European Commission

Dairy Sector in a Non-quota Environment

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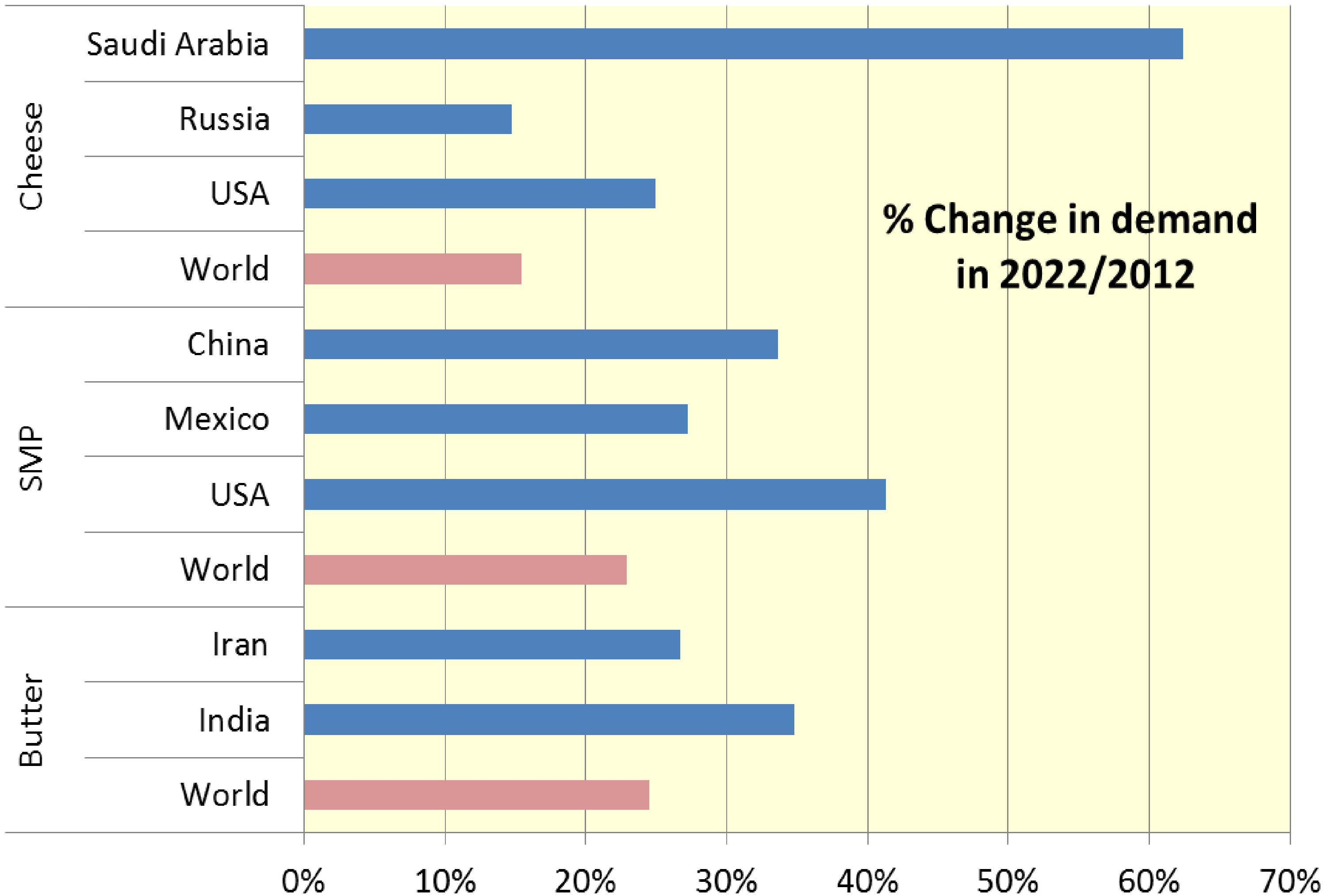
Agriculture and Rural Development

1. **International competitiveness**
2. Internal market
3. Milk Package
4. CAP 2020
5. Milk Conference

Increasing demand: The main driver in the dairy outlook



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EU dairy exports (in 1 000 t)

