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MINUTES

2nd ad hoc meeting of the Expert Group on the European Food Security Crisis preparedness and response Mechanism (EFSCM)

4 May 2022

Chair: Michael Scannell, Deputy Director-General, DG AGRI

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

The minutes of the previous meeting of 23 March 2022 and the agenda of the meeting of 4 May 2022 were approved by the expert group.

2. Nature of the meeting

The meeting was non-public.

The second ad hoc expert group meeting on the EFSCM saw a high level of participation with around 130 participants including Member States', non-EU countries', stakeholders' organisations' representatives and Commission services. A number of stakeholders (AVEC, BEUC, CELCAA, COCERAL, COGECA, COPA, ECVC, EFM, FEDIOL, FEFAC, Fertilizers Europe, FRESHFEL, FVE) and Denmark took the floor. The summary below refers to the oral interventions during the meeting as well as to complements in the chat.

3. List of points discussed

3.1 Organisation of subgroups

Based on the Decision on setting up the group of experts on the European Food Security Crisis Preparedness and Response Mechanism¹ adopted on 12 November, the Commission is currently establishing four sub-groups with the intention to focus the discussion around particular elements of the action plan, attached to the Communication on the Contingency plan² (for more details see ppt presentation).

¹ [EUR-Lex - 32021D1115\(01\) - EN - EUR-Lex \(europa.eu\).](#)

² [https://eur-lex.europa.eu/legal-content/EN/TXT/DOC/?uri=CELEX:52021DC0689&from=EN.](https://eur-lex.europa.eu/legal-content/EN/TXT/DOC/?uri=CELEX:52021DC0689&from=EN)

Following the presentation on sub-group 1 on the review of **ways to improve the diversity of sources of supply** between shorter and longer food supply chains, one stakeholder suggested to include storage and strategic reserves among areas of discussion.

3.2 Follow-up on food security impact of the energy and input price increase and of the situation in Ukraine

DG AGRI presented key elements and figures on the latest state of play with regard to the situation in Ukraine. DG MOVE complemented the presentation by giving insights from the transport contact points network with Member States with a particular focus on transport of agri-food commodities from Ukraine. In particular, DG MOVE informed on the efforts to reorganise the logistic chains for the transport from Ukraine of grains, sunflower oil and other agricultural products by switching from seaports to dry ports or other seaports within the EU territory. Railway transport has proven to be the more efficient logistic chain in replacing seaports, as 80% of tracks in Ukraine are still operational, although imposing transshipment at the border (mainly at the PL border). Alternative means include Danube barges through Romania to Constanta. The Commission is also collaborating with Member States to enable the use of seaports in Lithuania and other Baltic States as well as the use of seaports in Germany and the Adriatic Sea through Slovakia and Hungary.

There are still important logistical bottlenecks to import grains and other agri-food commodities from Ukraine by alternative routes. As one of them DG MOVE mentioned the different **levels of rail gauges** in Ukraine and the EU, the former being wider than the EU standard gauge. Consequently, the capacity of the transshipment is lower in comparison to the quantities available at the seaports. According to several stakeholders the main bottleneck is linked to certificates and diverse **sanitary and phytosanitary (SPS) related controls** and checks (i.e. veterinary certificate for feed) that are, as it seems, still required despite reiterated flexibilities from DG SANTE. Commission services expressed their availability for the stakeholders having brought up the point in view of looking for solutions. All this slows down the flows, which are already insufficient to cover the needs. The amount of agricultural goods waiting to get checked and custom cleared is increasing while silos need to be emptied by this summer to store the new harvest. On transportation issues, stakeholders further reported that **insurance** companies are still very prudent in covering risks for shipments from Ukraine to the EU, despite the guarantees offered by the Ukrainian government to cover any damages for logistic companies.

With regard to the disruption in sunflower oil and the labelling issue as a consequence of the use of alternative oils, the Commission informed that a formula had already been agreed with industry.

On fertilisers, farm stakeholders mentioned that the **inflation** in costs of energy, fertilisers and feeds is having negative consequences for their members. They expressed concern that fertiliser companies seem to have enjoyed good results in the first quarter of 2022 while fertiliser affordability was not ensured for farmers. The fertilisers industry replied that the war in Ukraine has had a wide-range of negative implications for the sector, from the closure of the ammonia pipelines and the two fertiliser plants in Ukraine (Luhansk and Donetsk) to gas price volatility, but the industry decided to continue producing and stated that where there is an upward trend in cereal prices there is also an upward trend in fertilizer prices. Regarding fertilisers' availability for 2022, the industry confirmed that farmers will be covered, following farmers' decision as well to reduce the application of certain

fertilisers (P and K in particular) which should not have a significant impact on yields. Other stakeholders warned about further increase of cost of production due to Russia's cut of natural gas to Poland and Bulgaria. The Commission reassured that it will continue monitoring the situation to avoid speculative behaviour on fertiliser markets.

