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Press Release

Faced with rapid market breakdown due to the COVID-19 crisis, EU livestock producers and their cooperatives ask the European Commission to take urgent action.

The outbreak and spread of COVID-19 and the subsequent measures implemented by governments to contain it have resulted in an abrupt closure of the majority of the continent's food services. This in turn has had a marked effect on the suppliers of these services across the agricultural sector. Copa and Cogeca have gathered data from their members showing the impact that the COVID-19 crisis has on the dairy, beef, sheep and goat sector. Based on this information, several letters have been sent to the European Commission calling for specific measures to be put in place and to be financed outside the CAP budget.

Pekka Pesonen, Secretary General of Copa and Cogeca stated that, *"We are disappointed that no decision in support of the agricultural sector was taken at the SCA meeting yesterday. In these times that are trying for all of us, the agricultural sector is ensuring food security for every EU citizen. At the same time, the sector is currently facing unprecedented circumstances caused by factors beyond agriculture. While we recognise the European Commission's and Member States' efforts to ensure that the internal market functions smoothly, we reiterate the need for additional targeted market measures for the livestock sector, including exceptional measures, financed outside of the CAP budget"*.

Dairy – At present, there is a very negative sentiment on the dairy market, which is weighing prices down at a time of year that represents peak season. The prices of several dairy products have dramatically decreased, with SMP prices sharply falling to the intervention level. This is already creating a huge amount of pressure on farm prices.

Thierry Roquefeuil, Chair of the Copa and Cogeca Working Party on Milk and Dairy Products pointed out that *"We cannot allow the EU dairy market to deteriorate any further. Dairy farmers and their cooperatives cannot bear the consequences of another crisis so soon after the previous crisis and they cannot be left alone. The European Commission and the Member States, have the responsibility to act now. Copa and Cogeca are calling for timely action to trigger the necessary measures and for private storage to be activated for all dairy products. Ensuring private storage for SMP, all types of cheeses, butter, including for frozen storage of buffalo milk and/or buffalo curd would have a beneficial impact on ensuring year-round food security. It is also important to assess the impact that the closure of schools has had on the delivery of milk and dairy products to children in schools and to avoid unnecessary restrictions stemming from competition law in this force majeure situation."*

Beef – The European beef and veal sector has also been severely hit by the COVID-19 crisis. With the loss of the food service and catering channels, the EU high-value cuts, including veal, have lost their market outlets and have experienced serious drops in demand. This has led to increases in costs and inevitable detrimental consequences for prices.

Jean-Pierre Fleury, Chair of the Copa and Cogeca Working Party on Beef and Veal points out that *“The beef and veal sector is currently facing exceptional circumstances as a result of the outbreak of COVID-19. The high-value cuts represent 30% of the total carcass value, particularly those carcasses coming from the EU specialised herd. Despite these extreme difficulties, cheap cuts are still imported from Mercosur countries. Copa and Cogeca believe that exceptional circumstances require exceptional measures. We are therefore calling upon the European Commission to immediately decide on a more targeted TRQ management. EU imports of high-value cuts need to be reviewed, without any penalties. Moreover, the activation of market measures needs to be examined, including private storage aid for specific high-value cuts and veal, as well as exceptional measures permitted under the CMO regulation. The next Agricultural Council of Ministers needs to be decisive. This is urgent.”*

Sheep and goat – Sheep and goat meat have always been consumed seasonally during festivities. Unfortunately, because of the COVID-19 outbreak, consumption has already been severely hampered. There is a downward trend for prices at a time when there would usually be an upward trend. There are also major difficulties in the sheep and goat milk sector at a time of year when sheep and goat milk production is increasing.

Michèle Boudoin, Chair of the Copa-Cogeca Working Party on Sheep outlined the difficult situation, stating that *“The Easter period is approaching and we are seeing a severe impact on the consumption of sheep and goat meat and milk following the closure of the hotel and catering sector because of COVID-19. The seasonal nature of this production means that this cannot be pushed back to another time of the year. At the same time, imported products are coming onto the EU market at the only time of the year when the market can generate a revenue for sheep and goat producers. Copa and Cogeca are therefore asking for immediate action to alleviate the difficulties in this sector. We urge the European Commission to look into the TRQ management, to examine the activation of private storage for sheep and goat meat, to consider the activation of exceptional measures to cover the costs of keeping animals on the farm, and to put in place a private storage scheme for sheep and goat cheese, curd and milk powder. Certain CAP flexibility (on productivity rate and livestock density) would need to be looked at. The EU retail sector should be encouraged to promote EU lamb and goat meat to support the EU sheep and goat sector in these difficult times.”*

Copa and Cogeca sincerely hope that the European Commission, supported by Member States, will seriously consider the necessary measures needed to safeguard these high-quality European livestock sectors.

-ENDS-

To learn more about the technical measures put forward by the Copa and Cogeca Working Parties on Dairy, Beef and Veal, and Sheep and Goat, you can access the full content of the letters [HERE](#).

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