

LP(12)9585:1

**MINUTES OF COPA-COGECA WORKING PARTY ON MILK AND DAIRY PRODUCTS,
12/12/12**

PRESENT: RAYMOND, SCHMIDT, NEU, SCHLUTER, BORGER, VANDEPOEL, MATOUSEK, KUCERA, STEFANIKOVA, PRANAUSKAS, DREIJERE, GKOUILIADITI, VARGA, PODMILJSK, BASTO, CARDOSO, SARON, ISOMAA, KILPELAINEN, JOHANSSON, DAVIES, HOYER, NIELSEN, LASCURETTES, MULVIHILL, FLANAGAN, LOYER, ROQUEFEUIL, DEBES, HUMBERT, MARTIN, THURNER, ABRATE, QUADRO, SISINNI, FERNANDEZ AGUSTIN, CORBALAN, SMIGIELSKA, MONTAIGU, KICINSKI, SANTALLA AGRA

SECRETARIAT: AZEVEDO, BENITES, DERRIEN, DI RUBBO, MATTHEWS, GYORFFY

The agenda and the minutes were approved by the group.

2. Approval of the work programme for the Copa-Cogeca Working Party on Milk and Dairy Products

The Chairman introduced the work programme [LP\(12\)8995 \(rev.1\)](#) which the group approved.

FI: with the new study launched by the Commission, it would be good to have a seminar on how to maintain production in risk areas.

The Chairman mentioned that a seminar on milk package and production in risk zones would be investigated.

3. Market situation, prospects and management

The Chairman underlined that the market is still going through difficult times, a lot of cows being sold because of lack of feed stocks in UK.

A majority of delegations underlined that prices have slightly increased but that production costs are extremely high which deteriorated the margins and made the production going down in some countries, or farmers simply quitting dairy farming (SK). Consumption remains stable or has slightly fallen (ES).

DK: coops are expected to pay an additional payment. FI: no problems with exports to Russia. FR: farmers switching to cereal production as it's more profitable. Pressure on retailers to get a better price or to fix certain conditions for payments has given results in UK, BE, DE, PT. BE: more visibility regarding milk package and other actions. AT: the pressure from retail side is high. IT: maize used for biogas, but livestock sector is suffering because of this competition. DK, AT, PL announced quota exceeding. LV is closed to quota filling. LT: very good cereals yield.

The Chairman underlined that farmers are squeezed by high production costs, therefore information on production costs, prices and production is vital. The work done in several countries to put pressure on retailers has given results and this should continue.

4. The revision of the CAP – state of play at Council and EP level

Shelby Matthews from the Secretariat gave an update on this subject [PR\(12\)8500 \(rev.1\)](#). She underlined that the crisis reserve was proposed outside the CAP budget by the COM but that following the Van Rompuy's proposal it is back in. European Council won't discuss the budget in December but on 7-8.02.2013. On MFF, there is no co-decision, but there is a need for unanimity, EP can veto still. Meanwhile, the European Parliament is working on compromise amendments which will be voted on 23.01 but there is a possibility that the vote is postponed. The Commissioner is pushing for a decision by at the latest June next year. Copa-Cogeca is pressing to have an agreement to give farmers more certainty on the outlook. No agreement is worse. Copa-Cogeca intends to hold a formal action day, possibly on 28.01. The members were advised to lobby their own governments. Camelia Gyorffy presented the main compromise amendments (all can be found on Agri-Info under section CAP) by advising members to lobby their own MEPs for having mandatory private storage aid for butter.

The Chairman asked about internal flat rate and the negotiation position of the Commissioner.

The Secretariat replied that the Commissioner insisted very much on greening to get the budget approved within the College of Commissioners. Internal convergence will be applied between 2015-2020.

