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

With a view to the Council (Agriculture and Fisheries) on 17-18 October 2022, delegations will find in the Annex a background document.

Market situation, in particular following the invasion of Ukraine

The Russian invasion of Ukraine has significantly disturbed global agricultural markets in 2022. Russia and Ukraine had been major exporters of grains, wheat, maize, oilseeds (particularly sunflowers) and fertilisers until the war started. Furthermore, the actions to phase out the EU's dependency on Russian fossil fuels have further exacerbated the increase in energy prices, which had already risen sharply in the aftermath of the Russian invasion of Ukraine. This has all underpinned sharp price rises for key agricultural products and inputs. Uncertainty in agricultural markets remains high despite the partial unblocking of Ukrainian ports and the relative decline in general cereal prices over the summer.

On 5 October 2022, the Commission published its autumn 2022 edition of the short-term outlook report for EU agricultural markets. The report presents a detailed overview of the latest trends and further prospects for key agri-food sectors in the uncertain times. The report and data files are available on: https://agriculture.ec.europa.eu/data-and-analysis/markets/outlook/short-term_en

According to the report, EU farmers continue to face many challenges, varying from adverse weather conditions, in particular drought, the impact of Russia's invasion of Ukraine on energy prices, and food price inflation. A high degree of uncertainty remains regarding Ukraine's capacity to produce, store and export its commodities. The high temperatures and drought conditions experienced in many parts of the EU during the summer of 2022 affected the growth of summer crops and flower fertility, resulting in lower yields. In addition, heat stress to animals and the spread of animal diseases have posed significant challenges to the livestock sector. These issues form the basis for the autumn 2022 edition of the short-term outlook report, which was based on market intelligence available until mid-September 2022.¹

Moreover, in response to delegations' requests, the Commission provided a document last Thursday, 6 October, containing statistics on agricultural exports from Ukraine. The document was published on the Delegates Portal on the same day. The Commission intends to provide such updates to the Council on a regular basis.

¹ See also the compilation of delegations' written contributions (doc. 13179/22).

Finally, on 6 October 2022, Commissioner Wojciechowski confirmed that the Commission will present a communication on fertilisers and that it should cover internal and external dimensions (e.g., Africa), food security and greening in light of the intense disruption faced by the sector since Russia invaded Ukraine in February.
