



EUROPEAN COMMISSION

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*Dear Chairman,*

*The Commission would like to thank the House of Lords for its report on "Responding to price volatility: creating a more resilient agricultural sector".*

*The Commission very much welcomes this report. High price volatility is a key concern for many farmers and risks hampering necessary investments in the agricultural sector. The current difficult market situation for dairy products is proof of this. The Commission has since autumn 2015 adopted several measures in order to stabilize the markets and help the economic situation for farmers. To further develop measures to tackle price volatility and to stabilize the markets for agricultural commodities will remain a priority for the Commission.*

*With respect to financial instruments the Commission has created an Agricultural Market Task Force to discuss among others, market transparency, access for farmers to financial instruments and futures markets to hedge price risks, with a view to improving the position of farmers in the food chain. The Task Force will present a final report with its findings in the autumn of 2016, which may include concrete recommendations for policy and legislative initiatives.*

*The Commission finds the conclusions and recommendations given in the report a valuable input to the upcoming discussion on the Common Agricultural Policy post 2020.*

*Yours faithfully,*

*Phil Hogan  
Member of the Commission*

*Lord Boswell of Aynho  
Chairman of the European Union Select Committee  
The House of Lords  
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