

EDA PRESS RELEASE

The European dairy industry says safeguards are needed in any final WTO agreement to ensure the survival of the European dairy market.

In presentation to the European Parliament committee on agriculture today, the President of the European Dairy Association (EDA) Mr Veijo Meriläinen said that the safeguard measures the industry needed are “a predictable policy horizon and a reasonable time period” to adapt itself to changes brought about by any WTO agreement.

The EDA reminded the committee that, hitherto, the 2003 CAP reform had been seen as the context for any new WTO agreement. Already, implementation of the reform “would be very difficult”, said Mr Meriläinen and now it was possible that the present negotiations may lead to a requirement for further changes to the CAP.

The EDA is ready to adapt to additional changes made necessary by a WTO agreement on agricultural trade. But the EDA urges the European Parliament to ensure that WTO agreements respect the basic concept of gradual reductions of the Union’s level of market support and of uncoupled direct payments, both agreed as part of the 2003 reform.

The EDA’s position is focused on three pillars: export support, market access and domestic support.

- Export refunds cannot be eliminated as long as the current quota system is in operation as this would put the overall balance of the EU market and dairy revenues at risk. Any further reductions must be made not on the volume of supported EU dairy exports but on the expenditure limit because this would help to sustain export levels over a longer period to allow the industry to adapt.
- EDA can accept the average 36% reduction on the bound import tariff proposed by the EU to WTO. In the light of this proposed tariff reduction, the EDA is not requesting that butter and whole milk powder be classified as sensitive products, as this would open the door to imports on tariff rate quota. Nevertheless, EDA continues to regard them as potentially sensitive. Significantly higher tariff reductions would, however, be unacceptable because of the stress they would impose on the EU dairy market. They would inevitably require consideration of a declaration of sensitivity for each of the relevant dairy product categories.
- Any outcome of the WTO negotiations must secure the direct payments and other support schemes that were agreed upon under the last CAP reform.

EDA’s position on the WTO negotiations is fully supported by Eucolait, the European Organisation of Dairy Traders.

For further inquiries, please contact Mr Kleibeuker, Secretary General, European Dairy Association, tel. 0475-707 774, email: jkleibeuker@euromilk.org.