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NOTE

From: General Secretariat of the Council
To: Council

Subject: Situation on agricultural markets, particularly following the invasion of Ukraine

1. The unprovoked Russian military aggression against Ukraine has further destabilised the EU's agricultural sector and markets that were already faced with increased energy, feed and fertiliser costs and were just coming out of the COVID-19 crisis. Food prices in the EU have increased on average 5.6% compared to last February and, for some products, consumers face a level of prices rarely seen in the past. Nevertheless, Member States have reported – either in writing¹ or orally during the last meeting of the Special Committee on Agriculture (SCA) – that producer margins remain under pressure due to the extreme increase of input costs. In addition, the recent increases in food prices do not necessarily benefit the whole supply chain, particularly producers.

¹ 7714/22, 7708/22

2. In this context, and following the request of EU leaders when they met in Versailles on 10-11 March 2022, the Commission presented, on 23 March 2022, a Communication on food security², confirming *inter alia* that the EU is essentially self-sufficient in major product categories and able not only to feed its own population but also to contribute to global food security. Furthermore, based on an analysis³ of the situation, the Commission proposed concrete measures to support affected producers and those most in need and to increase EU production in the short term.
3. In its conclusions following its session on 24 and 25 March 2022⁴, "the European Council invites the Council, taking into account the specific situations of all Member States, to take work forward on the Commission's communication on rising food prices and global food security, which sets out both short-term measures to address food affordability in the European Union and help farmers facing high input costs, and medium-term measures to support the transition to a sustainable food system".
4. In this regard, ministers might, during the discussion of this item, wish:
 - a) to confirm the ability of the Union's agricultural sector to cover the Union's food consumption needs and agree on a common communication message in order to alleviate unnecessary price pressure for certain key commodities;
 - b) to inform the Council – further to their written comments and the information their delegations provided during the last session of the SCA – of the specific situation of their agricultural sector and of any problems that merit attention; and
 - c) to comment on the proposed short-term and medium-term measures.

² 7426/22

³ 7426/22 ADD 1

⁴ EUCO 1/22