

Brussels, 12/01/2024

Market situation for the most affected commodities

Cereals and oilseeds:

1 General situation

EU imports of cereals and oilseeds (showing only products that stay in the EU, i.e. no re-export):

Commodity	TRQ	Imports in 2021	Imports in 2022	Imports for the period January-August 2021	Imports for the period January-August 2022	Imports for the period January-August 2023
Cereals	2 018 800 t	7 888 051 t	15 996 051 t	5 344 166 t	7 078 806 t	11 437 873 t
Oilseeds (oilseeds, oilseeds meal, oilseed oil)	Tariffs on several oilseeds' products	5 381 226 t	8 528 088 t	2 635 799 t	3 970 163 t	4 255 424 t

- The market is extremely slow all over Europe (completely stopped in some countries) which results in increasing stocks and creates storage issues in Member States (including in countries like France, Belgium or Germany). Farmers simply do not manage to sell. This is resulting from the exports coming from Ukraine as there is a deficit in the world supply balance for cereals and world ending stocks are the lowest since 2016, so normally there should be a lot of movement.
- Prices are extremely low in many Member States and more and more Member States are being affected month after month.
- There are phytosanitary issues reported by our members and traders with shipments of very poor quality or even with mycotoxins levels much above maximum levels. In Slovakia mills have had overcrossing limits (+2000%!) of certain toxic substances in wheat flour of wheat coming from Ukraine.
- There are also issues of UA cereals of bad quality being mixed with cereals from Member States and then sold as such.
- There are storage issues all over the EU with farmers incapable of stocking their cereals and oilseeds. This situation is worsened by the fact that the market is extremely slow, and farmers do not manage to sell.
- Transport also becomes an issue. Not only its cost has increased, but for many countries it is simply an issue to have any.



- If needed for your comprehension, please note that EU duties on maize are not permanent and are only triggered when maize prices are very low (< 152 €/t currently). Ukraine benefits from a TRQ of 650 000 tons TRQ, which was extensively used by EU importers in 2020, the last time duties were triggered (Covid).

2 Situation in different Member States

Hungary:

- **Flows and prices:** The sales have completely stopped. If farmers are forced to sell, they must sell at a very low price.
 - Milling wheat 130-170 Eur/t compared to 230 Eur/t currently on world market
 - Sunflower 235-330 Eur/t compared to 430 Eur/t currently on world market
 - Corn 115-160 Eur/t compared to 190 Eur/t currently on world market
 - Rapeseed 345 Eur/t compared to 420 Eur/t currently on world market
- **Imports from Ukraine:** 1 830 098 t of cereals during the marketing 2022/2023 compared to 24 840t during marketing year 2020/2021.

Slovakia:

- **Flows and prices:** The sales have completely stopped in Slovakia. Farmers do not manage to sell as all normal markets are saturated with very cheap UA cereals and oilseeds. If farmers are forced to sell, they have to sell at a very low price.
 - Milling wheat 160-180 Eur/t compared to 230 Eur/t currently on world market
 - Sunflower 270 Eur/t compared to 430 Eur/t currently on world market
 - Corn 130-150 Eur/t compared to 190 Eur/t currently on world market
 - Rapeseed 380 Eur/t compared to 420 Eur/t currently on world market
- **Imports from Ukraine:** 736 565 t of cereals during the marketing 2022/2023 compared to 1 698t during marketing year 2020/2021.

Austria:

- **Flows and prices:** GMO-free soy produced in Austria is now cheaper than GMO soy due to all the imports of GMO-free soy coming from Ukraine.
- **Imports from Ukraine:** 170 847 t of cereals during the marketing 2022/2023 compared to 1 005t during marketing year 2020/2021.

Belgium:

- **Flows and prices:** food processors in the country do not buy anymore cereals from Belgian farmers as they buy cheaper grains either directly from Ukraine or from Romania and Bulgaria. For oilseeds and especially rapeseed, farmers simply do not manage to sell and now have storage issues.
 - Milling wheat 190 Eur/t compared to 230 Eur/t currently on world market
 - Barley 190 Eur/t compared to 215 Eur/t currently on world market
 - Rapeseed 401 Eur/t compared to 420 Eur/t currently on world market
- **Imports from Ukraine:** The real data is not available and what is made available by the Commission does not seem to reflect the reality experienced on the ground. Also issue of cereals coming in Belgium and presented as Polish or Romanian, but in reality coming from Ukraine.



France:

- **Flows and prices:** The market is very slow and thus they start having storage availability issues and it also represents extra costs for farmers that usually do not store that much. Normal markets like Belgium, the Netherlands, Spain, and Italy are closing. For oilseeds, for several weeks now they have the issue that they get flows coming from Germany while normally it is France exporting to Germany. In some regions the prices are starting to go down (see below).
 - Corn 160-170 Eur/t compared to 190 Eur/t currently on world market
- **Imports from Ukraine:** We do not see yet direct import in France, but more and more of the markets to which they sell are being closed because of Ukrainian exports or exports from the neighboring countries, such as Belgium, Spain, Italy, the Netherlands.

