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NOTE

From:	General Secretariat of the Council
To:	Delegations
Subject:	Market situation, in particular following the invasion of Ukraine and the change to the US tariff policy - <i>Information from the Commission and Member States</i> - <i>Exchange of views</i>

With a view to the meeting of the Council (Agriculture and Fisheries) on 26 May 2025, delegations will find in the Annex a background document on the above-mentioned subject.

EU agricultural markets show positive signals of recovery to a stable situation. Overall, price levels are in line with historical averages, input prices are declining although they remain above pre-Covid levels, and food inflation has fallen although prices remain high.

The sectors covered by this debate face different challenges to varying degrees. Adverse weather conditions, such as drought, ground frost or floods, more frequent outbreaks of animal and plant diseases and tensions in EU trade relations, including changes in US tariffs, constitute central elements in this debate.

Last December, in response to the difficulties and challenges faced by EU farmers in recent years, the Commission put forward a proposal to amend some of the rules on the common organisation of the markets in agricultural products (CMO), so as to reinforce the position of farmers in the food supply chain. On 19 May 2025, member states' representatives in the **Special Committee on Agriculture (SCA)** approved the Council's position on this proposal for a targeted amendment of the regulation on the common market organisation of agricultural products (CMO). Negotiations with the European Parliament are expected to start in September, once the European Parliament adopts its position.

Finally, the challenges in the wine sector relate to structural problems as well as natural events which affect different regions differently at times. Last December, the High-Level Group on Wine Policy issued a set of recommendations aimed at securing the fitness of the EU's wine sector. The Commission presented a proposal in late March to address the pressing needs of the wine sector soon. The proposal is currently under examination at Council level.