

WRITTEN QUESTION P-1798/09
by Duarte Freitas (PPE-DE)
to the Commission

Subject: Milk quota system

Globally European Union milk production is less than the sum total of its national quotas, and the EU exports only 7% of its milk production; this has raised many doubts as to quota increases, with Commission studies indicating that such increases could cut producers' prices by between 10 and 15%.

When it was decided, in March 2008, to raise milk quotas by 2%, there were as yet no signs of the worldwide financial and economic crisis, but it was clear that the increase meant the beginning of the dismantling of the quota system, and a fall in producers' prices.

Last December, when it was confirmed that the dismantling of the milk quota system was going to continue under the Common Agricultural Policy Health Check, the consequences of the March decision to increase the quotas were already known, and by that point, we were in the midst of a full-blown international crisis. At that point, the combined effect of the liberalisation of quotas and the fall in consumption as a result of the economic crisis meant that producers' prices had fallen to such an extent that many agricultural holdings were in jeopardy, particularly in less-favoured areas.

The Commission itself has already acknowledged the grave problem that we are facing, and for that reason has reintroduced private butter stocking subsidies and reimbursement for butter, cheese and powdered milk, over and above intervention in respect of these products.

It is therefore of the highest importance that all recent decisions on milk quotas be rethought, and specifically the abolition of the quota system and the ways in which producers' incomes are supported and guaranteed.

Given the crisis in the sector, does the Commission not think that it needs to rethink the recent decisions which began the process of dismantling the milk quota system?

Does the Commission intend to bring forward the report it should present no later than 31 December 2010 on the state of the market in milk?

Is the Commission agreeable to the possibility that some Member States might amend their rural development plans so as to give greater priority to milk production?