



Press Release

Luxembourg, 20 April 2023

Quick EU action helped ensure food ended up on our plates during the pandemic

- o *€712 million direct support was rapidly made available by the EU*
- o *Help was not targeted enough towards the sectors and farmers most affected*
- o *State aid in some cases risked distorting competition*

The EU reacted quickly to the threat the COVID-19 pandemic posed to agricultural supply chains. The different EU measures helped contain the disruption to the agri-food sector. However, if a similar crisis occurs in future, EU support would be more effective if it provided more targeted aid to those sectors and farmers really in need, the European Court of Auditors conclude in a report published today.

The COVID-19 pandemic impacted agricultural product supply chains from farm to fork. Product transportation, particularly across borders, was hampered. Supermarkets faced supply issues. In response, the EU introduced several measures, including guidelines aiming to ensure an efficient food supply chain in the EU and qualifying seasonal workers as “critical”; direct support for farmers and SMEs; state aid facilitations; and exceptional market intervention measures.

“The European agri-food sector was hit hard by the COVID-19 crisis,” said Joëlle Elvinger, the ECA member who led the audit. *“Unfortunately, this is not a one-off event: the Russian war in Ukraine has also posed a significant challenge to the security of our food supply. We hope our work can contribute to improving the design and targeting of future EU crisis response measures in support of the agri-food sector.”*

In their report, the auditors underline the swiftness of the EU’s response. Right at the start of the pandemic, the European Commission issued the Green Lane guidelines on the movement of goods across borders, and helped ensure the free movement of seasonal workers, which mitigated disruption to the agri-food sector. Similarly, the €712 million direct support framework was rapidly set up through the exceptional reallocation of unused Rural Development (EAFRD) funds, providing up to €7 000 per farmer and €50 000 per SME. Finally, as the main fiscal response to the pandemic came from national budgets, the EU quickly facilitated state aid measures. However, the levels of public support differed widely between EU countries. This was the case for the two biggest producers of plants and flowers: state aid reached almost 9 % of production value for this sector in the Netherlands, while it was far lower (0.3%) in Spain. This may create unfair competition, the auditors say.

The purpose of this press release is to convey the main messages of the European Court of Auditors’ special report. The full report is available at eca.europa.eu.

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At the same time direct support did not sufficiently target those in greatest need. Many EU countries (including Poland, Romania, Greece, Italy and Spain) supported farmers in a given sector irrespective of whether they suffered losses. As a result, some farmers could have received support even though they were unaffected by the crisis. Others were overcompensated. For instance, it is estimated that some grape producers in Andalucía may have received three times more compensation than the amount they lost.

Also in the wine industry, the Commission launched measures to withdraw wine from the market definitively (crisis distillation) or temporarily (crisis storage) in order to reduce excess supply. But significant differences in the implementation of support led to unequal treatment. This constitutes discrimination between wine producers and non-compliance with the rules, warn the auditors.

Background information

During their work, the auditors checked the implementation of EU measures in five Member States (Greece, Spain, France, Poland and Romania), which accounted for 69 % of the amounts allocated as exceptional direct support for farmers and SMEs and 87 % of the amounts allocated for crisis distillation.

Special report 09/2023, “Securing agricultural product supply chains during COVID-19: EU response was rapid, but insufficiently targeted by the member states”, is available on the [ECA website](#).

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