



Council of the
European Union

Brussels, 12 May 2016
(OR. en)

8788/16

AGRI 250
AGRIORG 37
AGRIFIN 51

NOTE

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| From: | General Secretariat of the Council |
| To: | Delegations |
| Subject: | Recent severe damages in agricultural production due to late frost and snow - Information from the Austrian, Croatian, Czech, Hungarian, Slovak and Slovenian delegations |

Delegations will find attached a note from the Austrian, Croatian, Czech, Hungarian, Slovak and Slovenian delegations on the above subject.

**AOB: Recent severe damages in agricultural production due to late frosts and snow –
Demand from SI, AT, SK, HR, HU and CZ**

During the last days of April (from 20 till 30 April) almost the whole territory of Middle and Eastern Europe was hit by extreme weather conditions. After a period of extremely warm weather in April, cold air from the Northern Hemisphere reached the whole Europe. The passing of this cold front in some areas of Europe, in particular in the Middle and East Europe, resulted in late frost and severe snowing down to the lowland.

Morning temperatures of -2°C to -8°C were recorded and in many areas heavy snowfall during the night of 27 to 28 of April of up to 40 centimeters was observed. These extreme weather conditions have severely hit agriculture production. Due to late frost orchards and vineyards are mostly damaged. But also potatoes, maize, rapeseed, cereals and vegetables on the fields are affected. Snow cover caused damage in intensive and extensive orchards, vineyards, cereals and grasslands.

Farmers who are already affected by the current market crises are now facing an additional problem. The concerned Member States therefore urge the Commission to facilitate the application of state aid schemes in the individual countries concerned. As regards the implementation of the CAP measures it is important to account for the necessity to apply force majeure. Furthermore, the specific situation of the affected farmers due the persistent market crises has to be acknowledged.

The annexes 1 – 6 show the situation in the affected Member States in detail.

Situation in Slovenia

The extreme weather conditions described in the introduction have severely hit agriculture production in almost whole Slovenia. The recorded damage is highest in the eastern and south eastern parts of Slovenia (Štajerska, Pomurje, Posavje in Dolenjska), whereas in central regions (Gorenjska, Koroška, osrednja Slovenija), the damage is less severe, due to latter start of the vegetation period. Damage also significantly varies depending on the sea level and exposition of the location during the critical days.

Registration of the damage is underway. According to first estimations 46.996 hectares of agricultural land, where damage exceeds 30%, are affected. Late frost mostly damaged orchards and vineyards. But also walnut trees, potatoes, barley, oil pumpkins,, rapeseed and vegetables on the fields are affected. The snow in the following days caused additional damage in particular on intensive and extensive orchards and vineyards in some cases resulting in total destructions of orchards and vineyards (construction, hail protection netting and trees). Snow was also the main cause of damage on arable land, mainly related to cereals.

Most worrying is the extent of the damage in orchards, where more than half of all plantations are affected¹ and in vineyards², where a third of all areas is severely damaged.

In the most affected locations of orchards and vineyards will damage be noticeable also in next years, because of lower quality and amount of yield.

The Government of the Republic of Slovenia has launched the process for registration of the occurred damage. A final assessment of the monetary value of the however will be only possible in the autumn. On the basis of this the Government will then develop appropriate compensation measures for the farmers concerned.

¹ 4.956 ha of orchards damaged, 3.835 ha more than 50%
² 6.964 ha of vineyards damaged, 4.164 ha more than 50%

Situation in Austria

Due to the extreme weather conditions severe damage has hit Austrian agricultural production during the nights between April 26th and April 29th (depending on the exact area of Austria). Snowfall of up to 30 – 40 centimeters was observed. Farmers are now again affected by a heavy crisis. During 3 - 4 nights the temperatures were very low, these temperatures fell under minus 4 - 5° (most extreme temperature was – 6°) Celsius. Even under protective foil, fruit and vegetable was damaged by frost. Although the given figures are not final, the preliminary figures show the impact of the frost situation on Austrian agriculture. The farmers have tried to protect their flowers and fruit by using paraffin candles and straw fire. Furthermore the frost has affected the wine sector in a very serious way, especially in Styria but also some parts of other federal countries are suffering from the outcome of these extremely cold and frosty nights. Farmers tried to protect their fruit and vegetable by using hail nets. Unfortunately the following snow damaged the hail nets which broke down under the snow pressure. Due to the frost it was not possible to fold up the nets before snow was falling upon the nets.

