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FINAL MINUTES

Meeting of the Civil Dialogue Group

Milk

Date: 20 February 2018

Chair: Michel Nalet - FoodDrinkEurope

Organisations present: All Organisations were present, except IFOAM

1. Approval of the agenda (and of the minutes of the previous meeting¹)

The agenda was approved.

2. Nature of the meeting

The meeting was non-public.

3. List of points discussed

- **New application AGM – "Advanced Gateway to EU Meetings" to deal with meetings invitations, accreditations and reimbursements of travel expenses for Commission Committees and Expert Groups**

The Commission presented the AGM. AGM is the European Commission's new website for planning and organising meetings involving external experts. It includes among other things, registration and reimbursement issues. The future CDG's will be organised with the AGM portal.

- **Milk market situation, including information on the release of SMP back on the EU market and information on the new set-up of the public intervention scheme for 2018**

DG Agri G3 gave a presentation on the milk market situation. It was pointed out that the average milk price is at an elevated level compared to the previous year and the five-year average. The milk production level in Q4/2017 has been higher than expected and DG Agri G3 urged milk producers and processors to be cautious and to adapt supply to demand. SMP represents less than 6% of total milk processed in the EU, therefore low prices for SMP should not have a significant impact on the milk price, if other dairy products prices are high.

- **Short- and medium-term outlook for the dairy sector**

¹ If not adopted by written procedure (CIRCABC)

DG Agri C gave a presentation on the short- and medium-term outlook for the dairy sector. The milk production is expected to increase in 2018, being channelled mainly to cheese for which EU and world demand remains strong. DG Agri C prepared two possible scenarios depending on production and export markets performance which could influence the net SMP stock volumes in 2018. The medium-term projection foresees the consumption to further shift from liquid milk to high value products such as cream, cheese, butter and other processed products. The strong demand will drive the increase of the milk price. Some changes in production systems are also expected, especially towards the increase in the share of the organic production.

ECVC and EMB said that the milk market is dramatic and high milk price are rather fair than high. There are producers who's milk is not collected. The welfare of animals and farmers is at stake.

Copa-Cogeca and Eucolait expressed their wish that the SMP intervention stocks should be released as quick as possible as butter and cheese prices are still on an elevated level.

EDA commented that the dairy industry is increasingly connected to the world market and to exports. The positive side is that the dairy industry is competitive and without subsidies. DG Agri G3 clarified that the scenarios presented are the result of different working hypotheses showing that different balances can be achieved depending on the combination of different parameters (production, stocks evolution, export performance and domestic consumption) but in no case should be considered as predictions of what will happen in the short term. The positive element in the current market is the milk price but on the negative side is the unsustainable growth of milk production.

- **EU COM report on "Welfare of cattle on dairy farms" & 'EU Animal Welfare Platform'**

DG Santé G gave a presentation on the EU Animal Welfare Platform. The key tasks of the platform are better application and understanding of EU legislation, development and use of voluntary commitments and promotion of EU animal welfare standards globally.

DG Santé F gave a presentation on the EU COM report on "Welfare of cattle on dairy farms". Animal-based indicators at inspection should be used to evaluate animal welfare requirements. Sharing of data (somatic cell count, calving intervals, longevity, milk production) between dairy processors, farmers and competent authorities should be emphasised. National strategies for the dairy sector should be developed. Animal-based welfare parameters in breeding indexes should be adopted.

Copa-Cogeca highlighted that FTA agreements with third countries with lower production standards will not increase the overall welfare of animals. It was pointed out that policy is done on populist and not scientific bases. ECVC emphasised that extensive production will increase consumer acceptance and the welfare of animals and farmers. EFA pinpointed to deficits and asked what the COM intend to do.

DG Santé G answered that cutting of pig tails and long animal transports are the main priorities that the COM is dealing with.

- **The ‘Future of Food and Farming’: CAP post 2020 – presentation of the EC Communication and discussion and timetable for the legislative proposals**

DG Agri G presented the communication on the ‘Future of Food and Farming’. The new CAP will aim at a solid performance and will be based on a new delivery model. The key issues are taking advantage of research and innovation, income support, investments to improve farmer’s market rewards, risk management, stepping up environmental and climate action, growth and jobs in rural areas, attracting new farmers, addressing consumer concerns and trade and migration. The presentation was concluded by a timeline of the process where legislative proposals should be published in May 2018.