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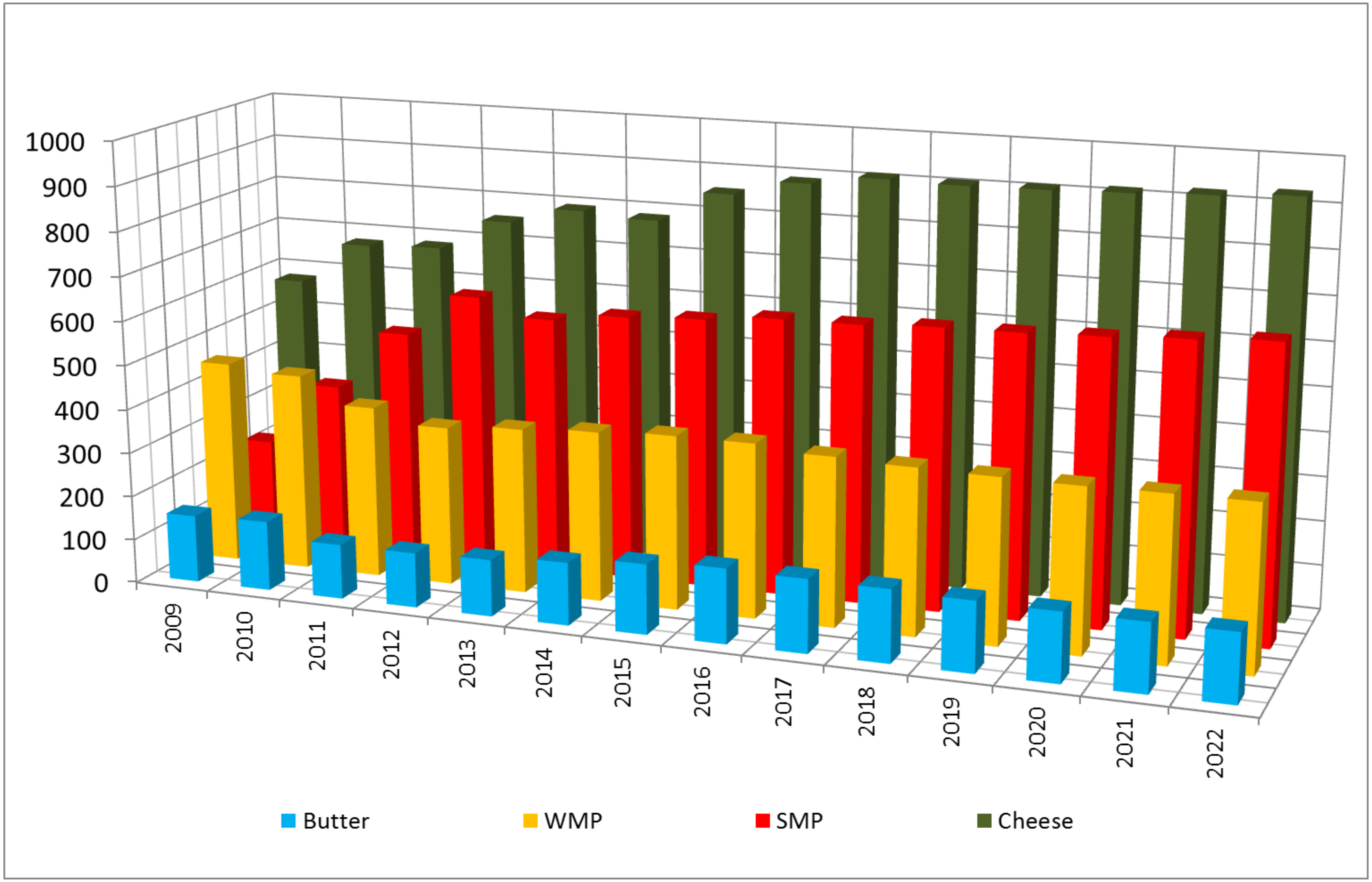
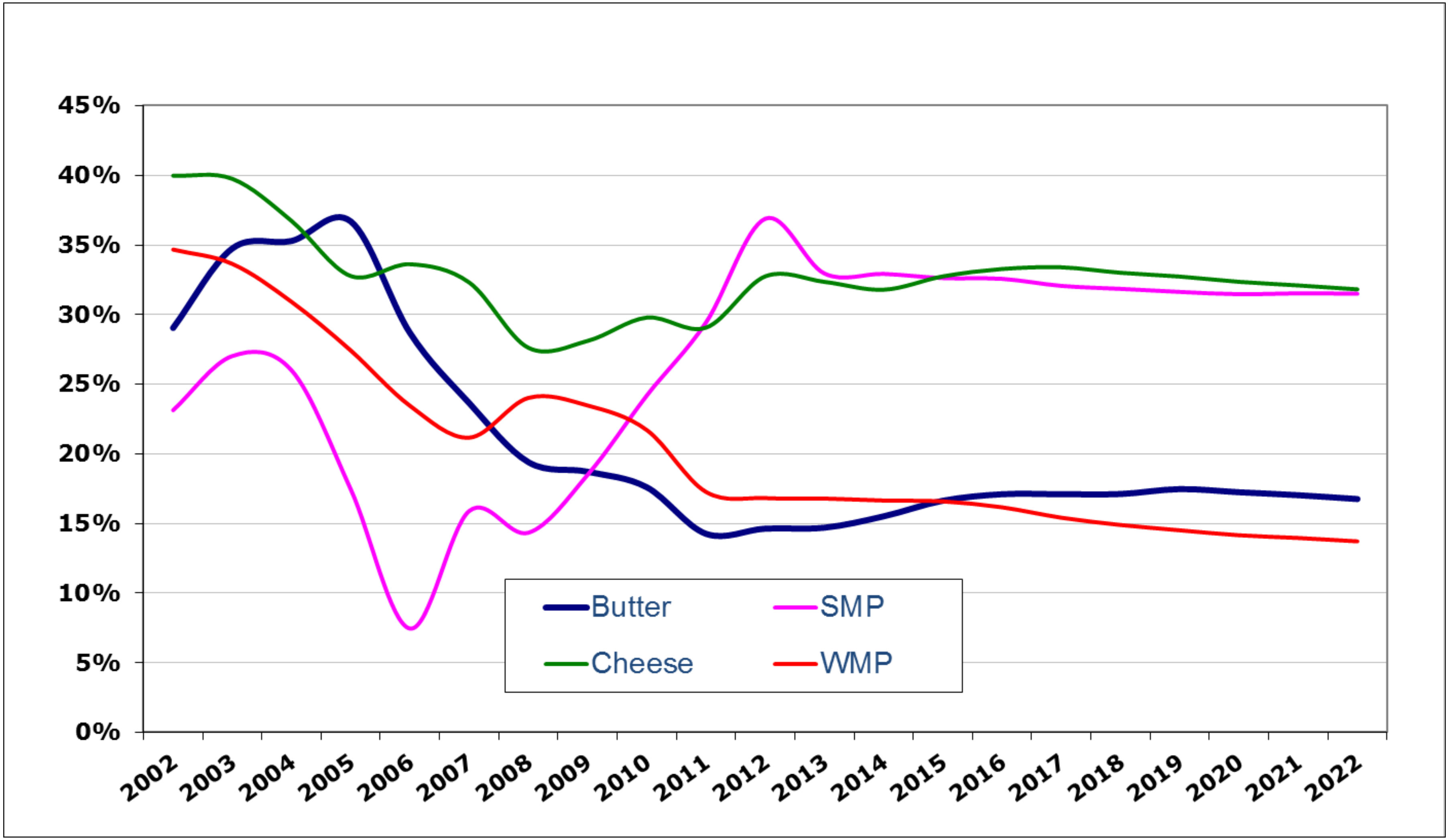
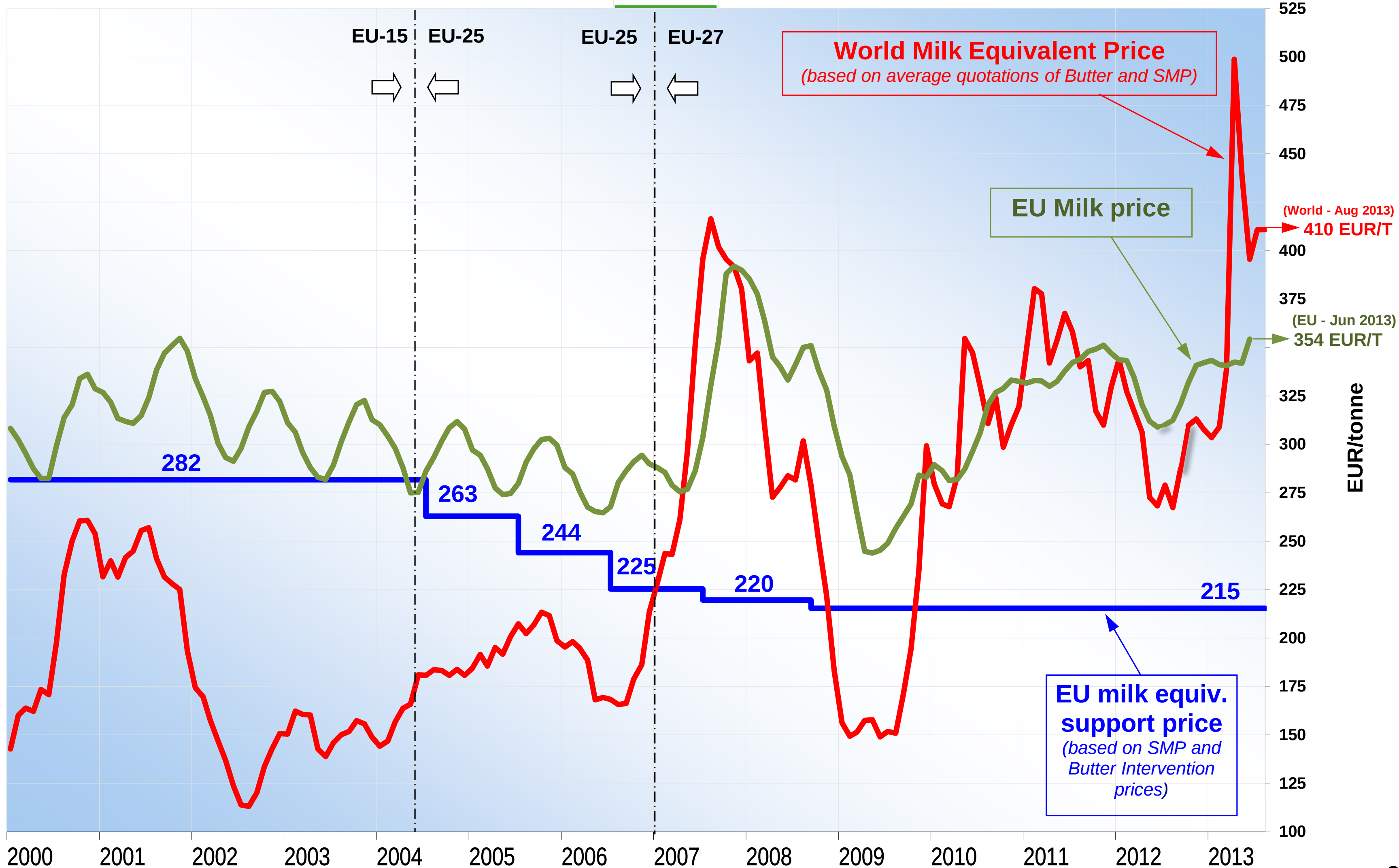


