



Revision of the Voluntary Coupled Support measures (VCS) in the dairy sector for 2017

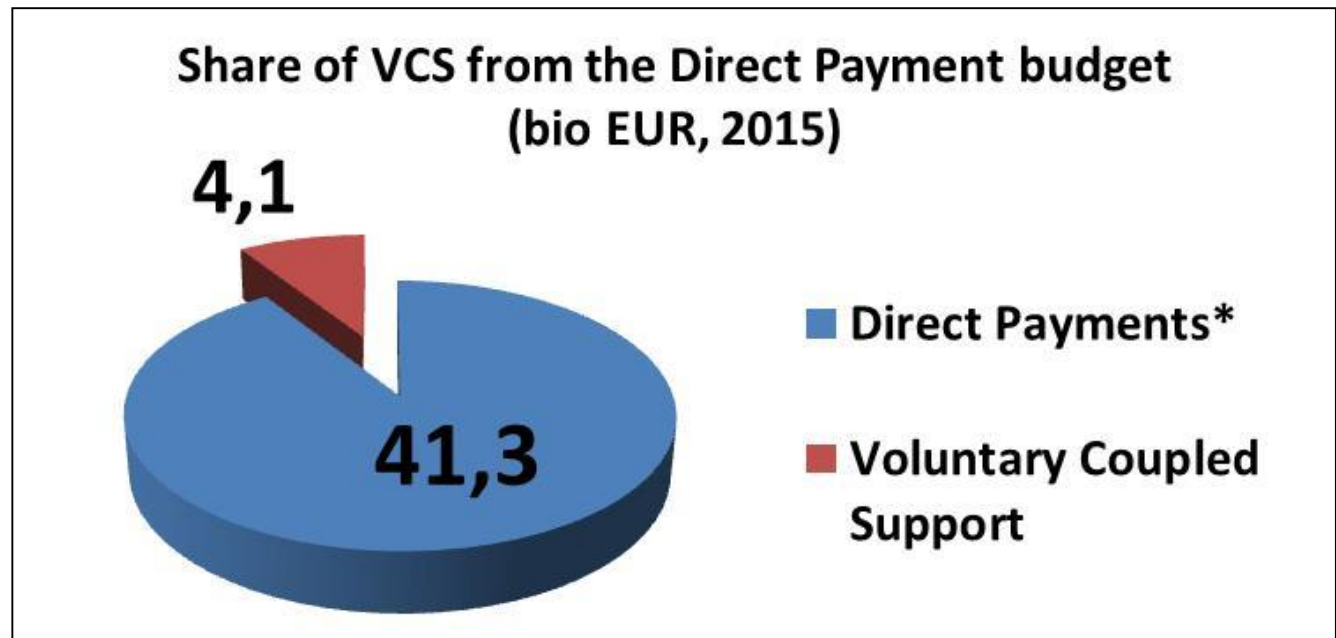
*DG Agriculture and Rural Development
European Commission*

*Civil Dialogue Group – Beef Meat
30 November 2016*



Context

- **27 MS** decided to implement VCS measures as of 2015 (Article 52 of Regulation (EU) No 1307/2013). It represents approx. 4,1 billion EUR/year.



