



Brussels,  
ML D(2008)  
A31\_5/DT5/ env milk quota - quality grid-  
final

## **EVALUATION OF THE ENVIRONMENTAL IMPACTS OF MILK QUOTAS**

**Subject: Quality grid based on the Final Report submitted by Alliance  
Environnement**

### **Preliminary remark**

The following text and grid provides a global assessment of the above-mentioned evaluation study. The Commission steering group in charge prepared it at the end of the evaluation process.

The judgement is made on the methodological approach followed to answer the evaluation questions, not on the results, conclusions or recommendations reached by the contractor. It has to be pointed out that it is neither the opinion of the evaluators nor the content of their conclusions that are judged here, but only the methods used for obtaining them.

### **1. Meeting the needs: Does the evaluation adequately address the information needs of the commissioning body and fit the terms of reference?**

The evaluation addresses adequately the information needs of the commissioning body and fits fully the terms of reference. The evaluation delivered what was envisaged in the tender dossier and the evaluation questions listed in the Terms of Reference have been adequately addressed.

The evaluator had to face the two difficult tasks:

- i. to analyse the different systems of application of the milk quota regime in the individual Member States with regard to their structural and regional impacts.
- ii. to identify and analyse the environmental impacts of these different options.

The evaluator distinguished the two tasks during the whole process of the evaluation and analysed thoroughly the different application systems. The structural and regional impacts were of course more easy to define than their environmental consequences, which are often very farm and location specific. However, the evaluators tried their best to achieve credible results.

Global assessment: **good**

**2. Relevant scope: Is the rationale of the policy examined and its set of outputs, results and outcomes/impacts examined fully, including both intended and unexpected policy interactions and consequences?**

It has to be noted that this study is a complementary study to the evaluation of the environmental impacts of CAP measures and direct support measures related to the beef and veal sector and the milk sector which was done by the same contractor and finalised end of 2007. In this study the environmental impacts of the milk quota system in its general functioning were considered in the context of the examination of the market measures in the milk sector.

*This* study focused on the environmental impacts of the different ways of applying the milk quota regime in the individual Member States.

The evaluators have thoroughly described and examined the different application systems in the EU-15 with an overview of the implementation of milk quota in the 10 Member States which acceded to the EU in 2004.

The evaluation has fully examined the rationale of the different national policy measures in question (relating essentially to allocation and transfer of milk quotas) as well as their impact on production techniques, production management and farm structures. The likely environmental effects and impacts of the different national milk quota policies were adequately addressed being based on a well elaborated theoretical reasoning and analysed to the extent possible.

The time frame and the different legislations to be addressed (on Community and on national level) were completely taken into account as well as the geographical scope, in particular as regards the regional level.

The evaluation identified clearly the interactions and interdependencies of the measures concerned as element of the CAP in the milk sector with the general development of this sector, market developments and other relevant policies. Therefore intended and unintended results and impacts of the measures examined were identified.

Global assessment: **excellent**

**3. Defensible design: Is the evaluation design appropriate and adequate to ensure that the full set of findings, along with methodological limitations, is made accessible for answering the main evaluation questions?**

The methodological design is carefully reasoned, based on microeconomic analysis and a thorough examination of the different application systems of the milk quota, and clearly presented. Hypotheses have been developed on expected impacts, in which the distinction between *first order effects (on farm and structural level)* and *second order environmental effects* is made systematically.

The methodology has been followed consequently and has been well adapted when data constraints hindered its implementation or when relevant issues needed further investigation. The limits of the methods applied are also well explained

The design applied is adapted to each evaluation question and data availability. The methodology for answering the evaluation questions is clearly explained and appropriate.

Global assessment: **good**

**4. Reliable data: To what extent are the primary and secondary data selected adequate? Are they sufficiently reliable for their intended use?**

Data from multiple sources were used. The evaluators received a lot of *secondary* data from DG AGRI, including data from the FADN (Farm Accountancy Data Network and the FSS (Farm Structure Survey). Furthermore they had access to results of a questionnaire on milk quota application sent to Member States in 2007 by the market unit responsible (AGRI-C.4). All these data were well exploited and used in an adequate way.

The sampling techniques for the collection of *primary* data, collected notably in the case studies were appropriate and these studies did provide very valuable information, which is not always sufficiently reflected in the core text of the report. All data sources used are clearly identifiable in the report and the limits of the data sources are stated in the report.

