

Conclusions by Jean-Luc Demarty

We are coming up towards the finishing line at to-day's dairy conference and I would like to thank all the participants of the conference, speakers as well as audience for their valuable input.

The interventions made clear that in our dynamic process of shaping a sustainable future for milk producers and for other players in the dairy supply chain we will have to find well balanced solutions to the challenges. I believe that the contributions and discussions today have been of high quality and will help to enrich the ongoing discussion conducted by the High Level Group on milk with regard to the medium and long term arrangements for the sector..

We had interesting presentations on today's dairy market and the perspectives I noted that the Global Dairy Markets Trends and Prospects of the OECD are more optimistic than last year.

- World exports of dairy products are anticipated to recover.
- The dairy sector is expected to remain one of the fastest growing sectors with strong potential as the popularity of dairy products rise.

In a more and more market oriented framework it is encouraging to note the return of value-added products to be the driver of increased demand inside and outside of EU.

However, market orientation also brings price and income volatility and it is clear that one of our primary tasks is to ensure that such volatility will not have an irreversible damaging impact on the EU dairy sector. In that context, it is evident that a more transparent and more equal sharing of the added value between the market players will have to be considered.

In addition, beyond market management tools a better and more speedy adaptation of raw milk supply to demand has to be organised.

It is in this perspective that we have discussed today the question of contractual relationships between producers and processors where the importance of the principles of contracts has been confirmed.

On the issue of bargaining power for milk producers the discussions showed again the need for enhanced negotiation power at a collective level, to be defined. However, also adequate competition and maintenance of the single market have to be ensured. Solutions point to possible exceptions to competition law for the dairy sector and reinforcement of producer organisations.

The importance of market measures as a safety net has been confirmed. The debate on a futures market for the dairy sector fits in the considerations for new instruments and futures may be useful as a complementary risk management tool.

This work must obviously be continued and completed with new dimensions. Thus the High Level Experts Group must go into further detail on issues of quality and innovation, which will complement the analysis of the supply side by an inventive approach on demand side.

Commissioner Ciolos confirmed this morning that in preparing the future of the milk sector three key ingredients must be considered:

- The competitive capacity of producers and processors of milk
- Enhanced transparency in the dairy supply chain
- Market orientation i.e. without quotas but not without a safety net due to the EU market being open and in competition with other trading partners

In his intervention this morning Vice-President of the Agriculture and Rural Development Committee of the European Parliament, Mr Niculescu, equally highlighted a number of these issues which are relevant for shaping the "Future of Milk".

The Commissioner also announced this morning his intention to consider initiatives of the Commission for the dairy sector before negotiations start for the CAP after 2013. In this context, the final report and the recommendations of the High Level Experts Group, which is scheduled for the end of June 2010, will be of particular importance.

I know the involvement of the members of the group and I have no doubt that the result will be successful in reaching recommendations on a regulatory framework which can contribute to stabilise the market and producers income.

Thanks to interpreters, thanks you all for coming to-day and a safe trip back to your origin.

Close the Conference.