

Dear dairy farmers, dear interested parties,

The European Commission's latest recommendations on the future development of the CAP post 2020 have been available for a few weeks now.

The recommendations come under the beautiful title "The Future of Food and Farming" and introduce objectively positive ideas like: "supporting active farmers" and "reducing the differences in direct payments".

In fact, a key demand from us dairy farmers is also taken up: "It is important to set up a robust framework for the farming sector to successfully prevent or deal with risks and crises."

However, just below that it states:

The CAP already offers a layered set of tools helping farmers to prevent and manage risks, from direct payments and market intervention to post-crisis compensations and the present second pillar measures in particular an Income Stabilisation Tool (IST) and insurance support."

Dear Commission and Council of Ministers - the existing instruments are not enough by a long shot! It is not enough to provide cheap credit after a crisis breaks or otherwise distribute meagre alms. Or to make insurance schemes more palatable for producers. These measures only lead to continued high-level production even in crises, i.e. while the market is saturated, thus leading to crises becoming even more acute. The market developments from 2015 to 2017 as well as the reaction of policy-makers to these distortions have been a shining example to demonstrate which measures work and which do not.

The root cause of the problem must be addressed – and that is production volume. Supply must match demand. This will automatically solve a number of the current issues. Price fluctuations will be significantly reduced, the risks faced by producers will decrease, producers will be encouraged to adapt their activity to market trends, young farmers will have future prospects and ultimately the speculation of food commodities will also be prevented.

The EMB's Market Responsibility Programme is the answer to the key expectations and demands of the CAP post 2020.

Romuald Schaber, President of the European Milk Board

EMB Newsletter January 2018

- Analysis of the EU Commission's guidelines on the new CAP
Germany: Extraordinary dairy sector meeting with Committee on Agriculture
- Federal Councillor's agriculture strategy comes under fire
Opening event of the exhibition
- "Milk does not like to travel, but milk producers do"
- For two years now, consumers have had a say at Fairebel!
- Ireland: News ICMSA president Pat McCormack
You can find us on Facebook

Contact

EMB - European Milk Board asbl
Rue du Commerce 124
B-1000 Brussels

Phone.: +32 - 2808 - 1935

Fax: +32 - 2808 - 8265

office@europeanmilkboard.org
www.europeanmilkboard.org

Analysis of the EU Commission's guidelines on the new CAP

The European Commission recently presented its guidelines for the CAP reform. We have analysed the key points of the "Future of Food and Farming" document. An important point of the Commission's proposals is the establishment of a robust framework for the producing sector.

The enshrinement in law of a crisis instrument ought to play an important part in this, one that focuses on surplus production. For European dairy farmers it is very important that the CAP reform eliminates the sector's considerable susceptibility to crisis

Analysis of the EU Commission's guidelines on the new CAP "Future of Food and Farming"

Silvia Däberitz, EMB director

Germany: Extraordinary dairy sector meeting with Committee on Agriculture

© BDM

In light of globally increasing milk deliveries and repeated warnings from many dairies of higher than average milk collection, the German dairy farmers' association BDM invited the members of the Committee on Agriculture of the Saxony-Anhalt government to an extraordinary dairy sector meeting in mid-

December.

Global markets were put under pressure in recent weeks and within a short period of time, the seller's market became a buyer's market. According to the ZMB, which provides data on dairy markets worldwide, milk deliveries in Germany increased by 3.7% in December 2017 as compared to the corresponding month of the previous year. In other major European milk producers like France, Poland and Ireland as well, deliveries showed an

upward trend as compared to the previous year.

In light of this increase in milk volumes, dairies are warning their members and suppliers that prices could fall below 30 cents/kg in 2018. Even the dairy sector president of the German Farmers' Association Karsten Schmal issued a warning recently to dairy farmers that they should not produce more than

needed.

"More than correct analyses, it is important to draw the right conclusions from them," underlines Peter Schuchmann, a dairy farmer from Saxony-Anhalt. "Simple calls for volume discipline are not enough to stave off future crises. This is why the German government must advocate for the reinforcement of European-level crisis prevention instruments in Brussels and further expand the safety net for the dairy market."

Johannes Fritz, German dairy farmers' association (BDM)

Federal Councillor's agriculture strategy comes under fire

The Swiss Federal Councillor was severely criticised for his recently-published agriculture strategy. Clearly this cut too close to the bone, because instead of practising political politeness, the Councillor lashed out at the farmer's association.

© [wikimedia commons](#)

I have to come to the defence of Councillor Schneider-Ammann. When his agriculture strategy assumes that farmers have the ability to turn straw to gold, it is simply an expression of the rampant political, social and economic mania that everything is possible, and that everything is now nothing more than a "challenge". Of course, it is always others being put to the test by these challenges.

There was a humbler time when the limitations of human decisions were acknowledged, together with an acceptance of the devilish mechanism whereby practical implementation of well-intentioned (economic) theory can have the exact opposite result for those affected, sort of like "you never know what's going to happen next!" Those who want to have everything, forget that certain things in life are simply incompatible and you have to choose one or the other.

When it comes to food, this means the following: It is impossible to produce at EU or world market prices using the Swiss farming structures that the wide majority of the population support. It would require factory-style farming and animal rearing that does not consider consumers, nature, land and animals, here in Switzerland as well. I do not know of any country where environmental friendliness and animal welfare have improved thanks to free markets and globalisation. Quite the contrary: The barrier-free global trade in food and raw materials has left the largest number of losers in its wake!