Poultry and eggs:

1 General situation:

EU imports of poultry meat and eggs from Ukraine (showing only products that stay in the EU, i.e., no re-export):

Commodity	TRQ	Imports in 2021	Imports in 2022	Imports for the period January-August 2021	Imports for the period January-August 2022	Imports for the period January-August 2023
Poultry meat	70 000 t +20 000 t (not cut, frozen)	91 187 t	164 004 t	49 819 t	96 120 t	167 988 t
Eggs and albumins	3 000 t (expressed in shell eggs equivalent) +3 000 t (expressed in net weight)	5 590 t	23 622 t	3 929 t	12 165 t	29 451 t

- In 2023, up until November 5, EU poultry meat imports reached 204 225 t an increase of +51% compared to the same period of 2022. Within this category, imports of frozen meat reached 99 290 t (a rise of 37%) and of fresh meat 81 992 t (a rise of 85%).
- Products imported are almost exclusively breast meat, either fresh or frozen, which is the most valuable of the chicken: each time 2 breasts are imported, a chicken will not be produced in the EU.
- Imports are most predominantly coming from 1 single company, MHP, with totally different farming model: oligarch owns 400 000 ha of land, produce in gigantic units (2 million chickens per farm), is registered in Cyprus and quotation in London Stock Exchange).
- EU rules applying on animal welfare (e.g. broiler welfare Directive), environmental aspects (e.g. IED) and antibiotics are not applied in Ukraine.
- There is a lack of control at the Ukrainian border, leading to undeclared exports to the EU, making the quantities declared by the COM under evaluated.
- At the moment there is a high demand worldwide and in the EU (poultry demand has constantly been increasing over the pas years) which partly offset the negative



impact. However, we are starting to see the prices decrease and markets are being closed.

- Since the beginning of the trade liberalisation, it is not uncommon to find Ukrainian fresh eggs on the shelves of supermarkets in countries neighbouring Ukraine. In the packaging of those eggs, it should be clearly labelled that the production method does not meet EU standards (reminder that 100% of eggs are produced in battery cages in UA, that are forbidden, in EU since 2012).
- These eggs are sold at very low price in the supermarkets, this affects in any case the profitability of egg producers, for any production system.
- More recently, Ukrainian fresh eggs can be found in shops in Western Member states such as the Netherlands, Denmark, and Austria.

2 Situation in Member States:

Spain:

- **Flows and prices:** In Spain imports of Ukrainian frozen poultry are increasing and have an impact on fresh poultry. Frozen Ukrainian poultry breast is sold 1.50€ cheaper than Spanish fresh poultry breast in main supermarket chain Mercadona, pressuring the market for fresh poultry meat.

France:

- **Flows and prices:** The price is decreasing due to Ukrainian imports that is sold around 3 Eur/kg while normally the price in France is 5.5-6 Eur/kg. The market is extremely slow and because of that stocks are increasing (it will be very soon an issue to be able to stock).

Austria:

- **Flows and prices:** In Austria it is estimated that only 10% or less of domestic **poultry meat** is used for the catering sector and communal catering, which is also due to the massive increase in imports of chicken meat from Ukraine.

SUGAR:

1 General situation:

EU imports of sugar (showing only products that stay in the EU, i.e. no re-export):

Commodity	TRQ	Imports in 2021	Imports in 2022	Imports for the period January-August 2021	Imports for the period January-August 2022	Imports for the period January-August 2023
Sugar	20 070 t	17 495 t	177 590 t	8 944 t	27 572t	273 731t

