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NOTE

From: General Secretariat of the Council
To: Delegations

Subject: Market situation in particular following the invasion of Ukraine
- *Information from the Commission and Member States*
- *Exchange of views*

With a view to the meeting of the Council (Agriculture and Fisheries) on 14 July 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 as well as the agreement in principle reached on 30 June between Ukraine and the European Commission on the review of trade liberalisation provisions under the EU-Ukraine association agreement.

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, the Council agreed on its position and is ready to engage in negotiations with the European Parliament once the latter is ready with 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. On 19 June, the Council reached an agreement on its position and is now ready for negotiations with the European Parliament once the latter has voted on its position.