result, Brazil will have, on average, eight additional years to adapt to tariff reductions compared to the European bloc, based on the bilateral trade schedule set out in the EU-Mercosur Agreement.

Proponents emphasize how the structure of the agreement guarantees immediate access to the European market while providing Brazilian industries time to adapt. More than half of the tariff eliminations apply to agricultural/food products and minerals/energy, however, which critics note could reinforce Brazil’s position as a commodity exporter and manufactured goods importer, resulting in a structurally disadvantaged trade balance that relies on favorable harvests and international prices to achieve balance.

Chart 03

Main Brazilian Products Exported to the European Union in 2025

Product Category	Share of Exports (%)
Fuels, mineral oils, and waxes	22.0%
Coffee, tea, mate, and spices	14.7%
Ores	8.8%
Animal feed	8.3%
Oilseeds and oleaginous fruits	5.2%
Pulp, paper, and paper waste	4.3%
Iron and steel	3.5%
Vegetables and fruits	3.2%
Meat and meat preparations	3.1%
Machinery and industrial equipment	2.7%

Source: [Ministry of External Affairs](#)

Chart 04

Main Brazilian Products Imported from the European Union in 2025

Product Category	Share of Imports (%)
Machinery and industrial equipment	25.4%
Pharmaceutical products	15.1%
Road vehicles	7.8%
Electrical machinery and equipment	6.2%
Organic chemical products	5.5%
Specialized machinery and equipment for specific industries	5.2%
Plastics	4.0%
Chemical materials and products	3.9%
Miscellaneous chemical industry products	3.3%
Fuels, mineral oils, and waxes	2.6%

Source: [Ministry of External Affairs](#)

Commodity Specific Impacts

Beef

The EU-Mercosur trade agreement is expected to have a structural impact on Brazil's meat sector, with varying effects on beef, poultry, and pork. Currently, Brazilian beef exports to Europe are subject to two main tariffs. The Hilton quota allows 10,000 tons of premium cuts per year at a 20 percent tariff, which will be eliminated once the agreement takes effect. Other beef exports face a 12.8 percent tariff plus €221.10 per 100 kg, but this will be replaced by a new quota shared with other Mercosur countries.

Under the agreement, Brazil, Argentina, Uruguay, and Paraguay can jointly export up to 99,000 tons of beef annually to the EU at a 7.5 percent tariff. This quota is lower than the 128,000 tons Brazil alone exported in 2025 and will be phased in over five years, increasing by one-fifth each year until the full quota is reached.

According to the Brazilian Beef Exporters Association (Abiec), Brazil will be entitled to 42 percent of the new quota. Abiec estimates that the agreement could increase Brazil's annual beef exports to the European Union by 5 percent to 7 percent compared to current levels.

According to IPEA, the value of beef production in Brazil is expected to increase by 1 percent, while in the European Union it is projected to decline by 1.5 percent. The agreement is expected to lead to a 19.7 percent increase in Brazil's pork and poultry exports and a 5.1 percent increase in beef exports in the

coming years. The beef sector could contribute an additional US\$521 million to the trade balance, while pork and poultry exports could generate about US\$2.57 billion.

Poultry

Currently, the Brazilian poultry sector has various quotas for access to the European Union. In the case of fresh chicken, Brazil can export 15,050 tons at zero tariff, while volumes exceeding this quota are subject to a tariff of €1,024 per ton. Under the agreement, Brazil, together with other Mercosur countries, will have an annual export quota of 180,000 tons at zero tariff.

This quota will start at a lower level in the first year and will be increased in equal annual increments until reaching the full amount in the sixth year. Brazilian chicken exports outside the agreement's quota will remain subject to the current tariff rules.

Currently, Brazil can export 15,050 tons of chicken to the EU at zero tariff, with any excess subject to a tariff of €1,024 per ton. Under the agreement, Mercosur will have an annual quota of 180,000 tons at zero tariff. In 2024, the EU ranked only eighth among the largest buyers of all types of Brazilian meat.