Similar concerns were raised about the risks of **speculations and excessive consequences on food prices**. Several farm stakeholders considered that the increase of costs at farm level was not appropriately reflected in food prices at retail level (cost squeeze). On the contrary, consumers organisations and other stakeholders expressed concerns about excessive and unjustified food inflation to the point of triggering competition investigations in some Member States (i.e. the Italian competition authority is examining flour, pasta and oil prices). Such statements were opposed by the milling industry that affirms that, considering all the price indexes for wheat flour and bakery products, the milling sector is not fully transmitting the cost increase to the final product.

A number of stakeholders' organisations commented on the Commission's initiative to suspend for one year import duties on all Ukrainian exports to the EU. The poultry industry e.g. is concerned about the resulting risk of large imports from Ukraine destabilising the EU poultry industry, which is facing a steep increase of feed energy costs, while the fruit and vegetable sector does not record major consequences. The Commission reminded that the **zero duty, zero quota** trade with the EU is a temporary measure and is subject to revision following the developments in Ukraine.

Besides, attention was drawn to the risk that Ukrainian authorities could suffer from the state of war in maintaining animal health and controlling diseases, in particular with regard to African Swine Fever.

Overall, stakeholders highlighted the urgency of finding solutions for the transport of agricultural goods from Ukraine and expressed their readiness to reinforce cooperation with Commission services on that matter. Member States and the Commission are discussing the issue of **green lanes** to streamline border inspection procedures which still have to comply with food safety and biosecurity measures. While concrete measures have been taken to improve the flow of agricultural goods to Europe, other stakeholders recalled the importance of supporting small and medium-scale farmers in Ukraine given their central role in feeding Ukraine's population.

4. Closing remarks

The meeting underlined the importance of avoiding trade restrictions and of ensuring stability in the global food market. Food security is a global concern, and it is currently being addressed at the global, European and multilateral organisations level. The French Presidency has recently launched its so-called FARM initiative on the resilience mechanisms aimed at addressing and improving food security through three pillars of action on trade, production and solidarity. The initiative has been endorsed by the European Council.

The forthcoming approval of the CAP strategic plans offers an opportunity to all Member States to adapt their strategic plans to create resilient and sustainable agri-food systems that can resist to shocks, and which are less dependent on imported commodities. Michael Scannell reiterated that there is no contradiction between a secure food supply system and sustainability. He further underlined that Member States had been invited to make use of

the State Aid provisions also for the agri-food sector and that some Member States had already done so.

The Commission clarified that the ‘Sustainable food system framework initiative’ had not been delayed to 2023 but was initially planned to be adopted in 2023. Open public consultation had been launched on 28 April (running until 21 July 2022).

Support was expressed by members and observers to setting up subgroups on the diversification of sources of supply, on crisis communication and dashboards for monitoring food supply and food security.

Michael Scannell concluded by highlighting the importance of the work to be carried out by the subgroups and by reiterating that the Commission would continue its close monitoring.

5. Next meeting

The first subgroup (dashboards) will start meeting as of end May. No further meeting of the main expert group has been scheduled for the time being.

6. Links shared in the chat:

Altroconsumo “*Alimentari: continuano gli aumenti dei prezzi. In un anno rincari anche del 43%*” <https://www.altroconsumo.it/alimentazione/fare-la-spesa/news/prezzi-alimentari-aprile-2022>.

CEMA “*April 2022 - Business climate has further deteriorated*” <https://www.cema-agri.org/market-trends/business-barometer/909-april-2022-business-climate-has-further-deteriorated>.

European Bank “*EBRD unveils €2 billion resilience package in response to the war on Ukraine*” <https://www.ebrd.com/news/2022/ebd-unveils-2-billion-resilience-package-in-response-to-the-war-on-ukraine-.html>.

European Investment Bank “*EIB Board approves €668 million immediate financial support to Ukraine. EIB recently stressed Ukraine food security as a key priority*” <https://www.eib.org/en/press/all/2022-115-eib-board-approves-eur-668-million-immediate-financial-support-to-ukraine>.

European Commission “*Safeguarding food security and supporting EU farmers*” https://ec.europa.eu/info/food-farming-fisheries/key-policies/common-agricultural-policy/market-measures/agri-food-supply-chain/contingency-plan_en#agreedealinitiative.

Agenda, presentations and minutes are published in the expert group register: <https://ec.europa.eu/transparency/expert-groups-register/screen/meetings/consult?lang=en&meetingId=41114&fromExpertGroups=true> and on CIRCABC: <https://circabc.europa.eu/ui/group/460d03c2-8afe-48ed-81f3-d80731fcb188/library/a5d0a49c-7480-47c9-b235-67dfe1774b77>.

