



## **EU must recognise agri-food producers as a priority in new emergency intervention**

**Brussels, 29 September 2022 – EU Energy Ministers will meet on Friday to discuss emergency interventions to address skyrocketing energy prices. Agri-food chain associations Copa-Cogeca, Primary Food Processors (PFP) and FoodDrinkEurope urge Members States to recognise the agri-food chain as a priority as it decides on a new emergency intervention and to ensure access to energy at affordable prices.**

The EU agri-food supply chain is heavily impacted by the ongoing and unprecedented increase in energy costs. The food chain needs immediate and effective solutions to secure its economic sustainability tackle soaring energy costs and continue providing food and drink products to consumers at affordable prices.

With food security and affordability now even more critical since the Russian invasion of Ukraine, the EU agri-food supply chain has already taken numerous steps to adapt to the energy crisis.

For example, to avoid food spoilage in a context of high refrigeration costs, some EU farmers have turned to new ways to store, involving shorter, smarter cooling systems followed by quicker trade with buyers.

Processors have been switching from natural gas to alternative energy sources, where possible, and, for some agricultural raw materials, are starting the production campaign earlier in order to reduce their energy use during the peak demand months of January and February.

However, given many agri-food operators work on a 24/7 basis, reducing energy consumption in peak hours would not result in absolute energy savings<sup>1</sup> and could lead to disrupted food and drink production, with potential market implications throughout the upcoming winter.

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<sup>1</sup> For campaign-based sectors such as sugar and potato starch, reducing energy consumption in peak hours would not lead to absolute savings because the volume of agricultural raw materials requiring processing would remain the same, the campaign would need to be extended, leading to an overall increase in energy usage (in addition to even higher costs due to less efficient capacity utilisation).

In addition to short-term action, the agri-food industry has already invested heavily in long-term resilience through renewable energies, energy efficiency, such as combined heat and power installations, and other decarbonisation technologies, and will continue doing so where feasible.

In view of the ongoing crisis, Copa-Cogeca, Primary Food Processors (PFP) and FoodDrinkEurope call on Member States to:

1. **Deliver an EU solution to the energy price crisis** that brings down energy prices, secures supplies, provides stability for operators and financial relief. Where revenues are generated from these measures, these should be used also to provide targeted supports to the agri-food supply chain to adapt to the impacts of the energy crisis, including farmers and energy-intensive food processors.
2. **Exempt the agri-food supply chain** from the requirement to reduce energy consumption during peak hours, since the latter could result in serious market and supply chain disruption.
3. **Prioritize the agri-food supply chain** in Member State gas rationing plans in line with the Commission's July Communication.
4. **Revise the Temporary State Aid Crisis Framework** to make it more fit-for-purpose for the agri-food supply chain. This is particularly important as operators are facing strong liquidity concerns while currently framing their 2023 budgets, including huge energy price increases.

This means:

- a. Extend the eligible period until the end of 2023 and increase the maximum support beyond €2 million;
- b. Instead of having to demonstrate operating losses, it should suffice for sectors to show reduced results resulting from the energy price crisis.
- c. An assessment of aid at the level of the production sites, since in some cases operational losses in one part of an undertaking may be cancelled out by gross profits generated in an unrelated division.
- d. The Annex of "Particularly affected sectors and sub-sectors" should be extended to include the most energy-intensive sectors of the agri-food supply chain.

**Ends**

## **About us:**

[Copa and Cogeca](#) are the united voice of farmers and agri-cooperatives in the EU. Together, they ensure that EU agriculture is sustainable, innovative and competitive, guaranteeing food security to half a billion people throughout Europe. Copa represents over 22 million farmers and their families whilst Cogeca represents the interests of 22,000 agricultural cooperatives. They have 66 member organisations from the EU member states.

[Primary Food Processors](#) members process approximately 220 million tons of raw materials (cereals, sugar beet, rapeseeds, soybeans, sunflower seeds, crude vegetable oil, cocoa products and starch potatoes) employing over 120,000 people in the European Union.

[FoodDrinkEurope](#) represents the food manufacturing industry. Made up of 290,000 businesses and 4.5 million workers, the food and drink industry buys 70% of all EU agricultural produce and is Europe's largest manufacturing industry.