



Council of the
European Union

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NOTE

From: Presidency
To: Council

Subject: Market developments, including effects of the Russian import ban
- Information from the Commission and exchange of views

With a view to the meeting of the Council ("Agriculture and Fisheries") on 26 January 2015, delegations will find in Annex a note from the Presidency on the above subject.

**MARKET DEVELOPMENTS, INCLUDING THE EFFECTS OF THE
RUSSIAN IMPORT BAN**

1. On 6 August 2014, Russia banned, for a period of one year, the importation of agricultural products, raw materials and foodstuffs originating in the EU, United States, Canada, Australia and Norway. The ban covers specific products over several sectors, namely fruit and vegetables, dairy products and meat of bovine animals, swine and poultry.
2. The impact, on the EU market, of the Russian import ban was discussed on several occasions at the Special Committee on Agriculture and the Council levels, most recently at the SCA meeting on 12 January 2015. At that meeting, the Commission recalled that, in reaction to the ban, it swiftly triggered emergency market support measures for fruit, vegetables and dairy products, while also providing funds for CAP promotion programmes.
3. The Commission also recalled that the measures for fruit and vegetables have been extended into 2015. The Commission also noted the support provided to the dairy sector, and recalled that safety net market measures continue to be open. While no request for butter or skimmed milk powder for public intervention have been received to date, quantities have been notified for private storage aid. While assuring that it would continue to closely monitor the markets, the Commission stressed the need of stepping up efforts to identify and develop alternative markets to the Russian one for EU products, looking in particular at removing Sanitary and Phyto-Sanitary (SPS) barriers. The Commission also highlighted the necessity to distinguish between the effects of the ban itself and the consequences of other factors that influence markets.
4. At the abovementioned SCA meeting, Member States encouraged the Commission to actively and closely monitor the market situation and take the necessary measures. A number of delegations also acknowledged the need to make a distinction between the effects of the Russian ban itself and other factors influencing the markets.

5. Concerns were however raised as regards three sectors:
- pig meat: several Member States asked for the introduction of targeted private storage aid for pig meat.
 - fruit and vegetables: some Member States demanded compensation for income loss for producers as well as support measures notably for aubergines, potatoes, cabbage and onion producers; a few Member States requested that individual fruit and vegetable producers receive the same amounts granted to producer organisations in case of withdrawal from markets other than for free distribution. Furthermore, a number of delegations demanded that the envelopes of 3000 tons of fruit and vegetables in the last exceptional support measure be extended into 2015 and that they cover all Member States
 - dairy products: some Member States asked that losses for dairy producers be mitigated and mentioned various means to do so e.g. by paying the super-levy interest-free in several instalments beyond the quota period.

Questions to Member States

6. In light of the above and with a view to structuring the exchange of views at Council, the Presidency invites those delegations which would like to intervene to focus on the following questions, taking into account the duration of the ban, the possible impact of other factors as well as budgetary constraints:
- a. Do you consider that the measures taken so far by the EU have contributed to mitigating the situation in the sector?
 - b. What do you consider to be relevant quantitative criteria in order to qualify the situation on the market as a crisis situation ?
 - c. While taking into account that a better assessment of the respective effects of the Russian ban itself and of other possible factors would help in better tailoring measures, what would be your main priority for further measures?