EU world market share



EU competitiveness - Milk



EU competitiveness - Wheat

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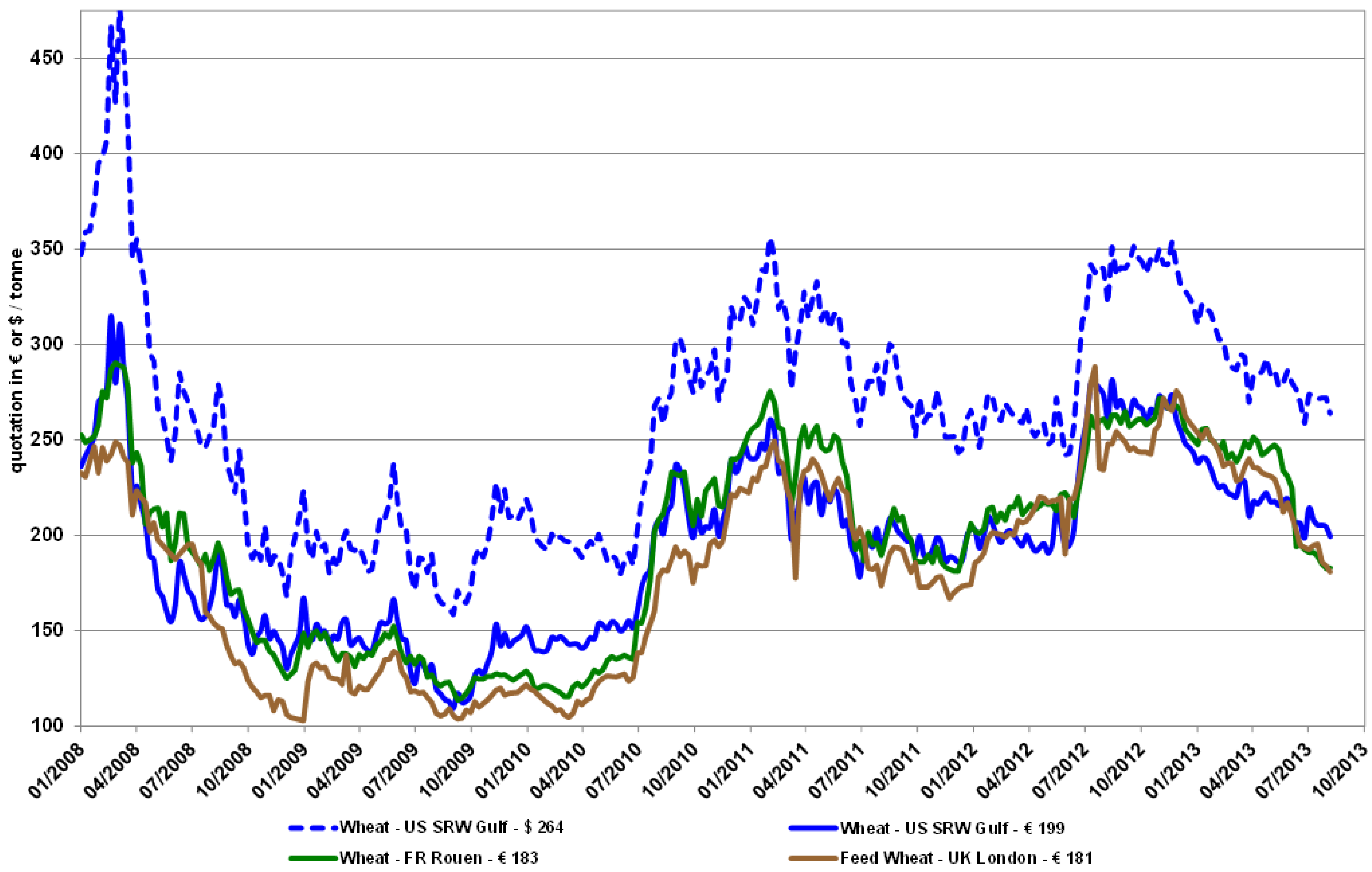

