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REPORT FROM THE COMMISSION TO THE COUNCIL

Market Outlook for the Dairy Sector

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1. INTRODUCTION

In June 2003 the Council reached an agreement on a number of changes to the EU dairy policy. The most important elements were:

- (1) asymmetric reduction in intervention price: 25% for butter (from €328.20 to 246.39/100 kg) and 15% (from €205.52 to 174,69/100 kg) for skimmed milk powder (SMP);
- (2) partial compensation for intervention price cut for dairy farmers: a direct payment of €24.49/100 kg of quota and a supplementary payment per Member State equivalent to approximately €11/100 kg. Such compensation is paid for the total of national quota as at 1999/2000. Originally the coupled payments had been programmed in Agenda 2000 at a lower level. The payments are to be decoupled at the latest in 2007;
- (3) discouragement of butter intervention: by introducing the possibility to open a tender for intervention buying-in after 30 000 tonnes at fixed prices have been bought in;
- (4) expiration of production quotas on 1 April 2015;
- (5) postponement by one year of the gradual quota increase of 1.5% in three steps of 0.5% for 11 Member States, as already foreseen in Agenda 2000, by one year. The increase corresponds to 1.4 million tonnes of milk;
- (6) reduction of the super levy: in four steps from €35.63/100 kg in 2003/04 to €27.83/100 kg from 2007/08 onwards.

Coinciding with the start of the dairy reform in 2004, 10 new Member States joined the EU. This increased the EU base quota by 18.5 million tonnes and added 80 million consumers. Furthermore, in accordance with the accession agreements a restructuring reserve of 0.67 million tonnes was established for eight of the new Member States. This additional reserve was added to their national quotas on 1 April 2006. In 2007 a further two new Member States with total quota of 4 million tonnes joined the Union, bringing the total amount of quota for the EU-27 to 142 million tonnes.

Thus, by 1 April 2008, further to 103 million consumers, 24.5 million tonnes of additional quota will have been added to the EU total since 2003.

The aim of the 2003 dairy reform was to increase competitiveness and market orientation. It was intended that by reducing the guaranteed price for butter and SMP these products would be less attractive to produce and this would give the industry an incentive to produce more value added products like cheese and fresh dairy products. Increasing the quota at the same time would encourage additional production, facilitate restructuring of the sector and encourage entrance into the sector by young farmers.

It will be recalled that the Commissions' proposal for the 2003 Reform was to increase quota by 2% on top of the 1.5% increase already agreed in Agenda 2000. In the June 2003 compromise, however, the Council declared that "No additional quota

increase in 2007 and 2008 will be decided now. The Commission will present a market outlook report once the reform is fully implemented on the basis of which a decision will be taken."

Apart from the last scheduled quota increase of 0.5% in 11 Member States on 1 April 2008, the 2003 reform is now implemented and this report reflects the Commission's market analysis as requested by the Council in June 2003. The report effectively addresses the question of whether the market offers enough opportunities for additional quantities of milk to be supplied, without leading to increased public support in the short and/or medium term, were the production limits to be expanded for all 27 Member States.

2. DEVELOPMENTS OF DAIRY PRODUCTION 2003–2007

Developments between 2003 and 2006 were characterised by a continued increase of production of cheese and fresh products, a stabilisation of raw milk supply and a reduction of SMP, butter and whole milk powder (WMP) output. There has been a constant shift towards products with a higher value added and away from bulk commodities. There are two factors that have played a decisive role in this shift. First, the reduced intervention prices of SMP and butter sent a clear message to processors that the Community would no longer support these two commodities to the same extent as in the past. Second the increased demand for cheese, both in the EU-15 and in the new Member States. Cheese consumption growth has been particularly dynamic in the new Member States

In the category "fresh" the development is the combined result of a decreasing consumption of drinking milk and an increasing consumption of other fresh products like fermented milk products.

The following table illustrates these developments by comparing the production of milk and specific dairy products in 2003 and 2006.

Table 2.1 – EU-25 production of dairy products in 2003 and 2006 ('000 tonnes)

EU-25	raw milk*	cheese **	fresh	SMP	WMP	condensed milk	casein	others	butter
2003	130 800	7 492	45 926	1 216	865	1 231	173		2 239
2006	130 700	8 029	46 131	858	813	1 212	168		2 072
change	-100	+537	+205	-358	-52	-19	-5		-167
in milk equivalents	-100	+4 300	+200	-3 940	-420	-40	-170	+30	***

* milk delivered to dairy processors

** cheese from cows' milk

*** butter is not expressed in milk equivalents, as it mainly is regarded a residual of the other dairy products.

It is estimated that most developments observed in 2003–2006 have continued in 2007. However due to rather strong price movements in 2007 there has been a notable change in the production levels of SMP, which increased again. Since cheese production is expected to increase as well and raw milk production remains rather

stable, WMP production is being reduced. Lower casein production has also made alternative use of proteins possible.

Table 2.2 – Production of dairy products in 2007 ('000 tonnes, projections)

<i>1000 t</i>	raw milk*	cheese**	fresh	SMP	WMP	others	butter
EU-25	131 000	8 147	46 255	892	749	–	2 072
N-2	2 100	142	1 212	3	7	–	18
EU-27	133 100	8 289	47 267	895	756	–	2 090

* milk delivered to dairy processors

** cheese from cows' milk

In **milk equivalents** the additional cheese production between 2003 and 2007 required 5.2 million tonnes of milk¹. For the fresh products 0.3 million tonnes of milk were needed for the increased production². This means that in 2007 **5.5 million tonnes of milk** are used to meet additional demand compared to 2003. In order to meet internal EU demand, the necessary milk solids came from the reduction of SMP, casein, WMP and butter production.

During 2007, despite 1.2 million tonnes of additional quotas being available compared to 2006 (+0.5% and the restructuring reserve) overall production has hardly increased.

