

March 2023

**Joint letter by Bulgaria, Hungary, Poland, Romania, and Slovakia
on measures counteracting the negative effects of the increased
imports
of agricultural products from Ukraine on the EU market**

Dear President of the European Commission, Dear Ursula,

The Russian aggression against Ukraine has not only led to a huge increase in production costs in the agricultural sector and an increase in business risk, but also to problems on the agricultural EU markets. However, the said difficulties are not even in the entire European market. The most severe disturbances are experienced in countries that border Ukraine or are in close proximity to it. These problems are related to a substantial increase in the supply of Ukrainian products to the markets of the EU Member States, especially those bordering or close to Ukraine. In particular, there has been an unprecedented increase in grain, oilseeds, eggs, poultry, sugar, apple juice, berries, apples, flour, honey and pasta imports.

Difficulties have arisen in disposing of the surplus cereals in storage, thus destabilising the cereals, industrial crops' and oilseed market, especially for wheat, maize, rape and sunflower, and imposing additional costs on agricultural producers.

Given the scale of the above phenomena, it is necessary to significantly increase the amount of EU funds allocated to EU support measures. Additional resources are needed, because the CAP and national budgets are insufficient.

We therefore call for the **commitment of additional sources of funding**, over and above the planned emergency measures to support agricultural producers, who have suffered losses, and are at risk of losing their liquidity. These funds could also help accomplishing the original goal of the Solidarity Lanes, namely the export of Ukrainian agricultural goods surpluses to African and Middle Eastern countries and thus prevent the tragedy of famine. Furthermore, we call upon the Commission to analyse the possibility of **buying the surplus grain** from neighbouring Member States **for humanitarian purposes**.

We also reiterate our call for **EU financial support for more rapid development of transport infrastructure and strengthening connectivity** (rail, road, ports infrastructure, expansion of border transshipment terminals, improvement of Black Sea and Danube ports infrastructure and intermodal connections) and for market players to make additional vehicles (freight rolling stock, vessels and lorries) available to ensure and improve the circulation of the constantly increasing flow of goods from Ukraine to the EU and to enable its smooth transfer to third countries.

Moreover, we call on the Commission to propose a common EU solution, which in cooperation with the World Food Programme (WFP), would ensure the purchase of Ukrainian grain so that it does not end up in EU Member States. This would help maintain the trade flow of food and mitigate the impacts of Russia's invasion of Ukraine on third countries.

It is also crucial to **speed up the process at EU level for the proposed aid mechanisms**. Given the scale of the problems caused by the Russian aggression against Ukraine, this is of paramount importance.

We would like to ask the Commission to **speed up the notification procedures** for programmes carried under the Commission Communication on Temporary framework for state aid measures to support the economy following Russia's aggression against Ukraine (2022/C 426/01).

On trade mechanisms, we propose to amend the current legal basis for agricultural imports from Ukraine to introduce the possibility of regulating the volume and direction of excessive inflows of agricultural products as follows:

- We recommend the introduction of an **automatic support mechanism for farmers** in regions and sectors affected by excessive imports from Ukraine that distort EU markets and harm EU producers.
- In the regulation currently under discussion in the EU on extending the ATM to imports from Ukraine, we propose to **amend the safeguard clause provisions** so that **tariff quotas are reduced in relation to their annual level** in the event of the reintroduction of tariffs under the Association Agreement.
- In addition to the monitoring mechanism regarding the impact of the proposed regulation, we also suggest that the EU should **retain the possibility to react to unfair practices in imports from Ukraine** (e.g. in the form of enhanced surveillance or the possibility to initiate antidumping proceedings). **The problem of excessive quantities of goods remaining in Member States**, and thus compromising Solidarity Lanes, should also be addressed effectively.

In the event that market distortions causing harm to our countries' farmers cannot be eliminated by other means, we ask the Commission to implement the appropriate procedures to reintroduce customs duties and tariff rate quotas on imports from Ukraine.

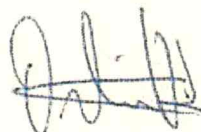
Furthermore, if it is necessary to modify programmes co-financed from CAP funds in response to the crisis caused by the Russian war in Ukraine, we suggest that the Commission should **approve the modifications proposed by Member States as soon as possible** (as emergency measures).

Yours sincerely,

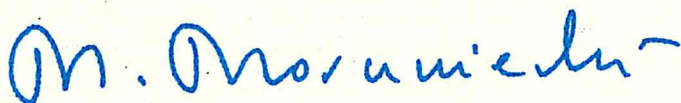
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