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NOTE

From: General Secretariat of the Council

To: Delegations

Subject: Common Declaration of Croatia, France, Hungary, Latvia, and Spain on the need to adopt additional measures in the beef and veal sector as a consequence of the COVID-19 crisis

- Information from the Spanish delegation, on behalf of the Croatian, French, Hungarian, Latvian and Spanish delegations

Delegations will find in [Annex](#) a note from the [Spanish delegation](#) on behalf of the Croatian, French, Hungarian, Latvian and Spanish delegations on the above subject, concerning an item under "Any other business" at the [Council](#) ("Agriculture and Fisheries") on 19-20 October 2020.

Presentation of the common declaration of Croatia, France, Hungary, Latvia, and Spain on the need to adopt additional measures in the beef and veal sector as a consequence of the COVID-19 crisis

The Covid-19 crisis and the extensive restrictions put in place have impacted particularly in the beef and veal sector, very dependent on the activity of restaurants, hotels, catering industry, (HORECA), and therefore the prices have fallen.

The measures put in place by Commission implementing regulation (EU) 2020/596 of 30 April 2020 granting aid for private storage for fresh and chilled meat of bovine animals had a positive impact on the market and contributed to stabilise prices.

However, the current situation, with low prices and negative supply-demand imbalance, are seriously damaging and putting under pressure all bovine sector.

For those reasons, the Spanish Delegation on behalf of the Croatian, French, Hungarian and Latvian Delegations presents this Common Declaration to ask the Commission to activate all the necessary measures under the common organisation of the markets framework, in order to be effective and have a real impact, to alleviate those difficult market conditions for beef and veal sectors.

COMMON DECLARATION FROM CROATIA, FRANCE, HUNGARY, LATVIA AND SPAIN ON THE NEED TO ADOPT ADDITIONAL MEASURES IN THE BEEF AND VEAL SECTOR AS A CONSEQUENCE OF THE COVID-19 CRISIS

Covid-19 pandemic, along the consequent halt it has brought to the activity in the Hotels, restaurants and catering (HORECA) sector, has caused a major disruption in the agricultural markets, particularly to the one of beef and veal, wherein HORECA plays a major role.

Some agricultural markets are already stabilizing in consequence to society being cautiously shifting back to normal, as well as to the elevated dynamism shown by exterior markets. This way, despite the uncertainty and volatility that still remains, there are signs of price recovery and positive growth trends in most markets.

Nevertheless, beef and veal markets are an exception, since in spite of the larger national demand, the increased household consumption and the stable level of exports, these markets have not been able to compensate for the losses suffered in the other commercial segments. Not even the support measures activated for private storage aid have reached the expected effect in the short-to-mid-term.

This situation has caused a drop in prices in the different categories, which today remain below the average trend shown by recent years, after the seasonal summer fall in the main producing countries.

The average price in the EU for males (average A/C/Z-R3-categories) after a slight recovery with the activation of private storage measures, has returned to a downward trend since mid-August, and thus it is moving further from the average of previous years.

The average price in the EU is 1.5% below the one from the previous year, and already well below the average from 2017-2019, with countries where this difference is more worrying.

Regarding particularly veal market, the drop in prices due to containment measures was not offset by purchases in supermarkets. No market measure has been initiated for this sector.

The uncertain evolution of demand, given the current increase in COVID19 cases and the implementation of new restrictions, as well as the economic crisis derived from the pandemic, does not make the outlook for the next few months very promising.

Undoubtedly, this retraction in consumption due to the effects and severity of the economic crisis will have a greater impact on those products with higher price, as well as in those markets closely linked to consumption outside households, such as the market of beef and veal.

For these reasons, we understand that the time has come for the Commission to act effectively, and to adopt the necessary measures to deal with this situation, particularly those envisaged within the framework of the common organization of agricultural markets, directed and tailored to the beef and veal sector.
