

MINUTES OF COPA-COGECA WORKING PARTY ON MILK AND DAIRY PRODUCTS ON 06/03/2014

PRESENT: Raymond (Chairman), Loyer, Addison, Davies, Newbery, Roquefeuil, Humbert, Osinga, Romijn, Abrate, Puddu, Magaraggia, Miera, Masure, Mulvihill, Smigielska, Cardoso, Isomaa, Lamminen, Laxäback, Ahtonen, Tranholm Nielsen, Andreassen Hoyer, Jagoe, Flanagan, Lascurettes, O'Leary, Schmidt, Neu, Schluter, Börger, Thurner, Neumann, Stefanikova, Praunaskas, Podmiljsak, Saron, Dreijere, Varga, Vandepoel

SECRETARIAT: Azevedo, Di Rubbo, Valle, Gyorffy

SUMMARY AND CONCLUSIONS:

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

→ The group adopted the agenda [LP\(14\)455 \(rev.1\)](#) and approved the minutes of the previous meeting [LP\(14\)1601 \(rev.2\)](#).

Item 2.1: Market Situation

→ A majority of delegations underlined a stable market situation, with positive prices and stable short-term outlook. Production is on an increasing trend in a majority of countries.

In Slovakia, production is decreasing, as well as the number of dairy cows. Dairies do not accept an increase in prices. The problem with Russia will be dealt bilaterally (Lithuania). Slovenia mentioned the lack of price increases transmission along the chain. The new Latvian legislation on manure storage affects small farmers. Portugal has introduced a national law on the contractual relations between suppliers and retailers which created some tensions. Italy expressed concern over situation in less favoured areas and complained about the dominating position of retailers.

Germany, Denmark, the Netherlands, Poland may exceed their quota levels. Latvia is closed to fulfil their national quota.

The Chairman concluded that, in general, market situation looks positive, better than previously, which will help recuperate the losses experienced at that time. There is some price pressure on butter and cream. Concerns were expressed on the super-levy producers will have to pay for 2013/2014 quota year.

Item 2.2: Milk market observatory: state of play and role of stakeholders

→ The Chairman informed the members about the meeting with the COM.

The Commission's intention is to have a website, gathering all relevant existing market data (price, volumes, trade, margins at EU level and to the extent possible, also international data). In addition, a small group will be put in place. This would gather stakeholders who will be more actively involved in the discussions/information sharing on the market at a technical level (each stakeholder will have to address a theme, for example, producers could refer to farmgate prices, production costs, evolution of dairy cow numbers..., processors could refer to stocks situation, traders to emerging markets...). It is desired that this group meets three to four times per year. The date of the launch of the European Milk Market Observatory is not yet known (possibly April 2014).

The importance of having up-to-date data, forecast, trends was underlined by the group.

Item 2.4: Soft landing: possible solutions

→ The group discussed the solutions which might be beneficial to milk producers in view of the dairy quotas being phased out. The need to change the butter fat correction has been raised by Germany, Denmark, Ireland, the Netherlands, Sweden, Austria, Latvia, which are to be faced with a high super-levy penalty. Certain delegations (especially France, Italy, Finland, Belgium (Wallonian region), Portugal) have referred to safety nets and coping with market volatility and a reflection on post-quota period. Reverting the money from super-levy back to milk producers was considered part of the compromise.

The Secretariat referred to the procedural aspects (the need to have the position approved in POCC/CCC and Praesidia).

The Chairman concluded that there is a broad majority in favour of the need to revert the superlevy collected in 2014/2015 back to milk producers so that milk producers do not lose this money, and that the adjustment of the calculation of the fat correction factors in order to reduce the pressure on milk producers needs to be looked at to support dairy farmers who respond to good market demand.

Item 2.5: Update on milk package implementation and progress on the report

→ The Secretariat informed the group about the COM report on the implementation of the milk package provisions to be presented in June and the intention of Copa-Cogeca to organise a seminar on this on 12.05.2014.

Ireland mentioned the start of the negotiation as far as the PO provisions are concerned. Poland and Slovenia informed about the new provisions on POs and contracts a national level.

Item 2.6: Presentation by the Commission of the proposal on the School Milk Scheme revision and reactions from stakeholders

→ The Secretariat has presented the COM proposal published on 30/01/2014 [COM\(14\)762 \(rev.1\)](#).

Copa-Cogeca considers that that the School Milk Scheme and School Fruit Scheme should remain separate and that the aid per portion should be increased in the case of milk.

The group underlined the importance of the scheme and expressed concerns on the merge of the two schemes, eligible products and lack of flexibility.

The Chairman invited the group to send comments to the Secretariat.

Item 2.3: CAP

Item 2.7: Promotion

Item 2.8: Further developments on voluntary origin labelling for dairy.

Item 2.12: Food fraud: impact of EP report on Commission policy and consequences for the dairy sector

Item 2.10: Commission proposal banning food from clones in the EU: impact on the dairy sector (imports).

→ These points were not discussed.

Item 2.9: Study on mandatory origin labelling for milk and milk as an ingredient in dairy products: state of play.

→ The Secretariat referred to the contributions received following the consultation launched and to the paper it had prepared [LP\(14\)1231 \(rev.1\)](#). The Secretariat insisted on the need to give feedback to the consultation.

Taking into account the complexity of the issue, it was requested that we wait for the report of the COM. Some prefer the country of origin at MS level, some at EU level, some on voluntary basis.

Item 2.11: Revision of Official Controls Regulations: Update

→ The Secretariat presented the timetable. On animal welfare, the issue of development of welfare indicators has been mentioned. On animal health, proposals on animal health visits are problematic. Copa-Cogeca is open to the discussion on welfare indicators provided they are practical and do not bring administrative burden.

The Chairman concluded by the need to stay vigilant, we need to avoid that though further regulation, farmers lose competitiveness.

Item 2.13: External Trade

→ The Secretariat presented this point [BILAT\(11\)4411 \(rev.10\)](#) while underlining that for Copa-Cogeca study on dairy, the Secretariat has not received any input from the group.

The chairman encouraged the group to be active and send the relevant data to the Secretariat.