



CONSEIL EUROPEEN DES JEUNES AGRICULTEURS

**European Council of Young Farmers - Europäischer Rat der
Junglandwirte**

CEJA first reaction to the Milk Package

April 2011

Introduction

CEJA takes note of the so-called milk package put forward by the European Commission in December 2010, which aims at boosting the position of dairy producers in the dairy supply chain and preparing the sector for a more market oriented and sustainable future. CEJA regrets that there is no reference to a transitional period up to 2015 in the milk package.

CEJA would like to reiterate the importance of the dairy sector in European agriculture. Dairy farming has been essential in managing and developing territories of the European Union, including less favoured areas where other farming activities would not have been manageable. The dairy sector represents an important part of the value in agriculture and farming employment, while dairy products also represent a significant part of the European diet.

In addition, the sector has been of vital importance for young professionals to enter the sector and install young people in agriculture. This sector is also strategic in the view of promoting integrated agriculture (mix-farming and livestock), more efficient from an agronomic and economic point of view.

All these elements demonstrate that the dairy sector is an issue for all and stress the need for a dairy production throughout the entire territory of the EU post-2015.

Period until 2015

From the outset, CEJA wishes to stress that transitional measures for the abolishment of the quota have the potential to create uncertainty amongst young milk producers and might negatively affect decision at farm gate level.

Nonetheless, the majority of our young milk producers agree with the need for a transition period to guarantee a smooth soft landing for each Member State in the EU. This will take the form of a gradual increase in the quota and a total phase-out of the super levy by 2013 for young farmers. CEJA believes that the Commission shall however adopt a more flexible approach to answer specific needs of Member States. The Commission needs to respond where the values of quotas are increasing in Member States during the period up to March 2015 as it is committed to the concept of a soft landing.

After 2015/ alternative solution

We, as young milk producers in CEJA wish to make a proactive contribution in the discussions on the future of milk production and future market organisation in Europe for the period after 2015.

A new market situation after 2015 must enable young farmers to obtain a reasonable standard of living across Europe and recognise the long term investment done by young farmers. Measures to counter-act excessive price volatility will be an essential part of a sustainable dairy industry after the abolition of quotas.

In that context it is clear that more transparency in the food chain shall be achieved and equal distribution of the added value between market players will have to be considered. In particular it is necessary to improve farmers' contractual power.

In that respect, CEJA calls for some sort of measures in the dairy sector that would allow the maintenance of the production throughout the territory of the EU, for instance through specific measures in the second pillar.

Contractual relations between producers & dairies

CEJA supports the Commission's proposal that if a written contract between parties is being implemented at national level, on a voluntary basis, the contract should include provisions on price, payment terms, delivery time, volume, quality and the duration of the contract.

Link to installation

Collective contracts should recognise the specific issue of young farmers. For example, taking-over a farm under contract should not in any means imply extra costs for the young farmer. Access to contract for a young farmer should be facilitated and free of charge. In that respect, professional organisations should be in charge of managing the volume linked to contracts, to be able to redistribute them to young farmers' acceding to the sector.

Market management tool

CEJA calls for the creation of a European observatory of markets, volumes and market perspectives to provide the dairy chain and public authorities with objective information to answer to future market situation.

CEJA recommends that there is more detailed position from the Commission on market management tools in the dairy package.

CEJA welcomes the proposal from the Commission that stresses the important role played by inter-professional organisations. In addition, CEJA also sees a role for an IPO as a platform in which the future of the dairy sector is discussed and common approaches are suggested to policy-makers

In addition, CEJA supports the creation of a European Inter-profession in the dairy sector. The role of the European Inter-profession would include the management of extreme price volatility, communication and information, to exchange on European level, updated information, provided by the European observatory on a regular basis to support the well-functioning of the European milk market.

The European Inter-profession should also be involved in discussions with the Commission on the market situation and be consulted in times of crisis on how and when should be intervened on the market.