

Council of the European Union

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NOTE	
From:	General Secretariat of the Council
То:	Delegations
Subject:	Proposal to mitigate the impact of imports from Ukraine on EU markets
	- Information from the Slovak delegation, supported by the Bulgarian, Hungarian, Polish and Romanian delegations

Delegations will find in the <u>Annex</u> a document on the above subject to be presented by the Slovak delegation, supported by the Bulgarian, Hungarian, Polish and Romanian delegations under "Any other business" at the "Agriculture and Fisheries" Council on 25 April 2023.

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Proposal to mitigate the impact of imports from Ukraine on EU markets

The situation in the agricultural sector remains extremely concerning. The Russian invasion of Ukraine and the associated increased production costs create pressure on markets and significantly endanger global food security. Farmers across the EU face uncertainty and changing conditions.

Slovakia, Bulgaria, Hungary, Poland and Romania support the existing Solidarity Lanes to help Ukraine. However, it is necessary to draw attention to the fact that Member States face adverse consequences of the invasion, especially in the form of increased imports of agricultural products from Ukraine. A large part of production from Ukraine, which through Solidarity lanes was supposed to reach the markets of third countries, remains on the EU internal market, causing its destabilization. As a consequence, it depresses the price of grain products to such an extent, which refrains our farmers from selling their own products.

Therefore, we propose to consider the adoption of measures to reduce the negative impacts of this unfavorable situation. One such measure could be the establishment of an EU instrument, through which grain would be purchased in cooperation with the World Food Programme (WFP) to reduce the pressure on EU Member States' markets. This instrument would help restore food trade flows and alleviate the impact of the invasion on third countries. As a result, grain would be supplied to the third countries that originally were receiving these shipments from Ukraine and relied upon them. Lastly, this would strengthen EU farmers' viability and competitiveness, who would also gain a more stable position on the market.

We believe that this would be an effective solution, also because Member States would not be required to adopt additional restrictive measures that could disrupt the EU's single market. The purchase and sale of grain would be centralized, thereby avoiding possible trade speculation.

Therefore, Slovakia with support of Bulgaria, Hungary, Poland and Romania call on the European Commission to explore the possibilities of introducing such an instrument.

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