In the 2003–2007 period, EU dairy **exports** have decreased, with the exception of cheese. This is the effect of a stable EU milk production and increasing volumes of milk directed towards cheese and fresh products. This had a strong impact on production and export levels of SMP, butter and WMP, with the exception of SMP in 2007, where high world market prices made it attractive to increase exports.

Table 2.3 – EU dairy exports

<i>1000 t</i>	2003	2006	2007 (proj.)
Butter(oil)	319	252	180
SMP	337	85	180
Cheese	578	586	622
WMP	530	457	385
condensed	243	200	222

Imports did not show a notable change in 2003–2007, with import tariffs discouraging imports beyond tariff rate quotas (TRQ's).

¹ On average 8 kg of milk is needed to produce 1 kg of cheese

² 1 kg of milk for 1 kg of fresh product

3. DEVELOPMENTS OF MILK PRODUCTION 2003–2007

Since the 2003 reform and the accession of 10 New Member States, a new feature has been observed in the EU dairy market (see Annex 3.2). Contrary to the past were quotas were fully taken up, several Member States no longer meet their quota potential (see Annex 3.3). This has led in the quota year 2006/07 to a net under usage of quota of 1.9 million tonnes, which is the balance of 0.8 million tonnes of over-quota production, mainly in Italy and Austria and 2.7 million tonnes of under quota production, mainly in France, UK and Hungary.

In the first four months of the current quota year milk deliveries are 0.7% below last year. If this trend continues, the EU-27 milk production this quota year, will be reduced by another 0.9 million tonnes. This would imply a production below quota of almost 3 million tonnes of milk.

This situation has come about in the light of:

- (1) Continuing rigidities in the transfer of quotas. Quotas are fixed by Member State and in some Member States by region or even by dairy processor. This makes it difficult to reallocate quota within a Member State. While such a measure may have kept dairy farming in areas where otherwise it would have disappeared, in some cases it has prevented the development of the dairy sector in more competitive regions or Member States;
- (2) Poor uptake of available quota. The milk production sector is characterised by a gradual restructuring and a continued decline in the number of dairy farmers (see Annex 3.1). Until recently, unused quota would have been taken up by other producers. This appears to no longer always be the case, even in Member States with open quota trading and low quota prices. It must be borne in mind that milk production will only expand if it is profitable. In this sense the current high prices will be a test for the possibilities in the EU towards 2015;
- (3) In the context of the 2003 Reform, more profitable alternatives to dairying may have emerged, either inside or outside the agricultural sector, especially where a time lag occurs in the production response to higher milk prices.

To what extent decoupling might have been a factor needs further analysis.

While the previous chapter showed a rather favourable development of demand for dairy products in the EU in 2003–2007, this chapter indicates that the supply side developments have been less favourable in some Member States (see Annex 3.3).

4. DEVELOPMENTS OF PRICES OF MILK AND DAIRY PRODUCTS 2003–2007

With the exception of the last months, prices of raw milk have gone down since the start of the 2003 reform. At that time it was estimated that, without a change in the product mix, prices could be expected to go down as much as 6 cents/litre from 2003 to 2007. The dairy industry has been able to re-orient production to higher value products, in the light of the following:

- (1) stronger than expected market demand for cheese, both in the EU-15 and in the New Member States;
- (2) higher than expected world market prices due to sustained demand growth, mainly from Asia and oil exporting countries due to increased wealth and a "westernisation" of diets;
- (3) research and development efforts by the dairy industry that increased the use of dairy products as ingredients in a wide variety of products.

Table 4.1 – Annual average prices of raw milk in the EU-25 (real fat content, cents/kg)

2003	2004	2005	2006	2007 (proj.)
28.7	29.1	28.9	27.9	28.5 – 30.0

Milk producers in the EU-15 have received up to 3.5 cents per kg of quota, as a compensatory payment. This payment is completely decoupled as of 2007. In most of the New Member States the payment was included in the Single Area Payment Scheme.

Until 2006, market prices for butter and WMP went down in line with the reduction of EU support prices. On the other hand prices for SMP and cheese hardly changed. In 2007 the market prices are far above the intervention prices.

Table 4.2 – Average EU dairy prices

<i>EUR/t</i>	2003	2004	2005	2006	2007	Buying-in price	2007 price in % of buying-in price
SMP	2 065	2 060	2 010	2 090	3 181	1 747	182%
Butter	3 040	2 965	2 750	2 525	3 229	2 218	146%
WMP	2 535	2 545	2 410	2 350	3 281		
Cheddar	2 850	3 045	3 005	2 865	3 001		

While the developments until 2006 can be explained by the reasons mentioned above, the situation in 2007 has been exceptional.

While world market demand continued to show an increasing trend, this was combined with reduced exports by major exporting countries like Australia

(drought), Argentina (cold weather) and the EU (increased internal consumption). In addition some world exporters imposed export taxes (Argentina) or even an export ban (India). This caused world market prices to soar to unprecedented, unexpected levels and also pulled up EU prices. No decrease in demand, as a result of these price increases took place. High income growth in parts of Asia and the oil exporting countries seems to have made the demand for dairy products less elastic to price increases. This has come about in the light of empty public stocks in the EU and the US.

It is, however, expected that prices will come down to more sustainable levels once the speculative element disappears and producers actively start to respond to the higher price level.

5. USE OF MARKET MANAGEMENT TOOLS 2003–2007

The reduction of the intervention prices for butter and SMP enabled the Commission to **reduce the internal disposal aids** for butter, SMP and skimmed milk for casein to zero. The aid for butter used in non-profit organisations is still applicable.

