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Study shows success of the EU volume reduction scheme announced 2 years ago

(Brussels, 19.07.2018) Two years ago – on 18 July 2016 – European Commissioner for Agriculture Phil Hogan announced the EU volume reduction scheme for the dairy market. The measure was a great success and showed that even small reductions have a major effect on producer prices.

A study by A. Fink-Keßler and A. Trouvé examined the EU volume reduction scheme. Here are the main findings of the study:

- The voluntary volume reduction scheme was a **great success: with a small reduction in production, a great price effect was achieved;**
- **Direct effect on milk prices:** prices increased from 25.68 cents/kg (07/2016) to 34.16 cents/kg (07/2017);
- **48,200 milk producers from 27 EU Member States** took part (approx. 3% of all European dairy farms);
- Reduced volume: **833,551 t (approx. 2% of the milk volume of the same period in the previous year);**
- The 4 largest milk-producing countries showed the highest participation in the programme: **Germany** (232,300 tonnes), **France** (152,732 tonnes) and the **United Kingdom** (90,814 tonnes). Together, these three countries account for 57% of the total reduction volume. The **Netherlands** reduced by 56,117 tonnes;
- **Ireland** had the highest percentage of participating farms (21%) and reduction volume (4%).

Background: *The EU milk volume reduction scheme ran from October 2016 to January 2017. Farmers were given the opportunity to voluntarily reduce their production volume in exchange of a compensation (14 cents per kilogram of reduced milk compared to the same 3-months period of the previous year).*

The programme has marked a turning point in Europe's milk policy. With the volume reduction programme, the European Commission has finally provided dairy farmers with an efficient instrument. It is now important that a crisis instrument is firmly anchored in the new CAP so that production volumes can be adjusted in times of crisis, as provided for in the EMB Market Responsibility Programme.

[Analysis of the EU volume reduction programme 2016/17](#)

[Here you can watch a short video on the study](#)



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Press release of the European Commission "[Final figures reflect success of EU milk production reduction scheme](#)" (5 July 2017)

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