Basic information

2003/0012(CNS) CNS - Consultation procedure Regulation	Procedure completed
Common agricultural policy CAP, reform: milk and milk products, introduction of a levy Amended by 2004/0253(CNS) Amended by 2006/0108(CNS) **Subject** 3.10.05.02 Milk and dairy products 3.10.15 Agricultural production, farm surpluses, shortages and quotas, non-marketing premiums	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
AGRI Agriculture and Rural Development	JEGGLE Elisabeth (PPE-DE)	23/01/2003

Committee for opinion	Rapporteur for opinion	Appointed
BUDG Budgets	HERRANZ GARCÍA Esther (PPE-DE)	28/01/2003

Council of the European Union

Council configuration	Meetings	Date
Agriculture and Fisheries	2516	2003-06-25
Agriculture and Fisheries	2528	2003-09-29
Agriculture and Fisheries	2481	2003-01-27

European Commission

Commission DG	Commissioner
Agriculture and Rural Development	

Key events

Date	Event	Reference	Summary
21/01/2003	Legislative proposal published	COM(2003)0023	Summary
27/01/2003	Debate in Council		

13/02/2003	Committee referral announced in Parliament		
20/05/2003	Vote in committee		Summary
20/05/2003	Committee report tabled for plenary, 1st reading/single reading	A5-0177/2003	
03/06/2003	Debate in Parliament		
05/06/2003	Decision by Parliament	T5-0261/2003	Summary
29/09/2003	Act adopted by Council after consultation of Parliament		
29/09/2003	End of procedure in Parliament		
21/10/2003	Final act published in Official Journal		

Technical information

Procedure reference	2003/0012(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Regulation
Amendments and repeals	Amended by 2004/0253(CNS) Amended by 2006/0108(CNS)
Legal basis	EC Treaty (after Amsterdam) EC 037
Stage reached in procedure	Procedure completed
Committee dossier	AGRI/5/19129

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, 1st reading/single reading		A5-0177/2003	20/05/2003	
Text adopted by Parliament, 1st reading/single reading		T5-0261/2003 OJ C 068 18.03.2004, p. 0333-0577 E	05/06/2003	Summary

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2003)0023	21/01/2003	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	CES0586/2003 OJ C 208 03.09.2003, p. 0045-0049	14/05/2003	

CofR	Committee of the Regions: opinion	CDR0066/2003 OJ C 256 24.10.2003, p. 0018-0023	02/07/2003	

Additional information		
Source	**Document**	**Date**
European Commission	EUR-Lex	

Final act	
Regulation 2003/1788 OJ L 270 21.10.2003, p. 0123-0136	Summary
Corrigendum to final act 32003R1788R(03) OJ L 110 22.04.2008, p. 0016	
Corrigendum to final act 32003R1788R(01) OJ L 094 31.03.2004, p. 0071	

Common agricultural policy CAP, reform: milk and milk products, introduction of a levy

2003/0012(CNS) - 05/06/2003 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted a resolution drafted by Elisabeth JEGGLE (EPP-ED, Germany) and made some amendments to the Commission's proposal. (Please see the summary of 20/05/03). Parliament specified that the increases in reference quantities provided for as of the 2005/2006 marketing year would come into effect only if the situation of the milk and milk-products market were favourable. The level of public stocks of butter and skimmed-milk powder must not exceed a limit to be determined. The decision in this regard shall be taken at the latest two months before the beginning of each of the marketing years concerned. Parliament also stated that only widespread milk production would continue to ensure extensive agricultural land use, particularly in grassland and disadvantaged areas. Extensive agricultural land use was the only way of preventing the formation of steppe, woodland and scrub, as well as the rural exodus. The milk quota system should be maintained until 2015, because this would allow an adequate balance to be maintained on the milk market and would enable the income of producers to be stabilised. Moves to adjust the size of national quotas should be carefully assessed after the Agenda 2000 decisions have been implemented in their entirety.