Registration of the damage is underway. So far the estimation of the total damage amounts more than 300 million EUR. The recorded harms focus on the south and south east of Austria. The highest damages have been registered in Styria, which amounts 190 million EUR.

According to first estimations more than 40.000 hectares of special crops, such as orchards, vineyards and vegetables are destroyed. Some of the damages will cause non-productive times for up to 3 or 4 years from now on.

The final extent will be available after some weeks and depends on the regeneration ability of these cultures. As mentioned yet, the highest estimated damage concerns Styria, where it amounts up to 90% of the values of normal yield.

Especially the market of fruit is under pressure. The prices paid cannot cover the production costs. The damages due to this period of frost are increasing the negative economic situation of farmers in this sector.

Situation in the Slovak Republic

In the Slovak Republic, adverse weather conditions have caused considerable damage to agricultural crops, particularly as regards fruit, namely currants, apples, pears, cherries, strawberries and apricots (flowers and fruits). Furthermore, the frost has also affected vine, and in some locations also maize, winter rapeseed, sunflower, sugar beet, potatoes and other crops. Damages have been reported from almost the whole area, mainly from southern and central Slovakia.

Fruit growers are usually well prepared for spring frosts and the protection of flowers and fruits, using special paraffin wax candles, as well as mixing of air by helicopters. When low temperatures occurred in the past, they lasted for 2 – 3 days and never fell below - 4.5 °C; frost can damage the flowering trees already at – 1 °C. The frosts of the last April days were recorded during 5 - 6 nights with temperatures that at some points at 5 cm above the ground level reached - 9.3 °C in the morning; at 2 meters above ground temperatures occasionally fell under – 5 °C.

First estimates of the fruit growers have announced damages to fruits at the level of 50 - 70 %. Some damage was also recorded in the case of vegetables (peppers, cabbage, peas) and strawberries, which were damaged by frost even under protective foil. The situation is similar also as far as vine is concerned, with the growers having tried to protect the vineyards in several ways during the first days, namely by smoke. At temperatures below - 5 °C, all measures ceased to be effective and the frost destroyed at least third of this year's expected harvest. Of the total area of cultivated vineyards, the damage is estimated to 40 – 50 % of the area, sometimes up to 80 %. These are mostly local harms at flatlands, near water bodies and particularly to young plantations. As for cereals, the greatest damages have been reported for maize; however oilseeds and root crops have been affected too, depending on the growth phase of plants. Had they been in bloom (rapeseed), higher level of damage has been reported, mainly in the south of Slovakia. Damages of 10 – 20 % have been reported for half of the overall sugar beet area. As regards potatoes, the most affected are very early varieties, which have been prepared for harvests in the last days of May. The level of damage to early and semi-early potatoes shall depend on the particular location and depth of the frost that hit it. Based on available data, with the monitored area amounting to 37.000 hectares so far, 23.000 hectares have been damaged, which represents damage at the level of 62 %.

The given figures are not final, as the data collection and inventory of crops on individual farms are still ongoing. The question of the coming days is the impact of the weather, which can partially help to recover the crops. The Slovak Republic has calculated the first direct damage to plantations as well as the costs for frost protection. Secondary damage to the quality of the fruit will be quantifiable in the harvest period of each crop.

With regard to the adverse weather conditions that have occurred in Central and Eastern Europe, particularly in the case of fruit and vegetables, and to the fact that this year is the third year in a row with unfavorable market situation due to the Russian embargo, drought or late frost, we call on the European Commission to adopt such measures that would help farmers overcome this severe situation.

