

# Common organisation of the market in milk and milk products

2007/0026(CNS) - 15/02/2007 - Legislative proposal

**PURPOSE:** the amendment of Council Regulation (EC) No 1255/1999 in order to simplify a number of rules.

**PROPOSED ACT:** Council Regulation.

**BACKGROUND:** this proposal is being presented as a package, alongside two other, related proposals on the dairy sector. The other two proposals concern the amendment of:

- Council Directive 2001/114/EC relating to certain partly or wholly dehydrated preserved milk for human consumption. See [CNS/2007/0025](#)
- Council Regulation (EC) No 2597/97 laying down additional rules on the common organisation of the market in milk and milk products for drinking milk. See [CNS/2007/0027](#).

**CONTENT:** the purpose of this proposal is to amend the common organisation of the market in milk and milk products by:

**Reducing the intervention price for skimmed milk powder (SMP):** The adoption of the intervention price for SMP will be strictly mathematical and follow current rules of price reduction where the SMP has a protein content lower than the intervention standard of 35.6%. The new intervention standard will lead to a new intervention price which is lower than the current one.

**Removing the intervention trigger for butter:** The proposal seeks to simplify current rules on intervention by allowing intervention agencies to simply buy butter at 90% of the intervention price from 1 March until the overall Community ceiling has been reached.

**Abolishing the national quality class for butter:** The new requirements will be “lighter” than the current intervention requirements. Further, they will be easy to control.

**Removing certain aids for private storage:** Given that aid for private storage of both cream and SMP has not been used by operators the two measures are considered obsolete and should therefore be removed from the basic dairy Regulation.

**Removing the disposal aid for military forces:** Similarly, the possibility of granting aid for butter purchased by military forces is considered obsolete and should therefore be removed from the Regulation.

**Introducing a single rate of aid for school milk:** For the sake of simplification the Commission is proposing a single rate of aid, irrespective of the sort of milk delivered to pupils. The single rate of aid will be established on the basis of past up-take under the school milk regime. For other eligible dairy products the amounts of aid should be determined in the light of that simplification.

**Abandoning the use of import licences:** The Commission is proposing that where import quotas are, or will be monitored by DG TAXUD, then operators will be exempt from presenting an import licence.

As far as the financial consequences are concerned, the Commission suggests that amendments to the basic Regulation, with the exception of the SMP intervention price, are of a technical/obsolete nature and will, therefore, not lead to any saving or new expenditures for the budget. The implementation of the single rate of aid for school milk does not change the total financial envelope for the scheme.