

Skimmed milk powder: Council modifies rules on public intervention to help the market

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On 29 January 2018 the Council decided on a temporary **change to the operation of the public intervention mechanism for skimmed milk powder**. It did so by slightly amending the so-called Fixing regulation, which determines measures on fixing certain aids and refunds related to the common market organisation of the markets in agricultural products. The Council decided in particular to **set the quantitative limitation for buying-in skimmed milk powder at a fixed price at zero tonnes for 2018**.

The Council decided today to intervene to stabilise the dairy markets in 2018. This is in line with our commitment to keep track of market developments and to make sure that the safety net is used in a timely and prudent manner, not just to react to market disruptions, but also to avoid them in the first place whenever possible.

Rumen Porodzanov, minister of agriculture, food and forestry of the Republic of Bulgaria and president of the Council

As a consequence of the difficult situation in the dairy markets, **public intervention stocks of skimmed milk powder (SMP) in the EU rose to almost 400 000 tonnes in 2017**, thereby risking severe pressure on the market, with a negative impact on dairy prices.

In order to avoid a drop in prices and a consequent worsening of farmers' standards of living, the Commission proposed and the Council decided to **forego the automatic buying-in of SMP** in a context in which stocks are already very high. By setting the quantitative limit at zero for 2018, buying-in at a fixed price will not be activated automatically. However, the **safety net will still function**, as the EU will continue to be able to buy-in SMP through a tendering procedure, and to decide on a case by case basis how much to buy and at what price level.

The Common Market Organisation (CMO) is a set of rules which regulates agricultural markets in the European Union. This includes setting the

parameters for intervening on agricultural markets through market support instruments (e.g. public intervention and private storage, emergency measures) and sector-specific support.

The period in which public intervention is open for skimmed milk powder starts on 1st March and ends on 30 September every year.

The adopted regulation will enter into force on the day following its publication, scheduled for 31 January 2018.

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