



Council of the
European Union

Brussels, 11 May 2016
(OR. en)

8676/16

AGRI 238
AGRIORG 34
AGRIFIN 48

NOTE

From: General Secretariat of the Council

To: Council

Subject: Situation on commodity markets

- Outcomes of the meeting of the Visegrad group countries plus Austria, Bulgaria, Romania and Slovenia (V4+4)
- Joint Statement

Delegations will find in Annexes information from the Visegrad group countries and Austria, Bulgaria, Romania and Slovenia (4+4) on the above subject to be presented under "Any other business" at the Council ("Agriculture and Fisheries") on 17 May 2016.

Situation on commodity markets: Outcomes of the meeting of the Visegrad group countries plus Austria, Bulgaria, Romania and Slovenia (V4+4)

Despite all efforts and measures taken by the European Commission and the Member States the long-standing crisis on the commodity markets has not been stopped and situation has not been stabilized. The situation especially in the dairy and pigmeat sectors, where the purchase prices have been below production costs for a long period of time, is becoming untenable and producers are considering leaving the sector.

The difficult situation on the commodity markets was also the main subject of the meeting of the Ministers of Agriculture of the Visegrad Group and Austria, Bulgaria, Romania and Slovenia which was held under the Czech presidency of the Visegrad Group on the 29th April in Prague.

Ministers agreed that the measures taken so far will have to be complemented both by tools of the immediate aid, as well as the mid-term measures. Due to the nature of the crisis and the factors which caused this dramatic and long-standing decrease in prices, there is a need for the response on the EU level on this challenge which is faced by European farmers. Therefore Ministers urge the European Commission to introduce adequate measures on the EU level that will help to stabilize the situation on the commodity markets immediately.

The Joint Statement of the eight Member States (CZ, PL, HU, SK, AT, BG, RO, SI) is attached in the Annex.

**JOINT STATEMENT OF THE MINISTERS OF AGRICULTURE OF THE CZECH
REPUBLIC, POLAND, HUNGARY, SLOVAKIA, AUSTRIA, BULGARIA, ROMANIA
AND SLOVENIA ON THE SITUATION ON COMMODITY MARKETS**

In the context of the current critical situation in dairy and pigmeat sectors, where purchase prices have been below production costs for a long period of time and producers are considering leaving the sector there is a need to find a positive and effective solution as soon as possible. Wishing to improve the situation of the farmers, the ministers of agriculture of the Visegrad Group and Austria, Bulgaria, Romania and Slovenia agreed on the following:

- THEY TAKE NOTE of the measures already proposed by the European Commission. The measures may contribute to alleviating the difficult situation on certain commodity markets and thus to improve the critical situation of agricultural producers.
- THEY PERCEIVE positively the proposed establishment of an observatory body for the monitoring of pigmeat and beef markets, which would monitor the market situation.
- However, in the context of the current situation THEY REQUIRE an introduction of temporary targeted financial aid for producers in the livestock sector at such a minimum level as exceptional aid of 2015 in order to compensate for losses incurred due to the decrease in prices resulting from the Russian embargo, overproduction on the EU market and in the case of pigmeat also the negative effects of the Russian trade restrictions concerning the African swine fever.
- THEY also CAN SUPPORT the timely reintroduction of private storage aid for pigmeat as well as a temporary increase in aid for the private storage of butter and skimmed milk powder.
- However, at the same time THEY ASK for the increase of the reference thresholds and temporary adjustment of intervention prices for the specified quantity of eligible products in the dairy sector.
- THEY STRESS the need for an active search of new market outlets, including the removal of non-tariff barriers, and THEY ASK the European Commission to make maximum efforts to support the export of agricultural products from the EU. THEY ARE of the OPINION that other measures supporting agricultural exports should also be considered by the Commission, for example, export credits.
- In this context THEY TAKE NOTE of the current development in agricultural trade negotiations and CALL on the Commission to actively pursue both offensive and defensive interests of EU agriculture. They are of the opinion that an analysis by the Commission of the cumulative impact of all (already granted and planned) EU concessions in agricultural trade liberalization is important for further discussions concerning not only the EU negotiating position but also the future of agricultural policy.
- THEY REITERATE that in order to combat the current crisis situation in the agricultural markets it is necessary to adopt EU measures within the CAP and limit actions at national levels which could lead in a long-term to renationalization of the agricultural policies.
- In order to prevent similar difficulties in the sugar sector, THEY RECOMMEND that at the time of abolition of the quota system, an effective data monitoring of sugar beet and sugar production is put in operation in order to monitor thoroughly the market situation. THEY URGE the European Commission to define well in time the effective measures to prevent market disturbances in case of the negative development on the EU sugar


market including the introducing necessary legislation. (Poland asks the European Commission to continue the sugar quota system after 2017.)

- **THEY ASK** for an increase of the financial packages for the implementation of EU School schemes for the following year 2016/2017 as they **EXPECT** this to contribute to decreasing the tension on the markets of milk and of fruit and vegetables.
- **THEY ARE** of the **OPINION** that current crisis on agricultural markets and the envisaged mid-term review of the Multiannual Financial Framework 2014-2020 imply the necessity of a deeper and broader CAP 2014-2020 evaluation which cannot be limited to the greening of direct payments. Additionally **THEY STRESS** that CAP should ensure equal terms of competition on the EU single market.
- **THEY CALL** on the European Commission to prepare an effective CAP for the next programming period so it will be able to respond to the increasing challenges of agricultural markets.
- **THEY** invite the European Commission to analyze the possibility of introducing support measures for producers' organizations in the dairy and pigmeat sectors in the framework of the CMO on the basis of the already implemented fruit and vegetable sector rules.
- **THEY UNDERLINE** the necessity of analyzing the current situation in the food supply chain and the strengthening of the farmers' position as they represent the most affected parties, by introducing common EU rules. In particular, **THEY INSIST ON** focusing on tackling unfair trading practices and **THEY ASK** for finding a solution regarding the European legal framework for fair distribution of the added value of the food production and trade.
- **THEY CALL** on the European Commission, with the aim to help improve the situation on commodity markets, to pay more attention to the role of research and innovation within the Horizon 2020. **THEY UNDERLINE** the need for Bioeconomy strategy building, giving particular emphasis to the Central and Eastern European (CEE) countries, as well as bringing the attention of EU policy makers to the regional and international aspects of the Bioeconomy. At the same time, **THEY HIGHLIGHT** the importance of raising awareness among stakeholders on the possibilities offered by these new aspects at a regional and international level.


Prague, 29th April 2016

On behalf of the:


Czech Republic:


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Marian Jurečka,
Minister of the Agriculture

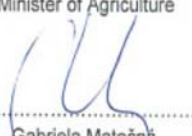
Poland:


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Krzysztof Jurgiel,
Minister of Agriculture and Rural Development


Hungary:


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Sándor Fazekas,
Minister of Agriculture

Slovakia


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Gabriela Matečná,
Minister of Agriculture and Rural Development


Austria:


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Maximilian Hennig,
Director of Central Department EU Coordination,
Federal Ministry of Agriculture, Forestry,
Environment and Water Management

Bulgaria:


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Desislava Taneva,
Minister of Agriculture and Food

Romania:


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Dumitru Daniel Botănoiu,
Secretary of State,
Ministry of Agriculture and Rural Development

Slovenia:


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Dejan Židan,
Minister of Agriculture, Forestry and Food