



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 19 September 2012

13941/12

**AGRI 599
AGRIORG 152
AGRISTR 121**

NOTE

from: General Secretariat
to: Council

Subject: Consequences of severe drought in some regions of the EU and the world
- Request from the Hungarian, Bulgarian, Italian, Portuguese and Slovenian
delegations

Delegations will find in Annex a document submitted by the Hungarian, Bulgarian, Italian, Portuguese and Slovenian delegations to be presented under "Any other business" at the Council ("Agriculture and Fisheries") at its session on 24-25 September 2012.

Joint document by Hungary, Bulgaria, Italia, Portugal and Slovenia

Consequences of severe drought in some regions of the EU and the world

A dramatic shortfall of maize, soya beans, cereals and forage mass production, including permanent pastures availability, is foreseen in some regions of the European Union (in eastern and central parts of Europe, as well as the Mediterranean) and in other parts of the world (the USA in particular), as a result of drought. This situation could lead to a drastic reduction in stocks, resulting in shortages of these products on the markets in the next few months.

In case of some Member States the shortfall may reach 30-50% compared to the five-year average. The record feedstuff prices will hit the livestock sector, which already faces serious financial difficulties. The affected regions will struggle to provide the necessary volume of fodder cereals to those farmers who traditionally rely on their supply. Farmers will be forced to search for alternative markets and significantly more expensive supply channels, which are likely to raise fodder prices even further to levels never experienced in these regions. The most affected livestock farmers, who include extensive livestock producers, may find themselves in a critical situation and may have to give up farming.

The lack of rain has also affected other agricultural sectors. Many fruit and vegetable producers - suffering from a downfall in recent years - are also in need of urgent measures. Consequently, in a wider context, the aforementioned problems could destabilize certain sectors in the Member States concerned and in the EU as a whole.

Suitable short- and long-term measures must be taken to address this situation in order to avoid a massive meltdown in various sectors in those regions. We therefore ask the Commission to consider all possible Community-level tools, in particular those described below.

Short-term measures:

- The application of Articles 187 and 191 of the Single CMO Regulation.
- An advance payment deriving from the direct payments for the 2013 marketing year could be authorized, up to the level of 80 %.
- An exceptional easing and/or temporary suspension of the agri-environmental requirements (inter alia, the extension of reaping time and the grazing period) could partially improve farmers' situation.
- The application of the EU Solidarity Fund should also be considered.
- Any other measures which the Commission considers appropriate to alleviate farmers' situation, including state aids.

Long-term measures:

- The Common Agricultural Policy reform should make provision for strengthening the current crisis management tools, with particular attention to the financial aspects, namely, through specific eligibility for drought situations.
- An operational and flexible reserve could be made available for dealing with crises in the agricultural sector.
- Providing easier access to the EU Solidarity Fund in case of drought could also be examined.
