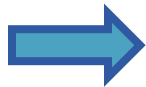


Market Responsibility Programme

Market Responsibility Programme – MRP

Reacting to crises – applying the MRP

The plan is to apply the MRP in three phases.



1. Early warning (Market Index falls by 7.5%)

- Monitoring agency announces early warning
- Private storage is opened
Incentive programmes for extra consumption such as sucking-calf production, milk fattening of heifers etc.
- Phase is maintained until the index returns to 100



2. Crisis (Market Index falls by 15%)

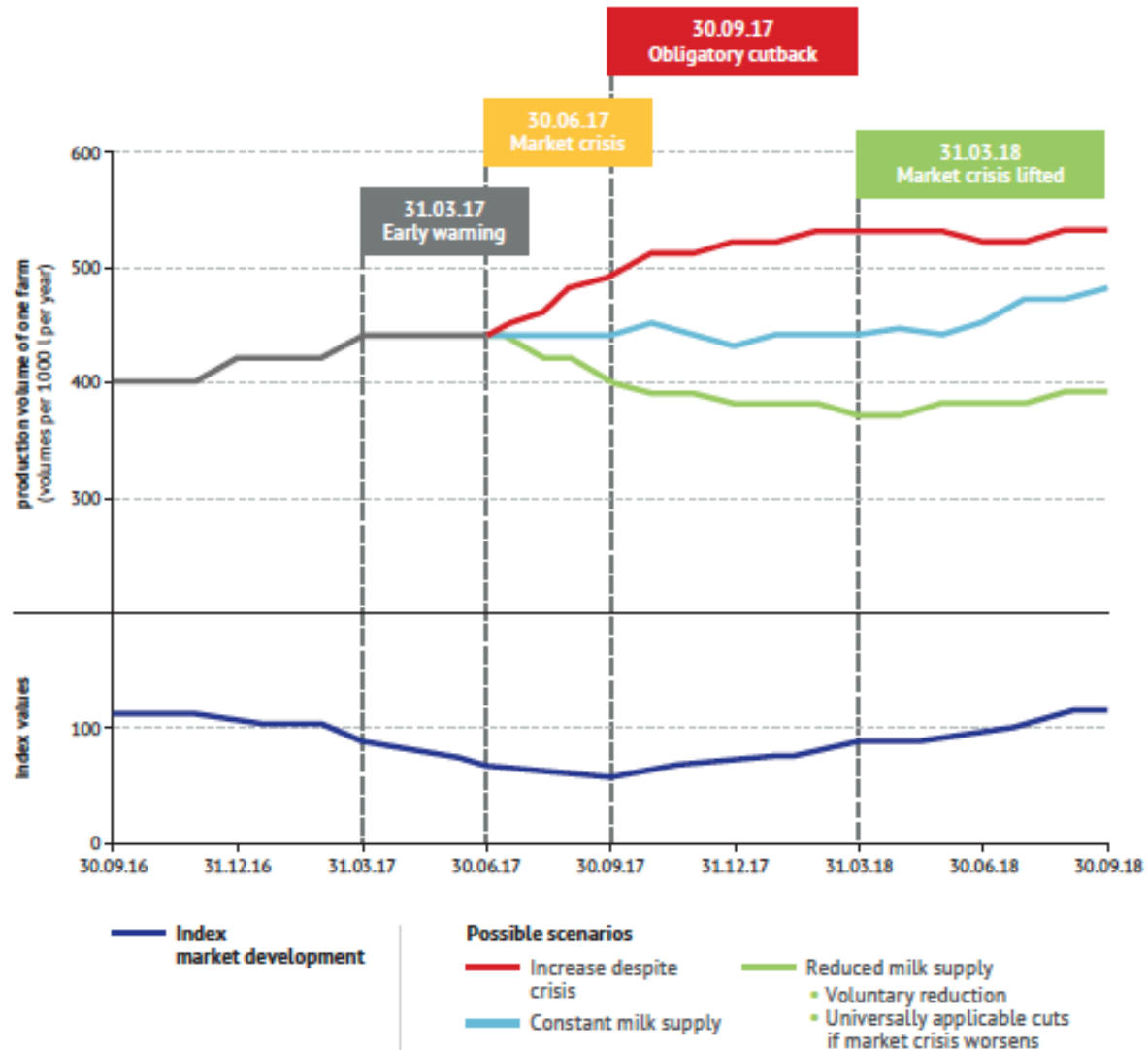
- The crisis is officially established and announced by the Monitoring Agency
- Core elements of the Market Responsibility Programme are started
- A reference period is defined
- Call for tenders regarding production cuts (at least 5 %), bonus for reducing production
- Market responsibility levy from the first kilo for farms increasing production



