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MOTION FOR A RESOLUTION

further to Question for Oral Answer B7-0208/2009

pursuant to Rule 115(5) of the Rules of Procedure

on the crisis in the dairy farming sector

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on behalf of the Verts/ALE Group

European Parliament resolution on the crisis in the dairy farming sector

The European Parliament,

- having regard to the Communication from the Commission to the Council of 22 July 2009 (COM(2009) 385 final),
 - having regard to the reply to the Commission by eight EU farm ministers of 31 July 2009,
 - having regard to the conclusions of the Agriculture Council meeting of 7 September 2009 on the milk crisis,
 - having regard to the European Parliament Written Declaration of 19 February 2008 on the abuse of power by supermarket chains¹,
 - having regard to Rules 115(5) and 110(2) of its Rules of Procedure,
- A. whereas the letter written by eight EU farm ministers considers the measures proposed by the Commission to be ‘largely insufficient’ and asks, among other things, for lasting and more flexible milk market management and increased support for milk producer organisations,
- B. whereas in 2008 the Commission was still arguing for a rapid phasing out of the milk quota system, referring to a growing global milk market, for example in China, which has proved to be an inaccurate assumption,
- C. whereas the Commission now admits in its communication that the dairy market situation in the EU has deteriorated dramatically over the past 12 months owing to the global increase in milk production and decreased demand worldwide,
- D. whereas the EU, being the largest milk producer in the world, bears substantial responsibility for this situation because of:
- its support for an increasing concentration of milk production mainly in favoured regions of the EU, owing to tariff-free imported feedstuffs such as soybeans,
 - the phasing-out of supply management instruments such as the quota system, which could be reformed in order better to balance supply and demand of a highly sensitive product,
 - subsidising the food industry and trading companies through inadequate market intervention policies and export subsidies, which has led to a permanent structural surplus production of 15 million tonnes of milk, causing a depression in milk prices worldwide,

¹ Texts adopted: P6_TA(2008)0054.

- E. whereas in spite of the fact that only 8% of farm products, including milk, are traded on a global level, liberalised trade has provoked a worrying volatility in food and milk prices, which has destabilised local food markets and is destroying the livelihood of millions of farmers, as well as jobs in rural regions across the world,
- F. whereas, as compared to that of other regions, EU milk production is based on small-scale family farms, which mainly use non-arable grassland and maintain valuable cultural landscapes, offering employment even in disadvantaged and marginalised regions,
- G. whereas the unequal distribution of quotas in the EU among Member States, regions and farmers has led to major disadvantages, especially for less-favoured areas and in the new Member States, giving rise to long-distance transportation of milk and dairy products,
- H. whereas the concentration process in the dairy industry, coupled with the market power of supermarket chains, allows the food and trading companies to keep farm-gate prices for milk low and consumer prices for dairy products high,
1. Endorses the action dairy farmers have taken across Europe to raise awareness of the catastrophic situation of the dairy sector, and the pressure they have put on the milk-processing industry and the Commission to end the milk crisis;
 2. Calls on the Commission to put an immediate stop to the gradual increase in milk quotas and to reduce milk quotas by at least 3% as a matter of urgency, with differentiated reduction for small and medium-sized producers;
 3. Calls on the Commission to propose a budgetary measure to establish temporary compensation for decreased production, in order to reach the 5% reduction without drastic financial consequences, especially for small and medium-sized producers and less-favoured areas;
 4. Calls on the Commission to reconsider the consequences of giving up supply management in the milk sector and to draw up proposals for sustainable, quality-oriented, demand-driven, region-based milk production, including a better balance between regions and farmers, in order to avoid structural surplus production and increasing volatility of producer prices for milk;
 5. Calls on the Commission to honour the EU's undertaking to end export subsidies, and to phase out market intervention measures which are oriented towards exports that undermine or destroy domestic milk production, especially in developing countries;
 6. Calls on the Commission to draw up proposals for a quality-driven regional infrastructure that takes account of new challenges such as climate change goals, conservation of biodiversity, better water and soil management and reduction of energy consumption, making them compulsory conditions for the restructuring of the milk sector;
 7. Calls on the Commission to take legislative and budgetary initiatives designed to establish support for milk producer organisations in order to strengthen their position in negotiations, including on the organisation of milk collection, with the dairy processing industries and food trading companies;

8. Calls on the Commission to include in its proposals for reforming the CAP after 2013 a better balance of milk production in European Member States and regions, giving priority to grass-fed milk production, with special attention to less-favoured regions and the situation in developing countries as regards smaller milk producers, so as to preserve employment and the diversity of landscapes;
9. Calls on the Commission to take the necessary legislative and budgetary measures to support the production of protein crops in the EU without additional expenditure, and to favour non-arable grassland areas so as to avoid further dependence on imported feedstuffs for European milk production;
10. Calls on the Commission to apply the necessary measures to ensure that imported feedstuffs comply with the same standards that dairy farmers have to meet within the EU, in order to prevent imports of such products that do not meet these standards from undermining the EU's efforts to enhance sustainable milk production; notes that these measures should be based on the principle of qualified market access, which imposes levies for failure to fulfil standards, but returns them to the countries concerned as support for reaching these standards, especially in the fields of environmental, animal-welfare and GMO legislation;
11. Calls on the Commission vigorously to oppose initiatives by some Member States to renationalise the Common Agricultural Policy;
12. Instructs its President to forward this resolution to the Council, the Commission, and the governments and parliaments of the Member States.