## **European Commission - Press release**





## Coronavirus: Commission adopts package of measures to further support the agri-food sector

Brussels, 4 May 2020

The Commission <u>published today</u> the latest <u>package of exceptional measures</u> to further support the agricultural and food sectors most affected by the coronavirus crisis.

The exceptional measures (<u>announced on 22 April</u>) include <u>private storage aid</u> for the dairy and meat sectors, the temporary authorisation to self-organise market measures by operators in hard hit sectors, and flexibility in the implementation of <u>market support programmes</u>. On top of these market measures, the Commission proposed to allow Member States to use rural development funds to compensate farmers and small agri-food businesses with amounts of up to €5,000 and €50,000, respectively.

Agriculture and Rural Development Commissioner Janusz **Wojciechowski** said: "We have acted swiftly to have all necessary measures available as quickly as possible to support farmers and those in need. Some agricultural and food markets have been hit hard by the crisis. However, I am now confident that the adoption of these measures will provide tangible support, send the right signal to markets, and soon provide some stability. This package and the previous support measures show that the Commission is ready and will act as the situation demands it. We will continue monitoring the situation in close contact with stakeholders, the European Parliament and Member States."

The exceptional market measures proposed on 22 April and now fully adopted and published include:

- **Private storage aid:** the Commission will support private storage aid for dairy (skimmed milk powder, butter, cheese) and meat (beef, sheep and goat meat) products. This measure allows the temporary withdrawal of products from the market for a minimum of 2 to 3 months, and a maximum period of 5 to 6 months. Applications to participate in the scheme will open from 7 May 2020. This measure aims to stabilise the market by temporarily reducing available supply.
- **Flexibility for market support programmes:** the Commission will allow flexibility in the implementation of market support programmes for wine, fruits and vegetables, table olives and olive oil, apiculture and the EU's school scheme (covering milk, fruit and vegetables). This flexibility aims to limit available supply in each sector to lead to a rebalancing of markets. In addition, it will allow the reorientation of funding priorities towards crisis management measures.
- Temporary derogation from EU competition rules: Article 222 of the Common Markets Organisation Regulation (CMO) allows the Commission to adopt temporary derogations from certain EU competition rules in situations of severe market imbalances. The Commission adopted such derogations for the milk, flowers and potatoes sectors. These derogations allow operators to self-organise and implement market measures at their level to stabilise their sector and in the respect of the functioning of the internal market for a maximum period of 6 months. For example, the milk sector will be allowed to collectively plan milk production and the flower and potatoes sector will be allowed to withdraw products from the market. Storage by private operators will also be allowed. Consumer price movements and any possible partitioning of the internal market will be monitored closely to avoid adverse effects.

In addition to the above, the Commission proposes that Member States with remaining rural development funds can use this money to provide support to farmers and small agri-food businesses in 2020. This should provide immediate relief to those most impacted by the crisis. Member States can offer support of up to  $\in$ 5,000 per farmer and  $\in$ 50,000 per small business. This comes on top of the deminimis aid for the agricultural sector and the increased state aid ceiling previously adopted. This proposal needs to be submitted to the Council and the Parliament for approval.

These measures follow a wide-ranging package of <u>measures adopted earlier</u> on by the Commission. These measures provided support to the agri-food sector in these challenging times with increased amounts for state aid, higher advanced payments, and extended deadlines to submit payment requests. The increased flexibility regarding Common Agricultural Policy rules aims to alleviate the administrative burden on farmers and national administrations.

## For more information

Common Agricultural Policy's market measures

Sector	Content	Desired effect	Legal basis
Milk and milk products	Allowing recognised producers organisations and other recognised bodies to manage supply. 6 months duration.	Rebalancing supply to adjust to consumer demand shift in Covid-19 confinement	Art 222 of Regulation 1308/2013 (Common Market Organisation)
Processed potatoes	Allowing recognised producers organisations and other recognised bodies to manage supply. 6 months duration.	Rebalancing supply to adjust to consumer demand shift in Covid-19 confinement	Art 222 of Regulation 1308/2013 (Common Market Organisation)
Flowers, bulbs, etc	Allowing recognised producers organisations and other recognised bodies to manage supply. 6 months duration.	rebalancing supply to adjust to consumer demand shift in Covid-19 confinement	Art 222 of Regulation 1308/2013 (Common Market Organisation)
Fruit & Vegetables, wine	Increased flexibility for the management of sectoral programmes (national budgets managed by MS)	Rebalancing supply to adjust to consumer demand shift in Covid-19 confinement	Articles 37, 53, 173 in conjunction with Article 227 of Regulation 1308/2013 (Common Market Organisation) [Adopted today, publication in the Official Journal to follow]
Fruit & Vegetables, wine	Increased financial flexibility in Community sectoral programmes to withdraw products from the market (destruction, distillation, storage or green harvesting)	Rebalancing supply to adjust to consumer demand shift in Covid-19 confinement	Article 219 in conjunction with Article 228 of Regulation 1308/2013 (Common Market Organisation)
Fruit & vegetables, wine, apiculture and school scheme	Increased flexibility for different sectoral programmes support schemes	Rebalancing supply to adjust to consumer demand shift in Covid-19 confinement, allow flexibility regarding on-going programmes	Articles 25 [school scheme], Article 38 [fruit and vegetables], Article 54 [wine], Article 57 [apiculture], and 70 (a) and Article 219 in conjunction with Article 228 of Regulation 1308/2013 (Common Market Organisation)*
Table olives and olive oil	Increased flexibility for different sectoral programmes support schemes.	Allow flexibility regarding on-going programmes, in particular when	Article 31 (table olives and olive oil) of Regulation 1308/2013 (Common Market Organisation)

		affected by the crisis	
Sheep and goats	Private storage	Rebalancing supply to adjust to consumer demand shift in Covid-19 confinement	Article 18(2) and Article 223(3)(c) of Regulation 1308/2013 (Common Market Organisation)
Wine	Increased flexibility with regards on rules on planting rights	More time for producers to comply with obligations	Article 221(1) of Regulation 1308/2013 (Common Market Organisation)
Beef	Private storage	Rebalancing supply to adjust to consumer demand shift in Covid-19 confinement	Art 18(2) and Article 223(3)(c) of Regulation 1308/2013 (Common Market Organisation)
Cheese	Private storage	Rebalancing supply to adjust to consumer demand shift in Covid-19 confinement	219(1) in conjunction with Article 228 of Regulation 1308/2013 (Common Market Organisation)
Skimmed Milk Powder	Private storage	Rebalancing supply to adjust to consumer demand shift in Covid-19 confinement	Art 18(2) and Article 223(3)(c of Regulation 1308/2013 (Common Market Organisation)
Butter	Private storage	Rebalancing supply to adjust to consumer demand shift in Covid-19 confinement	Art 18(2) of Regulation 1308/2013 (Common Market Organisation)
Rural Development	New temporary measure	Support to farmers and SMEs affected by the crisis	Commission proposal to amend Regulation (EU) No 1305/2013 (support for rural development by the EAFRD) – to be adopted by the European Parliament and the Council

<sup>\*</sup> Typo corrected on 4 May 2020 at 19:51

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