



Brussels,
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MINUTES

Meeting of the Civil Dialogue Group on Agricultural Markets - Cereals, Oilseeds and Protein crops

*in Brussels, Rue Froissart 36,
Conference Centre Albert Borschette
Meeting Room: 2.A*

and online, via the Interactio platform

Wednesday 6 September 2023

Chair: AGRI.E4

Following organisations were represented: CEFIC; CEJA; CELCAA; CEPM; COGECA; COPA; EAPF; EEB; EFFAT; EUROLIVEPOMACE; FEDOLIVE; FEFAC; FTAO; PFP.

1. Approval of the agenda and of the minutes of previous meeting

The agenda as well as the minutes of the previous meeting were approved.

2. Nature of the meeting

The meeting was non-public.

3. List of points discussed.

Meteorological conditions and crops situation

The Joint Research Centre (JRC) presented a comprehensive overview of the current meteorological conditions and their impact on crop situations across Europe. The meteorological conditions in Europe have posed significant challenges to farmers. Adverse weather patterns, including unseasonal rainfall, heatwaves, and storms, have resulted in lower-than initially expected yields and harvests. Some participants reported that the situation might even be worse than initially expected. Quality losses are also a major concern, in particular for wheat with higher than usual share of grains only suitable for feed outlet instead of being used as milling wheat. Members

emphasized the severity of these challenges highlighting that both winter and spring crops had been significantly affected. Lower yields are reported in several Member States, including Denmark, Sweden, Finland, Germany, and France, among others.

High input prices and increased imports of cereals and oilseeds from Ukraine were also mentioned as contributing factors to the challenging situation for the EU farmers. In this context, members emphasised the importance of flexibility in the application of GAEC requirements.

EAPF stated that climate change should be taken into account and that it was necessary to adapt crops to the situations.

Overview of the market situation

Total global cereal production is expected to increase by 1.4% from the previous year, reaching a staggering 2294 million tonnes, potentially the second largest on record. Consumption is anticipated to reach a new peak, driven by increased feeding, as well as larger food use due to population growth. Ending stocks are expected to decline to 584 million tonnes, the lowest level in nine years, indicating the heightened demand for cereals. Specific insights were then provided on wheat, maize, barley and oats production and consumption trends worldwide.

Notable regional developments were also discussed: Russia is expected to remain the largest wheat exporter as exports are very strong despite higher freight rates; Chinese wheat imports are estimated at 12 million tonnes due to untimely rainfall affecting local production; Brazil is expected to have record wheat and maize harvests, while Argentina faced reduced wheat and maize output in 2022/23 due to severe drought. The presentation noted price movements and market dynamics, with a particular focus on the drop in wheat, maize, and barley prices during the past year.

The Commission informed about the recent EU cereals market trends. The previous marketing year's production figure was confirmed at 265.3 million tonnes. Notable increases in cereal imports were reported, with nearly 9.5 million tonnes of wheat imported, representing a significant rise compared to previous years. Maize imports reached almost 26 million tonnes on reduced EU maize production. Wheat exports reached 32.6 million tonnes, a dynamic figure given the lower production compared to previous years. Maize exports remained relatively stable, with 4.2 million tonnes. It was acknowledged that the challenging conditions faced by EU cereal producers in the past year and the impact on trade balances, especially in light of increased imports and decreased production in certain areas.

Ukrainian grains and oilseeds exports, logistics situation, production prospects

In marketing year 2022/23, the EU imported significant volumes of cereals from Ukraine totalling approximately 22 million tonnes.

The major importing Member States were: Spain over 7 million tonnes, Poland 2.7 million tonnes of grains, Romania 2 million tonnes of grains, Hungary 1.8 million tonnes of grains and Italy 1.9 million tonnes of grains. Over the same marketing year, the EU imported 9.6 million tonnes of oilseeds and oilseed-related products from Ukraine.

It is expected that Ukraine would export approximately 56 million tonnes of grains, oilseeds, and oilseed products during the current marketing year. It is important to note that this forecast is based on latest Ukraine production estimates, logistical considerations, and lower domestic demand. In July 2023, Ukraine exported 3.7 million tonnes of grains and oilseeds, and 4 million tonnes in the following month.

The participants enquired about the possibility to extend beyond 15 September 2023 the preventive measures adopted under the ATM Regulation for Ukraine. CEJA reported the difficulties of farmers to manage the current challenges in term of reduced margins due to the falling cereals and oilseeds prices and high input costs. Other members also emphasised the necessity to provide support to the UE farmers given the difficult situation caused by increased imports from Ukraine.

Fertilisers market situation

COPA-COGECA presented an overview of the fertilisers market situation, supported by relevant data and figures. They highlighted that concerns were raised about price fluctuations in the fertilisers market, which have been impacting farmers and agricultural operations. The volatility in prices and its implications were discussed. Regarding competition and transparency, limited availability and cross-border difficulties in purchasing fertilisers were discussed.

The Commission briefed the members about the new Market Observatory Group for Fertilisers, which recently met for the first time and highlighted its contribution to market monitoring and information dissemination.

Any other business

No other points were raised.

4. Next meeting

The next meeting of the Civil Dialogue Group on Agricultural Markets - Cereals, Oilseeds and Protein crops is foreseen to take place in March 2024, the final date and time will be confirmed by DG AGRI at a later stage.

5. List of participants

See in annex.

Pierre BASCOU

List of participants– Minutes
Meeting of the CDG on agricultural markets
- Cereals, Oilseeds, Protein crops
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