

**Question for written answer E-014048/2013
to the Commission**
Rule 117
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Subject: Protecting the Croatian dairy sector as a result of the removal of milk quotas

In October 2012, a new package of measures by the European Commission for milk production in the European Union, which will create new relationships between economic operators producing and processing milk, came into force. The main feature of the new package is the progressive increase in, and the eventual removal of, milk production quotas by 2015.

The abolition of production quotas will lead to an increase in the production volumes of many European countries with considerable production capacities and milk prices will generally decline because of greater supply in the markets of all EU Member States. The measures proposed by the European Commission for the period following the removal of quotas will largely be applicable in countries that are major producers of milk and, as such, they are not fully applicable to Croatia. The removal of quotas will send an economic shockwave through producers and countries that are not able to adapt or that are not able to export given their production volumes. Milk production is an important factor for Croatian farming. It accounts for 14 % of the total value of agricultural production and involves more than 10 000 active milk suppliers. While several countries are exceeding existing quotas even before their formal removal, there has been a significant drop in production in Croatia. The number of suppliers in Croatia has shrunk by 35 % since 2009 and, in the first half of 2013 alone, the supply of milk declined by 19.4 %. It is expected that the trend of declining production will continue following the removal of quotas and weaken the domestic dairy industry further.

Given the downward trend in milk production in Croatia, its recent accession to the EU, and the fact that the country has not been able to fully participate in existing adaptation measures in response to the imminent removal of quotas, what specific measures does the Commission intend to take in order to mitigate the impact of the removal of quotas on the Croatian dairy industry?