

Brussels,
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Dear Personal data

Thank you for your letter of 17 September presenting the critical situation in the pig sector in Poland.

At the request of the Polish government, the situation was discussed at the AGRI Council meeting in Luxembourg on 11 October where it was clear that your concerns were shared by a great many Member States. During the Council meeting, I presented concrete measures/actions and possibilities that can be used to improve the situation of the pig sector. Rural development measures, co-funded by the EU budget, can provide support to the pig sector through, for instance, investments in physical assets or start-up aid for other activities in rural areas. State aid measures are also possible under the Agricultural Block Exemption Regulation (EU) No 702/2014 or under the European Union Guidelines for State aid in the agricultural and forestry sectors and in rural areas, as well as under the De Minimis Regulation (EU) No 1408/2013.

Indeed, during the last year, the EU pig market has seen a very strong price decline. In addition, input costs are increasing so that producer margins come under pressure from both sides. Even if all Member States are affected by these factors, the situation is particularly difficult where African Swine Fever (ASF) impacts movements of animals and products, like in Poland. The measures to contain and eradicate this disease must continue to be the highest priority, both at EU level and for each individual Member State. Efforts must also continue to persuade more third countries to accept regionalisation decisions in the EU and thus to avoid trade disruption.

Regulation (EU) No 1308/2013 establishing a common organisation of the markets in agricultural products foresees aid for private storage as a possible measure to stabilise the

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pig market. However, intervening in the pig market has to be carefully assessed to avoid unintended adverse effects. For example, the pigmeat sector normally adjusts quickly to market disturbances due to the short production cycle which allows producers to cut production where demand and prices fall sharply. During the Council meeting, I presented the reasons why providing market measures is not appropriate, given the risk that they negatively affect the market. Moreover, the knowledge that the products in private storage would be released onto the market in due course would also risk to destabilise markets.

Furthermore, you request exceptional market support in the form of measures within the scope of Article 219 and 220 of Regulation (EU) No 1308/2013 to compensate losses of pig farmers linked to the sanitary and veterinary restrictions taken as a consequence of African swine fever outbreaks. The European Commission adopted exceptional market support measures for the pigmeat market in Poland based on Article 220 of Regulation (EU) No 1308/2013, first in 2014 when the first outbreaks were found and then in 2017 when additional trade restrictions were imposed in certain regions of Poland. The uptake of both sets of measures was very modest due to a lack of interest from pig producers and in the meantime the presence of African swine fever in Poland is no longer exceptional. Unfortunately, measures under Regulation (EU) No 1308/2013 cannot be used to provide continuing market support in restricted areas, as this approach would to a certain extent stimulate pig production in risk zones.

I, therefore, encourage the Polish government to make the best use out of available tools within the framework of State aids and rural development measures I referred to during the Council meeting. Those are the best suited to help under prevailing conditions.

Let me assure you that the Commission stands ready to act, should the situation so require and we will continue to follow developments closely in cooperation with the Member States, including Poland.

Yours sincerely,

Janusz WOJCIECHOWSKI