The lower supported prices logically implied **reducing refunds**. Due to tight world market conditions, it was possible in 2007 for all refunds to be reduced to zero for the first time since the introduction of the common dairy regime in 1968. While the difference between the EU and world market prices for SMP is rather limited, there is still a large difference of approximately 30% between world and EU prices of butter. The reduction of the butter refund to zero was, however, based on internal supply arguments.

Intervention stores are currently empty. There have, however, been quite some quantities bought in into intervention in 2003–2007, as well as quantities under **compulsory private storage arrangements**.

Table 5.1 – Quantities bought into intervention and with private storage contracts (tonnes)

	Butter intervention	SMP intervention	Butter private storage	Cheese private storage
2003	41 000	110 000	179 000	232 000
2004	29 000	20 000	130 000	187 000
2005	36 000	5 000	147 000	251 000
2006	61 000	0	115 000	224 000
2007	437	0	124 000	n.a.

6. EU MARKET OUTLOOK: 2007–2014

The medium-term baseline for milk supply and production of dairy products presented here is based on the DG AGRI report "Prospects for agricultural markets and income in the European Union 2007–2014", published July 2007. The report is based on market and policy information available at the end of June 2007 and assumed an unchanged policy environment. The full report can be found on internet

at the address below:

http://ec.europa.eu/agriculture/publi/caprep/prospects2007a/index_en.htm

The main trends are described below and presented graphically in Annex 1: "BASELINE SCENARIO."

Milk production in the EU is forecasted to remain rather stable between 2007 and 2014. It may increase slightly in the short term as a reaction to higher milk prices. However, after 2009 total milk production is expected to decline gradually due to a steady decline in subsistence production, mainly in the New Member States. On the other hand milk delivered to processors is expected to increase mainly due to shift from direct sales to deliveries in the new Member States.

Cheese consumption is foreseen to remain the main driver of EU dairy production. From 2007–2014, an additional cheese production of 679 000 tonnes is expected. Consumption is expected to grow by 771 000 tonnes. Cheese consumption is predicted to grow very fast in the New Member States: +35%. EU-15 cheese consumption also continues to grow (+5%), clearly at a much lower pace. While imports are expected to increase only marginally, EU cheese exports are expected to go down. The additional 771 000 tonnes of cheese consumption would require approximately **6.2 million tonnes of milk equivalents**.

Consumption of **fresh dairy products** is the other driver of dairy production in the EU. There are two sub-trends. On the one hand the consumption of drinking milk is decreasing. On the other hand consumption of fermented dairy products increases. It is expected that total consumption will continue to increase annually by 0.5% or 0.25 million tonnes of milk equivalents. This means an **additional milk consumption of 1.75 million tonnes** in 2014.

Consumption of **butter** is expected to decrease further, despite a slight increase in recent years. Production of butter is expected to decrease faster, due to the larger uptake of milk fat in cheese production and a lower fat content in raw milk. This means that exports will be reduced gradually. In 2014 it is expected that the EU will be **close to becoming a net importer of butter**. Intervention stocks are not expected to reappear.

Skimmed milk powder production is seen as decreasing over the forecast period, as more proteins are used in cheese and in fresh products. As the production is projected to come down and consumption expected to remain stable the exports are expected to be reduced. The EU will become a small net exporter of SMP by 2014. Intervention stocks are not expected to reappear for SMP either.

Whole milk powder, unlike most other EU dairy products, is largely produced for third country markets. However, other suppliers of WMP to the world market are more competitive than the EU. This is expected to lead to a gradual reduction of WMP production, as well as a reduction of the exports. WMP consumption is expected to remain stable.

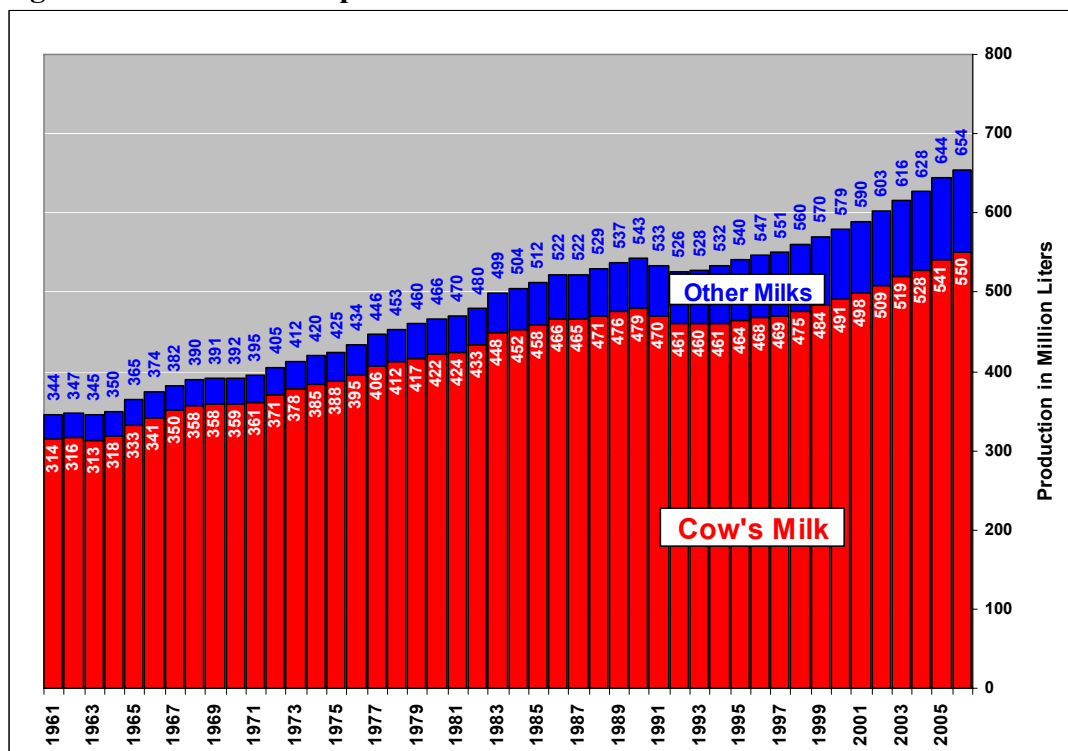
In summary, it is forecast that between 2007 and 2014 1.75 million tonnes additional milk will be needed to satisfy growing consumption of fresh dairy products and 6.2 million tonnes for growing cheese consumption. Consumption of

SMP and WMP is forecast to be stable. This means that 8.0 million tonnes of milk is needed to satisfy increasing internal demand alone. In essence, therefore, the market opportunities for the EU dairy sector are very positive.

