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**NOTE**

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From: General Secretariat of the Council  
To: Delegations  
Subject: Market situation

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Further to the ministerial lunch discussion held on 15 February 2016 and in preparation of the March "Agriculture and Fisheries" Council, delegations will find attached a note from the Finnish delegation on the above-mentioned subject.

**Finnish proposals on possible future measures to address the difficult market situation  
in various agricultural sectors**

Finland submits the following proposals and comments for the preparation of the further package of measures to address the difficult market situation to be discussed in the March AGRIFISH Council.

The Council discussion in March is most welcome, as also in Finland the market situation remains very difficult in the dairy and pig meat sectors. The root of the problem is that demand-supply situation in the EU is unbalanced. There are many factors behind the unbalance, the main reasons in the Finnish markets being the Russian embargo, the end of milk quotas and to a certain extent the smaller than anticipated demand in the world market. In this situation measures should be focused on the producers in financial difficulties not to measures increasing production.

Both short term and long term measures are needed to alleviate the situation of the producers.

**Short term measures**

- Finland welcomes **the market measures** already implemented by the Commission. The measures have helped to stabilize the situation, but to a very low price level. The current market measures, especially for dairy sector, need to be maintained. Finland is ready to consider increasing the intervention thresholds for butter (50 000 tonnes) and SMP (109 000 tonnes) in order to maintain stability of the markets.
- **The direct income support measures** decided in 2014 and 2015 were necessary. Unfortunately, the income situation of the producers in the **dairy and pig meat** sectors has not eased since that. Finland asks the Commission to explore whether there are financial possibilities for such a measure also this year.
- Finland is also prepared to examine the proposed **measures to limit the production** in crisis situations, but in our opinion the prerequisite for such measures is that they are applied throughout the Union.

- Finland has **doubts about increasing the intervention prices**, as in the worst case that could encourage the most effective producers to increase their production and worsen the market situation even further.
- Finland **doesn't support any exemption or postponement** of an obligation to pay a **super levy** due to exceeding the milk quotas.
- **In the pig meat sector, the aid for private storage** has to be used effectively bearing in mind that the meat also comes out of the storage at some stage, having a detrimental effect on the market at that stage.
- Finland strongly supports the Commission's actions **to lift the sanitary ban of pig meat exports** to the Russian Federation. Reopening the market for European pork producers would ease the difficult market situation.
- **A temporary increase of the current ceiling for the *de minimis* -support** (from 15 000€3 years/beneficiary to 30 000 €3 years/beneficiary) could be a useful measure. This could be especially helpful for the pig meat sector but also for the dairy producers.
- In order to ease the cash flow situation of the farmers, the Commission should prepare in good time the necessary decisions **allowing the payment of advances** for farmers in a similar fashion as in 2015.

### Long term measures

- Finland supports all measures opening new markets and promoting EU products domestically and in third countries. **The removal of technical trade barriers is also welcomed.**
- Finland is in favour of more robust **market surveillance and would see benefit in following also the margins of the producers in different Member States and not only prices of agricultural products.**
- The French proposal regarding the development a **European export credit tool is worth examining** and Finland encourages the Commission to study it carefully.
- Finland supports the proposal to enhance **the country of origin labelling** for milk and meat in processed products.

- **The NCA support as well as coupled support payments** are essential tools for maintaining production, especially in areas with natural constraints and they should be maintained as effective tools in the long run as well.

Finland asks the Commission to examine the possibilities to develop an effective **income insurance scheme** in order to safeguard the income of farmers in crisis situations.

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