



**COUNCIL OF
THE EUROPEAN UNION**



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Council improves the functioning of the milk market

The Council adopted today a regulation aiming to improve the functioning of the EU milk sector. The provisions on contractual relations in the milk sector and milk products are a response to the deep crisis which affected this sector in 2008 and 2009, but these measures should also be seen in the context of abolition of the milk quotas regime from 2015 ([77/11](#)).

The main elements of the regulation include:

- a reinforcement of the bargaining power of milk producers by allowing them to set up producer organizations that on their behalf negotiate collectively contracts for the deliveries of milk.
- the possibility for Member States to introduce on their territory:
 1. an obligation for formal written contracts for the supply of milk and/or
 2. an obligation for the first purchaser of milk to present a written contract offer to the producer, who will be able to accept or reject that offer.

All elements of the contracts should be freely negotiated between the parties. However Member States may determine the minimum duration of contracts between the first purchasers and the producers on their territory (at least 6 months). Nevertheless, in this case the producer may reject such a minimum duration and negotiate freely all elements of the contract.

- the possibility for Member States to recognise inter-branch organisations (IBO) on the milk market, bringing together representatives of producers, processors and traders
- Improving transparency on the EU milk production market by introducing an obligation for first purchasers to send monthly declarations on the quantities of milk bought by them. The purpose of this requirement is to monitor the volume of milk collected and developments on the market after the milk quota regime expires

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- The possibility for Member States under specific conditions to lay down binding rules on supply management of cheeses with Protected designation of origin / Protected geographical indication (PDO / PGI) in order to adapt the production of PDO/PGI cheeses to the actual demand.

The Regulation will apply until June 2020.

The Council and the European Parliament reached an agreement on this regulation in December 2011 under the Polish Presidency; the Parliament at the February plenary session, voted in favour of the regulation. This regulation is adopted by the Council and the European Parliament in the first reading with the Luxemburg delegation voting against and the Netherlands, Denmark and Ireland delegations abstaining ([6726/12](#) + [ADD1 REV 2*](#)). Following its signature in the margin of a forthcoming plenary meeting of the EP, the text will be published in the Official Journal.