BE: for an agreement in 2013, do we accept a reduction in the budget? LT: will a budget increase in greening help keep the budget? DE: what are the implications for Single CMO? FR: CAP budget must be maintained. Internal convergence is problematic for the dairy sector, there is a need to ask for delays. DK: a typical dairy farm will lose 35% of CAP payments in DK because of the internal convergence. Need more than a longer term. The inclusion of national certification scheme into greening would be beneficial. Against supply management which will not work. Major concern is the current proposal on making private storage aid for butter optional. FR, ES, BE asked for more action on the livestock sector. UK: farmers need to be treated fairly, calls for an increase in the budget. DE: against supply management included in the crisis management compromise amendment. LT: decoupling payments was wrong. FI: measures against severe imbalances might be useful but the % is high.

The Secretariat mentioned that there might be a one year delay. An increase in greening is out of question. Copa-Cogeca calls for a strong budget, supports greening but not as proposed by the COM. The discussion is on the reduction of Pillar 1 and 2, therefore also the Single CMO could be affected. On internal convergence, Copa-Cogeca does not support front-loading but a progressive convergence, the possibility that MS apply greening on individual level. The Commissioner is keen to look at more flexibility while keeping the timing, 2020. EP is trying to ensure that no farmer will receive more than 30% cut at the end of the period because of the internal convergence.

The Chairman underlined the need to keep lobbying while respecting Copa-Cogeca line. Greening measures are detrimental to dairy farmers as well as internal convergence. On the measures to address severe market imbalances, the discussion during the previous working party revealed that a majority was against this measure. There is a need to lobby MEPs in order to obtain a mandatory private storage aid for butter.

5. Promotion measures and information provision for agricultural products

Cynthia Benites from the Secretariat presented this point by underlining that each sector has to define its priorities, also in relation to third countries. She also informed that the promotion programme of the European Milk Forum was adopted in November.

DE: animal welfare should also be referred at.

The Chairman underlined the importance of contributing on this point.

6. Information on the state of play of the EU negotiations on bilateral agreements (particularly on Canada and USA)

Daniel Azevedo from the Secretariat presented this point [BILAT\(12\)9106 \(rev.1\)](#), [BILAT\(12\)9094 \(rev.1\)](#).

DK: in case of US, implementation of US food safety act is a challenge.

7. Trade barriers: Norway

Daniel Azevedo from the Secretariat informed about the decision of Norway to switch to ad-valorem duties for cheese in order to boost competitiveness of national production. The COM will start legal actions if Norway does not take out these measures.

8. Implementing rules on mandatory labelling of origin for milk and milk used as an ingredient in dairy products – state of play

Christophe Derrien from the Secretariat presented this point [DA\(12\)1737 \(rev.2\)](#) by underlining that work is supposed to start in spring/summer.

9. Recent developments on antimicrobial resistance at EU level

10. Implementation of the new action plan on animal welfare 2012-2015: ongoing activities at the Commission and Copa-Cogeca's level

11. Recent developments on the new animal health law and the revision of the veterinary fund

Pasquale di Rubbo presented these points. The COM wants to have clear information about the quantity of antibiotics used per species on farm. DK, NL already have a national database available. Antimicrobials refer to antivirals not only to antibiotics.

In March 2013, the Commission will present the new legislative package on Animal Health Law which will refer to biosecurity and other requests which will be imposed on farmers. On Veterinary Fund, 300 million Euros will be allocated. Co-financing will increase from 50% to 60%, sometimes 90% or even 100%.

Animal welfare legislation focuses on all animal species even those which do not have separate legislation. There is a pressure from certain NGOs to introduce specific legislation on dairy cows. The COM has launched the impact assessment and consultation on welfare indicators used on farm and the cost-benefit approach. The members were invited to send to the Secretariat information on this.

13. Preparation for the meeting of the Advisory Group on Milk, 12/12/12, afternoon

Mr Raymond introduced his presentation which he would give on the conclusions of the Seminar on the implementation of the “milk package” and Mr Abrate his speech on the value added which the cooperatives bring to farmers.

The Chairman concluded the meeting by thanking the participants and the interpreters.