COUNCIL OF THE EUROPEAN UNION

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NOTE

From:	General Secretariat of the Council
To:	Delegations
Subject:	Situation in the dairy sector A "soft landing" in the phase-out of the quota scheme through adjustments to the fat correction coefficients

Delegations will find in Annex a request from the German, Polish, Dutch, Austrian, Irish, Danish, Latvian, Estonian and Luxembourg delegations to be presented under "Any other business" at the Council ("Agriculture and Fisheries") at its session on 24 March 2014.

ANNEX

Request of the delegations from Germany, Poland, the Netherlands, Austria, Ireland, Denmark, Latvia, Estonia and Luxembourg on an AOB-Point on

A "soft landing" in the phase-out of the quota scheme through adjustments to the fat correction coefficients

After three decades of the milk quota scheme, milk producers will, from April 2015, be able to decide for themselves how much milk they produce. The phase-out of the milk quota scheme is taking place against a backdrop of good short-term and medium-term prospects on the dairy market. Milk producers and dairies have reacted to these good prospects by investing, even if this means that they go slightly over the individual reference quantity.

In the final phase of the quota scheme, it does not make much sense to impose a full super levy on milk producers because they are preparing for the post-quota situation. Changing the fat correction coefficient may - without undermining the quota scheme - reduce the payment burden of the milk producers who are producing a surplus.

Changing the fat correction coefficient could be implemented quickly by the Commission. This would serve the risk-aware, forward-looking milk producers and would strengthen the international competitiveness of the dairy industry overall.

Germany, Poland, the Netherlands, Austria, Ireland, Denmark, Latvia, Estonia and Luxembourg request the Commission to examine how a soft landing in the phase-out of the quota scheme could be supported by adjustments to the (positive and negative) fat correction coefficient.