

## **MINUTES OF COPA-COGECA WORKING PARTY ON MILK AND DAIRY PRODUCTS ON 01/07/2013**

**PRESENT:** Raymond (Chairman), Abrate, Kilpelainen, Osinga, Romijn, Pofferi, Quadro, Roquefeuil, Loyer, Debes, Martin, Thurner, Corbalan, Corales, Narro, Basto, Cardoso, Kicinski, Montaigu, Smigielska, Isomaa, Hoyer, Nielsen, Flanagan, Mulvihill, Addison, Dreijere, Praunaskas, Podmiljsak, Varga, Saron, Kucera, Gkouliaditi, Vanderpoel, Neu, Borger, Jamieson, Gotting

**SECRETARIAT:** Azevedo, Di Rubbo, Valle, Gyorffy

### **SUMMARY AND CONCLUSIONS:**

#### **Item 1 and 2: Adoption of the agenda and approval of the minutes of the previous meeting**

→ The group adopted the agenda [LP\(13\)507 \(rev.1\)](#) and approved the minutes of the previous meeting [LP\(12\)9585 \(rev.1\)](#).

#### **Item 3: Market situation**

→ The Chairman gave the floor to the members. A majority of delegations underlined a stability in milk prices and positive developments and a stable production. Problems with fodder or quality of grass and increased feed costs were also raised.

Germany, Poland, Austria exceeded their quotas. Lithuania mentioned problems arisen from modulation. Denmark mentioned the existence of a Task Force to improve the financial situation in the cattle sector. Some delegations referred to the large concentration of retailers and their practices (special offers – selling milk at a minimum price, preference for own brand milk etc.). The Italian delegation referred to the issue of aflatoxin and asked if the situation is happening in other countries.

The Secretariat presented “EU dairy farms : report 2012” based on FADN data [COM\(13\)3502 \(rev.1\)](#) and an update of the Expert Group on financial markets for agricultural commodities.

The Chairman concluded that the market price is better but feed costs are higher. However, market prospects look positive. He asked the delegations to send their comments on aflatoxin, retailers, modulation to the Secretariat. He underlined the importance of trade derivatives which need to be looked at. He also reminded that our message for the Conference on Milk is the one in the recommendations on the future of the EU Dairy Sector [LP\(13\)1611 \(rev.6\)](#).

#### **Item 4. Preparation for the Conference on the future of the dairy sector**

→ The Secretariat gave an update on the work of the Task Force (three voluntary options: fiscal solutions for farmers’ incomes, the creation of a compensation fund by producers and the industry, possible use of the crisis fund in times of market crisis in the dairy sector). In terms of communication, the Secretariat informed about the actions planned: a farm visit and a major press conference before the event.

The delegations reacted on the subject: France (FNPL): we should look at how to avoid crisis, (Coop de FR): work more on margins insurance. Spain: satisfied with the work, mentioned that we should also analyse the tools we have (POs, IBOs, mutualisation). Germany: taxing is a national matter, spoke against measures to deal with production management. Denmark: the paper adopted by Praesidia is to be given priority, the Task Force came with few additional optional tools.

The Chairman reminded that the basis of the policy is the paper adopted by Praesidia, however further details need to be developed in the Task Force in line with what has been adopted.

#### **Item 5. CAP towards 2020 (with focus on the dairy sector)**

→ The Secretariat informed that a partial political agreement was reached on 26<sup>th</sup> June and presented its main elements [PAC\(13\)5285 \(rev.1\)](#) and [NEN\(13\)5085 \(rev.1\)](#).

Several questions on internal convergence, the amount for greening payment, the date of entering into force in countries with a historic system, co-financing for the transfers between Pillar 1 to Pillar 2, extension of rules to non-members were asked.

The Secretariat replied that no penalty will be applied during the first two years of implementation, farmers will lose their greening payment but afterwards, they will lose their greening payments and in addition, they will be penalised by 20% and then 25%. Extension of rules remains a MS competence which establish the conditions under which these rules apply.

#### **Item 6. Trade negotiations**

→ The Secretariat presented this point [BILAT\(11\)4411 \(rev.7\)](#) while underlining that Canada does not want to give up on cheese. A working document has been prepared for EU-Japan [BILAT\(13\)4124 \(rev.1\)](#) which has been sent by e-mail but only few contributions received. A Task Force on non-tariff measures has been put in place jointly with Food and Drink Europe, it is important to have the WP opinion on non-tariff measures on dairy.

The Task Force was welcomed by members. The Italian delegation underlined the problems with the Canadians as far as cheese (cheese made of raw milk) exports are concerned. Attention should be paid to hormone treated animals which might create a competitive disadvantage for EU milk producers.

The Chairman concluded that EU is offensive as far as dairy is concerned and requested that all relevant information should be sent to the Secretariat.

#### **Item 7 and 8: Animal Health Law – presentation and Animal Welfare Law – update and Point 10: Official controls regulation**

→ The Secretariat presented these points. It was mentioned that the Animal Health proposal was presented on 6<sup>th</sup> May. A Working Group at Council level was already held, EP has not start the discussions yet. Copa-Cogeca supports this proposal, but there is a need to look into details: listing of diseases is missing, attention should be paid to provisions on basic knowledge on animal health law, animal health visits, compartmentalization, vaccination.

120 programmes on disease eradication will be co-financed in the years to come.

On official controls, a mandatory system of fees for operators is being introduced. Copa-Cogeca is against it.

On animal welfare, a network of reference centers should help MS authorities to implement the animal welfare standards.

The delegations were against any increase of costs for farmers, against additional bureaucracy. Issues such as quality schemes, animal welfare as part of bilaterals, animal health visits were mentioned.

The Chairman concluded by underlining the need to closely follow the discussions on this subject.

#### **Item 10. Other points of the Advisory Group on Milk: Origin Labelling**

→ The Secretariat informed the group about the state of play on voluntary labelling [AQA\(13\)5193 \(rev.1\)](#), the report from the Commission on the indication of origin for milk products and updated the group on the application of the new optional Quality term "Mountain product" and "Products of island farming" [AQA\(13\)3642 \(rev.1\)](#). Timeframe: the text on voluntary labelling needs to be approved, the report on the introduction of origin labelling for milk needs to be presented next year, the COM is expected to start working on it.

On mountain products, the Italian delegation asked whether this optional quality term could affect PDOs which are labeled in a specific way. The Austrian delegation mentioned that cheese should be part of the 30km derogation.

The Secretariat replied that PDOs and PGIs can use the optional quality term "mountain product" if they meet the criteria.

#### **Item 10. Other points of the Advisory Group on Milk: update on the milk package implementation**

→ The Chairman requested the members to update the Secretariat on any evolution on this.

→ Since no other points were introduced, the Chairman thanked the participants for attending, the interpreters for their work and closed the meeting.