Centre Grande Europe
Institut Jacques Delors

01/10/2026

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BLOG POST

From Candidate to Member? Ukraine's Agricultural Sector Under EU Scrutiny

On 28 February 2022, just days after Russia's full-scale invasion, Ukraine submitted its application for European Union membership. With a decade of stalled accession negotiations for other neighbourhood candidates, discussions began to rage on. By June 2022, the European Council granted Ukraine candidate status, setting in motion one of the most consequential enlargement processes in the EU's history. A first cluster of chapters have opened for negotiation this year.

Accession to the EU is governed by the Copenhagen Criteria, established in 1993, which require candidate states to demonstrate: stable democratic institutions; the capacity to implement the EU acquis; and, critically, a functioning market economy capable of withstanding the competitive pressures of the single market. While none of the Copenhagen criteria are straightforward for Ukraine to meet, it is the economic dimension and its interaction with an overlooked fourth criterion, which is the Union's own capacity to absorb new members without stalling the integration process, that has proved most contentious.

Whether Ukraine satisfies the economic conditions for accession, particularly within the agricultural sector, therefore demands careful examination. As this piece will show, Ukraine's mighty agricultural sector has ultimately sparked resistance from some Member States. The answer to this issue carries profound implications not only for Ukraine's membership prospects, but for the future of the EU enlargement policy and the EU's agricultural import structure.

I • Ukraine's Robust Agricultural Sector

The scale of Ukraine's agricultural sector is central to understanding its accession process, both in terms of its potential influence on the EU's internal market and its domestic economic weight. About 7% of Ukraine's GDP comes from agriculture, and the sector contributes around 20% of GDP when upstream and downstream agri-food businesses are included. With above 56% of all exports in 2025, the industry is also important to Ukraine's foreign trade; Ultimately, Ukraine remains a structurally significant agricultural producer in the European and worldwide contexts.

The Common Agricultural Policy (CAP) and EU agricultural markets hold considerable potential in impacting Ukraine's accession. The country accounted for 10% of the world's wheat trade and 15% of the world's corn trade. Its dominance in these products stems from remarkable natural resources, including around ⅓ of the world's most fertile land. With importers reliant on Ukraine as a source for these products, the structural leverage Ukrainian players have highlights how its incorporation into the EU single market could spur greater tension.

Ukraine's accession bid is not driven by the prospect of agricultural subsidies; its membership ambitions are rooted in security guarantees, political anchoring, and economic modernisation. However, due to the scale of the agricultural industry, the sector continues to be both a strategic asset and a major obstacle to the accession process.

This can be observed by breaking down various conflicting points regarding agricultural integration. It is projected that Ukrainian manufacturers' overall costs will rise by up to 10% to comply with the EU acquis in agriculture, which covers food safety, animal and plant health, and animal welfare regulations. Furthermore, Ukrainian crop farmers have an average environmentally adjusted efficiency of 0.84, which means they can reduce harmful emissions by 16% while improving output by 19%. The cost of compliance could be mitigated if this efficiency gap is overcome through targeted policy interventions, such as enhanced agrochemical standards, the adoption of climate-smart technologies, and energy-saving initiatives.

As of January 2026, Ukraine had completed screening for three agricultural-related EU accession negotiation chapters and established the legal framework necessary to implement important CAP components, such as a paying agency and digital planning tools. However, officials acknowledge that legislative alignment alone will not be sufficient, as Ukraine must also demonstrate the capacity of its regulatory institutions and control mechanisms to implement and enforce the acquis effectively.

II • Ukraine's Trajectory: Converging Despite the War

Concerning the Copenhagen economic criterion, a tension arises: it was designed for peacetime economies integrating gradually, yet Ukraine must pursue accession-related reforms amid active armed conflict. The bar is about trajectory and structural readiness.

Ukraine did not, however, start from zero in 2023. Economic convergence with the EU has been underway since the 2014 Association Agreement, which removed most tariffs and gradually aligned Ukrainian laws and standards with EU rules. Yet, this analysis centers on the 2023–2025 window, comparing Ukraine's trajectory from the 2023 baseline to the most recent 2025 report in order to assess whether it is making progress toward compliance with the economic criterion. Within it, the Commission monitors a set of sub-criteria for the competitive pressure benchmark and it is on this benchmark that Ukraine's standing shifted.

Between 2023 and 2025, the European Commission upgraded Ukraine's assessment from "early stage" to "between early stage and some level of preparation," which remains near the bottom of the five-tier state-of-preparation scale, while rating its progress over the period as "good" on the separate progress scale. This trajectory is meaningful but must be read carefully. The reforms cited in the Commission's 2025 report, like the New Ukrainian School Reform, a Global Innovation Development Strategy, and restored energy generation capacity, are structural foundations for future competitiveness, not evidence of current competitive readiness. The 2025 section is silent on the indicators that defined Ukraine's weaknesses in 2023: an export structure concentrated in low value-added sectors, an FDI stock at 31% of GDP well below the EU average, and an economy where nearly 50% of firms identified access to finance as a major obstacle, five times the EU rate. The 2025 report offers no indication that these gaps have closed, and the 2023 figures remain the most recent available.