7. WORLD MARKET OUTLOOK: 2006–2016

World production of milk has been increasing on a continuous basis. Since 1998, milk production has been growing at a rate of at least 10 million tonnes per year. This trend is expected to continue.

Figure 7.1 – World milk production



Only 7% world milk production is used in products traded on the world market. Most of the milk produced in the world is consumed in the same region, mainly in the form of liquid milk. Traded dairy products are those that, unlike liquid milk, can be stored for a certain time: milk powders, butter(oil) and cheese. Also the EU only exports a relatively small part of its milk production to third countries (9% of milk solids in 2006). EU imports of dairy products are small (1% of milk solids) due to import tariffs.

The outlook for the world market is analysed by the Organisation for Economic Cooperation & Development (OECD) working jointly with the Food & Agriculture Organisation (FAO) and the Food & Agricultural Policy Research Institute (FAPRI). The comparison of both their studies and the EU's own analysis can be found on the address below:

http://ec.europa.eu/agriculture/publi/caprep/prospects2007a/index_en.htm

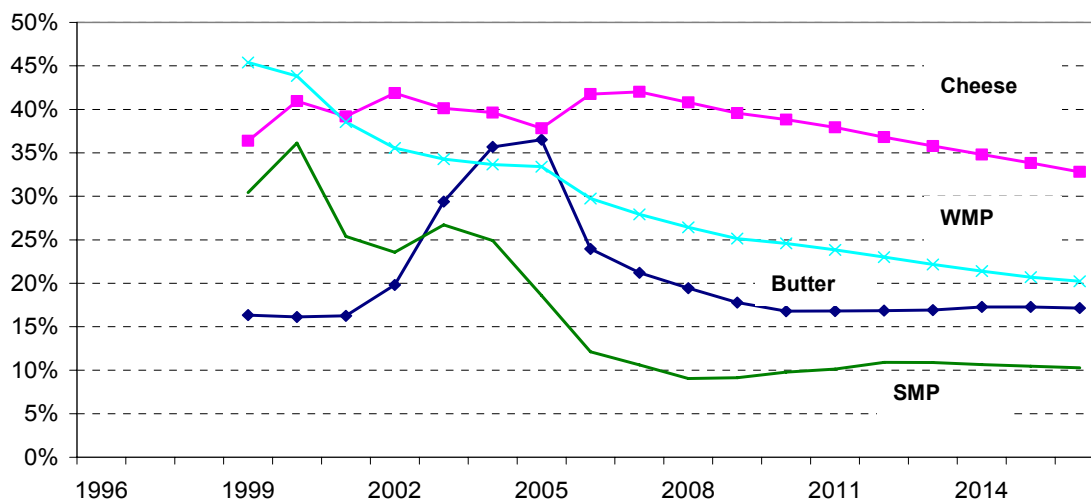
Table 7.1 – Expected world market developments 2006–2016

	Projected price for 2016 (\$/tonne)	Price difference 1996–2006 2006–2016	Production and consumption (annual increase)	Trade (annual increase)
Butter	2 200	+24%	+2–2.3%	+2%
Cheddar	3 000	+38%	+1.3–1.8%	+2.5%
SMP	2 600	+40%	+0.7–1.8%	+0.5–3%
WMP	2 500	+35%	+2%	+1.7%

Source: Agricultural commodity markets – Outlook 2007–2016.

The graph below, based on FAPRI, shows that the EU dairy industry will have to give up market share on the world market as consumption increases on the internal market consumes a larger share of the milk produced.

Figure 7.2 – Share of EU-25 in World Dairy Trade



FAPRI (2007)

In summary, average prices for dairy products on world markets are expected to increase substantially during the coming decade compared to the past decade. FAPRI and OECD foresee world dairy output and consumption growing moderately over the next years. The world market outlook for dairy trade is very positive, especially for cheese. Despite this global demand growth, the Commission's baseline foresees a decrease in EU cheese exports, due to the current limitations of the quota system that prevents milk production to expand.

8. INCREASE OF MILK QUOTAS BY 2% AS FROM 2008

Contrary to the uncertainties which prevailed in 2003, there is now greater clarity on the development of the market post-reform and two successive enlargements. The Commission is therefore in a better position to analyse the likely impact of a 2% quota increase as originally proposed in 2003, were it to be proposed today in the context of 27 Member States.

An assessment has been made of the impact on the dairy sector of such an increase, assuming that 2% additional quotas will be fully used, i.e. 2.84 million tonnes additional milk. The higher quota levels are valid from 2008 onwards. The detailed results of this analysis are presented in Annex 2: "deviations from baseline."

Compared to the baseline in chapter 6, the **price of milk** is expected to fall by 4%. However in the baseline an increase by 7% is foreseen.

For dairy products there is a shift towards **more cheese production**. Initially this matches additional demand, which is higher due to lower prices for cheese. Towards the end of the period it is foreseen that exports will increase again compared to the baseline. This means that the reduction of exports of cheese to the world market as foreseen in the baseline, is partly neutralized by the additional milk production.

