Agenda 2000: milk and milk products, reform of the common organisation of the market COM

1998/0110(CNS) - 18/03/1998 - Legislative proposal

OBJECTIVE: the proposed regulation forms part of the group of proposals on the reform of the common agricultural policy and translates the guidelines of Agenda 2000 in the milk and milk products sector. SUBSTANCE: the proposal seeks to establish a new common market organization for dairy products. The main elements are as follows: - improved competitiveness by a reduction in internal prices: the Commission proposes applying a 15% reduction in four equal steps to the intervention prices for butter and skimmed milk powder (this decrease goes beyond the Agenda 2000 proposal). Intervention prices in the dairy sector will no longer be fixed annually but for the whole period covered by Agenda 2000; - the conditions for intervention remain unchanged except for butter, where intervention will be explicitly restricted to produce originating in the Community; - provisions concerning private storage aids and marketing measures will be adapted to existing general rules. For school milk a Community aid level (95% of the target price) and a maximum quantity per pupil (0.25 litre of milk equivalent) have been fixed. Provisions for butter purchases have also been specified; - the amount of direct support per producer will be based on the number of premium units, which will be determined by dividing the individual reference quantity by the average milk yield in the Community (support will be targeted on producers rather than quota holders); - the amount of direct payment per premium unit follows the Agenda 2000 proposal but will be sub-divided into a basic payment common to all premium units and an additional payment according to national provisions. The basic cow premium will be phased in gradually by four equal steps in parallel with the reduction in intervention prices. It will reach ECU 100 in the year 2003 and will remain at this level in subsequent years; - the provisions on trade with third countries will be carried over from current legislation.