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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 Czech Republic delegation on the above-mentioned subject.

The Czech Republic draws attention to the critical situation in the milk and pigmeat sector in the Czech Republic. Producers' prices in these sectors have been below production costs for a long time. Under given circumstances, the producers' situation is economically unviable; farmers are getting into existential problems and consider leaving these sectors. The markets crisis is caused by the overproduction on the EU market and problems with outlet, which is, to a large extent, also due to Russian embargo. It must be ensured that the farmers do not pay the price for the political decisions. Therefore, we consider necessary to take further measures to support these most affected sectors.

The Czech Republic requests the Commission to take these measures:

- Introduction of Temporary exceptional aid for producers in livestock sector on the basis of the temporary exceptional aid 2015
- Revision of the reference thresholds and intervention prices for given quantity of eligible products
- Temporary increase of the level of aid for private storage of butter and skimmed milk powder
- Reopening standard scheme for private storage of pigmeat in due time according to the development of prices in the pigmeat sector
- Direct outlet for milk and milk products in the form of the food aid to the third countries in context of the refugee crisis, alternatively use of milk and milk products and pigmeat for the most deprived persons on EU internal market (Fund for European Aid to the Most Deprived).
- Introduction of support for producers' organizations in dairy and pigmeat sector in the framework of the CMO on the basis of the fruit and vegetables sector rules (including voluntary regulation of the supply).
- Support for export, for example, in the form of the export credit tool.
- An active searching for new outlets, removal of non-tariff barriers and promotion of the EU products on the EU market and on the third markets performed by EU bodies (missions).

- Launch of the EU pigmeat market observatory (analogy with Milk Market Observatory).
- School Milk Scheme – not narrowing the scope of the products eligible for the EU aid in future by means of delegating and implementing powers of the EC (currently in preparation).
- Support for the collection of milk from disadvantaged areas and from small producers.
- To intensify negotiations with the Russian Federation in order to lift the veterinary embargo.
- Strengthening producer’s position within the food chain by introducing common EU rules on unfair commercial practices
- Establishment of a High Level Group for pigmeat
- To encourage wider use of commodity exchanges and financial tools, for example, development of futures markets
- Temporary increase of the maximum amount of the de minimis aid in the milk and pigmeat sector.
- Within the revision of the CAP we propose to increase the limits for a voluntary coupled support for sensitive sectors.