EU competitiveness - Maize

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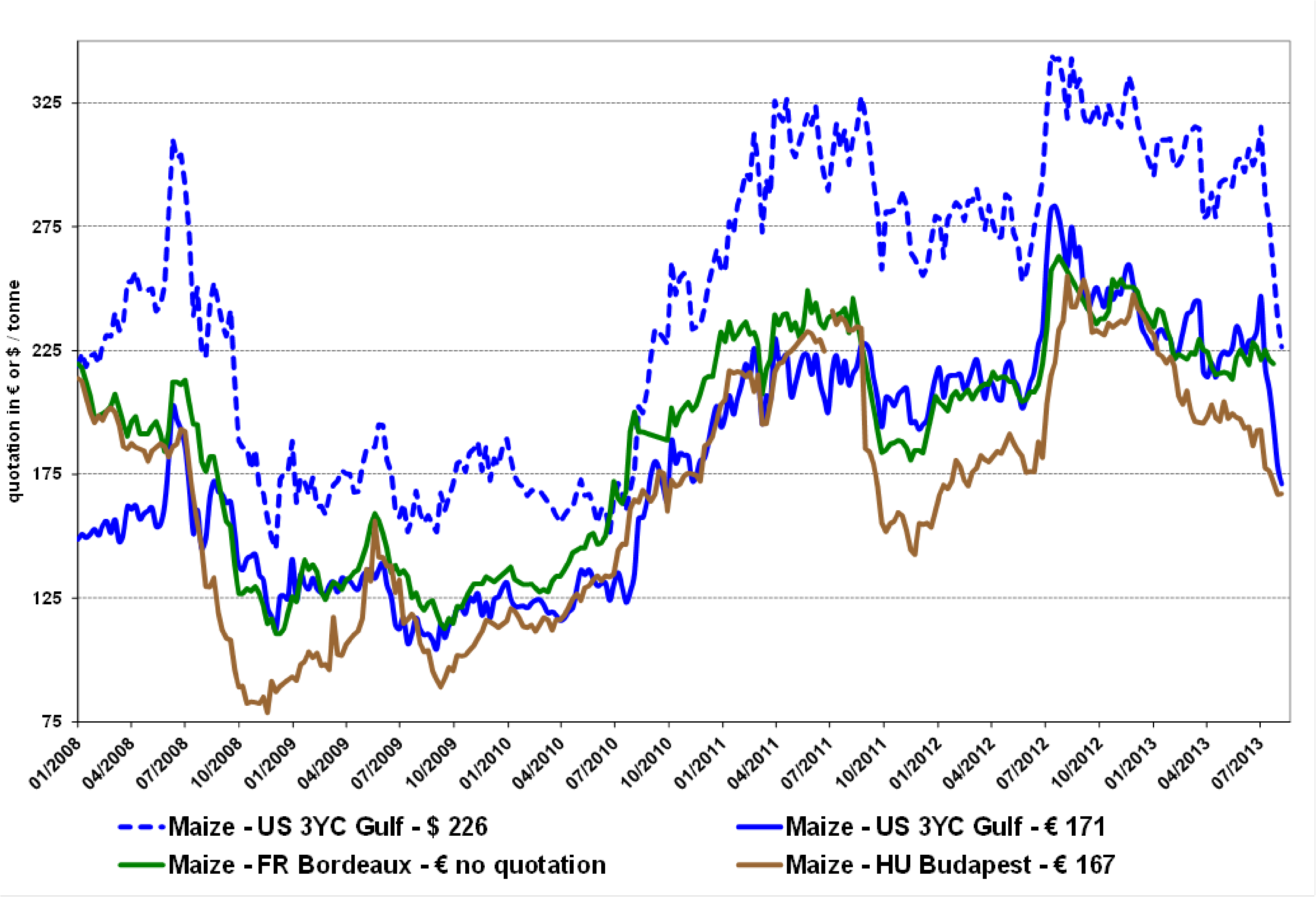

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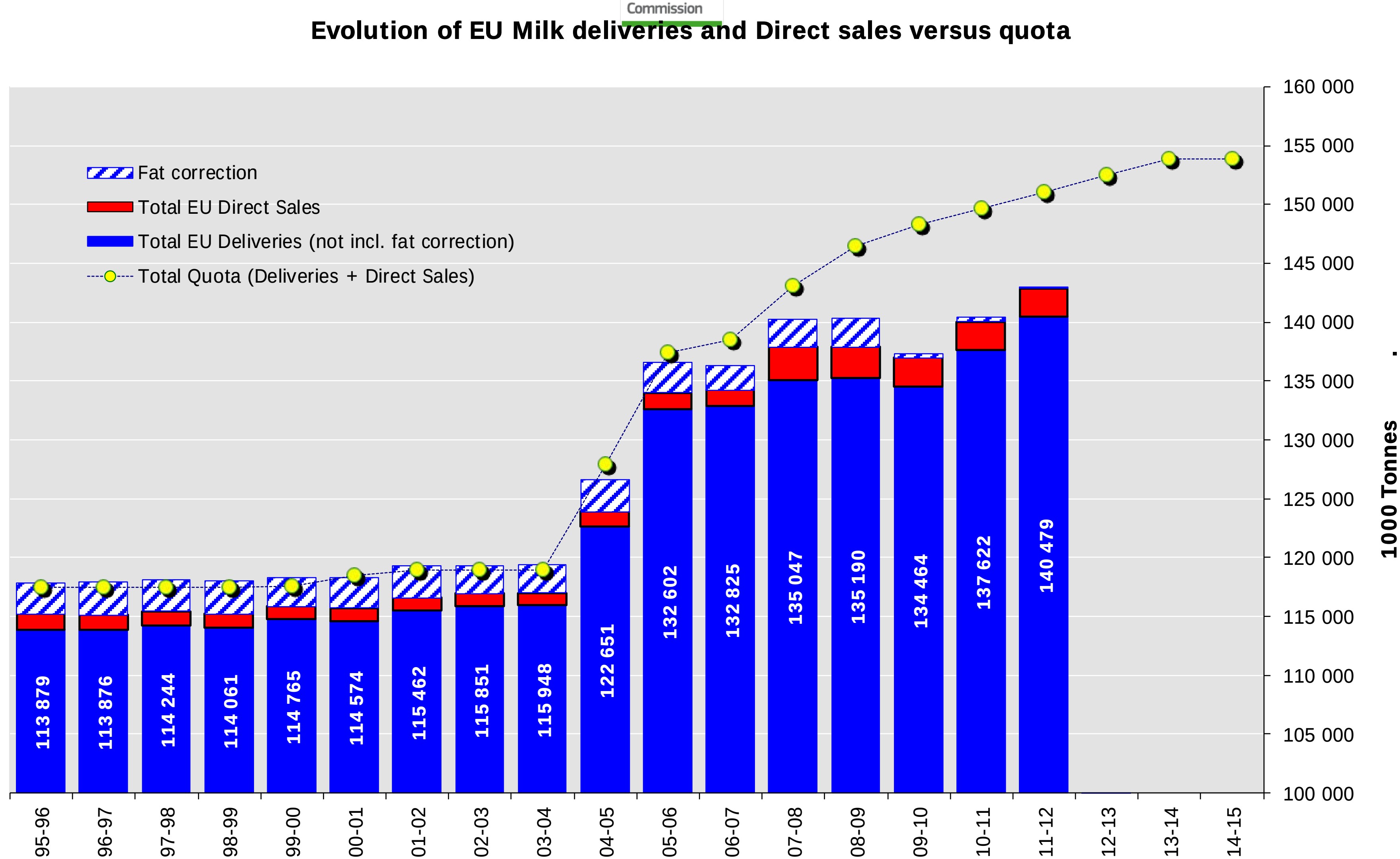
Milk production below quota



