

WRITTEN QUESTION P-2740/09
by Kader Arif (PSE)
to the Commission

Subject: Situation of milk producers

When the CAP Health Check was debated and voted on in Parliament, a great many MEPs warned of the risks inherent in raising and eventually abolishing milk quotas. Unlike the Commission, which maintained that this decision would allow farmers to respond to a growing demand when agricultural prices were high, we pointed out that on the contrary it was likely to depress the price of milk even more and to penalise part of the sector, particularly small farmers and those located in difficult areas. These were the reasons behind the vote by a majority of MEPs, led by the PSE Group, to cap the rise in milk quotas at 1% per year, instead of the 2% proposed by the Commission. What is more, the Socialist Group called for this rise to be applied for only two years, at the end of which the market situation should be appraised prior to any decisions being made on lifting quotas.

Sadly, proof that our fears were justified lies in the dramatic situation many milk producers find themselves in nowadays. Milk prices in the EU have in fact dropped by 50% on average since 2007. Producers in some regions are facing production costs that are higher than the price the cooperatives offer them. Clearly, they will not be able to survive long if they have to continue producing at a loss.

In view of this, the fact that the Commission still favours a policy of dismantling regulatory instruments is unacceptable; these instruments are needed more than ever to maintain price stability and ensure that milk production remains sustainable. Supporting this sector is rendered even more important by the fact that milk production is an essential ingredient for regional cohesion and dynamism in rural and mountainous regions.

As a consequence, since the current support measures are insufficient, can the Commission say what policies and financial measures it intends bringing in to support producers and stop the milk sector completely disappearing in some regions, particularly with regard to small farms and farms in regions where the economy is heavily reliant on milk production?

In view of the urgency with which this sector needs help, will the Commission be making new proposals before the planned reassessment of the milk market's situation in 2010?

Things being as they are, does the Commission still wish to abolish milk quotas?