For **butter** it is expected that production will increase, but only to a limited extent as part of the extra milk fat is used in additional cheese and fresh dairy products demanded due to reduced prices. Initially butter consumption will increase due to lower prices and exports will increase as well, due to the lower prices and the increased competitiveness on world markets. This effect will be less pronounced towards the end of the period.

SMP production is expected to increase significantly as a result of which the EU will increase exports to sell the additional quantity.

Both for butter and SMP, the extra production, should be possible without further market support.

The analysis shows that additional milk production of 2% offers producers more opportunity to meet market demand, either internally or externally, without overcharging the existing intervention scheme.

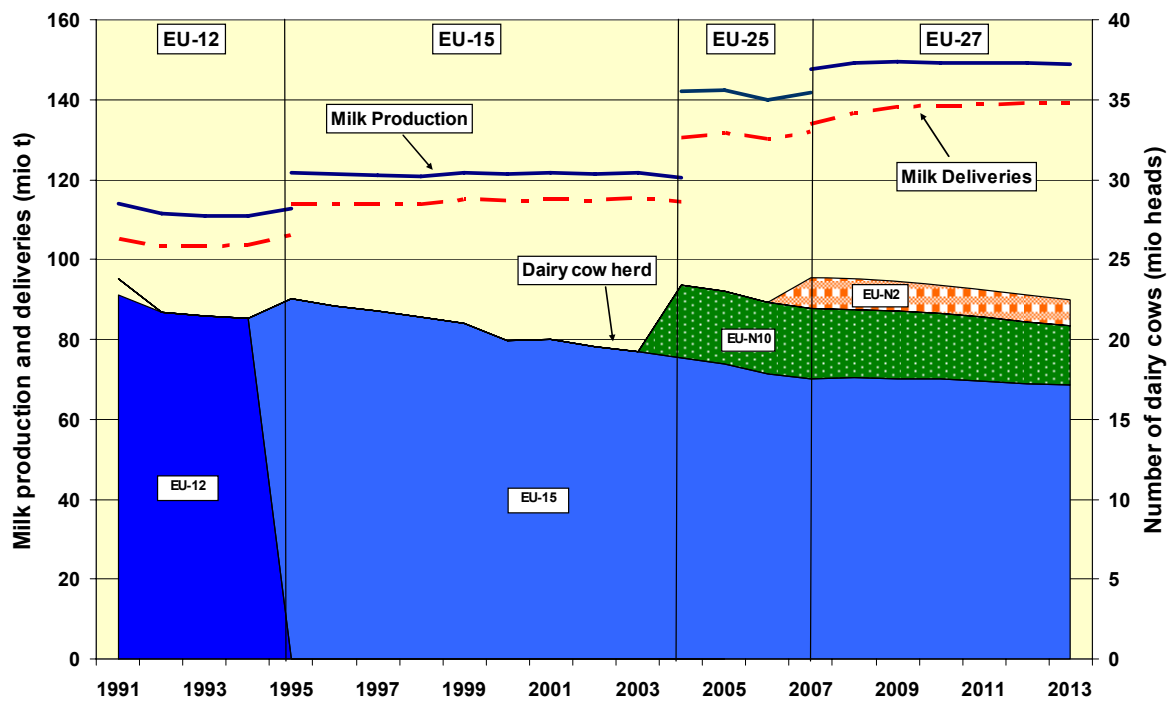
While the analysis assumes the full utilisation of the 2% increases in quotas the real impact on production would likely be more limited in the light of recent EU quota fulfilment rates.

9. CONCLUSIONS

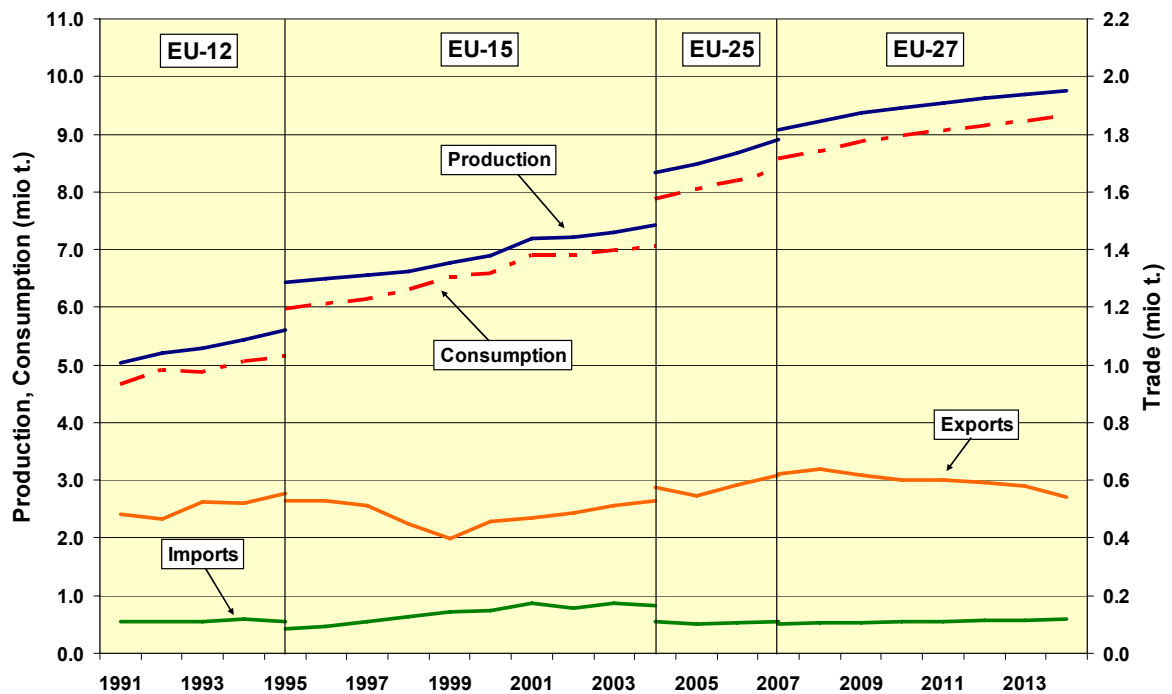
Between 2003 and 2007, expanding cheese and fresh milk production absorbed an additional amount of 5.5 million tonnes of milk, while overall milk production remained stable. According to the analysis developed in the previous pages, between 2007 and 2014, an additional supply of about 8.0 million tonnes would be needed to meet growing internal demand, while, with quota unchanged, raw milk production is not expected to increase. Moreover, the outlook for the world market is positive. The study made to assess the impact of a 2% increase of milk production inside the EU leads to the conclusion that the market offers ample opportunities for absorbing such an additional quantity. While the analysis assumes that the 2% quota increase is fully utilised, the actual impact on production is likely to be more limited, taking into account the current situation where national quotas are not fully utilised in a number of Member States. The Commission in responding to the Council request to provide a basis on which a decision can be taken regarding an increase in quotas, concludes that the 2% increase, as originally proposed as part of the 2003 reform, may be implemented starting from 2008.

