

Agricultural prices 2009-2010: intervention for butter and skimmed milk powder (derogation from "Single CMO" Regulation (EC) No 1234/2007)

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The Council welcomed the Commission proposal extending the intervention period for butter and skimmed milk powder, and took note of all the information provided by the Commission in this respect. The Council also took note of the views expressed by several delegations expecting an **in-depth examination of the dairy market situation** in order to explore all the possible means to alleviate the market difficulties. The examination of this proposal by the Council will start rapidly to ensure a swift adoption after the European Parliament has delivered its opinion.

Pending the formal adoption of the legal text by the Council, the Commission will make use of special provisions under Article 191 of Regulation (EC) No 1234/2007: “The Commission shall adopt the measures which are both necessary and justifiable in an **emergency**, in order to resolve specific practical problems. Such measures may derogate from provisions of this Regulation, but only to the extent that, and for such a period, as is strictly necessary.”

After a brief and unprecedented period of record prices for milk and dairy products in 2007 and early 2008, European producers now face weak and uncertain markets characterised by a sharp drop in global dairy product prices.

A considerable set of support measures has already been deployed, including export refunds for butter, cheese and whole and skimmed milk powder, in addition to the introduction of private storage aid for butter (already in force since from 1 January 2009) and intervention for butter and skimmed milk powder (as from 1 March).