

To

European Commission
Dr. Ursula VON DER LEYEN
President of the European Commission
Rue de la Loi 200
1049 Brussels

Brussels, 20 October 2022
GEN/22/30

RE: Concerns with regards to the current energy crisis

Your Excellency,
Dear President,

I write you on behalf of Clitravi, the Liaison Centre for the Meat Processing Industry in the European Union, representing 13500 companies which generate an annual turnover of 85 billion € and employ 380.000 people.

We would like to express our deep concern with regard to the potential implications of the current energy crisis on Europe's food supply. Today's shortages in energy and high energy prices are placing enormous pressure on the food processing companies in Europe. This could lead to food shortages and aggravate inflation across the EU. To avoid this worst-case scenario, we call on the European Commission and Member States to clearly recognize food as crucial sector and to develop a harmonised approach supporting food producing companies in the European Union.

Today we face historically exceptional high inflation rates across all major input cost categories, such as agricultural raw materials and ingredients, packaging, logistics and labour. At the same time inflation is also impacting on the financial system and on credit management. This is making it

increasingly challenging for manufacturers to manage costs and subsequently to sustain production. Knock-on effects across the food supply chain are also more and more visible given supply interdependencies. For example, shortages of industrial CO2 produced by fertilizer companies cause extreme shortages and a 20-fold price increase of food grade CO2. This food grade CO2 is an essential ingredient for the stunning of pigs and poultry, as well as for the conservation of meat and meat products. Furthermore, we are receiving signals that Member States apply different interpretations of 'essentiality' and implement different support strategies, causing problems for the proper functioning of food supply chains operating across borders. The divergent approach by Member States also disrupts the level playing field for food producing companies in Europe.

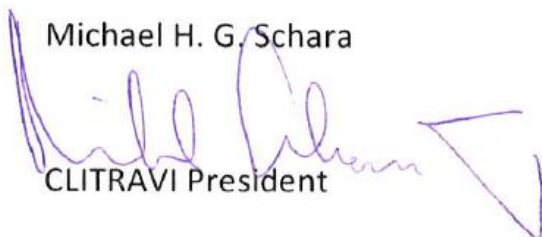
Such a situation is putting at risk the existence of many companies and, as a consequence, the employment of thousands of people and the income of many families.

It is an unprecedented situation, and our sector is in need!

We therefore kindly request the European Commission and the Council to ensure that all EU Member States pay special attention to not jeopardize food security and availability in the context of the energy crisis. We would also very much appreciate a harmonised approach supporting food producing companies, including meat processors, in the European Union.

Madame President, we kindly thank you for your attention. Clitravi is at your disposal for a follow-up exchange in which we may propose more concrete actions, if and when appropriate.

Yours sincerely,

Michael H. G. Schara

CLITRAVI President