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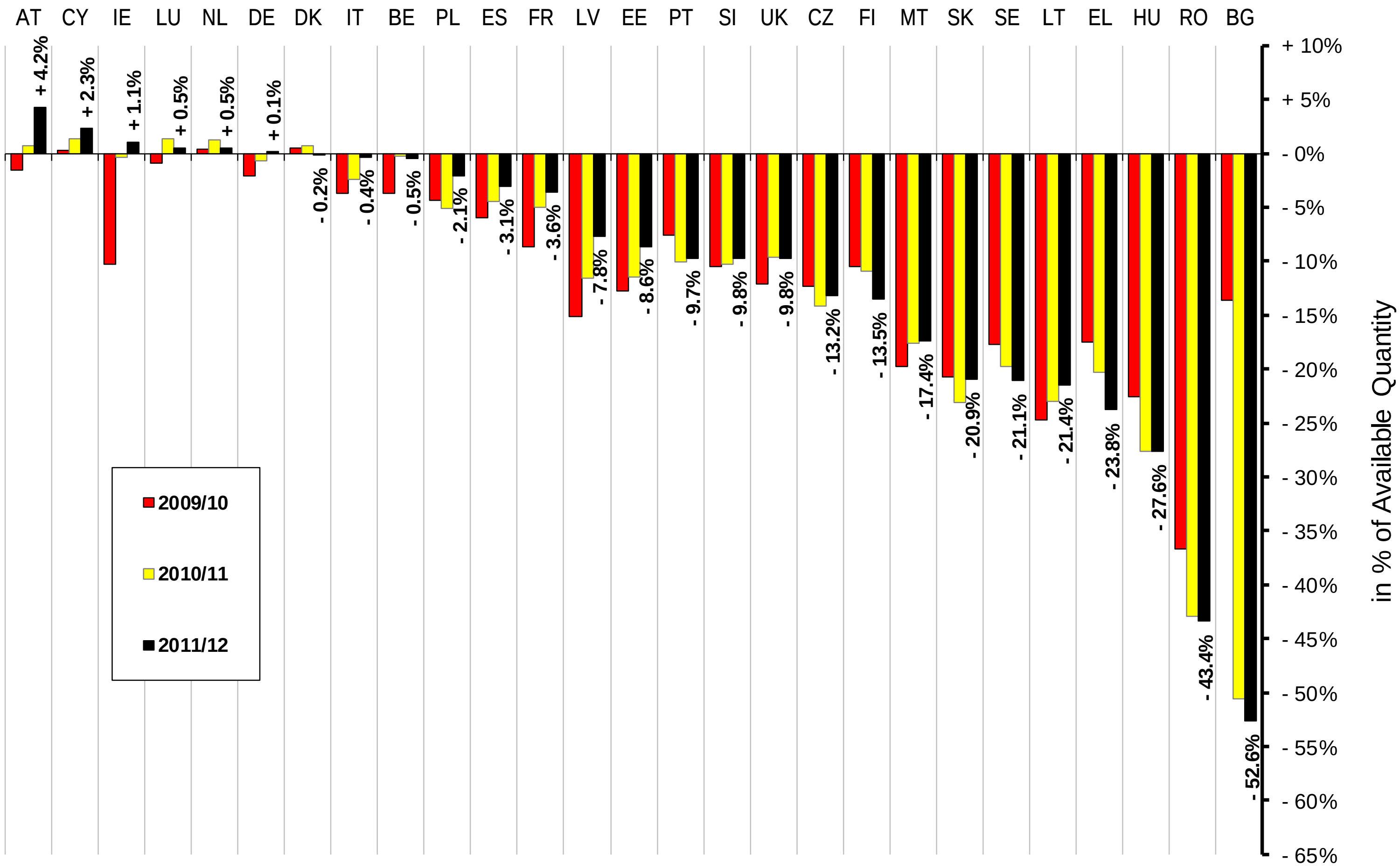
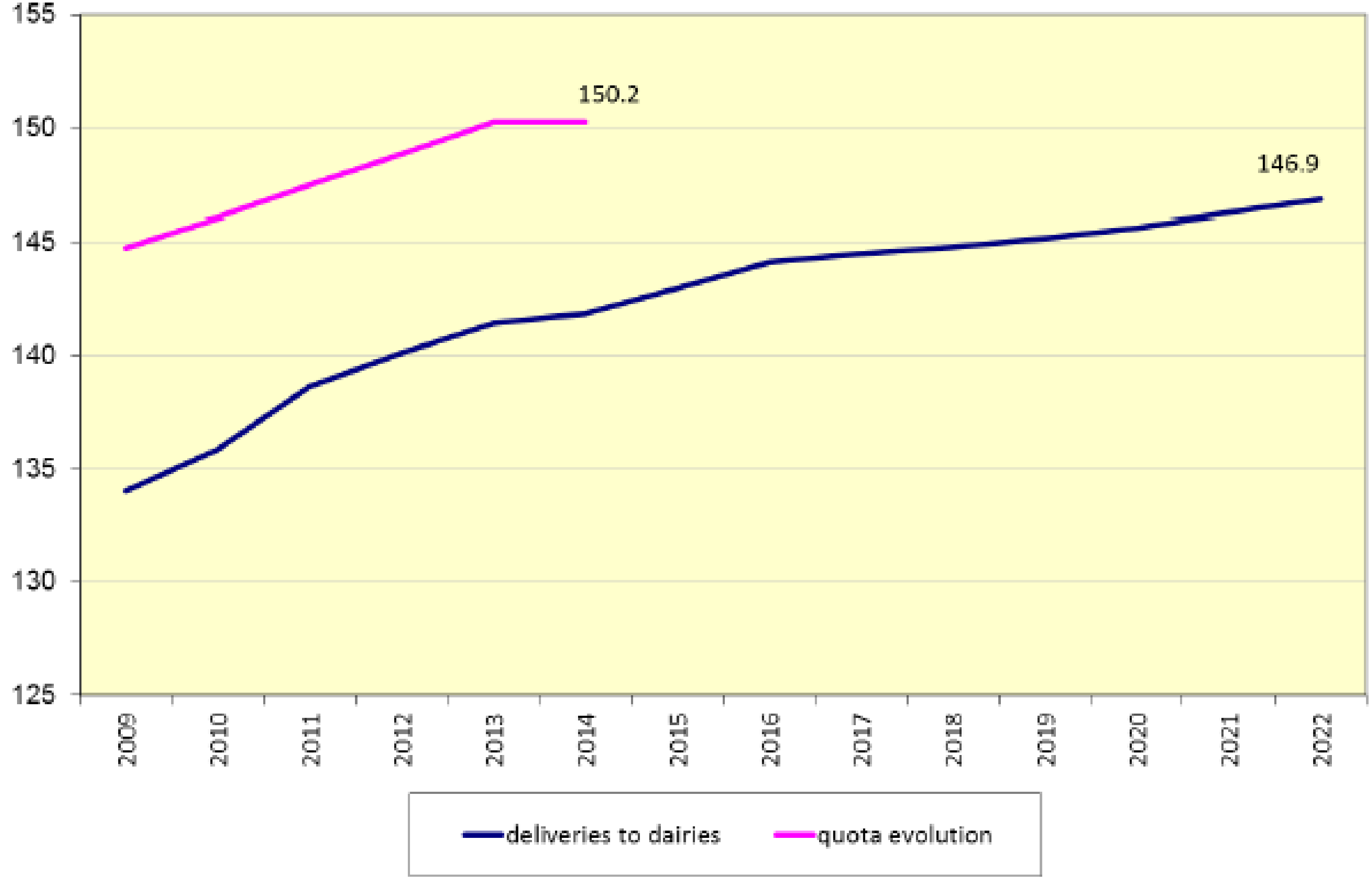
Milk production versus quota in the various MS

