

**Warsaw Statement of Ministers of Agriculture of France,
Germany and Poland regarding common market measures**

1. The Ministers of Agriculture of France, Germany and Poland agree that the present situation on agricultural markets constitutes a serious problem for the EU farmers and it should be addressed immediately. The dairy and pork sectors have been affected by a serious and long-lasting crisis. Despite the actions previously undertaken by the European Union, the current crisis in the dairy sector exacerbates, due to a persistent imbalance between supply and demand. In spite of recent, slight improvement of the situation in the fruit and vegetables and in the pork sector, the situation of these two sectors still remains fragile and there are still challenges to be mastered. Financial stability of many agricultural farms is endangered. Therefore, the Ministers call on the Commission to propose and discuss an additional financial package with solutions during the Agriculture and Fisheries EU Council meeting in June 2016.

Common principles

2. During formulation of the strategy for counteracting the negative effects of the present situation, the Ministers of Agriculture of France, Germany and Poland agreed that there should be a set of basic principles that will facilitate to overcome the current crisis situation at EU, national and regional level.
3. They also take joint responsibility for defending the European model of agriculture, which is proven to meet justified expectations and needs of society. The CAP was and still should be the leading strategy in the deepening European integration. In the light of the current market crisis as well as the challenges – also in the long run – for agriculture and rural regions, e.g. climate change, demographic development and contributing to food for a growing world population, the Ministers stress the need for an adequate financial allocation for the CAP, with the aim of a strong and ambitious Common Agricultural Policy.
4. The Ministers of Agriculture of France, Germany and Poland assure that any market measures, developed in the present difficult situation will respect and defend the accomplishments of internal markets, in order to maintain and improve competitiveness with regard to obtaining new international markets with high added value.

5. Therefore, the Ministers of Agriculture of France, Germany and Poland state that maintaining the European model of agriculture, respect for the achievements of the common market and the market orientation of the CAP are the basic principles. Following these principles, the market operators should react to the market situation in a responsible manner. The Ministers of Agriculture of France, Germany and Poland are committed to support the affected farmers in their effort to cope with the current difficult situation.
6. They emphasize an important role of the reliable and stable framework of the CAP, where direct payments are the main element of the financial stability in agriculture, especially in difficult market conditions.
7. In order to counteract the present crisis situation on the agricultural markets, it is necessary to adopt solutions at EU level, in the framework of the CAP, and to ensure that activities at the national level are consistent with those EU solutions and do not result in renationalisation of agricultural policy and disturb terms of competition.

The suggested solutions

8. Considering the scale of difficulties on the market, EU-support needs to be introduced. Therefore the Ministers of Agriculture of France, Germany and Poland propose methods of strengthening the market in the **dairy sector** by:
 - adjustment of private storage to the present market situation, including a temporary increase in the level of support to SMP and butter.
 - Renewed increase of the purchase limit for skimmed milk powder for intervention at a fixed price up to the amount of at least 350 000 tons for SMP, under conditions to be defined. Considering the scale of the present crisis, too swift transfer to the tender mode in public intervention should be avoided, so as not to cause reduction in market prices.
9. We urge the European Commission to put in place EU funds to support voluntary measures at an individual or collective level that contribute to stabilize/reduce the level of production in the EU to better adapt production to market demand. Any support measure in the dairy sector should contribute to stabilize or reduce the quantity of production. Given the urgency, the provisions must allow for a quick and simple implementation of the measures and flexibility for Member States.

If these measures do not contribute to market stability other measures will be proposed in the effort to achieve market balance at EU level.

10. Bearing in mind the special character of the milk sector, France, Germany and Poland propose to supplement the already existing expert groups at EU level with the appointment of the High Level Group on Milk.
11. With regard to **the pork market**, the private storage aid mechanism should be reactivated in the appropriate moment, if necessary. An observatory for this market and for the beef market should be established.
12. Additionally, the Ministers of Agriculture of France, Germany and Poland:
 - move for an increase in the level of de minimis aid up to EUR 30 000 along with the adjustment of the national limits,
 - opt for the introduction of a temporary support component, conditional on production discipline for farmers, in order to increase financial liquidity of farms to compensate for losses sustained as a result of decrease in prices in consequence of lower international demand than expected, Russian embargo, overproduction on the EU markets and in the case of pork, the negative effects of limitations in trade resulting from risks posed by the African swine fever; the funds should come from the EU budget,
 - postulate the development of the EU products export,
 - will support the evaluation by the European Commission of possibilities of introducing export credits and the export insurance system,
 - encourage the European Commission to reinforce its actions to remove non-tariff trade barriers, with particular consideration of the Russian market and preservation of solidarity among EU member states,
 - support intensification of works with regard to strengthening the competitive position of the agricultural producers in the food chain. In particular, insist on focusing on combating unfair trading practices and move for the development of solutions under the European legal framework for fair distribution of added value of production and trade.
13. With regard to the **fruit and vegetable market** the Ministers encourage the European Commission to continue to monitor the current situation and to increase the efforts to open new markets.

Additionally, they ask the European Commission to reanalyze the proposed quantities of fruits and vegetables covered by support mechanism especially for states which suffered the most as a result of introduction of the Russian embargo. In addition, the Parties observe that currently used solutions

require slight technical adjustments ensuring equal treatment of all market participants benefiting from this support measure.

14. Furthermore, the Ministers of Agriculture of France, Germany and Poland are of the opinion that the current pursuit to intensify the conducted negotiations of agreements liberalizing trade and the announcement of opening subsequent negotiations, can impact on the EU agricultural sector, including the European model of agriculture. The negotiations need to respect the high level of European consumer protection regarding i.a. food quality. They should also consider higher production costs for the European farmers resulting from adopted standards related to food safety, animal welfare, environmental protection and preventing climate change.



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