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Press Release

Copa and Cogeca warn new EU Commission aid package far from sufficient to improve drastic EU situation hitting agriculture markets caused mainly by Russian crisis

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Reacting to the new aid package proposed by the EU Commission today to help alleviate the drastic situation hitting EU farmers, Copa and Cogeca warned it is far from sufficient to have any noticeable impact.

Copa-Cogeca Secretary-General Pekka Pesonen warned “We held a mass demonstration of over 6000 farmers and 2000 tractors today to show the EU Commission that farmers are suffering enormously from the severe situation hitting the EU agriculture market, especially in the EU pigmeat, dairy, fruit and vegetable and beef sectors. It is clear that an aid package of 500 million euros is nowhere enough to compensate farmers for the loss of their main export market Russia worth 5.5 billion euros annually. EU farmers are paying the price for international politics. Prices are below production costs in many countries and farmers’ incomes half the average level, forcing some to close down. There are a few positive elements in the package but it falls short of our expectations. It includes very few measures to help manage the market or deal with the increasing volatility and short term problems. We welcome the fact that EU promotion schemes have been boosted and the Commission will speed up work to find new markets but this takes time The Commission knows there is a huge crisis in the sector but is refusing to treat it”.

In particular, in the milk sector, Copa and Cogeca are pleased that some of the money from the huge 900 million superlevy bill charged to farmers will return to the sector but we are disappointed that not all will go back to it. It is good to see an improvement private storage aid for skimmed milk powder but we are disappointed that the value of the milk intervention prices is not up for re-assessment. We welcome the fact that farmers direct payments will be advanced to help improve their short term cash flow problems. This has to be paid out without waiting for all controls to be done. This is crucial. We are disappointed that there is no talk about export credit insurance. The EU milk package must also continue beyond 2020. And the Commission needs to look with the sector at ways to deal with the increasing volatility

In the pigmeat sector, we are welcome a new private storage aid scheme for pigmeat introduced to help take excess supplies of the market but we need to learn from the previous scheme in April/May and have higher compensation. Pig fat and lard must also be included. We welcome the fact that EU promotion programmes have been boosted and the Commission will step up work on finding new markets but the package lacks export insurance that could cover some of the trading risks

In the beef sector, we are very disappointed that the Commission is claiming that the market is good when clearly is not and did not take any target measures like opening private storage

aid. Incomes are very low in the sector. We insist on the need to have a beef market observatory to monitor data and step up exports and have guarantee funds to cover the risk with new markets

For further information, please contact:

Pekka Pesonen

Secretary-General

Tel.: +32 2 287 27 27

Pekka.Pesonen@copa-cogeca.eu

Amanda Cheesley

Press Officer

Mobile: + 32 474 840 836

amanda.cheesley@copa-cogeca.eu

CDP(15)6801:1