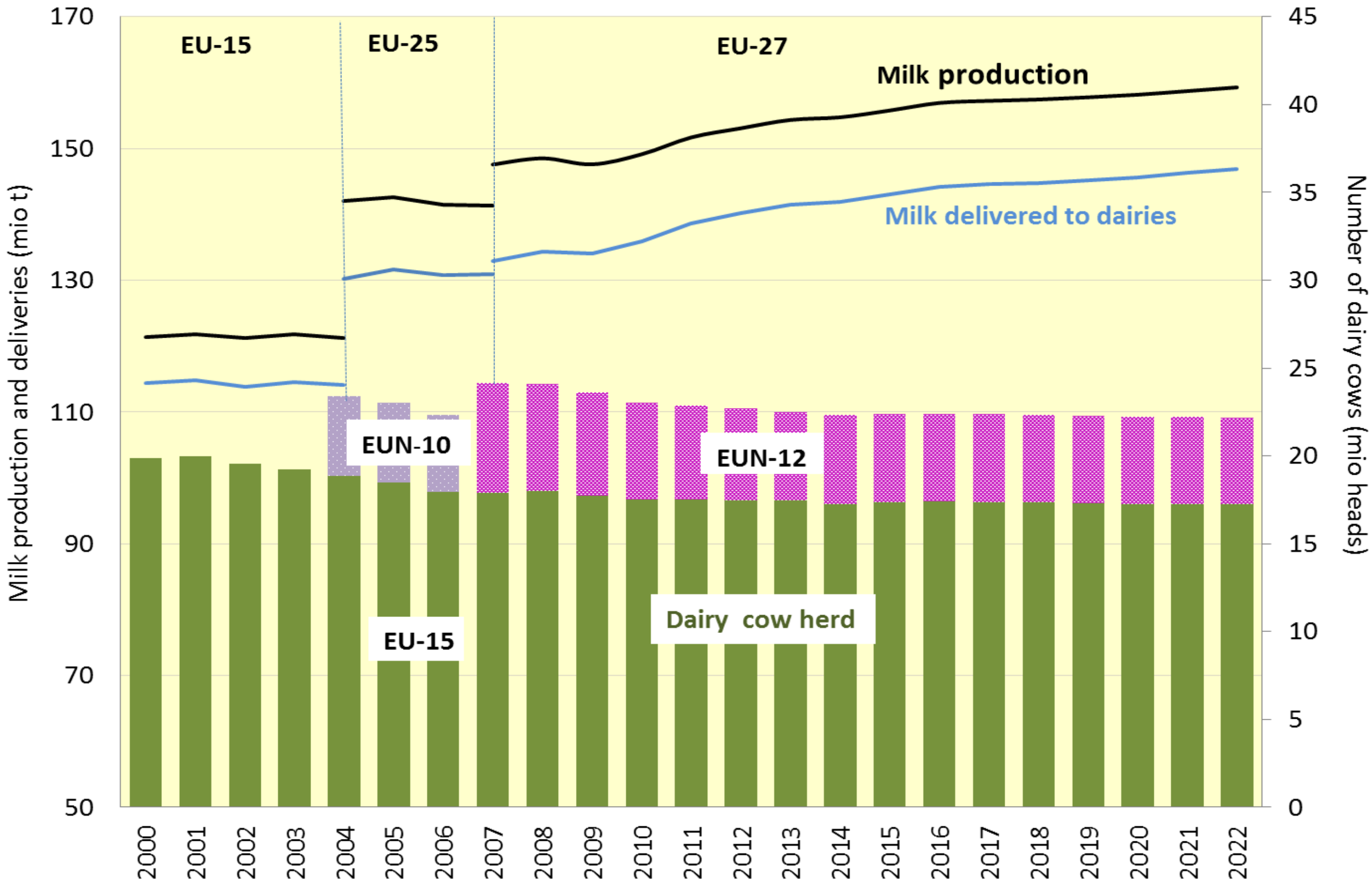
EU Deliveries Overshoot/Under use *(in % of quota)*



Milk production prospects versus quota



EU milk production



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Cheese prospects

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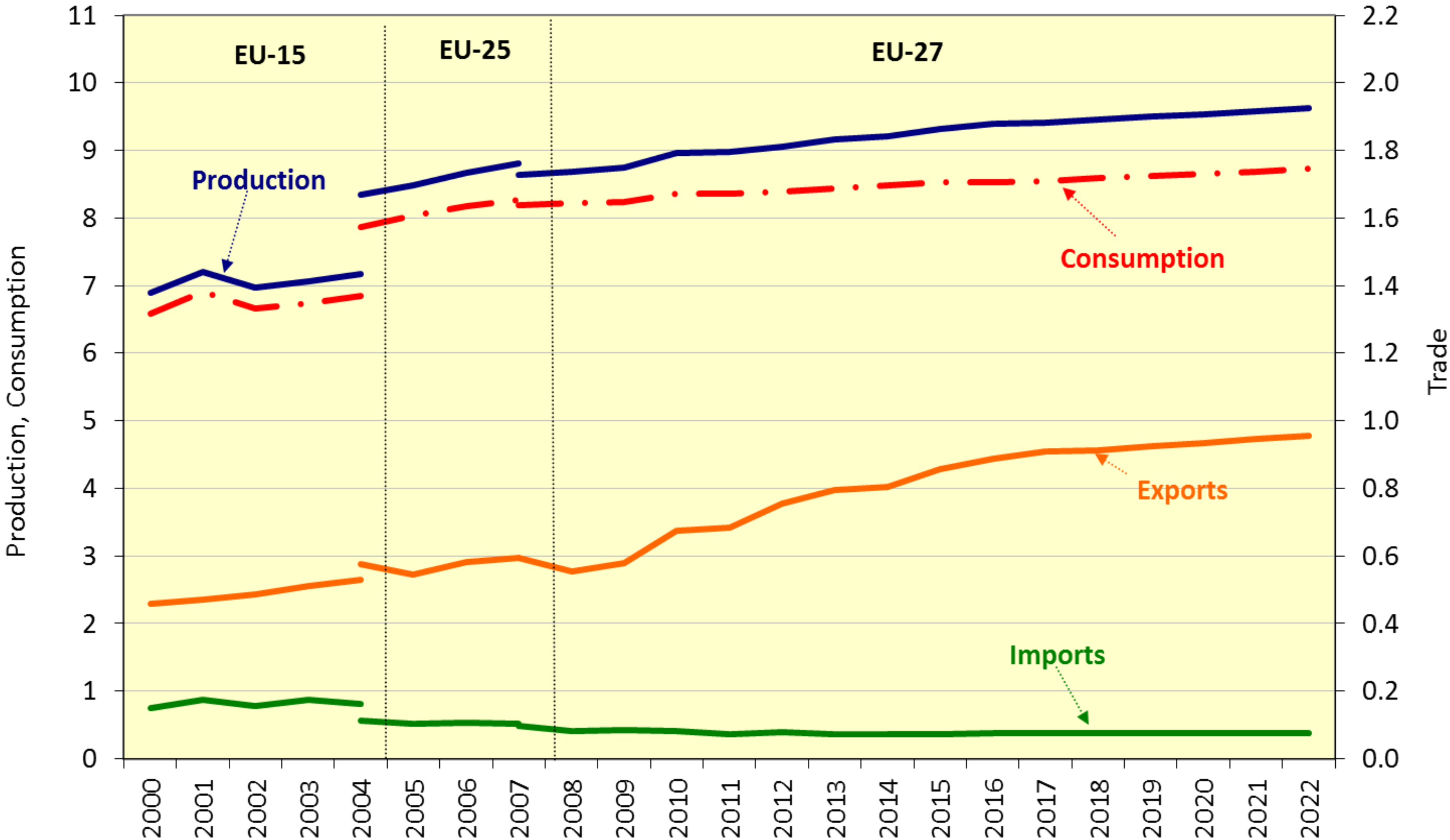