* Sum of national ceilings in Annex II of Regulation (EU) No 1307/2013

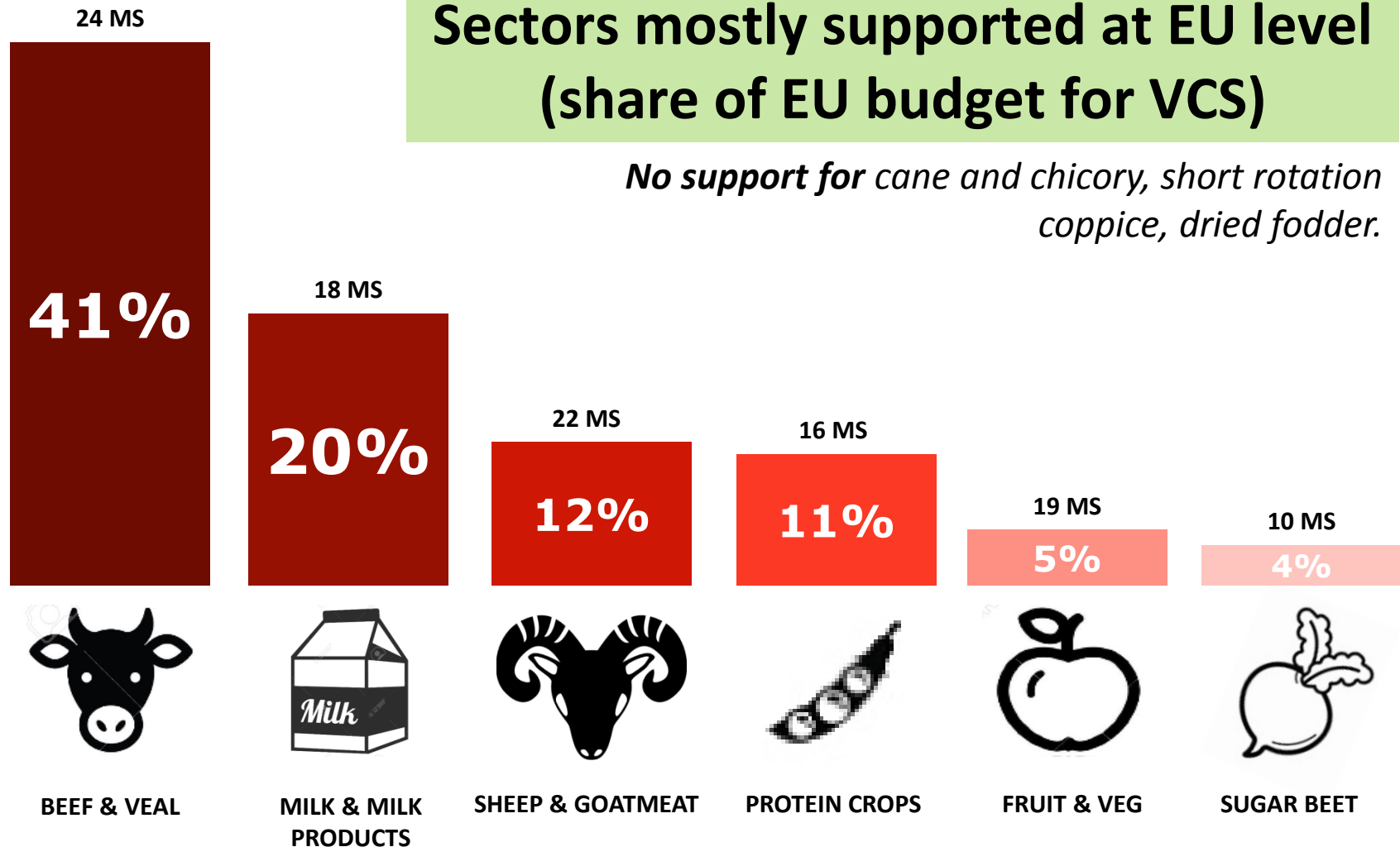
Context

- Support granted to **sectors or regions** where **specific types of farming or sectors** that are particularly important for economic, social or environmental reasons undergo **certain difficulties**.
- **21 sectors/productions**: cereals, oilseeds, protein crops, grain legumes, flax, hemp, rice, nuts, starch potato, **milk and milk products**, seeds, sheep meat and goat meat, beef and veal, olive oil, silk worms, dried fodder, hops, sugar beet, cane and chicory, fruit and vegetables and short rotation coppice.
 - 18 MS with measures targeting the milk & milk products sector (approx. EUR 830-860 mio per year, i.e. 20% of the VCS envelope; QL is 12,3 mio head/year).



Sectors mostly supported at EU level (share of EU budget for VCS)

*No support for cane and chicory, short rotation
coppice, dried fodder.*



Context

- Objective of the VCS: to provide an incentive to **maintain "current" levels of production.**
- Payment within quantitative limits, based on fixed areas and yields or fixed number of animals.
- MS are responsible for their decisions (no Commission approval or rejection, except in specific situations).
- As the **payment is paid per head**, farmers may consider keeping cows simply to get the coupled support, thus contributing to the oversupply of milk.
 - **July milk package:** one of the measure concerns VCS.



Milk crisis & VCS (1/2)

- Commission adopted an implementing act ((EU) 2016/1616) to allow MS to revise their VCS measures for the dairy sector (Art.69 of R. (EU) No 1307/2013).
- In that context, MS may decide to continue paying, for claim year 2017, the farmers that were eligible to VCS dairy measures, **on the basis of the number of animals eligible in 2016**.
- Farmers would continue to receive the support without having to maintain the size of the herd. All eligibility conditions normally applying are **not applicable for claim year 2017** (the farmer has nevertheless to continue complying with the definition of an active farmer).
- Such possibility was designed **to bring consistency with and enhance the effect** of the market measures of the new support package.

Milk crisis & VCS (2/2)

- Nevertheless, the objective of the VCS remains the same and quantitative limits should continue to be respected.
- This revision was **optional** for the Member States.
- Out of the 18 MS implementing VCS measures in the dairy sector, **only one Member State** decided to make use of the possibility to "decouple" its VCS payments in the dairy sector.



Thank you for your attention!