7. List of participants

(e-signed)

Michael CANNELL
Acting Director

List of participants – Minutes
*2nd ad hoc meeting of the Expert Group on the European Food Security Crisis
 preparedness and response Mechanism (EFSCM)*

4 May 2022

MEMBER STATE	MINISTRY OR ORGANISATION
BE	Regional authorities responsible for agriculture: <ul style="list-style-type: none"> - Flemish Government - Wallonia SPF Economie
BG	Ministry of Agriculture
CZ	
DK	Danish Veterinary and Food Administration Danish Agricultural Agency
DE	Bundesministerium für Ernährung und Landwirtschaft BMEL
EE	Ministry of Rural Affairs
IE	Department of Agriculture, Food and the Marine
EL	Ministry of Rural Development and Food <ul style="list-style-type: none"> - General Directorate of Food - General Directorate of Agriculture - General Directorate of Fisheries Permanent Representation
ES	MINISTERIO DE AGRICULTURA, PESCA Y ALIMENTACION
FR	Ministère de l’Agriculture et de l’alimentation - DG de l’Alimentation
HR	Ministry of Agriculture Ministry of Health
IT	Ministerio delle Politiche Agricole Ministero della Salute
CY	Ministry of Agriculture, Rural Development and Environment
LV	Ministry of Agriculture
LT	MINISTRY OF AGRICULTURE
LU	MINISTÈRE DE L’ AGRICULTURE, DE LA VITICULTURE ET DU DÉVELOPPEMENT RURAL
HU	NATIONAL FOOD CHAIN SAFETY OFFICE COUNTY GOVERNMENT OFFICE

MT	MINISTRY FOR AGRICULTURE, FISHERIES, FOOD AND ANIMAL RIGHTS ENVIRONMENTAL HEALTH DEPARTMENT
NL	MINISTRY OF AGRICULTURE, NATURE AND FOOD QUALITY
AT	FEDERAL MINISTRY OF AGRICULTURE, REGIONS AND TOURISM - AGRICULTURAL VALUE CHAIN AND NUTRITION FEDERAL MINISTRY OF SOCIAL AFFAIRS, HEALTH, CARE AND CONSUMER PROTECTION
PL	
PT	MINISTRY OF AGRICULTURE - GPP - DGAV MINISTRY OF ECONOMY AND DIGITAL TRANSITION MM – DGRM
RO	MINISTRY OF AGRICULTURE AND RURAL DEVELOPMENT NATIONAL SANITARY VETERINARY AND FOOD SAFETY AUTHORITY
SI	
SK	MINISTRY OF AGRICULTURE AND RURAL DEVELOPMENT
FI	MINISTRY OF AGRICULTURE AND FORESTRY FINNISH FOOD AUTHORITY
SE	Swedish board of Agriculture Swedish Food Agency
AD	Government of Andorra – Ministry of Health Food safety and Environment Health
MC	Direction de l'action sanitaire
SM	UOS Sanità Veterinaria e Igiene Alimentare
RS	Ministry of Agriculture, Forestry and Water Management – Veterinary Directorate Ministry of Health
CH	Federal Department of Economic Affairs
FO	Ministry of Environment, Industry and Trade
BA	Food Safety Agency of Bosnia and Herzegovina
AL	Ministry of Agriculture and Rural Development
XK	Ministry of Agriculture, Forestry and Rural Development

Organisations:

European Coordination Via Campesina (ECVC)

European Feed Manufacturers' Federation (FEFAC)

Federation of European Aquaculture Producers (FEAP)

Independent Retail Europe (IRE)

European Dairy Association (EDA)

Fertilizers Europe asbl

FEFANA asbl – EU Association of Speciality Feed Ingredients and their Mixtures

European Flour Millers (EFM)

Nagel-Group / Kraftverkehr Nagel SE & Co KG

European Sprouted Seeds Association (ESSA) – European Fresh Produce Association (FRESHFEL)

Vier Pforten – Four Paws International

Europen – the European Organization for Packaging and the Environment aisbl

European Farmers Association – Copa

European agri-cooperatives – Cogeca

FoodDrinkEurope

Federation of Veterinarians of Europe (FVE)

Fediol (EU Vegetable Oil and Proteinmeal Industry)

EU Fish Processors and Traders Association (AIPCE-CEP)

Assemblée des Régions Européennes Fruitières Légumières et Horticoles (AREFLH)

Eurocommerce

CELCAA (European Liaison Committee for the Agricultural and Agri-Food Trade)

UECBV (European Livestock and Meat Trades Union)

European Agricultural Machinery Industry Association (CEMA)

European Food Banks Federation asbl (FEBA)

European Council of Young Farmers (CEJA)

BEUC – European Consumers Organisation

UNISTOCK

ARVI – Cooperativa de Armadores de Pesca del Puerto de Vigo

Observers:

European Federation for Animal Health, Hygiene and Food Safety (FESASS)

European association of Trade in cereals, oilseeds, rice, pulses, olive oil, oils and fats, animal feed and agrosupply (COCERAL)

AVEC – Association of Poultry Processors and Poultry Trade in the EU Countries

EFTA – European Food Trade Association

European and Economic Social Committee

European Parliament – comagri

European Food Safety Agency (EFSA)

ePURE – European renewable ethanol

European Chemical Industry Council - CEFIC