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High Level Group makes 7 recommendations for EU dairy sector

Report Categories:

Dairy and Products

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Report Highlights:

After eight months of reflections and consultations under the direction of DG Agri Director-General Demarty, the High Level Expert Group on Milk presented its report on June 15, 2010. The report makes seven recommendations to the EC to improve the functioning of the EU dairy market. Most recommendations had been anticipated during the past months.

General Information:

On June 15, 2010 the High Level Expert Group on Milk (HJG) released its [report](#) [1] with recommendations to enhance the working of the EU dairy regime. The HLG was set up last October in the wake of last year's dairy crisis (see GAIN [State of progress of the High Level Expert Group on Milk Brussels USEU EU-27 5-12-2010](#) [2]). In its report, the HLG is making seven recommendations to the European Commission:

- **Contractual relations between milk producers and milk processors:** Enhancement of formal written contracts, made in advance, to cover deliveries of raw milk (inc. price, volume, timing & duration) – through guidelines or a legislative proposal, maybe made compulsory by the Member State.
- **Collective bargaining power of producers:** Possible proposal for provision to allow producer organizations constituted by dairy farmers to negotiate jointly their contract terms, including price, with a dairy. Whether permanent or temporary (but sufficiently long), the provision should be subject to review.
- **The possible role of interbranch organizations in the dairy sector:** Examination of whether any of the current provisions for interprofessional organizations in the fruit & vegetables sector could also be applicable in the dairy sector.
- **Transparency in the dairy supply chain:** Further elaboration of the European Food Price Monitoring Tool, and a look at the provision of more information (e.g. on volumes of dairy products) by EUROSTAT & national statistics offices.
- **Market measures and futures:** Consideration of "green box compatible" instruments to reduce income volatility, including possibly facilitating the use of futures markets, in particular via targeted training programs.
- **Marketing standards and origin labeling:** Ongoing Commission work on labeling should consider the feasibility of different options for "place of farming" labeling for dairy products and should seek distinct labeling for imitation dairy products.
- **Innovation and research:** Improvement in communicating existing possibilities for innovation and research within the existing framework of Rural Development and research framework programs. Stakeholders should define clear research priorities for the dairy sector in order to allow better coordination of national & Community research programs.

In a [press release](#) [3], EU Commissioner for Agriculture and Rural Development Dacian Cioloș stated: "I welcome the work of the HLG and this report. I will now study it in detail with a view to coming forward with legislative proposals before the end of the year. My main aim is that we consider medium to long term measures which address the lessons learned from last year's crisis aimed at better structuring the sector as a whole."

In reaction to the report, its own [press release](#) [4], Copa-Cogeca promptly urged the EU Commission to come forward with concrete proposals rapidly.

[1] http://ec.europa.eu/agriculture/markets/milk/index_en.htm

[2]

http://gain.fas.usda.gov/Recent%20GAIN%20Publications/State%20of%20progress%20of%20the%20High%20Level%20Expert%20Group%20on%20Milk_Brussels%20USEU_EU-27_5-12-2010.pdf

[3]

<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/10/742&format=HTML&aged=0&language=EN&guiLanguage=en>

^[4] <http://www.copa-cogeca.eu/Download.ashx?ID=652379&fmt=pdf>