



Council of the
European Union

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NOTE

From: General Secretariat of the Council

To: Delegations

Subject: Crisis in the pigmeat sector
- Information from the Lithuanian delegation, supported by the Austrian, Belgian, Bulgarian, Croatian, Cyprus, Czech, Estonian, French, Greek, Hungarian, Latvian, Polish and Slovak delegations

Delegations will find in Annex a note from the Lithuanian delegation on behalf of the Austrian, Belgian, Bulgarian, Croatian, Cyprus, Czech, Estonian, French, Greek, Hungarian, Latvian, Polish and Slovak delegations on the above subject, concerning an item under "Any other business" at the Council ("Agriculture and Fisheries") on 15 November 2021.

Crisis in the pigmeat sector

Recent situation in the pigmeat sector is exceptionally bad in Lithuania and across the EU.

During the AgriFish Council meeting in October, a great number of EU delegations drew attention to the ongoing crisis in the pigmeat sector and requested the Commission to take swift and rapid response to address serious problems in this sector. Since then, however, situation got even worse and is continuing on.

Number of extremely negative factors, such as oversaturation of the EU internal market due to higher production and related export disruptions, high feed and energy prices, further outbreaks of African Swine Fever (ASF), as well as persistent negative effect of the COVID-19 pandemic, continue to have a combined negative effect.

Prices of pig carcasses are at the lowest level over the last 10 years¹. Pigmeat producers are unable to match their costs with the revenue, margins are negative² with further negative trend.

There is a serious risk of the abandonment of pig production, which would be devastating for our economies incl. consequential job losses in rural areas.

Parallel can be drawn to the pattern of current pigmeat sector crisis with the dairy sector crisis in 2014 caused by Russian embargo. Both of them were triggered by the similar reason – closure, or in the current case, serious disruption of one of the main realization markets for the EU production. Measures taken by the Commission helped to stabilise the crises at that time, similar approach and response with a set of support measures from the Commission is badly needed too.

The situation remains exceptional. It is vital to react urgently and give a clear signal of support for the market struggling to survive throughout the crisis.

¹ In Lithuania – 15,29 %, Latvia – 26 % lower compared with prices of 2020

² On average in Lithuania a farmer suffers loss of over 40 EUR for one marketed pig

Therefore **Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, France, Greece, Hungary, Latvia, Lithuania, Poland and Slovakia** call upon the Commission to introduce urgent exceptional EU support measures (Art. 219 – 221 of the CMO regulation as well as Art. 222 too).
