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Press release: Key opportunity missed! The Milk Package adopted cannot strengthen the producers' position

The current resolution passed by the European Parliament cannot create the balance needed in the dairy market

Brussels/Hamm, 16.02.2012: "It is a shaky result", is how the President of the European Milk Board (EMB), Romuald Schaber, summarises the opinion of the European milk producers on the current milk resolution in the European Parliament.

"The regulation adopted refers to contracts between producers and processors but the contracts are not to be compulsory across Europe. That shakes the common market considerably, because now producers can continue to be played off against one another. Producer organisations are to negotiate on behalf of producers, which is good, but the pooling limits of 3.5% of milk production across the EU and 33% nationally are unfortunately much too low", Schaber explains the critical details. The processors as bargaining partners already have a market share that is triple that of these pooling limits in some cases, so they will always dominate negotiations. Moreover, the articles of the regulation make it very difficult for members of co-operatives to have a producer organisation negotiate on their behalf.

As Schaber stresses, the new provisions cannot guarantee healthy market activities, even if a few approaches are heading partially in the right direction. "What is positive, for instance, is that the recitals of the regulation mention a European price monitoring instrument. But there is no detailed description. Moreover, the name unfortunately implies that only prices are to be monitored", says Schaber. But that is not enough. The costs of milk production, market supply and demand must also be ascertained by this instrument. In addition to the observation function addressed, the monitoring agency should also have a reaction mechanism to enable market imbalances to be actually reduced.

Just as every house needs a solid foundation, the dairy market also needs a good framework to enable a fair co-existence without distortions in competition. The Milk Package adopted just now does not offer this framework. It includes no clear improvements for the European milk producers; instead, it cements their weak market position. For the EMB it is evident that the policy has to be greatly improved for the good of consumers and milk producers. Together with other civil society groups, the European milk producers' organisation will continue to make constructive proposals and hold the policy-makers to their responsibility.

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