

Minutes from the meeting with DG AGRI on the Stone fruits crisis and the Russian embargo

Those presents:

DG AGRI : Haniotis (Chair), Rasmussen + Jérôme (trade Unit), Willems+ Gonzalez (market Unit), Stanku, + other representative from the Analysis Unit (11, persons in total)

Copa-Cogeca: Lavia (ZSA), Italy (Coldiretti, CIA, Confagricoltura), Spain (CCAIE, COAG), Poland (KRIR), France (FELCOOP, FNPL, FNPF), UK (BAB), NL (LTO), Belgium (Boerenbond), Corbalan, Dejonckheere (20 participants in total)

Freshfel: 1 representative

Summary

Mr Haniotis chaired the meeting. He made a clear distinction between the stone fruits crisis and the Russian embargo. On the Russian embargo, he informed that DG AGRI has set up an internal task force. Mr Plewa and Mr Korte will be back from holiday next week. A extra ordinary meeting of the Management Committee will be held on 14 August. The Member States have already got the invitation. Mr Haniotis insisted a lot on the way to justify the measures that will be taken in the frame of the broader debate on food wastes.

According to the chair, the aim of the meeting is not to discuss the response to the embargo or the actions but to exchange information. Before actions be taken, the EC has to make an analysis what products, which countries are/will be affected. The season started with a stone fruits crisis, now the crisis is much broader as Russia is the second EU export destination in food products.

Copa-Cogeca representatives from Italy, Spain and France did not accept the view of Mr Haniotis on the stone fruits crisis and the Russian embargo. gave an up-date on the stone fruits crisis. France FNPF requested 200 million EUR for peaches/nectarines withdrawal. Peaches/nectarines at farm gate at 0,40 €/k, this is below production costs. The Polish representative explained the black current and cherries market situation.

Several representatives claim that the EC should very fast announce its reaction. This is justified by the fact that F&V prices and not only those directly concerned by export to Russia are declining. The traders and super market chains abuse already from this situation and the downward prices are much bigger that what necessary. The Belgian gave the example of spinach. Even if Belgian spinach are not exported to Russia, the price has fallen by 30%.

=>A fast reaction of the EC is needed to reverse the downward trends and stop speculation.

Copa-Cogeca representatives are of the opinion that a delay in the EU reaction will escalate the fruit and veg crisis and will lead to much lower prices at farm gate.

The French requested to withdrawn from the market the volume usually dedicated to the Russian market by the cheapest measures (non or green harvesting or withdrawal).

The Dutch asked the EC to support farmers to leave greenhouses out of production for the next period for the volume exported to Russia. The products currently affected are tomatoes, peppers and cucumbers. The crisis may expend to onions.

The Polish explained that the embargo started already on 1st August. The problem to come is the export of apples. The volume will remain on the EU market with increased competition between Member States and the crisis will stay for the 3 years to come. He believes that none

harvesting is the best option. Poland expects that the Russian embargo will be extended to the Russian Custom Union (Belorussia and Kazakhstan).

The Baltic States, the market is disturbed and overloaded by all the trucks that cannot enter in Russia. Prices are at 0,03EUR/kg.

To sum up:

Fruit and vegetables harvests are good due to good weather conditions. On top of seasonality, the marketing conditions are now disturbed by the Russian embargo. Fruit and vegetables are in the front line of the Russian embargo. For most, they are perishable products. Price downwards have already started not only on products directly exported to Russian but on all products. Retailers and super market chains are abusing of that situation with much bigger price decreases than what necessary. An EU reaction is needed as fast as possible to reverse the downward trend. Copa-Cogeca has proposed to withdraw from the market the volume usually dedicated to the Russian market by the cheapest measures either non or green harvesting or withdrawal scheme for members and non members of the producer organisations, extra money from the crisis reserve is necessary. The current situation is not the fault of anyone in the food chain. Farmers are at the bottom of the chain and will therefore feel the pain right away.

Copa and its farmers therefore hope to come to a solution to the lowering prices in close contact with all parties involved, being farmers, traders and retailers.
