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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 23 November 2026, delegations will find in the Annex a background document on the above-mentioned subject.

ANNEX

Market situation, in particular following the invasion of Ukraine

1. According to the Autumn 2026 edition of the EU Short-term outlook[1], EU agricultural markets are being shaped by a combination of extreme weather events, high input costs (in particular fertiliser and energy costs), trade disruptions and volatile macroeconomic conditions. While summer heatwaves and drought led to a downward revision of yields for summer crops and feed availability, late August rainfall was beneficial for the sowing of winter cereals. At the same time, the ongoing geopolitical instability in the Middle East and in Ukraine affected fertiliser affordability and energy and transport costs, with disruptions in key shipping routes increasing uncertainty for trade and logistics.

2. Despite these pressures, some markets remain robust as dairy demand is holding firm, poultry is expanding and oilseeds (in particular rapeseeds) are proving resilient. Conversely, EU cereal production in 2026/27 is forecast to decline by 9.6% year on year (4.7% below the five-year average). Maize production is most affected (20% below the 5-year average), leading to increased maize imports in 2026/27. However, EU wheat exports are projected to remain stable and contribute to global food security. EU milk production continued to increase in 2026, with a projected year-on-year increase of 1.8% in 2026, despite the negative impact of heatwaves on milk collections in the summer. Milk purchase prices show a slight upward trend as the domestic and global demand for dairy products remains strong. EU beef production is forecast to decline by 2.2% year on year, while purchase prices remain high.

[1] Short-term - Agriculture and rural development - European Commission

EU pigmeat production is expected to increase slightly, by 0.5% year on year, but producers are facing low profit margins and some Member States are affected by African swine fever outbreaks. EU poultry production is projected to rise by 3.3% year on year, while imports are also set to grow by 17.1%. Overall, agricultural markets are marked by volatility, and despite a crisis in profitability resulting from farmers' inability to pass on rising production costs to purchase prices, supply is currently ensured in almost all sectors. Food inflation, which could increase in 2027 as a result of various market shocks, is to be carefully monitored.

3. The European Commission has announced a set of initiatives in its 2027 work programme[2] to step up its crisis preparedness and response to extreme weather events, thereby addressing some of the pressures facing EU farmers: a European Heatwave Plan, a Climate Insurance Alliance, and a new European Water Initiative. To tackle the EU structural vulnerabilities in fertiliser supply, the Commission also launched the EU Fertilisers Value Chain Partnership, which stems from the Fertiliser Action Plan[3]. The partnership will bring together stakeholders – including farmers, fertiliser producers and Member States – who will exchange views on key issues affecting the fertiliser value chain and on possible policy responses. Moreover, to address the grain market disruptions resulting from Russia's attacks on ports and shipping in Ukraine, the Commission promotes the implementation of the Black Sea Maritime Security Hub, backed by a €50 million budget, while the European Council condemned the attacks and called for the immediate restoration of safe passage for grain cargo ships in the Black Sea and for further consolidation of the EU-Ukraine solidarity lanes.

[2] 2027 Commission work programme
[3] Fertiliser Action Plan

4. In addition to those challenging conditions, several Member States faced unprecedented cyberattacks targeting refrigeration and freezer systems in supermarkets and food distribution sites. Such attacks are perceived as attempts to disrupt the food supply chain, but they are not considered to have had a major impact on food security in the EU. The Commission plans to assess the appropriateness of retailers' emergency and contingency plans against such incidents. In preparation for this exchange of views, several Member States called for a coordinated response at EU level in order to identify digital vulnerabilities and reinforce cybersecurity in the agri-food sector.

In the light of the above, the Presidency invites delegations to answer the following guiding question during the exchange of views in the AGRIFISH Council on 23 November 2026:

"How can Member States and the Commission maintain the EU's food security and sustainability in an increasingly climate-volatile and digitally vulnerable world?".