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EMB positions presented to the European Parliament's Agriculture Committee

On 14 July 1,500 milk producers gathered outside the newly elected European Parliament in Strasbourg to reiterate the urgent need for action from politicians with regard to the milk market and to present once more their proposals for solutions. French milk producers from Western France had already set off with their tractors the week before, on 6 July, to reach Strasbourg in time. Some of them had numbered among the 1,500 milk producers attending events in Brittany and Normandy. Many have a sign hanging on the farm gate with the message "Milk strike and free milk coming here soon". One result of this demonstration in Strasbourg was that the EMB was invited to a hearing before the newly elected European Parliament's Agriculture Committee in Brussels on 21 July.

In Brussels representatives of every party said that control of volumes was necessary in the milk market. To this end better use ought to be made of the existing quota. Another positive point to emerge from the Agriculture Committee's meeting was that many voices in addition to the EMB's were very critical of the EU Commission's policy. Various measures like the export refunds and intervention would have to be rescinded. What was needed was a new agricultural policy that would go in a different direction in the future, one that would put the focus back on sustainable agriculture with cost-covering prices paid to the producers and security of supply.

Making fair milk prices the issue time and again

As President of the European Milk Board, Romuald Schaber presented the position of the milk producers in Europe at this meeting. An EMB event with the Members of the European Parliament is planned to give even more representatives the opportunity to become familiar with our solutions for exiting the crisis and going ahead with forward-looking milk production in Europe. Experience shows that two things are crucial when working with politicians: they have to be told time and again on every level about the issue of fair milk prices and they must be put under pressure to act. Once the Treaty of Lisbon has been signed, the European Parliament will gain influence on the agricultural policy. It is worth addressing its Members and their party colleagues in every country and constituency.

The age of eating up milk soup is over

If the politicians fail to take any measures by 7.9.2009 that hold out prospects for the dairy farms of Europe, the milk producers will man the milk barricades. This readiness for direct action was already very much in evidence at the EMB Members' Meeting in Switzerland. Since then it has grown enormously, and not just in France. The times of European milk producers being good and eating up their milk soup alone and in secret by shutting down their farm are over. And that's a good development for society as a whole, because food produced in a socially and ecologically sustainable way is the basis of existence.

Sonja Korspeter, EMB

“Milk strike and free milk coming here soon!” – Milk producers in France actively in favour of the milk strike and an understanding with consumers

In recent months representatives of the APLI (Association des Producteurs de Lait Indépendants) and the OPL (Organisation des Producteurs de Lait) have addressed some 30,000 milk producers at informative events in France. On each occasion they were balloted on their readiness to take part in a milk strike. The outcome: 85% of the producers present are prepared to turn on their milk tank tap. 1,000 people visit the APLI Website every day. Besides the gatherings, the French are doing something similar to what their European colleagues did last year. They are putting placards up in their fields and farmyards with the message: “Milk strike and free milk coming here soon!” (see www.youtube.com/watch). This shows determination and at the same time signals their frankness with consumers. And APLI milk producers have been present at markets to give out information on the milk producers' situation and free milk at stalls. Companies are putting up signs on their premises declaring their solidarity with the milk producers.

These are all steps on the way to the milk strike, because the French are furiously determined to fight for their future. The situation of the French dairy farms is drastic. Many bills are still unpaid. The banks are exerting enormous pressure. The dairies are afraid and so have already announced prices of about 30 cents for August and September, which they actually cannot possibly pay. Danone is evidently offering young farmers interest-free loans if they sign up to not taking part in a milk strike. On top of that the politicians and dairies are calling for contractualisation, which hangs over the milk producers' heads like the sword of Damocles. What they mean are direct contracts between farmer and dairy stipulating the delivery volume but not the price. “That's modern slavery, which we have to prevent come what may”, says Christian Manauthon, Vice-President of the APLI. A lot of cheese is being exported from Germany to France owing to the even lower producer prices.

Pascal Massol and Jean-Louis Naveau, the two heads of the French milk producers' movement, are convinced: “This year we French are beginning, and together with our colleagues we will bring about a change in the milk production system and achieve a cost-covering price through a market-oriented control of supply. Maximum power, step by step.”

Sonja Korspeter, EMB

The situation in Denmark

As in the other European neighbouring countries the Danish milk producers' costs are nowhere near being covered. To plug the financial gaps and pay their bills, numerous milk producers have taken out loans they will find hard to repay. Although for 2009 the majority of the dairy farms' payments have been secured after tough negotiations with the banks, their future ability to pay is at stake because of the low prices paid to producers. At present investments have all but come to a standstill.

Christen Sivertsen, LDM

No better news from Ireland

The average milk price paid to Irish farmers in June 2009 is 21.6 cents per litre including VAT at 3.3% fat, 3.6% protein (20.5 cents per litre excluding VAT). The price in June 2008 was 32.2 cents per litre including VAT, meaning that milk price has fallen by 33% in one year. The result is huge pressure on individual farmers with mounting debts and unpaid bills. The pressure has been increased substantially due to massive investment in 2008 to meet Nitrate Directive standards and poor weather conditions driving up costs. The mood amongst farmers is very poor at present with many questioning their future in farming and worrying over their ability to meet mounting debts.

