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**NOTE**

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From: General Secretariat of the Council  
To: Delegations  
Subject: Situation in the pigmeat market  
- Information from the Polish delegation

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Delegations will find in Annex a note from the Polish delegation on the above subject, concerning an item under "Any other business" at the Council ("Agriculture and Fisheries") on 17-18 December 2018.

### Difficult situation in the pork market

The situation in the pork market in Poland is becoming critical. The prolonging period of the deepened fall in prices in the market along with rising production costs is a threat to many farms living on the production of pigs.

The analysis of the situation in the pork market in the EU points to the persistent downward trend in prices, whereby in some Member States the falls in prices are much higher than on average for the EU. Despite the European Commission's predictions that the decrease in the pork production in China in relation to ASF should result in the increased export from the EU to this market, in the period of January-October 2018 the export of pork to China was lower than the year before. In addition, there is still a risk of the occurrence of ASF cases in other EU countries, as a consequence of which the further limitation of export markets will result in the increased supply of raw materials in the market and the increased price pressure. According to some forecasts, the downward trend in prices of pork will be changed in the first quarter of 2020.

In Poland, the clearly downward trend in purchase prices of pigs has been maintained since the beginning of the fourth quarter of 2017. The average price of Class E pig carcasses was EUR 128.83/100 kg at the beginning of December and was lower by 10.7% when compared to the price recorded in the same period of 2017. Many farmers receive prices which are lower even by 14% than the national average, particularly in the regions with a significant market share. In recent months, we face the successive deterioration in the profitability of rearing pigs which decreased by 18% when compared to 2017.

The difficult situation in the pork market, in a form of low prices and decreasing profitability of production, is a reason for which rearing is often abandoned by smaller farms which rear pigs in a way not burdening the environment and for which this rearing is often an important source of income. In the years 2010-2016, the number of such farms in Poland decreased by 126 thousand, i.e. by 65%. An additional factor which pushes such farms out of the market is ASF which limits the possibilities of these farms to sell pigs and results in lower prices offered by slaughterhouses and by the meat processing sector. As a result, in the years 2017-2018 the pace of abandoning the rearing of pigs by these farms was faster.

In recent weeks, there are growing protests by pig producers who demand urgent taking of actions which will improve the market situation and restore the profitability of production.

In view of the above, Poland is requesting the European Commission to take actions in the EU pork market in a form of private storage aid for pork and financial support for producers as part of exceptional measures.

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