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NOTE

From: General Secretariat of the Council
To: Delegations

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 30 January 2023, 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 and created global food insecurity in a post-Covid recovery period already marked by inflationary pressures concerning energy, raw materials, fertilizers, and freight. 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 EU agricultural markets remains high despite the partial unblocking of Ukrainian Black Sea ports and the success of the EU's solidarity lanes initiative in helping Ukraine export agricultural goods via all possible routes – including rail, road and river transport.

The European Commission closely monitors the price situation, markets developments for agricultural commodities and food, and publishes various reports throughout the year. The latest version of its monthly commodity price dashboard published on 21 December 2022, the short-term outlook published on 5 October 2022 and the medium-term outlook of are available here:

https://agriculture.ec.europa.eu/international/agricultural-trade/agricultural-markets-and-prices_en.

The next update of the short-term outlook is expected in February 2023.

Moreover, in response to delegations' requests, the Commission provides a regular update containing statistics on agricultural exports from Ukraine and sent a comparison of cereal and oilseeds exports from Ukraine in 2021 and 2022. The latest version of the regular update and the comparison were published on the Delegates Portal on 16 and 20 January respectively.

With questions about food security and the availability and affordability of fertilisers at the forefront, the Commission published a Communication on availability and affordability of fertilisers on 9 November 2022 - [https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52022DC0590\(01\)](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52022DC0590(01)) - and a Staff Working Document on Drivers of food security on 4 January 2023 - https://commission.europa.eu/system/files/2023-01/SWD_2023_4_1_EN_document_travail_service_part1_v2.pdf

In order to steer the discussion at the “Agriculture and Fisheries” Council meeting on 30 January the Presidency invites Member States to comment on the following proposed questions for the ministerial debate:

- 1. The agricultural sector and the food chain in Ukraine face major challenges. What further actions from the Commission and the Member States can help ease the situation in Ukraine in the short and long term?*
 - 2. Do you consider that some agricultural sectors and/or regions in the EU are particularly affected by the war in Ukraine? If so, which actions or measures, including the possible use of the agricultural reserve would you foresee to best mitigate their difficulties? Should special conditions be attached to the proposed measures?*
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