John Enright, ICMSA

Storage of butter and skimmed milk powder in the EU

As the European Commission stated in a press release, by July this year about 81,900 tons of butter had been bought up for intervention reasons. That equates to about 8 per cent of the butter produced from January to June. The Commission further hinted that for the volume exceeding the maximum limit at a fixed price of 30,000 tons, offers of up to a maximum price of 99.2 per cent of the fixed reference price of 2218 euros/t had been accepted.

The proportion of skimmed milk powder that was bought up was on a higher level. At 231,000 tons, approx. 43.5 per cent

of EU-wide production had been acquired. Offers of up to 98.9 per cent of the reference price had been accepted for skimmed milk exceeding the maximum limit of 109,000 tons which could therefore not be bought up at a fixed reference price of 1,698 euros/t.

According to the Commission the stock of butter equates to 1.1 per cent; the stock of skimmed milk powder about 1.8 per cent of EU milk production. (Comment on the EU Commission's report soon on the EMB web site)

Silvia Däberitz, EMB

Spain: PROLEC criticises distance from reality of the INLAC agreement signed

On 20 July an agreement was signed within the Spanish milk consortium INLAC, made up of representatives of trade unions, the industry, administration and distribution, at the Ministry of the Environment, Countryside and Maritime Affairs. It contains the recommendation that the Spanish dairy farmers are to receive a price of 0.30-0.31 euros/litre by December.

The producer organisation PROLEC is vociferously against the agreement, as the industry is not expected to adhere to recommendations, and current production costs of 0.37 euros/litre are much higher than the price negotiated. Its demand is that milk must not be sold below the costs of production.

In the meantime the German Minister of Agriculture Ilse Aigner wants a study to be carried out to see whether a recommended price is also possible for Germany. It is doubtful, though, that the dairy associations in Germany will back such a recommendation.

Esther Lopera, PROLEC/ EMB

EMB milk producers prepared to go all the way

At the EMB Members' Meeting in Switzerland in July the member organisations from 14 countries discussed strategy to counter the slump in the milk price accelerated by the political endeavours to deregulate. Guests from Poland and the Czech Republic were also in attendance. The members were unanimous that a legal framework was needed for the volume to be controlled by the milk producers. At the historic Milk Soup Stone in Kappel it was announced that the EMB would fight for this objective in the coming weeks and months with all conceivable might and all the means available. It was also made clear how far these means could go. If the politicians refused the requisite reforms, another delivery strike throughout Europe was inevitable.

The situation of the milk producers in Europe is catastrophic; in practically every country prices have plummeted to 18-22 cents – a price level that poses a dire threat to the survival of many dairy farms. The measures proposed by the politicians such as the granting of cheap loans, the earlier disbursement of direct payments, and export refunds and intervention are not suitable for reversing the market trend. To make it possible for cost-covering milk producer prices and thus sustainable milk production to be achieved again, basic political conditions have to be created in which milk production is managed in line with demand.

That an operable system of controlling volumes is not Utopian was shown by representatives of the Canadian milk producers (Dairy Farmers of Canada - DFC), who were invited to the EMB meeting as guests. In their country a volume control system guarantees the milk producers a fair income. Politicians, the industry and consumer organisations all play their part. (see also interview with Marcel Groleau, President of the Milk Producers of Quebec, web site of EMB)

Market-oriented control of supply

That is the direction we in Europe have to go in. Not the same system, of course. But three basic elements are needed to enable a balance of forces in the milk market. Firstly, we need a monitoring agency that not only keeps a close eye on supply and demand but also keeps tabs on the costs of milk production at regular intervals. The cost-covering producer price this determines must be the yardstick for the application of various instruments to control supply. Secondly, a legal basis is required that enables milk producers to unite on the level of the member states and across the EU. Thirdly, for demand-driven control of volumes to be successful, a limit on volumes enshrined in law is required that is effective down to each individual milk producer.

Call to arms: big demonstration of farmers in Sempach

"This great occasion is called "The Peasants' Revolt"', thus begins the appeal to farmers for a major event in Switzerland on 29 August 2009:

"BIG-M, SVP Schweiz and the BZS appeal to farming families to show, by turning up on this day in Sempach, that they no longer want anything to do with the Ministry of Agriculture's agricultural policy. Milk prices well below the costs of production are no good! The free trade with agricultural produce destroys sustainable production the world over!

Together we demand rules that will enable local markets to operate on a level playing field. For us to be able to adapt the supply of milk to demand we need a legal universal applicability of the control of volumes. It can't be long now before individual producers stop at nothing and once more negate the efforts of everyone curbing their production to do away with surpluses. We hereby declare our intention to join in!

In many cantons the regional farmers' unions have also been called on to organise pooled transportation. Bring the whole family along – and your neighbours as well! Because we also call on consumers to stand up for sustainable, domestic food production. Bring your demands along on banners.

In the name of the struggle, best regards"

BIG-M