



EUROPEAN DAIRY ASSOCIATION
ASSOCIATION LAITIÈRE EUROPÉENNE
EUROPÄISCHER MILCHINDUSTRIEVERBAND

PRESS RELEASE

Position on CAP Health Check: European Dairy Association pleads for policy certainty

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At the occasion of a recent dairy stakeholders meeting organized by the European Commission to discuss the impact of the CAP Health Check and especially of the abolition of milk quota by 2015, the European Dairy Association (EDA) underlines its desire for a smooth transition to a quota free environment for the industry. Speaking at this stakeholders meeting, European Agricultural Commissioner Mariann Fischer Boel recognised this desire and said private storage funding could be used as one of the means to ensure this transition.

Smooth transition to a quota-free dairy environment

Representing a forward-looking industry, EDA recognizes the Commission's position that there is no future for milk quotas beyond 2015 and pleads in this context for policy clarity and a managed change to a quota free dairy environment. *'Making sure that the European dairy industry can adapt itself can only be done by a gradual increase of national quotas based on market assessment'*, according to EDA Secretary General Joop Kleibeuker. *'It is important for us that the timing and the size of the increases is announced as soon as possible so that we can take appropriate decisions with regard to our investments.'*

EDA further insists on - because of the uncertain producers' response to quota abolition and the influence of external factors (introduction of bio-fuels) – the necessity of retaining certain market mechanisms up to and beyond 2015. *'The current strength of world dairy prices combined with the phasing out of milk quotas could trigger a significant production increase leading to market imbalance, and we clearly need to avoid this situation'*, according to Kleibeuker.

Finally, EDA requests for specific attention given to milk production in vulnerable zones within the community to retain for example production in traditional mountainous areas. The needs of these regions must be identified and accommodated accordingly.

Private Storage Funding

Reacting on EDA's desire for a smooth transition to a quota free-dairy environment, Commissioner Fischer Boel stated that private storage funding could be used as a means to support a painless transition. Rather than applying private storage funding on a permanent basis, Fischer Boel suggests an annual review of the market to assess the actual state of the dairy market.

EDA supports the Commissioner's view with regard to the application of private storage funding as a means to support a smooth transition. The association has indeed always been in favour of maintaining private storage funding because of the important role this mechanism can play in the period to come.

Concluding remarks

'Because of its experience in adopting the latest technologies and scientific developments in its products and processes, we believe that our industry is able to adapt itself to a quota-free and changing market environment' concludes Joop Kleibeuker. *'The European Commission has a key role in enabling this transition by adopting policy clarity and indicating the way forward through the CAP Health Check.'*

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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