EMB wonders why a farm larger than 250ha needs any subsidies. ECVC pointed out that money is flowing to security and defence when it is important for the rural sector. Also the tight timeline raised concerns if it could be adopted in this legislative period. Copa-Cogeca pointed out that it is not possible that agriculture compensates for the largest GHG emission sector (transport). Copa-Cogeca asks if there is a contradiction in a common agricultural policy and now allowing 28 individual policies.

DG Agri G answered that the effort is put in delivering better concerning the limited amount of resources. The CAP is market-oriented since already a while and this continue to allow farmers to be best placed on the market. The timeline is tight as EP elections are in one year and a new commission will start in one and a half years. Agriculture is not considered the scapegoat for climate change but should contribute to climate and environment objectives taking into account it is the main land use in the EU. Transport also has to implement more and more actions mitigating climate change.

- **“Milk package” report – EC to share lessons learnt from workshops (MS on 19th October 2017, stakeholders on 28th November 2017 and at national level)**

DG Agri G3 introduced shortly the ‘Milk package’ workshops with Member States in October, and with stakeholder in November 2017. The examples presented during the workshops evidenced the usefulness of producer cooperation from different angles (e.g. bargaining power, management of milk volumes, integration with the processing industry). DG Agri G3 recalled that the workshop of November was conceived to be of an educational nature, and persons attending it were deemed to pass the information onto those they represent (as indicated in the invitation letter). Stakeholders were asked to inform on the way they had shared the information of the workshop. No replies were given in this respect.

EMB and ECVC indicated that the production is too high and that prevents Producer Organisations to be operational. DG Agri G3 replied that it is precisely through Producer Organisations that milk production can be better organised and planned according to expected demand.

- **Update on the state of play of the new School Fruit, Vegetables and Milk Scheme for school years 2017/2023**

DG Agri G3 gave a presentation on the state of play with regard to the Commission's ongoing assessment of Member States' national/regional strategies for implementation of the scheme (for 2017-2023 period) and to the forthcoming decision on the definitive allocation of EU aid among Member States for the 2018/2019 school year. During the discussion, ECVC raised the issue of lactose intolerance. DG Agri G3 answered that the school milk part of the scheme gives priority to milk (and its lactose-free version) and has pedagogical measures to highlight the nutritional values of milk for healthy eating habits.

- **EU (plant/feed) Proteins Balance Sheet of December 2017: discussion on ways how to collect and include data on plant proteins supplied from pastures / green forages**

DG Agri G gave a presentation on the EU Protein Balance Sheet and EU Protein Plan. The trade balance in feed protein is substantially negative mainly due to soy imports. The initiatives try to address this issue and to increase EU feed protein production. DG Agri mentioned the lack of information on forage due to the lack of viable data. Stakeholders are invited to answer the open questions on the supply from forage sources. The deadline for the stakeholder survey is March 23rd 2018. DG Agri G welcomes also bilateral discussions with stakeholders and 'thematic' expert workshops.

Copa-Cogeca raised the issue on protein of animal production as many consumers demand for GMO-free products. ECVC emphasised that co-produced legumes are not included yet. DG Agri G answered that an extensive market study will be carried out including food, feed, gmo and co-production issues.

- **2017: 30 years of Protection of Dairy Terms in the EU (art 78 and annex VII part III of Eu Reg 1308/2013) – the future of this protection, consequences of the ECJ ruling C-422/16 of 14th June 2017 ('tofu-town') and follow-up by EU Commission**

EDA gave a presentation on 30 years of Protection of Dairy Terms. The key issues were that terms and marketing standards must remain protected in the EU legislation and be respected by all supply chain partners. The EU COM should ensure the correct implementation all across Europe and the EU COM should draft guidelines for Member States authorities so as to facilitate the correct implementation on a national level. EDA introduced the initiative of a European standard for cheese based on the relevant CODEX Standard.

CELCAA/Eucolait supported the ideas of EDA. EFFAT argued that a future definition of cheese should be more authentic than Codex Alimentarius.

- **'EuroDairy - a thematic network to support sustainability in dairy farming'**

A EuroDairy representative gave a presentation on EuroDairy. DG Agri I commented that the network fits to CAP research and innovation measures. DG Agri I asked if the network is time limited and if the platform and data is public. EuroDairy answered that the project will end in 2019 and no extension is foreseen at this point. The website will remain and the data and platform is open to the public.