Swine

For pork, the impact is expected to be more limited, as Europe is one of the world's largest producers and exporters of pork, particularly Spain and Germany. Although the agreement establishes a quota of 25,000 tons with an in-quota tariff of €83 per ton, the expected effects on the pork sector are less significant compared to beef and poultry.

With the likely increase in demand, the pork and poultry sector in Brazil is projected to see an 8.9% increase in employment, according to IPEA data. In terms of production value, Brazil is expected to achieve a 9.2% increase, while the European bloc is projected to experience a 2.4% decline.

Dairy

The agreement establishes progressive quotas for dairy products imported from the European Union, with full tariff exemption after ten years of implementation. Mercosur countries will import up to 10,000 tons of powdered milk annually. The cheese quota will reach 30,000 tons in the tenth year. The infant formula quota will reach a final volume of 5,000 tons. Viva Lacteos, the association representing Brazil's dairy sector, asserts that the agreement's import volumes are modest. Because the quotas will be divided among all Mercosur members, the impact on Brazil's domestic dairy industry will be limited. The association welcomed provisions protecting Brazilian producers' right to continue using certain cheese names, including gorgonzola, parmesan, grana padano, gruyere, and fontina.

Coffee

Coffee is Brazil's leading export to the European Union in terms of value. Green coffee beans, which make up 97 percent of Brazil's coffee exports to the EU, already enter the European market tariff-free. In 2025, 45 percent of Brazil's green coffee exports went to the EU (US\$7.3 billion).

The EU currently applies a 9 percent tariff on instant coffee and a 7.5 percent tariff on roasted and ground coffee, both of which will be eliminated within four years under the terms of the agreement. The Brazilian Ministry of Agrarian Development and Family Agriculture expects this to significantly benefit small producers since most coffee production in Brazil is carried out by family farmers.

Soybeans

The agreement is not expected to affect soybeans, which are Brazil's second most valuable agricultural export to the European Union after coffee, and the top export by volume. Both soybeans and soybean meal already enter the EU tariff-free.

Fruit

The agreement provides for immediate tariff elimination on fresh table grapes, which currently face an 11% tariff. Avocados, currently subject to a 4% tariff, will see complete phase-out over four years. Lemons and limes (14% tariff), watermelons (9% tariff), and melons (9% tariff) will reach zero tariffs within seven years. Apples, currently taxed at 10%, will achieve duty-free status after ten years.

Chocolate

Chocolate imports, which are currently taxed at 20%, will see tariffs eliminated for some products in 10 years and for others in 15 years under the agreement. Brazil already has a strong and diversified chocolate industry, with both domestic and international companies serving consumers across various price ranges. Lower import tariffs may increase the presence of premium brands currently unavailable in the Brazilian market.

Wine

Mercosur currently charges a 27% tariff on wine imports from Europe, which will be gradually eliminated over 8 to 12 years. This phased reduction is expected to encourage Brazilian companies to diversify their purchases and invest in more affordable European wines. Experts also note that Brazilian wine producers, mainly located in Rio Grande do Sul, will have sufficient time to adjust to the new market competitors.

Biofuels

Brazilian producers welcomed the new agreement as an opportunity to access a high-potential market but note that available quotas are small compared to Brazil's overall production, and exports must be shared with other Mercosur members.

The agreement creates two new TRQs for Mercosur ethanol exports to the EU, both of which will be phased in over 5 years. The first is a duty-free quota of 450,000 metric tons restricted to use by the EU's chemicals industry. The second provides a preferential tariff at one-third of the standard duty for up to 200,000 metric tons for all other uses, including fuel. According to the European Commission, two-

thirds of the EU's annual ethanol consumption of 6 million metric tons is used as fuel. In 2025, Brazil exported \$934 million of ethanol globally, of which 16.8 percent went to the EU.

Mercosur biodiesel exports under tariff lines 38260010 and 38260090 will see duties eliminated in 11 equal annual stages, reaching full tariff-free status on January 1 of year 10. Biodiesel exports from Brazil are currently minimal, but there is potential for growth and market diversification. For Brazilian biodiesel producers, this progressive EU market opening presents a significant opportunity to increase domestic production and capture new market share in Europe.

