EC allocates 500 million euros to support measures for the dairy sector

The European Commission has adopted a third package of measures to support the dairy sector, worth 500 million euros, in the Council of Agriculture Ministers held on July 18th, which, as stressed the Spanish Minister of Agriculture, Isabel García Tejerina, collects all the requests that Spain has been raised to Brussels in recent months, to alleviate the critical situation being experienced by farmers in dairy cattle.

The main objective of this package is to rebalance the balance between supply and demand and thereby achieve recovery of prices received by farmers for the sale of milk. For this purpose the following measures are collected:

• Reduction of production, with a budget of € 150 million, open to all farmers in the European Union , under the same conditions, to reduce milk production with respect to a reference period.

• A conditional on fulfillment of commitments related to the stability of markets, which will be

allocated € 350 million for direct support. Of that amount, € 14.7 million correspond to Spain, according to the weight that the Spanish production in the entire Community production.

• Coupled support the production of dairy cattle, in Spain 56% increase in 2015, up € 94 million, can derogate from the obligation to keep milk cows in 2017, in order that aid does not constitute an incentive to increase production.

• The autonomous communities can anticipate, from 16th October this year, 70% of direct payments and 85% of rural development support linked to the surface, but have not finalized the spot checks, to improve the overall liquidity of farmers and ranchers.

• Purchases into intervention and aid for private storage of dairy products, butter, skimmed milk powder and cheese, which concluded next September, will be extended until the end of December and February 2017, respectively.

The Minister of Agriculture, Food and Environment, Isabel García Tejerina, is committed to working with the Commission to facilitate the implementation of these measures, so that its effects on prices received by farmers are noticed as soon as possible.

In another action, the European Commission has also committed to increasing withdrawal prices for Producers Organizations Fruits and Vegetables (FVPOs), as had been requesting repeatedly from Spain. In this regard, the minister stressed the importance of the commitment of the Commission to increase the withdrawal prices for FVPOs, following a request that Spain had made in the past, despite coincide with a time when the general attention was focused on the livestock crisis in many of the Member States.

Source: MAGRAMA**.**