



EU Milk Supply Management scheme: August latest

On 16th August the Commission provided further clarification on how the EU milk supply management scheme will work. More details are expected to be shared at the member state expert meeting on the 25th August after which we expect the scheme to be opened.

Scheme details:

- Aid shall be available to eligible applicants reducing cow milk deliveries for a three month period, compared with the same period in the previous year
- 'Eligible applicants' are defined as milk producers who delivered **cow milk** to first purchasers at until at least July 2016 included.
- Aid shall be fixed at EUR 14/100 kg of cow milk for the volume corresponding to the difference between the cow milk delivered during the reference period and the cow milk delivered during the reduction period. This equates to around 12ppl.
- The total amount of aid is € 150 million
- Aid will only be paid for a maximum of 50% milk reduction within the reference period.
- The minimum claim amount is 3,000kg.
- The exchange rate will be set on the day the regulation is approved.
- Applications are to made to the relevant paying agency, the RPA within set limits.
- Registered POs and co-operatives can apply on behalf of their members.
- The time limits for the submission of applications shall be:
 - (a) **23 September 2016** at 11am
for the first reduction period covering October, November and December 2016;
 - (b) **14 October 2016** at 11am
for the second reduction period covering November and December 2016 and January 2017;
 - (c) **11 November 2016** at 11am
for the third reduction period covering December 2016 and January and February 2017;
 - (d) **9 December 2016** at 11am
for the fourth reduction period covering January, February and March 2017.
- Farmers can only apply for the scheme once. If they apply more than once none of the applications will be admissible.
- An application must include
 - the applicant's name and address;
 - the total quantity of milk delivered to first purchasers in the reference period;
 - the total quantity of milk planned to be delivered in the reduction period;
 - the planned quantity of milk delivery reduction for which aid is being applied
 - a document indicating the total quantity of milk referred to in point
 - a document indicating that the application relates to a milk producer who delivered milk to first purchasers in July 2016.

- The RPA will register applications and the quantities concerned on the day on which they are received.
- After relevant checks the RPA will notify the Commission of all admissible and plausible aid applications by 3pm GMT on the second working day following the relevant time limit for the submission of applications
- The Commission will then inform Member States to what extent authorisations for quantities applied for may be granted. Member States will then communicate this to applicants within five working days following the relevant time limit for the submission of applications.
- Where the aggregated volume covered by aid applications exceeds the maximum total volume, the Commission shall fix an allocation coefficient, which Member States shall apply to the quantity covered by each aid application.
- Where an allocation coefficient is fixed for the reduction period concerned, aid applications submitted after the relevant time limit for the submission of applications shall be rejected and it shall no longer be possible to submit applications for the next reduction periods.
- Authorisations shall be issued for the quantities covered by aid applications, multiplied by the allocation coefficient.
- The aid shall be paid on the basis of an application for payment.
- Applications for payment shall be submitted within 45 days after the end of the reduction period by eligible applicants to the RPA.
- In order to be admissible, an application for payment shall include:
 - the eligible applicant's name and address;
 - the total quantity of milk actually delivered to first purchasers in the reduction period;
 - the actual quantity of milk delivery reduction for which payment of the aid is applied for and which shall be no more than 50% of the total quantity of cow milk delivered to first purchasers in the reference period and no less than 3 000 kg;
 - a document indicating the total quantity
- Payment of the aid shall be carried out once Member States have checked that the milk delivery reduction has actually taken place.
- The aid amount shall cover the actual cow milk delivery reduction submitted by each eligible applicant.
 - Where the actual milk delivery reduction is higher than forecast payment will be for the forecasted amount.
 - Where the actual milk delivery reduction is 50% or more but less than 80% of the quantity forecast, the aid amount shall be multiplied by a coefficient of 0.8.
 - Where the actual milk delivery reduction is 20% or more but less than 50% of the quantity forecast the aid amount shall be multiplied by a coefficient of 0.5.
 - Where the actual milk delivery reduction is less than 20% of the quantity forecast no aid shall be paid.
- All payments must be made to farmers by 30 September 2017 at the latest.
- By Tuesday 7 March, 4 April, 2 May and 6 June 2017 at 3pm GMT the RPA will notify the Commission of all applications for payment received for the first, second, third and fourth reduction period, respectively.
- Member States shall notify the Commission by 30 June 2017 of the following:
 - (a) the number of milk producers and the actual total volume of milk delivery reduction covered by the aid applications and applications for payment received by the RPA
 - (b) the aggregated Union aid amount spent.

More details to be made available asap.