Common agricultural policy (CAP), financing: milk, milk products, payment of levy due

2006/0108(CNS) - 23/06/2006 - Legislative proposal

PURPOSE: to establish a levy in the milk and milk products sector.

PROPOSED ACT: Council Regulation.

CONTENT: in proposing this Regulation, the Commission is trying to achieve two aims. Firstly, to change the date of payment of the milk levy due to the Community budget and secondly, to allow 8 new Member States to transfer totally or partially the national reference quantities for direct sales to the reference quantities for deliveries.

To recall, the provisions for financing CAP, set out in Regulation 1290/2005, state that the milk levy paid by the Member States will be regarded as assigned revenue as from 1 January 2007. Regulation 1788 /2003 should be amended accordingly so that the levy due shall be paid by the Member States between 16 October and 30 November each year, as opposed to prior to 1 October as is currently the case.

The second amendment being proposed takes account of changes to the milk market in the new EU Member States. In some of the new Member States, the dairy sector has quickly adapted to the new commercial opportunities of an extended European market, which has resulted in a substantial restructuring process. Due to this situation (as well as thanks to stricter hygiene provisions) it appears that individual producers have chosen not to apply for individual reference quantities for direct sales. As a result the total individual reference quantities allocated to the milk producers for direct sales are substantially below the national reference quantities and unused quantities remain in the national reserves for direct sales. This development hinders further restructuring efforts. As such, the Commission is proposing an exceptional measures, whereby for the quota year 2005-2006 a single transfer of the national reference quantity from direct sales to deliveries upon a new Member States request will be provided.

The Commission urges a rapid adoption of the two amendments as soon as possible, given the urgency of the situation.

For further information concerning the financial implications of this measure, please refer to the financial statement.