Sugar

Under the agreement, the EU will grant Mercosur exporters duty-free access for 180,000 metric tons of raw cane sugar for refining, a relatively small volume equivalent to slightly more than one percent of the EU's domestic production of (16.5 million metric tons). Paraguay was granted a new duty-free quota of 10,000 metric tons, although no new Brazil-specific quotas were provided.

In 2025, Brazil exported \$12 billion of raw cane sugar and \$2 billion of refined sugar, of which 2.8 percent and 1.2 percent, respectively, went to the EU.

Rice

For rice, the agreement establishes a quota of 60,000 metric tons per year, allowing husked and milled rice from Mercosur to enter the EU at reduced or zero tariffs. For ethanol, there are two separate quotas: 450,000 metric tons per year for chemical (industrial) use, which will enter duty-free, and 200,000 metric tons per year for all uses (including fuel), which will benefit from a reduced tariff set at one-third of the EU's standard Most Favored Nation (MFN) rate.

Corn and Sorghum

No new quotas were established for corn or sorghum under the agreement. Mercosur countries will continue to export these products to the EU under existing WTO commitments and MFN tariffs, which are already low or zero for these commodities.

Trade Protection Mechanisms

In December 2025, the EU updated a [safeguard clause](#) in the agreement to protect EU farmers from import surges. If imports of a sensitive agricultural product rise by 5% over the three-year average, the EU may investigate and potentially suspend benefits. This threshold is lower than the original proposal in October 2025, [which set a 10% limit](#).

In addition, reciprocity clauses require Mercosur exports to comply with EU-equivalent standards in areas including food safety, animal health, and the use of pesticides banned in the EU. For example, the EU may challenge Brazil's use of agricultural chemicals or fertilizers that are not permitted in Europe.

Brazilian industry has expressed concern that any safeguard measures should be strictly technical, transparent, and based on objective criteria, to prevent an exceptional mechanism from becoming a disguised barrier.

Geographical Indications

Brazil has 37 products with geographical indication included in the agreement, such as cachaça and Canastra cheese. Other Mercosur countries have various wines on the list, totaling 195 products. The European Union’s list includes items like French champagne and cognac, as well as Italian prosecco, parmesan and gorgonzola cheeses, and mortadella Bologna.

Each country grants registration according to its own laws to products or services characteristic of their place of origin. To be included in the agreement, a country must request the addition of the item to the protection list.

These items are part of the final version of the agreement released by the Brazilian government in December 2024.

Chart 05

Brazilian Food Products Granted Geographical Indication (GI) Status

Country	Denomination/Name	Category
Brazil	Alta Mogiana	Coffee, Yerba Mate, Spices, and Preparations
Brazil	Altos Montes	Wines
Brazil	Cachaça	Distilled Beverages
Brazil	Canastra	Cheeses
Brazil	Carlópolis	Fresh and Processed Fruits and Nuts
Brazil	Costa Negra	Crustaceans
Brazil	Cruzeiro do Sul	Milling Industry Products
Brazil	Farroupilha	Wines
Brazil	Linhares	Cocoa and Cocoa Preparations
Brazil	Litoral Norte Gaúcho	Cereals
Brazil	Manguezais de Alagoas	Other Edible Animal Products
Brazil	Maracaju	Fresh, Frozen, and Processed Meats
Brazil	Marialva	Fresh and Processed Fruits and Nuts

