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NOTE

From: General Secretariat of the Council
To: Delegations

Subject: Targeted measures to support producers of peaches and nectarines in certain regions in Greece to mitigate the effects of the crisis in Ukraine and the Russian embargo
- Request from the Greek delegation

Delegations will find in [Annex](#) a document submitted by the Greek delegation to be presented under "Any other business" at the Council ("Agriculture and Fisheries") at its session on 10-11 November 2014.

Targeted measures to support producers of peaches and nectarines in certain regions in Greece to mitigate the effects of the crisis in Ukraine and the Russian embargo

Russia is a main export destination for Greek agricultural products. Fruit and vegetables account for 30% of the value of agricultural production and represent 65% of Greek agricultural exports to Russia. The peaches and nectarines which are highly perishable products and have a limited marketing period dominate these exports. The peaches' and nectarines' exports to Russia account for approximately 30-35% of the output of the sector.

The war in Ukraine and the Russian ban on imports of agricultural products from the EU, led to financial impacts and income losses for the producers. At the same time, this situation means for Greece the loss of a basic market gained with extreme efforts, creating thus a serious structural problem, since Russia is an important trade partner.

From the very first moment, on July 16, the Commissioner Mr. Ciolos has been informed about the adverse consequences of the war in Ukraine which were serious and visible for Greek producers, long before the announcement of the Russian import ban.

Seeking alternative destinations for peaches and nectarines which are perishable products with limited harvesting and marketing period is extremely difficult, taking into account also the economic situation in Greece. In addition farmers had to pay additional productive and investment efforts to gain this market since they had even to adapt their production to the Russian market specific requirements.

The impact of the crisis, as mentioned, were evident for Greek producers before the Russian ban announcement and the entry into force of the exceptional measures taken by the Commission. The consignments had to significantly deviate, covering much longer distances (over 1500 km) to reach their destination and facing increased risks, spending more time and money with a direct impact on transport costs. All this situation created a negative impact on the market.

The devaluation of the Russian currency has led to a further prices depression while Russian ban completed this adverse situation. As a consequence, this year producer prices ranged between 0,12 and 0,29 €/kg compared with the prices of 0,50, 0,60 and 0,80 €/kg in the previous years. This year producer prices are decreased up to 75%, below or close to the withdrawal prices levels resulting in serious income losses, critical for the viability and the continuation of the farms production activities.

This situation is a result of a joint action in the field of foreign EU relations so the consequences must also be addressed at EU level.

The exceptional measures, taken by the Commission to stabilize the markets, was a step to the right direction but it was not possible to be exploited by the Greek farmers, since most part of the production (75%) is early harvested and had already been placed on the market, in very low prices, before the exceptional measures entered into force.

Thus, although the Commission has taken measures at a European level to tackle the Russian embargo, using transparent, fair and non-discriminatory criteria, Greek producers seem to be disadvantaged, since they finally benefit a negligible support in relation to the losses they suffered due to the previous situation in Ukraine which led to the Russian embargo.

Therefore, Greece requests for a compensation of the peaches and nectarines producers in the regions that were seriously affected from the crisis, in order to support them and cover at least a part of their income losses.