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NOTE

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

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 Hungarian delegation on the above-mentioned subject.

Hungarian proposals
to address the difficult situation in certain agricultural sectors

In Hungary the situation in the milk and pig meat markets are still dramatic, there is oversupply in the markets. Compared to last year, milk price in Hungary has decreased by 20 %, which is the highest among the EU-28.

As regards the measures introduced by the Commission so far, Hungary was able to use the increased amount of advances of direct payments and the private storage aid for pig meat. The targeted aid granted by the Commission will be paid to farmers in the milk sector by the end of March.

Hungary considers that further EU level measures are needed to tackle the difficult situation in certain agricultural sectors, especially taking into account the currently worsening crisis in the milk and pig meat markets.

Therefore Hungary requests the Commission to consider:

- introducing a new EU wide exceptional crisis package, which should grant direct support to every Member State with the conditions defined in the package adopted last September. This package should not be financed from the crisis reserve. The new package should provide the possibility of national top-ups with at least the same amounts and with the same conditions as it was in the package adopted last September. These national supplements should be paid in advance as soon as possible independently from the EU part of the total amount, but under the same conditions;
- raising the current threshold (15.000 EUR) of agricultural ‘de minimis’ aid by 100% to 30.000 EUR;
- the regular update of reference thresholds (intervention price);
- introducing new private storage aid schemes;
- stepping up efforts to end the Russian embargo;

- reinforcing the bargaining position of the most affected parties within the food supply chain by introducing compulsory minimum contractual elements for all the three market actors: producers, processors and retailers as well as introducing more stringent controls;
- further and immediate intensification of the promotion measures to allow for an increasing export capacity towards third countries;
- intensifying trade negotiations with potential export destination countries to dismantle non-tariff barriers (e.g. veterinary and phytosanitary measures);
- the possibility of introducing a new income stabilization tool in the first pillar of CAP in the mid-term;

Hungary hopes that the situation of the agricultural markets can be improved by developing proper and effective measures in close cooperation with the Commission.
