

27/07/10

Press Release

COPA-COGECA STRESSES RECENT GRAIN PRICE VOLATILITY REINFORCES NEED FOR STRONG CAP

The recent volatility in EU grain prices demonstrates that the market is not functioning properly and there is a need to re-evaluate the way the market works in the future, Copa-Cogeca stressed today.

The move comes in the wake of concerns about rising grain prices, following the heat wave and commodity trading beyond the physical market.

Paul Temple, chairman of Copa-Cogecas' Cereal Working Party, said "Copa-Cogeca believes that cereal prices were so low in the 2009/10 marketing year - over 50% less than those prevailing in 2007 - that a rise should not create too much cause for concern. The extreme price volatility is nevertheless worrying and a problem for the commodities supply chain, so we need to ensure that markets function better".

He continued "At the moment, EU 27 cereals production for the 2010/11 marketing year is expected to be quite stable, reaching 1.3% less than last years levels, but in view of the weather conditions, this could change. The current volatility is also heightened by speculation. Cereals producers need a degree of market predictability to develop their business, ensuring production fits the growing need for food supply. The livestock sector especially needs a constant competitive supply. The remaining market management measures must consequently be kept in the EU cereals sector as a safety net".

"Copa-Cogeca calls on EU politicians to ensure that there is a strong Common Agricultural Policy (CAP) post-2013, which ensures food security and responds to the increasing volatility in the market place", he added.

For further information, please contact:

Arnaud Petit

Director

Tel.: +32 2 287 27 03

Arnaud.Petit@copa-cogeca.eu

Amanda Cheesley

Press Officer

Mobile: + 32 474 840 836

amanda.cheesley@copa-cogeca.eu

CDP(10)5519:1