Country	Denomination/Name	Category
Brazil	Abaíra Microregion	Distilled Beverages
Brazil	Monte Belo	Wines
Brazil	Mossoró	Fresh and Processed Fruits and Nuts
Brazil	Norte Pioneiro do Paraná	Coffee, Yerba Mate, Spices, and Preparations
Brazil	Western Paraná	Honey
Brazil	Ortigueira	Honey
Brazil	Southern Campaign Pampa of Rio Grande do Sul	Fresh, Frozen, and Processed Meats
Brazil	Pantanal	Honey
Brazil	Paraty	Distilled Beverages
Brazil	Pelotas	Confectionery and Bakery Products
Brazil	Piauí	Fresh and Processed Fruits and Nuts
Brazil	Pinto Bandeira	Wines
Brazil	Mara Rosa Region	Spices
Brazil	Green Propolis Region of Minas Gerais	Other Edible Animal Products
Brazil	Serra da Mantiqueira Region of Minas Gerais	Coffee, Yerba Mate, Spices, and Preparations
Brazil	Pinhal Region	Coffee, Yerba Mate, Spices, and Preparations
Brazil	Salinas Region	Distilled Beverages
Brazil	Cerrado Mineiro Region	Coffee, Yerba Mate, Spices, and Preparations
Brazil	São Bento de Urânia Region	Fresh and Processed Plant Products
Brazil	São Matheus	Coffee, Yerba Mate, Spices, and Preparations
Brazil	Serro	Cheeses
Brazil	Sub-Middle São Francisco Valley	Fresh and Processed Fruits and Nuts
Brazil	Vale dos Vinhedos	Wines

Country	Denomination/Name	Category
Brazil	Goethe Grape Valleys	Wines

Source: [Siscomex](#)

The Politics of Ratification and Implementation

EU-Mercosur negotiations began in 1999. The original political agreement was announced in 2019, with further negotiations on specific points continuing until 2023, resulting in the “Brasília Package.” In July 2020, the political and cooperation components were finalized. By June 2024, the trade components were agreed, and in December 2024, a partnership agreement was reached. In 2024 and 2025, the European Commission and Mercosur negotiated an additional instrument to enhance protection for labor, human rights, and the environment.

To secure approval and accelerate implementation, the European Commission employed a “split strategy,” dividing the trade agreement package into an Interim Trade Agreement (ITA) covering the trade pillar and an EU–Mercosur Partnership Agreement (EMPA) covering cooperation on other non-trade issues. The ITA falls under EU exclusive competence and requires approval by qualified majority in the Council, which occurred on January 9, 2026, and consent of the European Parliament. The EMPA, as a mixed agreement, requires ratification by all EU member states, a process expected to take several years.

Following the January 17 signing, both sides are now working through their respective ratification processes. In Mercosur countries, both the ITA and EMPA follow the same legislative path for ratification.

In Brazil, the process for approving international trade agreements involves both the Executive and Legislative branches. First, the Executive Branch, through the President, negotiates and signs the agreement. After signature, the agreement is submitted to the National Congress for approval. Both the Chamber of Deputies and the Federal Senate must approve the agreement through a legislative decree. Once Congress has given its approval, the President can ratify the agreement, making it legally binding for Brazil. The agreement is then promulgated by a presidential decree and published in the Official Gazette, at which point it enters into force domestically.

On February 2, Brazil’s Chamber of Deputies received the text of the agreement and initiated its internal review process. The President of the Chamber announced that the agreement’s analysis will be prioritized, with a ratification vote expected by the end of February.

There is no indication that Brazil’s Congress, with its strong agribusiness caucus, will impede ratification of the agreement. However, analysts caution that despite having strong Congressional support, the upcoming Brazilian elections could complicate President Lula’s objective of securing rapid approval.

On January 21, 2026, the European Parliament voted to request an assessment by the European Court of Justice (ECJ) on the compatibility of the EU-Mercosur agreement with EU treaties. The motion passed

with 334 votes in favor, 324 against, and 11 abstentions. Parliament specifically asked the Court to examine a mechanism within the agreement that would allow Brazil, Argentina, Paraguay, and Uruguay to challenge EU regulations if they believe such rules negatively impact their access to the EU market.

The ECJ will review the legal basis of the EMPA and the ITA. Meanwhile, the European Parliament will continue examining the texts as it awaits the opinion of the EU Court. Only after the Court issues its opinion will Parliament be able to vote to approve or reject the Agreement. There is no estimated date for the Court's decision, but once at least one Mercosur country ratifies the agreement, the EU Commission could decide to provisionally apply most of the ITA trade liberalization measures pending the ECJ ruling and subsequent vote in the EU Parliament.

Once each party completes its internal ratification procedures, the agreement enters into force on the first day of the following month.

Attachments:

No Attachments.