

LP(11)9975:1

## **MINUTES OF THE WORKING PARTY ON MILK HELD ON 5<sup>TH</sup> DECEMBER 2011**

**PARTICIPANTS:** BRICHART, BRAUN, SCHMIDT, BUTTIGIEG, MATOUSEK, KUCERA, PRANAUSKAS, PODMILJSK, DAVILLAS, OLKOWSKA, MONTAIGU, SARON, ISOMMA, KILPELAINEN, NIELSEN, HOYER, LASCURETTES, FLANAGAN, ADDISON, RAYMOND, DEBES, JOSSE, LOYER, OSINGA, ROMIJN, THURNER, ABRATE, DE MEO, QUADRO, MEZZOGORI, SISINNI, SANTALLA AGRA, CORRALES, NEWBERRY, DE ANTONIO, FERNANDEZ AUGUSTIN, ENDRODI, VARGA, LILHELM

**SECRETARIAT:** BIGNAMI, DERRIEN, DI RUBBO, MATTHEWS, ZITTI, GYORFFY

The group adopted the agenda [LP\(11\)8400 \(rev.1\)](#) and approved the minutes of the last meeting [LP\(11\)6366 \(rev.1\)](#).

### **3.1 Market situation and forecast [LP\(11\)9709 \(rev.2\)](#)**

The point was postponed.

### **3.2 The legislative proposals for the future of the CAP and the impact on the dairy sector**

The Secretariat presented this point.

Delegations' comments:

- France, Finland: the proposal has a negative impact on the livestock sector
- Ireland, Denmark: flat rate will have an impact on renting land, affecting farmers, Denmark: a longer transitional period does not help
- Lithuania, Ireland, Germany: greening is problematic, creates disturbances and restricts competitiveness, Denmark: it should be more adapted to the situation in different MS, UK: it is not acceptable. How classify temporary and permanent pastures?, Spain: environment is already protected. Young people start with rented land and this will be affected, Poland: 7 % ecological focus area creates concerns, Italy: growing 3 crops represents a problem because there is not much fertile land.
- Germany: the definition of active farmer and capping will restrict competitiveness
- Denmark: additional funds should be available for dairy producers because of high costs with investments.
- Denmark, Germany, Poland: private storage should remain a mandatory aid being an important stability tool for seasonal butter market.
- Germany: agri –environmental measures, risk management, innovation should complement the support in Pillar 1
- Spain: there are a lot of concerns on the basic payments and special entitlements.
- Finland: can POs use the money from second pillar?
- the Netherlands: how can we make full use of the money available under the new research programme?
- Ireland: more about the Crisis Reserve Fund
- Italy: will farmers who do not comply with the greening requirements, also lose a part of their basic payments? Is there any possibility to extend the greening list?

The chairman underlined that there are a lot of concerns regarding the greening. The three requirements are not adapted to the real situation.

The Secretariat mentioned that in the Rural Development programme, producer groups are supported. In the impact assessment, dairy producers are seen to benefit from greening. Farmers will be penalized in the same way they are penalized at the moment in the context of cross-

compliance. Cooperatives can benefit from investments in assets or from projects for the supply chain and bio-mass under the cooperation theme in Pillar 2. The Crisis Reserve Fund has been established in order to have funds available more rapidly and eventually transferred from one year to another. The research aspect is being analyzed in detail.

### **3.3 The milk package – state of play**

The Secretariat presented this point.

Germany: contracts with dairies represent an alternative.

Ireland, Denmark, the Netherlands: a stronger defense of cooperatives in the advisory group should be envisaged.

Denmark: contracts should not be too prescriptive. Adapting cooperatives statutes is very difficult. The provisions on IBOs go too far.

Italy: not too rigid provisions in contracts, but more flexibility. Not in favour of mandatory contracts. A definition of POs should be considered within the working party. For milk producers, this proposal does not solve much. A lot of instability will be on the market due to the co-existence of the systems.

UK: contracts are important and should have been compulsory. Minimum terms are needed where contracts are in place.

The Netherlands: cooperatives are farmer controlled economic initiatives.

Finland: the problem lies also with the retailers.

France: compulsory contracts have a bad connotation; we should speak of shared interests post 2015.

Czech Republic: suggested that Peter Kendall (Chairman of the ad hoc WP on the Food Chain) is invited to present the state of play on contracts (a more horizontal approach).

Spain: any information about the entry into force? Will it be differentiated? The Secretariat replied that this issue is still under discussion.

The chairman concluded that the role of the milk package is not to solve all the problems but to regulate the relation between producers and private processors and provide derogation from the competition law. Compulsory contracts are difficult to be defined. In its lobbying activities, Copa-Cogeca has always defended the specific nature of cooperatives.

### **3.4 The regulation on the provision of food information to consumers – state of play**

The Secretariat presented this point [LP\(11\)9560 \(rev.1\)](#).

### **3.5 Information on the bilateral negotiations (Mercosur, Canada, India)**

The Secretariat presented this point.

For Mercosur, not all the products were taken into account (ex. milk powder, cheese) in the impact assessment.

For India, there is no offer, safeguard measures are being discussed.

For Canada, EU is defensive for its dairy sector.

### **3.6 EU Action Plan on antimicrobial resistance**

The Secretariat presented this point. There are a few items to be followed: prophylactic use of antimicrobials, prescribing/selling antibiotics, guidelines on critical antibiotics use, herd management plans.

The chairman underlined that it is important for producers to use these medicines in a reasonable way and surveillance plans need to be elaborated.

### **4. Electronic identification of cattle and voluntary labelling of beefmeat**

The Secretariat presented the result of the vote in the Praesidia [VB\(11\)6662 \(rev.7\)](#).

## **5. EU Action Plan for Animal Welfare**

The Secretariat presented this point. The Commission will present in January 2012, the new Action Plan (dairy cows will also be covered).

## **6. Copa-Cogeca study on the production costs for the milk sector**

The Secretariat presented this point [ECON\(11\)7434 \(rev.1\)](#).

Germany: is it possible to calculate the costs in kg? how will the data be used?

Ireland: question: is data used FADN data?

Finland: family labour should also be considered.

The Secretariat replied that the study is based on FADN data and that the costs per liter were also calculated. It is important to have an annual monitoring of the most important production costs.

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