

MINISTRY OF AGRICULTURE

21 February 2025

Maroš Šefčovič Commissioner for Trade and Economic Security

Christophe Hansen
Commissioner for Agriculture and Food

Subject: Joint letter of the Ministers of Agriculture of Bulgaria, Hungary, Romania and

Slovakia on the revision of the DCFTA

Dear Commissioner Šefčovič, Dear Commissioner Hansen,

As the expiration of the current regime of the Autonomous Trade Measures (ATM) with Ukraine approaches, we, the Ministers of Agriculture of Bulgaria, Hungary, Romania and Slovakia, find it necessary to once again address the pressing issue of agricultural imports from Ukraine.

In recent years, the influx of Ukrainian agricultural imports has significantly disrupted markets in our countries, creating an uneven playing field for our farmers. The liberalization of trade has resulted in an imbalance that threatens the stability of our agricultural sectors. Large quantities of certain agricultural products have been placed on the EU market and accumulated in a short period of time in some Member States, in particular those bordering Ukraine. The adverse consequences of these imports are evident, as they undermine the competitiveness of local producers, lead to market distortions, the loss of our traditional export destinations and place excessive pressure on our rural economies.

We firmly believe that the upcoming expiration of the ATM regime must serve as an opportunity to reassess and recalibrate our trade relations with Ukraine. It is essential to ensure that future trade arrangements reflect a balanced approach that accommodates the interests of all parties without disproportionately harming the economies of neighbouring Member States.

The ATM Regulation expires on 5th June 2025 and the regulation of trade relations between the EU and Ukraine can be adequately ensured by a review and amendment of the EU-UA Deep

and Comprehensive Free Trade Area (DCFTA), foreseen by Article 29 of the Association Agreement between the European Union and Ukraine.

In this regard, we see the most appropriate way forward in the following steps.

- 1. Maintaining the framework set by the DCFTA, which provides a solid and predictable basis for our trade relations. We believe that with the expiration of the ATM regulation it would be reasonable to return to pre-war tariff rate quotas (TRQs) under the reviewed DCFTA.
- 2. Introduction of bilateral safeguard provisions into the DCFTA, with the pre-war reference period, applicable to all agricultural products including those for which EU customs duties were already fully liberalised. Such provisions could be modelled on the language of the ATM regulation, allowing to take any measure necessary if imports adversely affect the Union market or the market of one or several Member States.
- 3. We also call on the European Commission to implement automatic regional safeguards for the frontline Member States. In view that a vast majority of goods imported into the EU-as already experienced during the operation of the ATM tends to end up in the frontline Member States, special measures are needed for the frontline countries in the DCFTA. Such measures might take the form of regional application of the safeguard proposed in Point 2. TRQs set at EU level cannot provide sufficient protection for frontline Member States; therefore, it would be appropriate to set individual quotas for them, a certain part of the EU TRQs, proportionate to the normal bilateral trade flows between each bordering country and Ukraine.
- 4. The reviewed DCFTA should be complemented by a review clause that would ensure the possibility to reassess the agreement in two years' time from its application, thus preventing future market distortions and ensure fair competition for our farmers.
- 5. It is also important that, in parallel with Ukraine's accession process, relevant sanitary and phytosanitary, animal welfare, public health and environment related regulations in line with EU standards are introduced for Ukrainian agricultural production. It would be useful to monitor the application of these rules during the accession process. The introduction of these standards should be subject of the Article 29 negotiations.
- 6. A specific solution should be developed for maize as currently zero duty is applied in accordance with the calculation method in force. Since the import duty only kicks in when the entry price of maize falls below 150% of the intervention price (101,31 EUR/t), at current price levels this rule prevents the possibility of imposing tariffs on maize imported. Consequently, there is no possibility to impose duties on imported maize regardless of the quantity imported. In this context, we propose to review the level of the reference thresholds for all commodities of Article 7 of Regulation 1308/2013 on the CMO.
- 7. We believe that the introduction of a threshold for minimum import prices for relevant agricultural products could also be an appropriate measure. The introduction of such a threshold could play a deterrent role in terms of importing agricultural goods into EU Member States at prices below the cost of domestically produced agricultural products.

It is in the common interest of the European Union and Ukraine that trade relations between the two Parties operate smoothly and to their mutual benefit. We remain committed to building a fair and mutually beneficial trade relationship with Ukraine, but we must ensure that such cooperation does not come at the expense of the economic stability of bordering Member States.

We urge the European Commission to give the highest priority to our concerns when reviewing the post-ATM EU-Ukraine trade relations.

Yours sincerely,

Dr. Georgi Tahov

Minister of Agriculture and Food of Bulgaria

Mr István Nagy

Minister of Agriculture of Hungary

Mr Florin-Ionut Barbu

Minister of Agriculture and Rural Development of Romania

Mr Richard Takáč

Minister of Agriculture and Rural Development of the Slovak Republic