



EUROPEAN COMMISSION

DIRECTORATE-GENERAL FOR INTERNAL MARKET, INDUSTRY, ENTREPRENEURSHIP
AND SMES

Ecosystems I: Chemicals, Food, Retail

The Director

Brussels, 15 November 2022
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Mr Michael H. G. Schara

E-mail: info@clitravi.eu

Dear Mr Schara,

On behalf of President Von der Leyen, I would like to thank you for your letter on potential implications of the current energy crisis on Europe's food supply.

We take due note of your concerns regarding the increased costs and shortages for your sector, as well as the need for a level playing field. We are conscious of the important impact of Russia's invasion of Ukraine on all sectors, especially in the food supply chain, resulting in many critical issues. Please be reassured that we are closely following the matter.

Regarding shortages in energy, I would like to mention the 'Save Gas for a Safe Winter Package'. The Package includes an Annex with criteria to prioritise critical non-protected customers that clearly highlights the importance of the food sector as 'socially critical'. However, as these are guidelines, the responsibility of defining precise priorities lies with the Member States.

When it comes to your concern over increasing costs, I would like to refer to the Temporary State Aid Crisis Framework. This Framework enables Member States to use the flexibility foreseen under State aid rules to financially support companies in the context of Russia's invasion of Ukraine. On 28 October 2022 the Commission has adopted an amendment to the Framework, prolonging all measures until 31 December 2023.

Furthermore, EU energy ministers agreed on 30 September 2022 on a Council Regulation to address high energy prices, which introduces common measures to reduce electricity demand and to collect and redistribute the energy sector's surplus revenues to final customers. The uniform cap on market revenues of inframarginal generation technologies will generate revenues for Member States to finance measures in support of electricity final customers, such as households, SMEs and energy intensive industries, while at the same time preserving the price signals on the markets across Europe and preserving cross-border trade.

To address your request for harmonised action, I would like to refer to the ‘Commission Contingency plan for ensuring food supply and food security’, aiming to step up coordination and crisis management. To ensure implementation of the plan and its key principles, the European Food Security Crisis preparedness and response Mechanism (EFSCM) has been set up. The group, composed of Member States and non-EU countries representatives, as well as of food supply chain stakeholders is chaired by the Commission and aims to strengthen coordination and exchange. The EFSCM has recently convened to discuss the energy and input price increases. Stakeholders reported on recent price increases and disruptions, acknowledging the consequences for the agri-food ecosystem.

In order to respond to the risks and strengthen the system, Member States are advised to take advantage of the State Aids. In the long term, the European Green Deal can further strengthen independence and resilience. The CAP strategic plans are an important instrument to ensure resilience and sustainability.

Finally, the Commission has put forward a proposal on ‘Enhancing solidarity through better coordination of gas purchases, exchanges of gas across borders and reliable price benchmarks’ on 18 October. During the Energy Council of 25 October 2022, ministers discussed the proposal and clearly emphasised the need for swift and coordinated efforts in this regard at European level.

We remain available in case you need additional information. Do not hesitate to contact M. Mattinò Giacomo, Head of Unit, Giacomo.Mattino@ec.europa.eu, who follows these issues closely.

Yours faithfully,

(e-signed)
Kristin SCHREIBER