- **‘European guide for good hygiene practices in the production of artisanal cheese and dairy products’**

EFFAT gave a presentation on the FACE network European Guide for Good Hygiene Practices in the production of artisanal cheese and dairy products. The GGHP is drafted by producers and specialists of the sector and endorsed by the public authorities in all EU member states. The GGHP is a tool to help the producers to improve their food safety management. In the future more adapted tools will be developed in the “Teacheesy” program.

- **‘Emmentaler’ word trademark request at EUIPO**

EDA informed that a request from the Swiss Consortium to protect Emmentaler as a trademark has been send to EUIPO. EDA raised its concerns to EUIPO and the case will be investigated. CELCAA informed that Emmentaler has been approved earlier as a generic term.

- **AOB & close of the meeting**

ECVC and EMB expressed concerns on the milk market situation and the increase of milk production facing an obvious decline in producer prices in spring time. They pointed out that producer organisations have a short leverage concerning production regulation. DG Agri G3 answered that they pointed out several times that producers should be aware of the development. EDA commented that the market is not catastrophic: butter price is historically high and other milk products are on average levels, except for SMP.

Copa-Cogeca pointed out that there is a contradiction in EU legislation regarding pesticides used in nitrogen-binding crops.

Copa-Cogeca emphasised that care should be taken when negotiating FTA’s with new countries or areas. Oceania is a market of 20 million people, so it is obvious that Australia and New Zealand have a larger interest on a FTA. Mercosur sensitive issues are beef that milk producers are also producing. The overall sanitary issue has to be taken into account.

Copa-Cogeca concluded that it is not normal on the EU market that producers cannot get their milk processed.

4. Conclusions/recommendations/opinions

There were no general conclusions or recommendations.

5. Next steps

There were no further steps agreed on.

6. Next meeting

The next meeting will be announced later.

7. List of participants - Annex

Disclaimer

"The opinions expressed in this report represent the point of view of the meeting participants from agriculturally related NGOs at community level. These opinions cannot, under any circumstances, be attributed to the European Commission. Neither the European Commission nor any person acting on behalf of the Commission is responsible for the use which might be made of the here above information."

List of participants– Minutes

Civil Dialogue Group – Milk

Date: 20 February 2018

Nom/Name	Prénom/ First name	ORGANISATION EUROPEENNE/ EUROPEAN ORGANIZATION
ALA ORVOLA	Leena	COPA
ALBERT	Rauli-Jan	COPA (Notetaker)
BOERGER	Ludwig	COPA
BOERSMA	Onno	CELCAA
BRANDT	Riitta	FoodDrinkEurope
BUDDENBERG	Peter	EFFAT
BUTTIGIEG	Cajetan	COGECA
CARDOSO	Fernando Jorge	COGECA
CLAEYS	Herman	COGECA
COLLIN	Philippe	ECVC
CORRALES CIGANDA	Gonzalo	CEJA
DAUN	Christoph	CEJA
DEBES	Michel	COGECA
DEWAR	Flora	FoodDrinkEuropa
EDER	Helmut	COPA
FERRARESE	Piergiovanni	CEJA
FEURLE	Klaudia	CELCAA
GALATOULAS	Ioannis	COGECA
HARCZ	Zoltan	COGECA
HOYER	Lise Andreasen	COGECA
IRVINE	William	COPA
KÄRNER	Ene	COGECA
KEATINGE	Ray	AHDB
KIKOU	Olga	EEB / BEE

KLOOSTERBOER	Wim	FoodDrinkEurope
KOELTRINGER	Johann	FoodDrinkEurope
KUYK	Andrew	CELCAA
LECLOUX	Henri	ECVC
LIKITALO	Jukka	CELCAA
LONG	Jerry Oliver	COGECA
MEDINA MARTIN	Felipe	EuroCommerce
MEZZOGORI	Daniele	COPA
NALET	Michel	FoodDrinkEurope
NALON	Elena	EFA
OHRLUND	Anton	CEJA
PHELAN	Thomas	COPA
PRANAUSKAS	Eimantas	COGECA
RANGLES	Anne	CELCAA
RASMUSSEN	Keld Winther	CELCAA
ROQUEFEUIL	Thierry	COPA
SANTALLA AGRA	Roman	COPA
SCHABER	Romuald	EMB
SCHOEPGES	Erwin	EMB
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