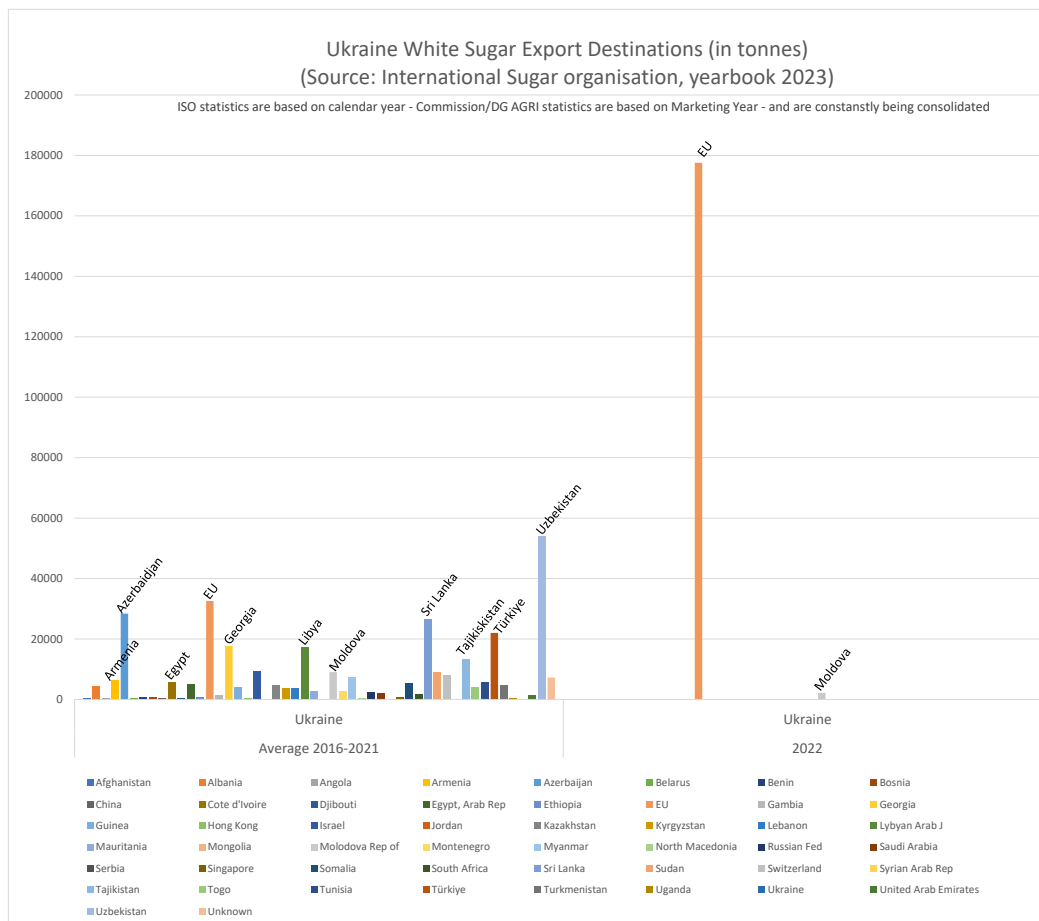
- Since the temporary suspension of customs duties and quotas on imports of agricultural products, imports of sugar have continued to rise sharply. Sugar imports from Ukraine into the EU in 2022/23 amounted to almost 413.000 t, more than 20 times Ukraine's annual import quota established by the 2014 Association Agreement. For the current marketing year 2023/24, the Ukrainian Government and industry expect to export 650,000 tonnes of sugar to the EU – more than 30 times Ukraine's annual import quota established by the 2014 Association Agreement. According to the Ukrainian Ministry of Agriculture, sugar beet farming expanded by 38 % in 2023/24. In the upcoming 2024/25 campaign, Ukraine's



sugar industry anticipates further growth, potentially resulting in an exportable sugar surplus of around 1 million tonnes.

- Ukraine traditional white sugar export destinations (Uzbekistan, Azerbaijan, Georgia, Tajikistan, Türkiye, Libya, Armenia) are no more supplied by Ukrainian sugar since 2022 (see graph below) and will certainly be taken over by Russia which is a key sugar producer and supplier among CIS countries (Treaty on a Free Trade Area between members of the Commonwealth of Independent States (CIS)).
- EU prices (average market price, average short-term price and spot values) have started to decrease since summer 2023. All analysts consider that the downward trend in prices in the EU is mainly due to these imports from Ukraine. Sugar users/buyers anticipate these imports from Ukraine in their purchase.
- There is a lack of control at the Ukrainian border, leading to undeclared exports to the EU, making the quantities declared by the COM under evaluated. Ukrainian authorities have no control over the sugar export licences. We came to know that licenses are given not only to sugar producers but also to traders with no history of exporting sugar in some occasions.
- EU rules applying on environmental aspects are not applied in Ukraine. The EU has banned several active substances in PPPs used in sugar beet growing (over 25 since 2018). It means that the gap in terms of standards of production is bigger and bigger.
- EU beet sugar sector is now losing a market of 1 million tonnes (loss of the UK market and imports from UA in 2023/24). For comparison, Belgium total sugar production accounts for 650,000 tons. Sugar beet growers fear a necessary downward adjustment of EU beet area in 2024, following the increase in sugar beet in Ukraine beet area in 2023/24 (+ 38 % compared to 2022/23).
- Around 90% of the sugar beet area in Ukraine belongs to sugar groups/companies and are managed by the factories. Independent growers represent a marginal part of the beet area. It appears that some independent growers would be paid in kind with sugar bags for their beet delivery and would therefore be pushed to cross the borders to sell their sugar.





2 Situation in Member States:

Share of sugar import for MY 2022/2023: **Ukraine represented 16% of the total EU imports in MY 22/23**, EPA /EBA 25 % and Brazil 32%. **Romania was the biggest importers of Ukrainian sugar, accounting for 32.8 % (the highest of all EU MS), Poland: 11.4%, Italy: 11.0%, Slovakia: 0.5 %, France: 0.9 %, Belgium: 0.01 %**. From October 2022 to September 2023, 412,937 tonnes of white sugar were imported from Ukraine in comparison to 40,326 tonnes from October 2021 to September 2022. **Ukraine imposed an export ban on sugar from 5/6/2023 to 15/9/2023.**

Share of sugar imports for MY 2023/2024: **Ukraine represents 29% of the total EU imports in MY 23/24** until December 2023. **Romania: 28.5%, Italy: 18.5%, Bulgaria: 14.5%, Slovakia: 0.4 %, France: 0.4 %, Belgium: 0.05%.**

