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NOTE

From:	General Secretariat of the Council
To:	Council
Subject:	The need to extend the application of the Temporary Crisis and Transition Framework in the agricultural sector and increase the individual limit per agricultural enterprise <i>- Information from Romania</i>

Delegations will find in the Annex a note received from the Romanian delegation on the above-mentioned subject, to be dealt with under "Any other business" at the meeting of the "Agriculture and Fisheries" Council on 21 and 22 October 2024.

The need to extend the application of the Temporary Crisis and Transition Framework in the agricultural sector and increase the individual limit per agricultural enterprise

As Romania and many other Member States have mentioned in the Council of Ministers of Agriculture countless times, the effects of multiple crises due to factors external to the agricultural sector, combined with the inflation of input prices have seriously affected the economic stability of European farmers.

Trade flows and supply chains are still disrupted leading to volatility in input prices, in addition to limited access to favorable credits.

As the effects of the crises are still being felt and to these are added the unfavorable weather conditions, such as floods, hail and soil drought that have affected many Member States, enterprises active in the field of primary agricultural production, in the vegetable and animal husbandry sectors still need support to deal with crises.

The persistence of difficulties in the agricultural sector was also recognized by the European Commission, in which sense it decided to systematically extend the Temporary State Aid Framework as a result of the war in Ukraine.

In response to the urgent need to provide liquidity in the agricultural sector, Member States have notified some State aid measures in accordance with the requirements of the Temporary Crisis and Transitional Framework for State aid measures to support the economy following Russia's aggression against Ukraine ("Crisis framework").

Thus, in accordance with point 62 letter (a) of the Crisis Framework, the individual ceiling of an enterprise in primary agricultural production amounts to 280,000 EURO.

The application of state aid at the level of the current ceiling of 280,000 EURO and the limitation of the grant until 31 December 2024, were the subject of the debate between farmers, governments and relevant ministries, during which a new analysis of the European Commission was requested to respond to the reality with which the producers are facing, following which to decide as quickly as possible on the changes that are imposed on the Crisis Framework, in order to urgently support the primary producers and thus avoid bankruptcy.

In this sense, Romania requests the increase of the individual ceiling applicable to the primary agricultural sector to 560,000 EURO/beneficiary and the extension of the application until at least 30 June 2025.
