Common organisation of agricultural markets (CMO): national quotas for milk

2007/0281(CNS) - 12/12/2007 - Legislative proposal

PURPOSE: to amend provision regarding national milk quotas.

PROPOSED ACT: Council Regulation.

BACKGROUND: to recall, in 2003 the Council reached an agreement on a number of changes to the EU dairy policy as part of the 2003 Reform of the CAP. The Commissions' original proposal for the 2003 Reform included an increase in quota of 2% in addition to the increases already agreed in Agenda 2000. In the June 2003 compromise, however, the Council declared that a decision regarding the quota increase for 2007 and 2008 should be based on a Commission proposal following an analysis of market conditions; to be prepared once the reform has been fully implemented.

The Market Outlook Report for the Dairy Sector, accompanying this proposal, contains this analysis. In effect, the report addresses the question of whether the market offers enough opportunities for additional quantities of milk to be supplied, without leading to increased public support in the short and/or medium term, if the national quotas were to be expanded for all 27 Member States. The report concludes that both the EU and world market outlooks are positive and the analysis made for a 2% increase in milk production in the EU shows that the market readily offers opportunities for these additional quantities.

CONTENT: given the dynamic developments which have taken place this year on dairy markets, and given that the only part of the 2003 reform remaining to be implemented is a quota increase on 1 April 2008 of 0.5% in 11 Member States, the Commission proposes that the 2% increase, originally proposed as part of the 2003 Reform, may be implemented as from the 2008/2009 milk quota period.