SMP prospects

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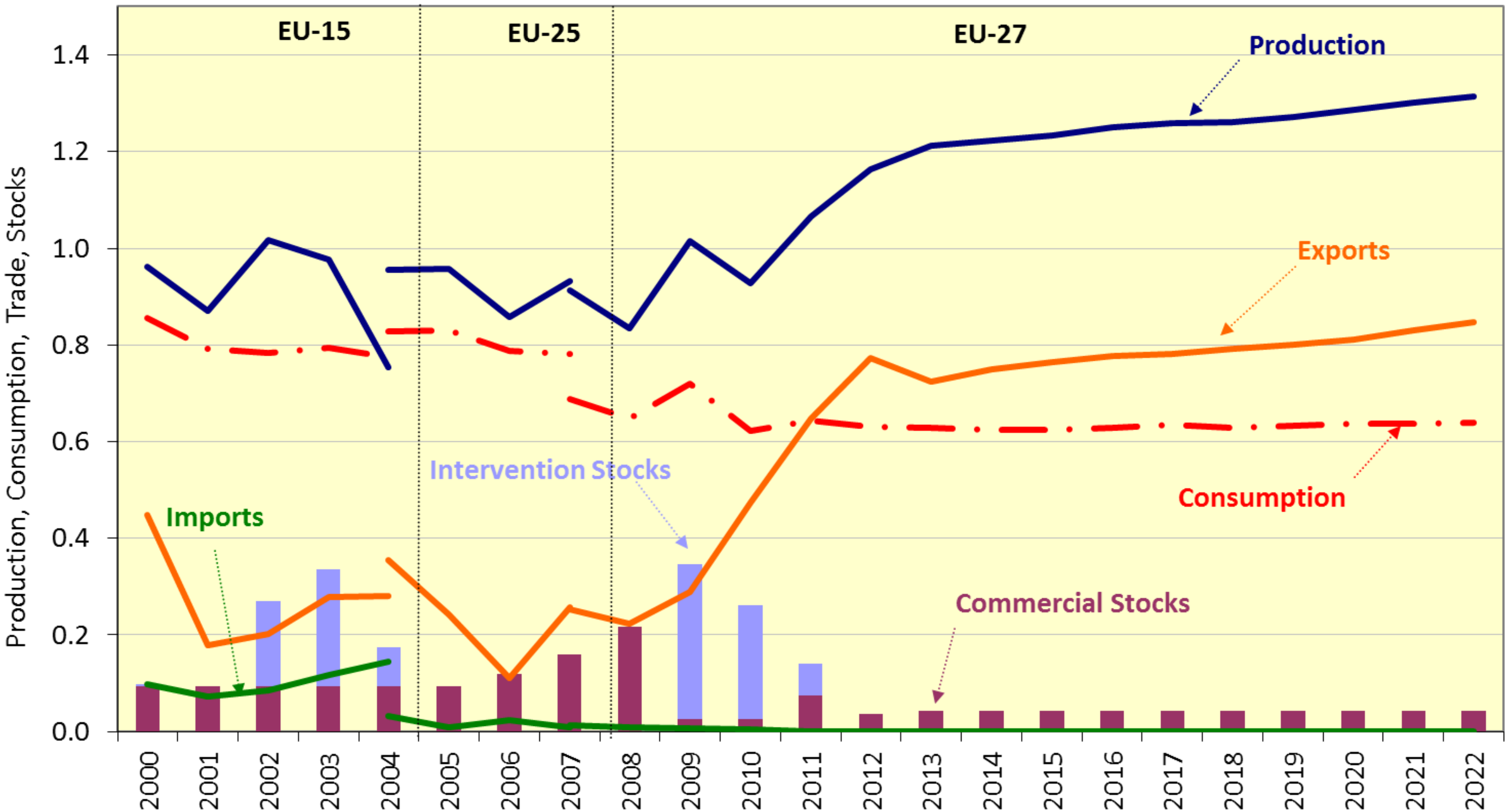

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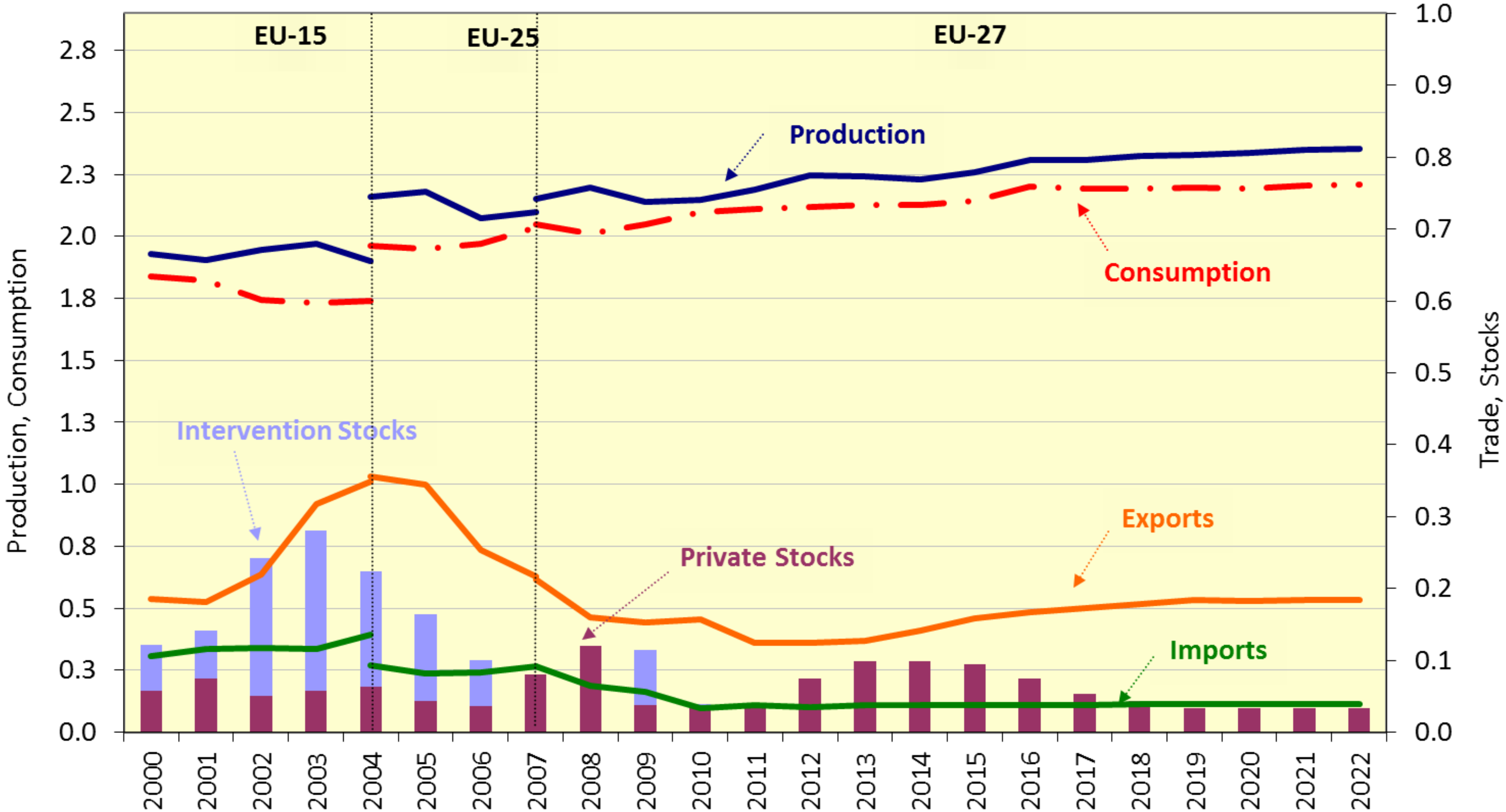
Butter prospects



