



EUROPEAN DAIRY ASSOCIATION
ASSOCIATION LAITIÈRE EUROPÉENNE
EUROPÄISCHER MILCHINDUSTRIEVERBAND

PRESS RELEASE

Position on CAP Health Check: European Dairy Association is seeking the highest possible degree of clarity and certainty.

Brussels, 21 May 2008

At the presentation of the Commission's proposals for the CAP Health Check yesterday and at a subsequent meeting with Commissioner Fischer Boel, the European Dairy Association (EDA) underlined the need for the highest possible degree of clarity and certainty for the EU dairy sector.

Clarity on a soft landing to a quota-free dairy environment

At a press conference yesterday, Commissioner Fischer Boel signalled the progressive winding down of milk quotas. In her vision, the EU dairy sector should prepare itself for living without milk quotas and this should be achieved by a soft landing, i.e. with a smooth transition period during which EU dairy farmers and processors can adapt to the new quota-free environment.

The EDA supports this vision and wants nothing to detract from it.

Assessing the Health Check proposals, the EDA believes that they will neither provide clarity, nor deliver the soft landing the Commission is striving for.

Commenting on the proposals, the EDA's Secretary General Joop Kleibeuker said: *'No clarity in quota policy is provided for in the last year before abolition and a new mid-term policy review will only generate the impression of a lack of commitment to the principle of abolition. This will create confusion and is not the way forward.'*

Representing a forward-looking industry, EDA further insists that the abolition of quota is a major challenge for the industry with long-term implications. *'Therefore the EU dairy sector needs a transition period,'* added Kleibeuker, *'during which the European dairy industry can adapt. It is important for us that on the one hand the timing and the size of the quota increases are announced as soon and as unambiguously as possible, so that we can take appropriate investment decisions, and that on the other hand, during this period, adequate market management schemes remain available. The changes proposed by the Commission significantly reduce the value of these schemes for this important transition period.'*

Kleibeuker concluded by stating that the current relatively positive market conditions were not a guarantee for an easy transition towards life without quotas.

About the European Dairy Association:

*The European Dairy Association represents the interests of dairy processors in the European Union.
The membership of the EDA consists of the national trade associations for dairy processors in each
EU Member State.*

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