Common agricultural policy CAP, reform: milk and milk products, introduction of a levy

2003/0012(CNS) - 29/09/2003 - Final act

PURPOSE : to establish a levy in the milk and milk products sector and to repeal Regulation 3950/92/EC. LEGISLATIVE ACT : Council Regulation 1788/2003/EC establishing a levy in the milk and milk products sector. CONTENT : the Council formally adopted the Regulations on reform of the Common Agricultural Policy, without debate and by a qualified majority, the Portuguese delegation voting against the "horizontal" Regulation and the Regulation establishing a levy in the milk and milk products sector. Statements by the Council, Belgium, France, the Netherlands, Luxembourg, Austria, Finland, the United Kingdom, Portugal (giving reasons for voting against) and the Commission are appended to the legal texts adopted. Initially based on principles (Articles 32 to 38 of the Treaty) intended to ensure self-sufficiency in food for the European Community by increasing agricultural productivity, to guarantee a high income to farmers, to stabilise markets and to provide agricultural products at a reasonable price to consumers, the reformed CAP henceforth introduces a new key element, a pillar of the reform, which is the partial decoupling of production-related aid, based on a reference period (2000-2002); it now makes payment of such aid conditional on compliance with rules on the environment, animal welfare, hygiene standards and preservation of the countryside. The key elements of the new, reformed CAP in a nutshell: - a single farm payment for EU farmers, independent from production; limited coupled elements may be maintained to avoid abandonment of production, - this payment will be linked to the respect of environmental, food safety, animal and plant health and animal welfare standards, as well as the requirement to keep all farmland in good agricultural and environmental condition ("cross-compliance"), - a strengthened rural development policy with more EU money, new measures to promote the environment, quality and animal welfare and to help farmers to meet EU production standards starting in 2005, - a reduction in direct payments ("modulation") for bigger farms to finance the new rural development policy, - a mechanism for financial discipline to ensure that the farm

budget fixed until 2013 is not overshot, - revisions to the market policy of the CAP: - asymmetric price cuts in the milk sector: The intervention price for butter will be reduced by 25% over four years, which is an additional price cut of 10% compared to Agenda 2000, for skimmed milk powder a 15% reduction over three years, as agreed in Agenda 2000, is retained, - reduction of the monthly increments in the cereals sector by half, the current intervention price will be maintained, - reforms in the rice, durum wheat, nuts, starch potatoes and dried fodder sectors. - Milk products : the Council decided the prolongation of a reformed dairy quota system until the 2014/15 campaign. The Council decided on asymmetric price cuts in the milk sector. The intervention price for butter will be reduced by 25% (-7% in 2004, 2005, 2006 and -4% in 2007), which is a additional price cut of 10% compared to Agenda 2000. For skimmed milk powder prices will be cut by 15% (in 5% steps over three years from 2004to 2006), as agreed in Agenda 2000. Intervention purchases of butter will be suspended above a limit of 70 000 tonnes in 2004 and falling to 30 000 from 2007. Above that limit, purchases may be carried out under a tender procedure. The target price for milk will be abolished. The compensation is fixed as follows: EUR 11.81/t in 2004, EUR 23.65 in 2005 and EUR 35.5 from 2006 onwards. The single farm payment will only apply in the dairy sector once the reform is fully implemented, unless Member States decide to introduce it earlier. The Council decided to increase the milk quotas for Greece (+120 000t) and on a temporary exemption for the Azores regarding milk quota implementation of 73 000t in 2003/2004, 61 500t in 2004/2005 and 50 000t from 2005/2006 onwards. ENTRY INTO FORCE : 28/10/03.

Common agricultural policy CAP, reform: milk and milk products, introduction of a levy

2003/0012(CNS) - 21/01/2003 - Legislative proposal

PURPOSE : to establish a levy in the milk and milk products sector and to repeal Regulation 3950/92/EC. CONTENT : for 11 consecutive periods of twelve months commencing on 1 April 2004, a levy is proposed on quantities of cow's milk and other milk products marketed during the twelve-month period concerned in excess of the quantities fixed in Annex I to the draft Regulation. The main purpose is to reduce the imbalance between supply and demand on the milk d milk-products market and achieve better market equilibrium. The levy is set at 115% of the target price for milk. (Please refer to CNS/2003/0011). Before 1 September following the twelve-month period concerned, the Member States will pay the EAGGF a sum equivalent to the levy calculated on every overrun of the reference quantities set out in Annex I, taking account of the reference fat content fixed in Annex II of the draft Regulation. The levy will be entirely allocated among the producers who have contributed to the overruns in line with the individual reference quantities provided for in this proposal. Producers may have either one or two reference quantities, one for deliveries and the other for sales. Quantities may be transferred from one reference quantity to the other only by the competent authority of the Member State, at the duly justified request of the producer.