The consultants cannot be held responsible fact that very few sufficiently reliable data was available with respect to the impact of application of the milk quota on the environment. They tried to overcome this difficulty in an appropriate way notably by using and comparing secondary data from different sources. The limits of these data were always indicated.

Global assessment: **good**

**5. Sound analysis: Is quantitative and qualitative information appropriately and systematically analysed according to the state of the art so that the evaluation questions are answered in a valid way?**

The analysis of the information presented and the tools applied are adequate. The quantitative and qualitative information is well used for answering the evaluation questions in an appropriate way.

The different steps of the approach are well explained and clearly presented along the different hypotheses developed. Due to the nature of information available the analysis of farm level and structural impacts could be more developed than the analysis of environmental impacts. This is beside the data problematic (see above) due to the general problematic of identifying these impacts which are often very location and even farm specific.

Global assessment: **good**

**6. Credible findings: Do findings follow logically from, and are they justified by, the data analysis and interpretations based on carefully described assumptions and rationale?**

The findings developed are justified and defensible. The reasoning is well explained, the assumptions made and the methodological limitations are well described. The findings are carefully expressed, taking into account the data constraints and the consequent limitations of the methodology and assumptions.

The evaluator was sufficiently cautious in the presentation of findings where the information basis was not robust enough for a clear overall assessment. The general problematic of establishing links between policy measures and environmental impacts and the lack of specific environmental data were well pointed out.

Global assessment: **good**

**7. Validity of the conclusions: Does the report provide clear conclusions? Are conclusions based on credible results? Are they unbiased?**

Conclusions are laid out in a clearly understandable manner. The conclusions are based on a thorough examination of the national application systems of the milk quota, economic theory, sound analysis and credible results. They are not biased by partisan considerations. Given the data constraints, they are balanced and prudent. The reasoning between the findings and the conclusions is well explained.

Global assessment: **good**

**8. Usefulness of the recommendations: Are recommendations fair, unbiased by personal or stakeholders' views, and sufficiently detailed to be operationally applicable?**

The conclusions and recommendations are fair and unbiased. They are well explained and based on the findings of the report. They were established taking into account existing instruments of the CAP (including rural development measures) and in view of providing an input into future discussions of the CAP.

Global assessment: **good**

**9. Clear report: Does the report clearly describe the policy evaluated, including its context and purpose, together with the procedures and findings of the evaluation, so that information provided can easily be understood?**

The report is well-structured and written in an understandable language. The measures evaluated and possible structural and environmental effects resulting from the policy are application of these measures are well presented. Also the methods used for evaluating the farm level, structural and environmental effects are clearly explained.

Global assessment: **good**

**The overall quality rating of the report is considered: good**

<b>Concerning these criteria, the evaluation report is:</b>	<b>Unaccep- table</b>	<b>Poor</b>	<b>Satisfac- tory</b>	<b>Good</b>	<b>Excel- lent</b>
<b>1. Meeting the needs:</b> Does the evaluation adequately address the information needs of the commissioning body and fit the terms of reference?				<b>X</b>	
<b>2. Relevant scope:</b> Is the rationale of the policy examined and its set of outputs, results and outcomes/impacts examined fully, including both intended and unexpected policy interactions and consequences?					<b>X</b>
<b>3. Defensible design:</b> Is the evaluation design appropriate and adequate to ensure that the full set of findings, along with methodological limitations, is made accessible for answering the main evaluation questions?				<b>X</b>	
<b>4. Reliable data:</b> To what extent are the primary and secondary data selected adequate? Are they sufficiently reliable for their intended use?				<b>X</b>	
<b>5. Sound analysis:</b> Is quantitative and qualitative information appropriately and systematically analysed according to the state of the art so that evaluation questions are answered in a valid way?				<b>X</b>	
<b>6. Credible findings:</b> Do findings follow logically from, and are they justified by, the data analysis and interpretations based on carefully described assumptions and rationale?				<b>X</b>	
<b>7. Validity of the conclusions:</b> Does the report provide clear conclusions? Are conclusions based on credible results?				<b>X</b>	
<b>8. Usefulness of the recommendations:</b> Are recommendations fair, unbiased by personal or stakeholders' views, and sufficiently detailed to be operationally applicable?				<b>X</b>	
<b>9. Clearly reported:</b> Does the report clearly describe the policy being evaluated, including its context and purpose, together with the procedures and findings of the evaluation, so that information provided can easily be understood?				<b>X</b>	
<b>The overall quality rating of the report is considered</b>				<b>X</b>	