The 2023 report estimated direct war damage at €150 billion and total reconstruction needs at €380 billion, with a quarter of agricultural land unusable pending demining. While energy capacity has since been partially restored, but remains targeted by Russian strikes, the productive base remains severely damaged.

Research and development investment stood at 0.29% of GDP in 2023 against an EU average of 2.2%, a gap that an innovation strategy alone cannot close in the short term.

Overall, Ukraine demonstrates a credible trajectory toward qualification, depending on post-war reconstruction completing what wartime reforms have only begun. The scale of the war damage above might suggest a fundamentally weak economy, but by the standards of past enlargements it is not: in years free of major external shocks (such as 2000-2008 and 2016-2019) its economy grew faster than the EU average, and on most economic Copenhagen metrics Ukraine is not an outlier relative to the poorest Central and Eastern European states at a comparable stage of accession. That said, the demographic decline and chronic difficulty attracting FDI are two dimensions predating 2022, where part of the gap is structural rather than caused by the war.

III • Member States Resistance

Beyond Ukraine's robust agricultural sector and its economic deficit in meeting the Copenhagen criteria, its accession process stands apart from other candidates because political and security factors have accelerated it, leaving no comparable past process. Despite the momentum, obstacles have emerged, fueling a stalling of progress; not exclusively, but partially rooted in member states' worries. In this section, this resistance will be observed in the agricultural context.

Following years of Autonomous Trade Measures (ATMs) granted by the EU after Russia's invasion of Ukraine, the need to phase them out became prevalent. Under ATMs, "full trade liberalisation" was granted.As a result, agricultural exports from Ukraine grew considerably, doubling in 2024. This allowed a trade imbalance, with Ukraine acting as a net exporter of agricultural products. Within this dynamic, certain member states (Poland, Slovakia, Hungary, Bulgaria) raised concerns that their local markets were being disrupted and advocated this in a Joint Declaration issued by their respective agricultural ministers. Thus, with the temporary nature of ATMs, there was a shift towards replacing them with a new structural framework with borders, through modification of the existing EU-Ukraine trade agreement (DCFTA). The updated version of DCFTA (2.0), agreed upon in June 2025, only incrementally builds upon its predecessor. This development has highlighted a conflict: Member States remain resistant to using accession instruments to further the full integration of the Ukrainian agricultural sector, even while remaining politically committed.

Ukraine's dominance in agricultural production (e.g. cereals and oilseeds) has fueled broader worries in some member states about how agricultural integration through the CAP would work. In France and Germany's recent calls to accelerate Ukraine's "associate" membership, France has held specific concerns about Kyiv's access to EU farming subsidies through the CAP.

With a considerable (76.8%) share of CAP subsidies distributed based on farm size, Ukraine's vast agricultural land would likely require overhauls to the current allocation system if member states' concerns were heard. Hence, as Ukraine's accession progresses, the EU would need to prioritise internal reform and adjust the CAP to address these issues if it is to avoid delaying accession. In particular, this would mean negotiating a long transitional period for the agriculture chapter after accession, phasing Ukraine into the CAP and the single market rather than admitting it all at once. In this dynamic, a tension may emerge if there is reluctance to make such alterations to internal processes, whether in agricultural policy or in the Union's enlargement process

Conclusion

While Ukraine faces an economic deficit in meeting the Copenhagen criteria, this is not permanent and is largely tied to the ongoing war it continues to fight. That said, some of the war's economic legacy will not be quickly undone. Beyond physical reconstruction, Ukraine faces a serious human-capital challenge: large-scale displacement, with many refugees unlikely to return, combat losses, and accelerating demographic decline have hollowed out the workforce the economy will need to recover and integrate. Rebuilding capital is one task; rebuilding the labour force behind it is a slower, structural one that will shape Ukraine's competitiveness within the internal market for years after fighting ends.

This article has identified the underlying issue in Ukraine's economic integration: agricultural integration remains blocked not only by Ukraine's own shortcomings but even more by the EU's reluctance to reform the Common Agricultural Policy, whether to protect Member States' shares in the Single market or to avoid the cost of internal adjustment. The Union is considering three potential developments: reforming the CAP so it can accommodate Ukraine's agricultural sector; continuing to delay accession; or granting Ukraine membership through negotiations by incorporating an opt-out or transition period for Ukraine's agriculture. The latter is in the early stages today, negotiating a transition into accession where Ukraine's agriculture neither imposes reforms on the CAP nor delays the accession process.

This is not to suggest that the obstacles lie only on the EU side. While the economic deficit identified here is largely war-tied and reflects the Union's own reluctance to reform the CAP, Ukraine's accession also rests on conditions that fall to Kyiv. The political chapters of the acquis, particularly judicial independence, the rule of law, and the dismantling of corruption and oligarchic influence, remain among the most demanding obstacles any candidate must clear. Progress here depends on domestic reform that no transitional arrangement or budgetary adjustment in Brussels can substitute for.

The path to membership therefore runs through both a willingness on the EU's part to reform itself and a sustained commitment on Ukraine's part to meet the economic deficit and political criteria, neither of which can be assumed.