Council of the European Union

Brussels, 23 September 2026
(OR. en)

12891/26

AGRI 644
AGRIORG 96

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 28-29 September 2026, delegations will find in the Annex a background document on the above-mentioned subject.

Market situation, in particular following the invasion of Ukraine

While the short-term prospects for EU agricultural markets remain robust and food inflation follows a downward trend, sustained and new sources of uncertainty remain, as producer margins are under pressure due to declining output prices and rising input costs. Despite generally good forecasts, the agricultural markets are facing a volatile and unpredictable environment, as the repercussions of the conflicts in the Middle East and in Ukraine add to pre-existing challenges and risks, including weather-related ones, animal diseases and persistent trade tensions.

The situation may evolve as heatwaves, droughts and wildfires affected the agricultural production in many Member States, in particular across western and most of central Europe. While maize and fodder crops are under significant stress, grassland productivity and pasture availability have also declined markedly, raising additional concerns about fodder supply, as some livestock farmers are being forced to use winter feed stock months ahead of schedule. Production in other sectors (in particular fruit and vegetables) is also expected to decline in several Member States. To address such challenges, the Commission will soon present a “European Heatwave Plan” and a “European Water Initiative”.

Regarding output prices for farmers in the EU, data on agricultural price indices published by Eurostat[1] on 10 September 2026 show that, in the second quarter of 2026, the average price of agricultural output in the EU fell by 5.8% compared with the second quarter of 2025. This was a third consecutive quarter of decline. There were sharp declines in the average output price of milk in the EU (-16.6% between the second quarters of 2025 and 2026) and cereals (-5.6%). By contrast, the average price of agricultural inputs increased by 4.7% in the second quarter of 2026 (e.g. +22.0% for energy and lubricants, +13.4% for fertilisers). Input costs are particularly affected by higher energy and fertiliser prices resulting from the blockades in the Strait of Hormuz, combined with the implementation of CBAM (carbon border adjustment mechanism) for fertilisers as from early 2026.

In addition, Russia's attacks on ports in Ukraine led to the nearly complete halt of traffic in the Black Sea. As Ukraine mainly exports its agricultural products by sea, the country may run out of storage capacity for commodities like grain if it cannot resume exports at a higher pace. While providing an alternative export corridor, the Danube was affected by an exceptional summer drought and low water levels. The Commission is assessing ways to boost storage capacity and transport along alternative export routes, while also underlining that the grain market reaction to the closure of key Black Sea ports was significantly less dramatic than following the 2022 closure of the route.

---

1 Agricultural output prices fall as input costs rise - News articles - Eurostat