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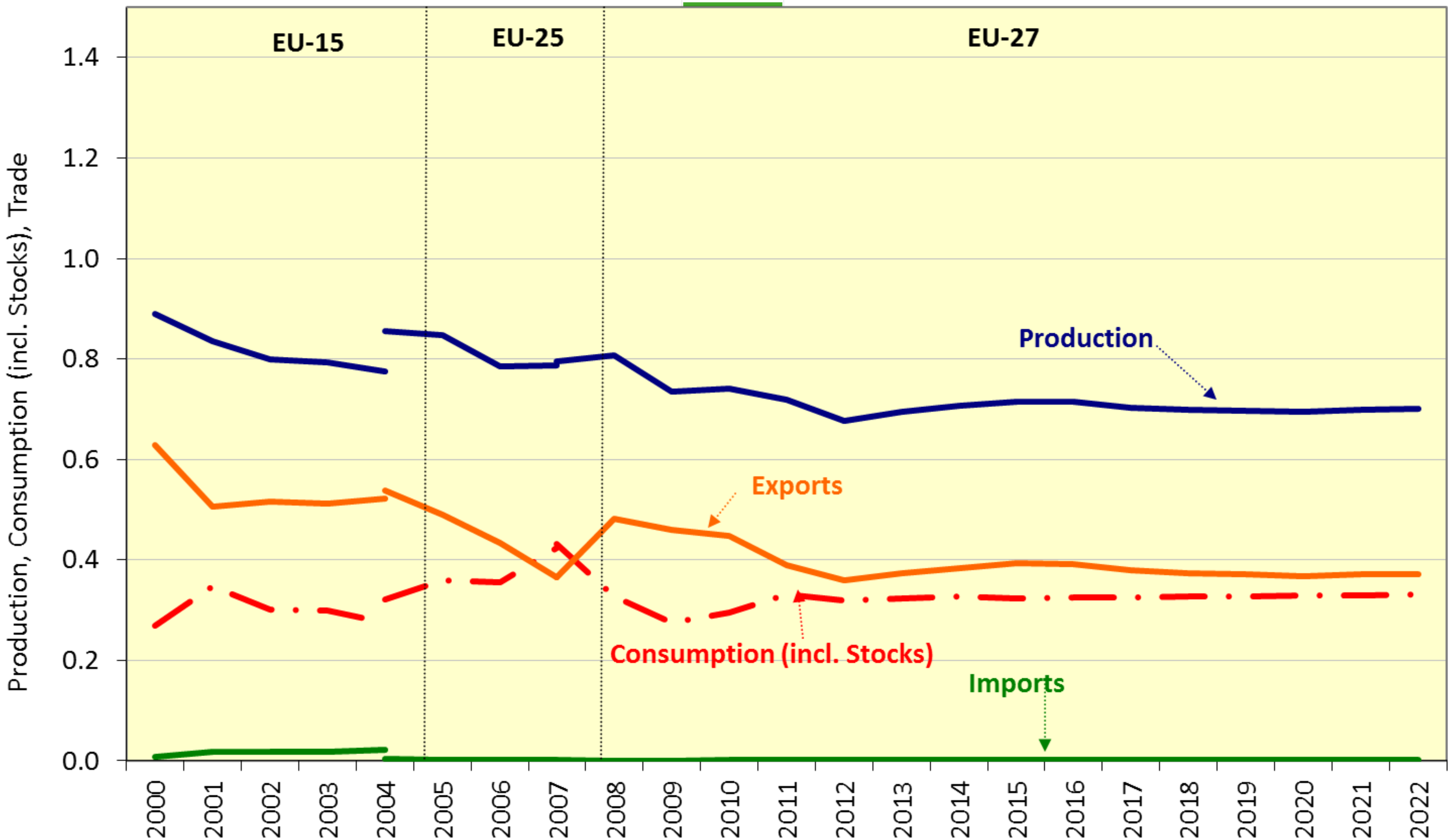
WMP prospects



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The Milk Package Reg. 261/2012

Applicable from 2 April/3 October 2012 till 30 June 2020

Reviews in June 2014 and December 2018

5 main aspects:

1. **Negotiating power (up to 33 % Polish milk per PO)**
2. **Contractual negotiations (contracts may be made compulsory by MS)**
3. **Inter-branch organisations**
4. **Transparency (notably through IBOs work)**
5. **PDO/PGI cheese supply regulation**

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CAP 2020 for milk political deal

1. **Milk quota expiry on 31 March 2015 confirmed**
2. **Public intervention**
    - for butter and SMP
    - from 1 March until 31 September each year
    - up to 50 000 t for butter at a fixed price of 221.75 €/100 kg
    - up to 109 000 t for SMP at a fixed price of 169.80 €/100 kg
    - Automatic tendering if and when ceilings reached
3. **Private storage aid possible for butter, SMP and certain PDO/PGI cheeses, if necessary**
4. **Exceptional measures (for all main agricultural products) if severe market disturbance – e.g. POs/IBOs may be authorised to take temporary measures (market withdrawal)**
5. **Minor unused schemes abolished (milk powder for feed and skimmed milk for casein)**
6. **Reformed direct payments (including possibility for coupled payments) & rural development policy**

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September conference and study on milk

1. Opinions of 6 independent experts gathered in a study on the future of the milk sector in a quota-free environment
2. 2 main themes
   - Competitiveness and market balance
   - Sustainability, including territorial dimension
3. Findings will be discussed on 24 September
4. Other studies will also be presented and debated
5. Conclusions of conference should contribute to feeding the Commission report to be submitted to the Council and EP by 30 June 2014 on the functioning of the Milk Package and on the dairy market situation

Thank you for your attention !