NOTE

from: General Secretariat  
to: Delegations  
Subject: The intervention price of cereals  
- Request from the Polish delegation

Delegations will find in Annex a document submitted by the Polish delegation to be presented under A.O.B at Council ("Agriculture and Fisheries") at its session on 17 May 2011.
Request from the Polish delegation on the intervention price of cereals

Poland requests to increase the intervention price of cereals to 130 EUR per tonne

Production of cereals both in Poland and in the entire European Union is crucial for the functioning of the food sector and ensuring profitability of hundreds of thousands holdings which not only produce cereals but also conduct animal production. The fast increase of production costs (in particular the growth of prices of fuels, fertilizers, plant protection products) and changes in the system of intervention on the cereal market in recent years increased uncertainty of production and reduced profitability of cereals production. Furthermore, the changes in the rules of intervention on the cereal market, by

- applying zero limits on purchase of maize and barley;
- applying tendering procedure to purchases;
- ceasing to increase the intervention price each month;

reduced the level of market support, largely restricting the function of the intervention system as the safety net. Higher intervention price will increase the security of production pursued by cereals producers and will allow to create stocks to stabilize the market, if cereal prices grow rapidly. It must be remembered that using the tendering procedure for intervention purchases, the European Commission will be able to flexibly manage the level of purchases, approving the specified level of prices presented in the tenders.