

The Current Trend of Discussions on Abolition of Milk Quota System in EU

Kohei Kameoka

This paper will explain current trend of discussions on abolition of milk quota system in EU. Milk quota system began in 1984 to correct the oversupply of milk and to maintain milk price. But recently, abolitionism of milk quota system was raised due to several external and internal reasons (e. g. submitting Health Check of CAP (Common Agricultural Policy), volatility in milk price, global trend of growth in demand of milk and milk products and criticism toward inefficiencies of milk quota system) and abolition of milk quota system in 2015 was decided. Abolition of milk quota system means direct application of market mechanism to milk sector in EU. Therefore, it is necessary to reinforce market competing power of milk sector. Firstly, to smoothly abolish quota system, CAP envisages gradually annual increase of milk quota volume until abolition in 2015 (“soft landing”). This measure is expected to exert effect to avoid sharp fluctuation of milk price after 2015. Secondly, as a design of milk sector after 2015, “Milk Package” was submitted in 2010 and new regulation which reflects this established in 2012. “Milk Package” and new regulation (Regulation 261/2012, OJ2012, L94/38.) present four concepts (1. contractual relations, 2. bargaining power, 3. inter-branch organizations, 4. transparency). All these concepts relate to make milk sector in EU to respond to world market of milk and milk products efficiently. This paper introduces

some articles of this new regulation along these concepts and deals with future of cooperative association of milk producers and dairies.