

To European Commissioner for Agriculture and Rural Development  
Phil Hogan

March 8, 2016

Dear Commissioner Hogan,

Firstly, we would like to thank you for your personal effort made so far, however Baltic agriculture sector and product markets are still suffering serious consequences of the ongoing Russian embargo, the higher yield export market loss, and the turbulence on the global markets.

Taking into account that the price decrease has not stopped and, according to estimates, is to continue, losses borne by Baltic producers are building up. Therefore, despite the EU exceptional temporary aid and the national aid, estimated total amount of **still uncompensated** losses in Baltic agriculture:

- Latvia (estimated for the period from August 2014 to August 2016): dairy sector uncompensated losses - **96 million EUR** and losses in pigmeat sector - **24 million EUR**.
- Lithuania (estimated for the period from August 2014 to August 2016): uncompensated losses in **dairy sector** are **223 million EUR**, losses in pigmeat sector – **25 million EUR**
- Estonia (estimated for the period from August 2014 to August 2016): losses of dairy **67 million EUR**, losses of pigmeat sector **15 million EUR**.

Therefore we call for EU measures of immediate action:

- Further exceptional temporary targeted directed support measures in order to prevent a wave of bankruptcy of agriculture producers in Baltics.
- Promotion of cooperation between farmers (for example, enhance own processing and distribution of final products in existing cooperatives).
- Increase ceiling of *de minimis*.
- Provide effective means of financing and refinancing existing loans, in order to further rebalance cash flows of individual farmers and cooperatives, and a possibility to use leasing facilities in reasonable manner, abolishing the bureaucratic obstacles within the rural development program and others.
- Improvements of market intervention mechanism.
- Creation of EU-wide instruments for export credits.
- Support for acquiring new export markets and revision of promotion programs.
- Reduction of agricultural production costs (e.g. agricultural equipment and plant protection product prices; cancellation of import duties for fertilizers, etc.).

In addition we ask for a long term EU strategy to better overcome and mitigate market crisis, considering compensation of losses and possible means of balanced management of oversupply, for at least two upcoming years.

We invite the European Commission to find best solutions for farmers to overcome market crisis, especially for farmers of the Baltic States. We are looking forward for fruitful cooperation and best solutions for farmers.

Sincerely,  
Estonian, Latvian and Lithuanian farming organizations

Andriejus Stančikas, President of the Chamber of Agriculture of the Republic of Lithuania

Jeronimas Kraujelis, President of Lithuanian Association of Agricultural Companies

Juratė Dovydenienė, Chairwoman of Lithuanian Association of Agricultural Cooperatives "Kooperacijos Kelias"

Jonas Talmantas, Chairman of Lithuanian Farmers' Union

Kalle Hamburg, President of the Estonian Farmers Federation

Roomet Sõrmus, Chairman of the Estonian Chamber of Agriculture and Commerce

Agita Hauka, Chairwomen of the Latvian Farmers' Federation

Juris Lazdins, Chairman of the Latvian Farmers' Parliament

Aija Balode, Chairwoman of Latvian Agricultural Statutory Societies

Indulis Jansons, Chairman, Latvian Agricultural Cooperatives Association

Edgars Treibers, Chairman, Latvian Agricultural Organisation Cooperation Council