

LP(13)4537:1

**MINUTES OF COPA-COGECA WORKING PARTY ON MILK AND DAIRY PRODUCTS
ON 05/03/2013**

PRESENT: RAYMOND (Chairman), ABRATE, KILPELAINEN, OSINGA, POFFERI, QUADRO, CORNELLA, NEWBERY, ADDISON, ISOMAA, MANNINEN, CARDOSO, BASTO, SMIGIELSKA, MONTAIGU, FERNANDEZ AGUSTIN, DE ANTONIO, CORBALAN, SANTALLA, MEZZOGORI, MARTIN, HUMBERT, LEVRON, ROQUEFEUIL, NEU, SCHLUTER, LASCURETTES, KIERSEY, NIELSEN, FLANAGAN, THURNER, HOYER, VARGA, MULVIHILL

SECRETARIAT: RUNGE, GOUVEIA, ANDUGAR, DI RUBBO, GYORFFY

SUMMARY AND CONCLUSIONS:

Item 1: Adoption of the agenda and approval of the minutes of the previous meeting

→ The group adopted the agenda [LP\(13\)507 \(rev.1\)](#) and approved the minutes of the previous meeting [LP\(12\)9585 \(rev.1\)](#).

Item 2.1: Elections for the Chairmanship of the Advisory Group on Milk

→ The Chairman informed the group about the candidates: EUCOLAIT: Jack Baines for Chairman position. Copa-Cogeca: Mr Abrate for Vice-chairman and EDA: Mr Michel Nalet for Vice-chairman.

Item 2.2: Market situation, prospects and management

→ The Chairman gave the floor to the members. A majority of delegations underlined a stability in milk prices, an increase in production costs or difficult weather. SK mentioned the bad quality of feed. DK exceeded the quota level, PL, LV, IT, NL are close to the quota level. In FI, competition authorities forced the retailers to increase the price of fresh milk. In SE, the largest retail chain has produced its own branded milk. In the NL, in cooperation with NZ Fonterra, two dairies will start operating on the market from 2014. GM free milk was mentioned by the Italian expert.

The Chairman concluded that the market situation looks better than last year but there is a massive increase in production costs which makes milk supply reduce. Hopes for an increase in prices driven by good demand.

Item 2.3: The revision of the CAP – state of play at Council and EP level, information on MFF discussion

→ The Secretariat presented the point [PR\(13\)1294 \(rev.1\)](#), [NPN\(13\)979 \(rev.1\)](#), [NPN\(13\)1008 \(rev.2\)](#).

The Chairman informed the group about his meetings with the MEPs and the Commission representatives. In general, MEPs support the sector but they find certain aspects as problematic, particularly on intervention and reference prices.

A question on the scheme for the first 50 ha was asked. The Secretariat mentioned that MS may grant farmers a complementary payment to the basic payment scheme on the first 50ha of their farm. The French government proposed this so that aid is oriented more to livestock farms. The need for more clarity to farmers when it comes to 2014 was underlined.

Item 2.4: Information from the Commission on the study on the future of the dairy sector

→ The Secretariat presented the [Commission study](#) and the draft document on the future dairy policy [LP\(13\)1611 \(rev.1\)](#).

IE, DK, ES, AT, Coop de France, NL have strong reservations about the compensation tool. FNPL, FR and FI support this approach. FI: crisis reserve should be used for the compensation tool.

The importance of market management tools and direct payments was underlined. Coops have a strategic role ensuring shorter supply chains, a link with traditional production in mountainous regions, providing added value to farmers. The dairy policy should ensure the competitiveness of dairy farmers.

POs are an effective tool in controlling supply, in helping farmers reduce their production costs. IE: Fixed price contracts could be explored. AT : The paragraph on mountainous areas should be reformulated. Coop de France: Income insurance should be regarded as margins insurance like in US. ASAJA, ES: Delete “severe” from the paragraph on export refunds, more emphasis on LFAs. NL: Add a paragraph on competitiveness and market orientation.

The Chairman concluded by the need to increase competitiveness of dairy farmers and ensure a sustainable production sector.

Item 2.5: Promotion measures and information provision for agricultural products – state of play

→ The Secretariat mentioned that there are no new developments on this subject.

Item 2.6: The School Milk Scheme: what future?

→ The Secretariat informed the group about the public consultation launched by the COM [COM\(13\)702 \(rev.1\)](#) and about the Advisory Group on School Schemes to Children on 15/03/2013.

There was a general agreement that the scheme helps children create healthy habits bringing them closer to milk producers. There is a need to increase the amount of aid, reduce the bureaucracy and involve the school canteens, nurseries. Coops are sometimes involved in organizing guided visits (IT). AT: questioned the purpose of the consultation. DE: synergies are not excluded.

The Chairman concluded by the need to make use of the framework in place since milk and dairy products are beneficial to children.

Item 2.7: The programme for most deprived: what future?

→ The Secretariat presented this point: no public intervention stocks available, most of foodstuff to be sourced from the open market, 2.5 billion for 2014-2020 are foreseen in MFF for this programme to be financed by European Social Fund (no longer the CAP budget). SK failed to implement the program last year and could not have access to it this year.

Item 2.8: Information on the state of play of the EU negotiations on bilateral agreements (particularly on Canada, India, USA, Mercosur)

→ The Secretariat presented this point [BILAT\(11\)4411 \(rev.6\)](#).

EU has offensive interests for dairy but has to defend its GI policy.

Item 2.9: High Level Forum for the functioning of the food chain - information on the achievement during the first mandate, priorities for the second one

→ The Secretariat presented this point [CAFI\(13\)1373 \(rev.1\)](#) and [NCN\(13\)818 \(rev.1\)](#). Copa-Cogeca could not accept the framework proposed by the High Level Forum. The Secretariat invited the members to send comments since the dairy sector is one of the affected sectors.

The Chairman concluded that the dairy sector needs a fair and balanced food chain.

Item 2.10: Information from the COM on upcoming Green paper on sustainable use of phosphorus

→ The Secretariat mentioned that the Commission hasn't released the Green Paper yet. The Phosphorus Conference will take place on March 6th, Copa-Cogeca leading a round table.

NL: In the EIP, the phosphorus is a priority. SE: Avoiding creating competitive disadvantage for a sector is important.

Item 3: Implementation of the new action plan on animal welfare 2012-2015: ongoing activities at the Commission and Copa-Cogeca's level

Item 4: New package on healthier animals and plants for a safer food chain

→ The Secretariat presented these points. A Conference will be organized by Copa-Cogeca jointly with the Irish Presidency in March 2013 on this package. Members should send comments on the documents which are in consultation.

The Chairman insisted on the need to follow closely these aspects.

Item 5: Information on the proposal for a Decision on accounting rules for LULUCF

→ The Secretariat presented this point [NEN\(13\)430 \(rev.1\)](#) and [NEN\(13\)4 \(rev.1\)](#).

Item 6: Any other business

→ Since no other points were introduced, the Chairman thanked the participants for attending, the interpreters for their work and closed the meeting.