ANNEX 1: BASELINE SCENARIO

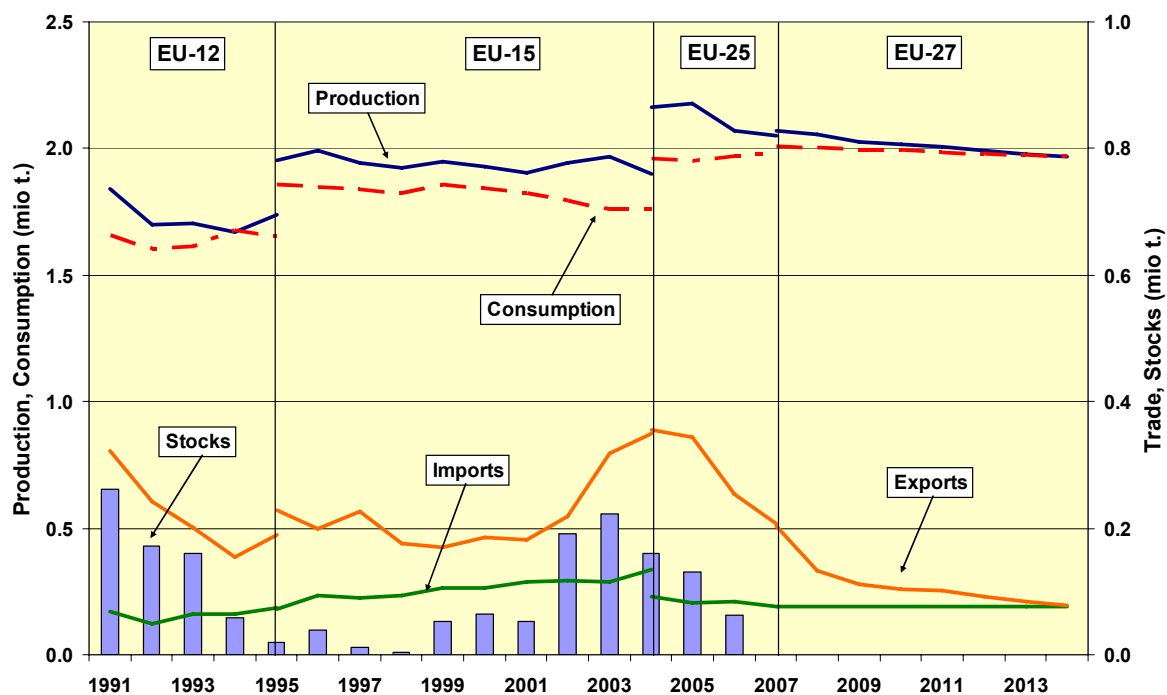
Milk production, and deliveries in the EU-27, 2001–2014



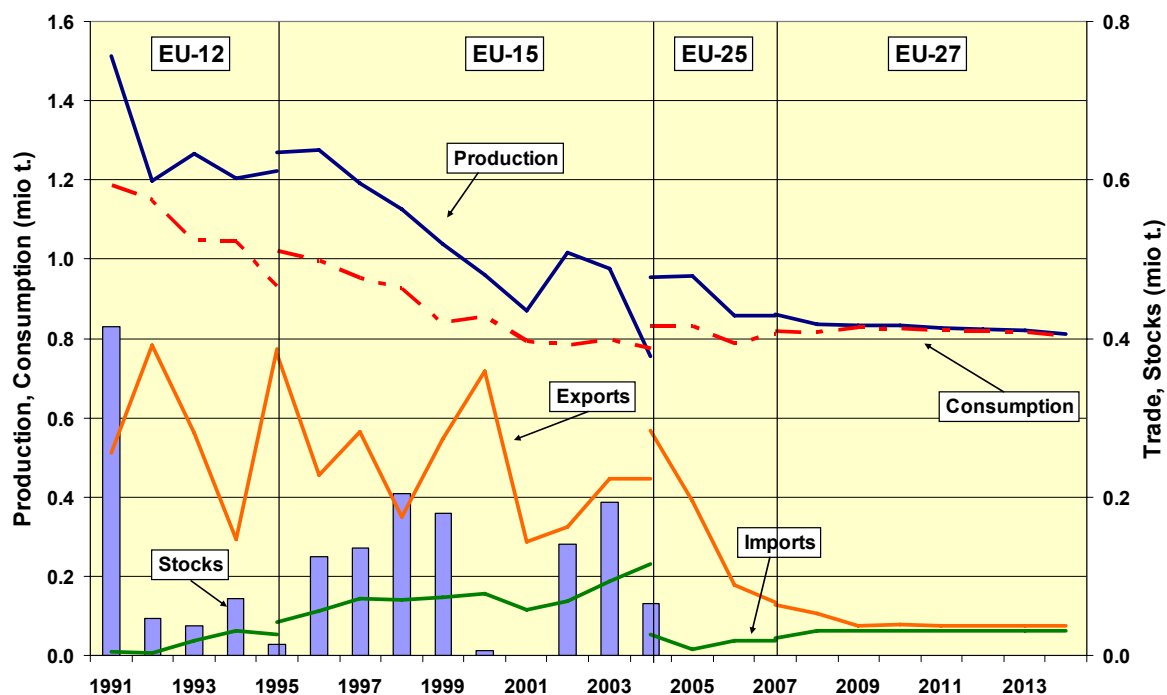
Cheese balance sheet in the EU-27, 2001–2014



