



Council of the
European Union

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NOTE

From: General Secretariat of the Council
To: Delegations
Subject: Deteriorating situation in the pigmeat market
- Request from the Polish delegation

Delegations will find attached a note from the Polish delegation on the above subject, concerning an item under "Any other business" at the Council ("Agriculture and Fisheries") on 14-15 December 2015.

Deteriorating situation in the pigmeat market

The situation in the pigmeat market is deteriorating dramatically. From the beginning of 2014, when the African swine fever cases occurred in the European Union, the swine production sector has been forced to cope with the consequences of the import restrictions introduced by the Russian Federation. Since then, the market has been under pressure of low prices.

In the recent weeks, the situation in the pigmeat market has deteriorated rapidly. Within four weeks, the average prices of pigmeat in the European Union dropped by 6%. At the same time, in Poland the average prices paid to farmers dropped by as much as 13%. The current average buying-in price of pigs in Poland is lower by 22% than the long-term average (from the years 2010-2014). The price is lower by 13% when compared to that from the previous year. For the last time, such a low price was recorded in 2011. Pig production farms suffer huge losses.

This difficult situation in the pigmeat market requires taking decisive measures. Poland appreciates the measures undertaken so far, including a possibility of using exceptional support provided for within the framework of the Commission Delegated Regulation (EU) No 2015/1853 providing for temporary exceptional aid to farmers in the livestock sectors. Envisaged funds will not be enough, however, to significantly support the pigmeat sector.

The launch of aid for private storage of pigmeat is an important step, although, in our opinion, acceptance of applications should begin as soon as possible because the income situation of the producers and the entire sector is becoming more and more difficult. At the same time, Poland is worried that in such a difficult situation the launch of only a mechanism of aid for private storage will be a measure insufficient to stabilise the market. Meat stored as part of this mechanism will be returned to the market, leading to an increase in price pressure at a later time. Taking the above into consideration, it is necessary to take more far-reaching measures. For this reason, in Polish opinion, it is necessary to take a discussion on the launch of export refunds for pigmeat as a crisis management instrument in the pigmeat market, so as to permanently manage the surplus of pigmeat.

Bearing the above in mind, Poland also points to a need to analyse the situation in the pigmeat market in the longer term and to reflect on the long-term solutions for this sector. It is essential, however, to take all possible ad hoc measures to support farmers who have been in a difficult situation for a longer time.
