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**NOTE**

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From: General Secretariat of the Council  
To: Delegations

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

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With a view to the Council (Agriculture and Fisheries) meeting on 27 May 2024, delegations will find in the Annex a background document on the above-mentioned subject.

**Market situation in particular following the invasion of Ukraine**

1. The situation of the Union's agricultural markets continues to be affected by the on-going war in the Ukraine and the global decrease in purchasing power because of the economic slowdown. This, together with the adverse weather conditions of last summer, the recent geopolitical developments in the Middle East that brought further uncertainty to international markets, and the prospect of persisting above-average input costs, continue to challenge the resilience of EU farming. Over the past few months, there have been positive signs of returning to normalcy and globally the situation has improved. There are concerns in certain sectors, such as the fruit and vegetables sector due mainly to weather events and the geopolitical situation, and in the wine sector, which are linked to structural issues of the sector and the decrease in the consumers' purchasing power.
2. On 3 May 2024, the Commission published the Spring Edition of its Short Term Outlook for EU agricultural markets in 2024. The spring 2024 edition of the short-term outlook remains characterised by uncertainties, notably due to the evolution of geopolitical crises in Ukraine and the Middle East, as they can impact trade, prices, and the overall economy, with continued pressure on farmers. It notes that there have been some favourable but limited developments in input costs, many of which still stay above pre-COVID levels. and that some EU producer prices continue declining at a faster rate than input costs, and this could further impact the profitability of certain farms. It foresees that high consumer food prices, combined with reduced prospects for economic growth, will continue to negatively impact EU consumption trends in 2024 and this may lead to potential shifts across food product categories or within them. Moreover, it recognises that some EU exports have recovered. The full version of the short-term outlook is available on: [https://agriculture.ec.europa.eu/data-and-analysis/markets/outlook/short-term\\_en](https://agriculture.ec.europa.eu/data-and-analysis/markets/outlook/short-term_en).
3. With a view to preparing the Council (Agriculture and Fisheries) meeting on 27 May 2024, delegations provided written comments as set out in document 9847/24 and its addenda.