Butter balance sheet in the EU-27, 2001–2014



SMP balance sheet in the EU-27, 2001–2014



ANNEX 2: +2% MILK PRODUCTION DEVIATION FROM BASELINE SCENARIO

MILK production		2008	2010	2012	2014
IMPACT	Production (<i>mio t</i>)	2.0%	2.0%	2.0%	2.0%
	Deliveries (<i>mio t</i>)	2.0%	2.0%	2.0%	2.0%
	Fat content (%)	-0.2%	-0.2%	-0.2%	-0.2%
	Milk yield (<i>kg/dairy cow</i>)	0.5%	0.6%	0.5%	0.5%
	Number of dairy cows (<i>mio heads</i>)	1.5%	1.4%	1.4%	1.5%
	Price	-4.9%	-5.0%	-4.6%	-4.0%

CHEESE production		2008	2010	2012	2014
IMPACT	Production (incl. processed cheeses)	2.2%	2.3%	2.2%	2.2%
	Imports	0.0%	0.0%	0.0%	0.0%
	Exports	0.0%	0.0%	2.4%	11.9%
	Domestic consumption	2.3%	2.4%	2.2%	1.6%
	Price EU	-3.7%	-3.8%	-3.5%	-2.6%
	World Market Price	-0.2%	-0.1%	-0.5%	-1.5%

BUTTER production		2008	2010	2012	2014
IMPACT	Production EU-27	1.1%	0.6%	0.5%	0.3%
	Imports	0.0%	0.0%	0.0%	0.0%
	Exports	23.4%	9.3%	9.0%	6.6%
	Consumption EU-27	3.8%	4.0%	3.7%	3.1%
	Ending stocks				
	EU Price	-1.2%	-0.6%	-0.5%	-0.3%
	World Market Price	-0.3%	-0.2%	0.0%	0.0%

SMP production		2008	2010	2012	2014
IMPACT	Production EU-27	7.6%	5.8%	5.3%	4.5%
	Imports	0.0%	0.0%	0.0%	0.0%
	Exports	70.9%	40.0%	36.5%	29.7%
	Consumption EU-27	0.2%	0.1%	0.1%	0.1%
	Ending stocks	-	-	-	-
	EU Price	-6.6%	-7.1%	-6.6%	-5.7%
	World Market Price	-2.3%	-0.6%	-0.6%	-0.7%

ANNEX 3: QUOTA DEVELOPMENTS

Table A3.1 – Number of dairy farmers with a quota

MS	1995	2005	2007	change 1995–2007	annual change 1995–2005	annual change 2005/2007
BE	24 047	14 533	12 672	–47.3%	–4.9%	–6.6%
CZ		2 991	2 727			–4.5%
DK	15 301	6 540	5 354	–65.0%	–8.1%	–9.5%
DE	230 125	113 020	103 480	–55.0%	–6.9%	–4.3%
EE		1 859	1 506			–10.0%
EL	30 316	7 752	6 288	–79.3%	–12.7%	–9.9%
ES	132 352	35 906	28 465	–78.5%	–12.2%	–11.0%
FR	167 593	109 822	100 853	–39.8%	–4.1%	–4.2%
IE	48 013	24 194	21 875	–54.4%	–6.6%	–4.9%
IT	107 011	52 674	46 651	–56.4%	–6.8%	–5.9%
CY		241	224			–3.6%
LV		25 457	22 141			–6.7%
LT		111 097	82 281			–13.9%
LU	1 465	991	923	–37.0%	–3.8%	–3.5%
HU		6 076	6 175			0.8%
MT		150	152			0.7%
NL	42 249	23 187	21 209	–49.8%	–5.8%	–4.4%
AT	83 793*	53 713	47 378	–43.5%	–4.3%	–6.1%
PL		0	276 508			
PT	73 197	15 804	12 294	–83.2%	–14.2%	–11.8%
SI		0	9 234			
SK		814	734			–5.0%
FI	31 872*	17 833	15 213	–52.3%	–5.6%	–7.6%
SE	17 023*	9 449	8 369	–50.8%	–5.7%	–5.9%
UK	41 132	20 629	18 326	–55.4%	–6.7%	–5.7%

* figures 1996-97.