Situation in the Republic of Croatia

In the Republic of Croatia between 25th and 30th of April 2016 extreme weather conditions, especially frost, caused huge damage on agricultural crops. Frost caused huge damage on the entire Croatian territory, particularly in the central, eastern and coastal Croatia on fruit, vineyards, arable and vegetable crops in the early stages of growth. According to the preliminary estimates, damage on orchards and vineyards are in the range from 50 to 100%, while the damages on vegetables and arable crops are in the range from 30 to 70%.

Assessment of frost damage is in process. According to first estimates, the damage amounts to about 112 mil. EUR. These data are based on first estimates, while more accurate data will be available in the coming days after the current registration and recording the state of damage on agricultural crops is finalized.

Considering the extent of the damage, all farmers, especially fruit growers and vine growers, are in a very difficult situation which is aggravated by the current crisis in the EU market and they need help to overcome this situation.

According to the above, the Republic of Croatia calls on the European Commission to adopt appropriate measures in order to help producers and partly compensate for the damages.

Situation in Hungary

In Hungary, spring frost (-2°C and below) was observed several times from 20 till 29 April which caused significant yield losses mainly in orchards and vineyards and also sporadic damages in arable crops. Especially significant are the damages in the vineyards and orchards. According to the assessment of the National Council of The Wine Communities of Hungary, more than 1800 wine-growing settlements were hit by spring frost. Beyond that, beekeepers suffered remarkable damages in this period as in many regions acacia was blooming and the blossoms were frozen. As acacia honey makes a significant part of honey production in Hungary, the revenue losses of 40-50% at beekeepers are remarkable due to the spring frost.

In the Hungarian national damage mitigation scheme farmers should notify the authorities of their damages within 15 days. According to data till 11 May 2016 ca. 5500 damage notifications by the farmers concerning spring frost were submitted relating to more than 35 000 hectares and more than 700 settlements in Hungary. These figures may still rise in the coming days. The estimated yield loss is significantly above 30%, in some areas it may reach 100%. The assessment of the announced damages is underway and the damages will be quantifiable only at a later stage

Situation in the Czech Republic

In the week from April 25th to 30th, 2016, a significant part of the territory of the Czech Republic was hit by a late spring frosts. There were temperatures from – 2°C to – 5°C, occasionally up to – 7°C in the high at a height of two meters above the ground. The greatest damage was observed in vineyards and orchards.

Regarding the fruit, according to preliminary estimates the damage is significant, sometimes fatal, losses are most obvious in warmer regions of the republic (especially Southern Moravia). The phenophase of various fruit species were in blossom there or immediately after it. At medium altitudes, particularly fruit species in the phase of blossom were damaged. The level of the harvest decline of individual species will depend on further weather development and on the quality of pollination. At the moment, the total sale losses of damaged fruits can be fixed at 300 to 400 million CZK (11.1 – 14.8 million EUR) in an indicative way. It is now only a rough estimate, which will be refined after the real harvest estimate can be made.

For the vineyards, pursuant to a preliminary estimate, the overall total losses of the total unsold wine of the 2016 vintage amount to almost 1.4 billion CZK (51.9 million EUR) (spring frost biggest impact was in Southern Moravia, where are crucial areas of vineyards located). This fact will affect the price of grapes of the 2016 vintage and a on a shortage of domestic raw material causing strong pressure on wine or grape must imports from abroad. It may be tentatively concluded that the most damaged territories in the Morava Wine Region are Bzenecko and Znojmo, then in Čechy Wine Region there are Karlštejn, Kuks and Mělnicko. Detailed report pursuant wine sub-regions will be announced in the coming weeks. To the said losses also damages of the young vineyards (1-2 year old) must be added. Due to the extraordinary weather situation are either dead or infertile. These losses are now estimated, they will be known at a later date.

We can expect that spring frosts caused **significant economic losses**, which severely impact the economy of the affected businesses, so, can cause existential problems, particularly to the enterprises largely being specialized in the horticulture and viticulture.
