Maintaining milk production in mountain areas, disadvantaged areas and outermost regions after the expiry of the milk quota regime

2013/2097(INI) - 11/12/2013 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution on maintaining milk production in mountain areas, disadvantaged areas and outermost regions after the expiry of the milk quota.

Europe's dairy sector will experience a major shift after expiry of the quotas in 2015. This substantial change is likely to cause market disruptions to the dairy sector, especially in the less favoured areas and the outermost regions. For these areas, milk production is often the only source of income and the local community depends heavily on the dairy sector.

In order to **secure a stable future for the sector** and to avoid the depopulation of rural areas, Parliament recommended additional measures be taken at European level.

Strengthened assistance: in view of the irreplaceable nature of milk production in some outermost regions, Members called on the European Commission and the Member States to use, in these regions, the **POSEI programmes** to strengthen support in the area of direct payments and market measures and the **rural development programmes** to strengthen support under the second pillar of the CAP.

The expiry of the milk quota in mountain areas and in the outermost regions must be evaluated separately, in light of the particular characteristics of such areas. Particular attention should be paid to the needs of small farms in these areas.

Direct payments under the first pillar: these payments, even under the current CAP reform, are based on historic reference amounts, which can seriously disadvantage grassland areas and milk production in these regions. Parliament, therefore, called on Member States affected by such situations to **introduce without delay** a system correct the disadvantage suffered by these regions when implementing agricultural reforms at national level.

Parliament considered it essential that a **stock grazing premium** be earmarked under the first pillar of the CAP and under the POSEI in the outermost regions for farms with grazing and forage areas for livestock.

It also stressed the important role of **coupled payments** under the first agricultural policy pillar.

Parliament takes the view that **permanent grassland and pastureland**, which can generally be used for no other purpose than cattle, sheep and goat breeding in these areas, must never be treated as inferior to other types of farmland for the purpose of calculating direct payments from the first pillar.

Rural development (second pillar): Parliament called on the Member States and regions to formulate, where applicable, a **specific rural development programme for milk production** in these areas in the framework of rural development.

Members stressed that **second-pillar measures** (e.g. compensation allowances, agro-environmental premiums, individual or collective investment aid for production, processing and marketing, start-up aid for young farmers and aid to promote quality, diversification, innovation) were of great importance for sustainable milk production in these areas. Therefore, they urged that:

- Member States and regions be given the level of funding and the necessary opportunities to ensure the payment of adequate and clearly differentiated **compensatory allowances**;
- **sustainable and organic forms of agriculture** be supported;
- adequate compensation payments should offset the **higher investment costs** of milk production in mountain areas and outermost regions.

Parliament also called for initiatives concerning ***in-situ*** **processing and marketing on farms or in mountain pastures** to be funded under the second CAP pillar.

Other measures: Members called for the introduction of measures to allow the **production of typical products in an artisanal way** and for **hygiene and marketing rules** to be adjustable to the size of markets and their demands.

Small farmers in mountain areas and disadvantaged areas should be supported in establishing **producer organisations** which strengthen their bargaining power.

The Commission is called upon to:

- redefine **a coherent rural and milk development programme** for mountain areas, for disadvantaged milk production areas and for Member States where most of the milk is produced by very small farms;
- develop **programmes** in cooperation with producers, producers' associations and marketing bodies – based, for example, on the fundraising model – to reduce the impact of the anticipated rapid decline in milk prices;
- **implement** the EU school milk programme more efficiently;
- bear in mind the **special characteristics of products with a protected designation of origi**n in the context of the definition and application of the new 'mountain product' designation.

Parliament stressed that a milk production market monitoring tool (**Milk Observatory**) is needed to provide early warning of the risks of market imbalances. It called on the Commission to closely follow the **development of milk production** in mountain areas, disadvantaged areas and outermost regions and to review the economic impact of the expiry of milk quotas on dairy farms. It called on the Commission to submit to the European Parliament and the Council a report addressing this issue by 2017, accompanied by a legislative proposal if milk production has decreased significantly in these regions.