Figure A.3.2 : EU overshoot / under-use

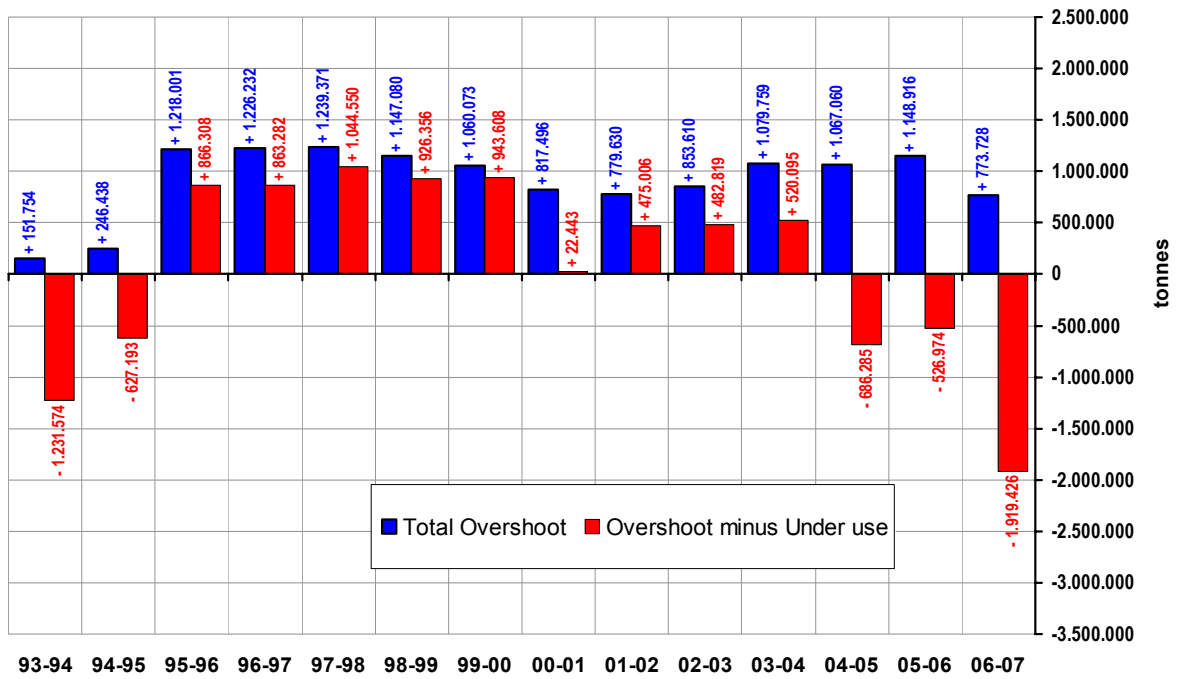


Figure A.3.3 : 2006/07 overshoot / under-use EU-25

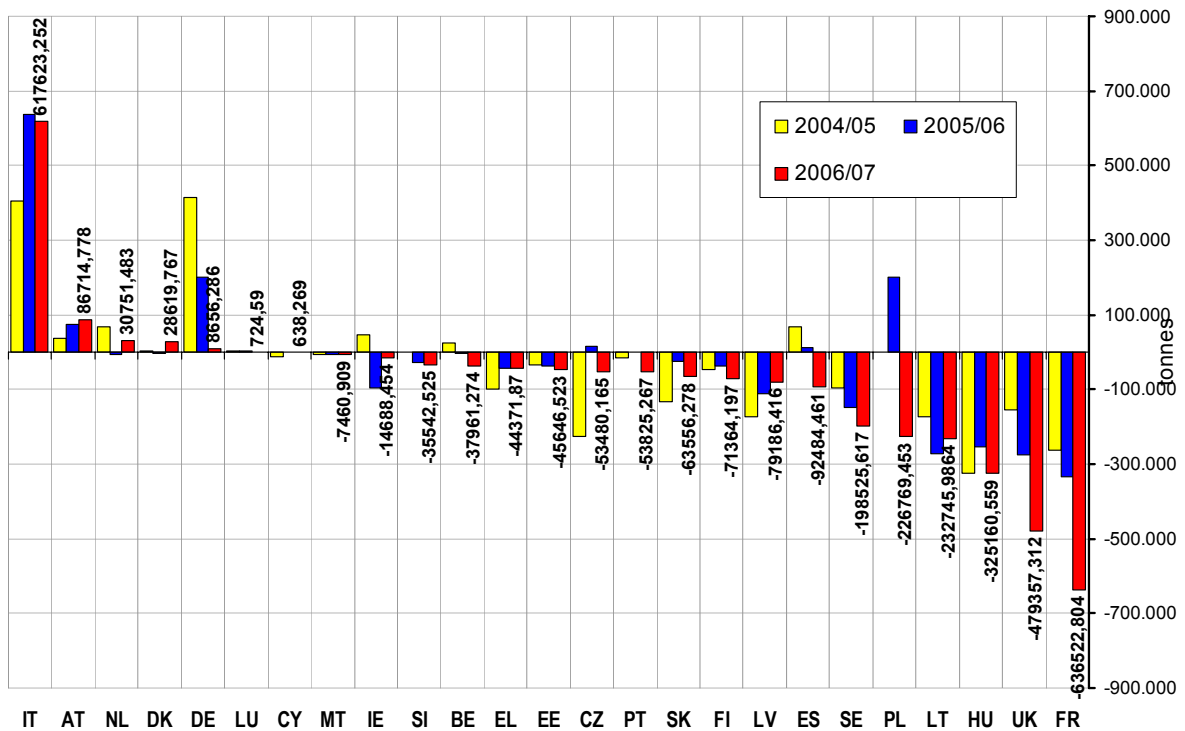


Table A3.4 – Prices paid per kg of quota in different Member States

Member State	2007 market price	Administrative price	Development since last year
CY	€1.33		Increasing
LU	€1.20		increasing
NL	70-80 cents		decreasing
LV	43-72 cents		increasing
DK	62 cents		increasing
AT	50-70 cents		stable
PL	7-34 cents		increasing
DE	23/42 cents		stable
BE (FL/W)		37/25 cents	decreasing
ES		27 cents	stable
IT	30 cents		stable
IE	10-28 cents	12 cents	increasing
FI	6-36 cents	4 cents	decreasing
CZ	7 cents		decreasing
FR		0/15 cents	stable
SE	9 cents		stable
HU	6 cents		increasing
UK	6 cents		increasing
Other MS	no information available

Source: Member States estimates.

Figure A3.5 – 2006/07 Structure of milk production in EU-25: distribution of dairy holdings by quota size (tonnes)

