

Milk and milk products: measures for the Azores and Madeira

2003/0244(CNS) - 15/10/2003 - Legislative proposal

PURPOSE : on milk and milk products relating to the Azores and Madeira, amending Regulation 1453/2001/EC and repealing Regulation 1600/92/EC (POSEIMA). **PROPOSED ACT** : Council Regulation.

CONTENT : milk is the main resource associated with agricultural activity in the Azores. The milk sector offers a secure income, and finding viable alternative activities rapidly would be difficult. In 1999/2000 the level of production stood at 500 000 tonnes and in 2002/03 considerably exceeded that, reaching 522 500 tonnes. Beyond that level, there is a danger of disturbance to the overall balance of the agricultural markets in the Azores and the protection of the environment. Milk production must be stabilised therefore and the producers concerned given the opportunity of adapting to the control mechanism which quotas represent. In 2002/03, the quota for producers established in the Azores was nearly 450 000 tonnes. Under the political agreement reached in Luxembourg on 26 June 2003 it was decided to allocate to them an additional quota of 50 000 tonnes from the 2005/06 marketing year as part of the quota arrangements, which were extended to 2014/15. The production target which has now been assigned to producers in the Azores is 500 000 tonnes. To comply with it, they will need a longer period of adjustment. The specific measure provided for in Article 23 of Council Regulation 1453/2001/EC (POSEIMA) could meet that aim. The extension takes place against the background of the political agreement of June 2003, in which it was decided to prolong the application of this measure up to the 2004/05 marketing year and provide for a phased reduction. In order to lessen this impact, it is proposed to prolong the specific measure.

FINANCIAL IMPLICATIONS : - Budget headings: B1-2000 - appropriations EUR 420 million, and B1-2001- appropriations EUR 126 million. - Expenditure: for 2005 : EUR 1.4 million; for 2006 : EUR 2.4 million; for 2007 : EUR 2.1 million, n+5 - EUR 2.0 million.