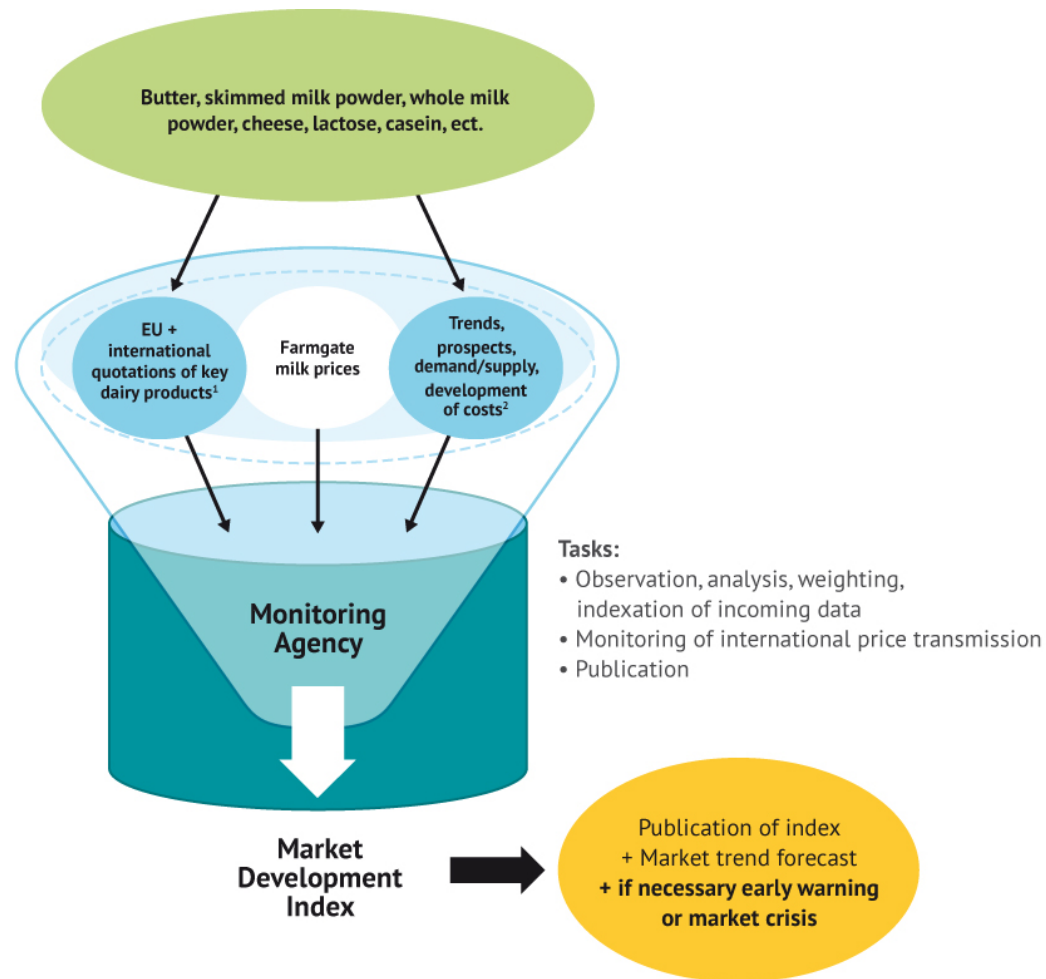
3. Obligatory cutback phase (Market Index falls by 25%)

- Universally applicable reduction in the supply of milk by 2–3 % for a defined period, e.g. 6 months

Market Responsibility Programme – MRP



Market Responsibility Programme – MRP



¹ e.g. to be gathered from: DCA, CLAL, DGT, CME

² e.g. to be gathered from: Eurex, IFCN, ife, FAO