Therefore, we have to draw the correct conclusions: Small-scale, environmentally-respectful farming that upholds animal welfare and produces good products requires a degree of border protection and fair producer prices. The Federal Councillor is warmly invited to complement his agriculture strategy to address these key points.

Dr. Hansuli Huber, Director of Schweizer Tierschutz STS

Opening event of the exhibition "Milk does not like to travel, but milk producers do"

The exhibition is a travel report with a specific goal, and therefore it was quite appropriate that the travellers themselves – Ms Kerstin Lanje, advisor for global trade and food at Misereor, and Mr Christoph Lutze, farmer and member of the BDM board in Schleswig-Holstein – spoke about their trip to

Burkina Faso at the opening event.

Ms Lanje quickly moved on to the specificities of the dairy market. She asked the audience: "How much milk do you consume per day?" Very few managed a whole litre, not even the dairy farmers who made up most of the audience. Ms Lanje displayed a world map showing average fresh milk consumption. All of northern Europe was shaded a solid dark blue indicating high consumption, while large areas of Africa and Asia remained light blue, signifying very low consumption. It is far from possible to sell the increased European fresh milk production within Europe; dairies are therefore turning to international markets, leading to milk being converted to skimmed milk powder for export. A graph showed how EU exports have increased from 30,000 tons in 2003 to almost 70,000 tons in 2014. How are these exports affecting West Africa? The delegation travelled to Burkina Faso in May 2016 to delve further into this

question.

"We specifically looked for milk powder in markets and quickly discovered that most of it came from Danone and Nestle," reported Christoph Lutze. "We found milk powder, and right next to it pesticides and veterinary drugs with English labelling, all in a country where French is the official language and 60 other languages are spoken - languages, not dialects," highlighted Mr Lutze. Fresh milk was also sold in markets; however, it was unrefrigerated at a daytime temperature of 30-40°C.

The delegation visited markets, milk producers and dairies throughout the country. Together with the Burkinabe organisation Pasmep, Misereor supports the creation of micro-dairies, where milk is pasteurised and cooled, to then be sold in nearby markets. With the advent of the rainy season when fodder plants thrive, cows produce more milk which can then be processed into yoghurt, which has a longer shelf-life. Such initiatives lay the foundation for the positive, independent development of a local dairy market. Cheap milk powder from Europe, however, spells the destruction of such markets. Even at the European Representation in Burkina Faso's capital Ouagadougou, the delegation was present with representatives from Pasmep. The problematic situation was described and a document was signed. Mr Lutze was, nonetheless, not completely convinced that those working at the European Representation were really interested in the situation of small milk producers in their own country.

In the discussion that followed, questions regarding the responsibility of milk producers and dairies in Europe as well as possible solutions were raised. That farmers should take charge of milk processing and sales once again was a suggestion that came from the audience. "In fact, the dairy cooperatives here in East Frisia also started very small," explained Ottmar Ilchmann. Today, the small players are gone, a number of dairies have merged and have become big companies that are global players in the food industry, and therefore welcome this structural change. At the end of the day, it is easier to reach an agreement with a few large operations producing milk, rather than with a number of smaller ones.

Interested parties and school groups are invited to visit the exhibition and to discuss the issues it raises. You can book an appointment with Annette Berndt at annette.berndt@ewetel.net.

Ottmar Ilchmann, Regional head of AbL – the German small farmers' association

For two years now, consumers have had a say at Fairebel!

Fairebel, "fair milk" is a story starring both producers AND consumers! Exactly two years ago, the Faircoop cooperative was opened up to the broader public. All producers and consumers can join the cooperative.

© Faircoop

Today, more than 1000 consumers are members. In fact, one consumer is also part of the board of Fairebel "fair milk". Thus, everyone is seated around the same table and has the same voting rights. For consumer Josiane André, "participating in the creation of new products and being able to influence product quality by providing a consumer point of view is illustrative of a good partnership."

In the words of Erwin Schöpges, dairy farmer and president of the cooperative, "producers and consumers can thus jointly decide on the correct and fair price. A price that covers production costs and adequately compensates producers for their work, which will then contribute to the preservation of sustainable, small-scale farming."

The price for a litre of Fairebel "fair milk" was fixed while taking these realities into account, and the same logic was applied to the entire range of products: skimmed milk, plain whole milk, chocolate milk, ice-cream made from organic milk, blocks and cubes of cheese made from grass-fed milk, and for three months now, coffee cream cups for the hospitality industry as well as companies and offices.

And so, the story continues. We are currently developing a new product according to our consumers' wishes, which is set to be launched in early 2018.

Thus, Fairebel is the brand for Belgians that is fair for both farmers as well as consumers.

Our recent [video](#)

Faircoop press release of 13 December 2017

Ireland: News ICMSA president Pat McCormack

© ICSMA

Pat McCormack will succeed John Comer as President of the Association for an initial three-year period. At a National Council in Limerick, Mr. McCormack, a 40-year old dairy farmer from Tipperary who had served as Deputy President for the last six years and was a previous chair of the Dairy

Committee, was unopposed.

In his first public statement, Mr. McCormack paid tribute to his predecessor, John Comer, and said that while ICMSA will continue to work for and with any group or individual interested in highlighting rural issues, the organisation's focus will always remain the income of its core family dairy farm membership and the milk price on which that income depends. He said that ICMSA refused to accept that the farmers who produced the milk on which a whole multi-billion euro dairy sector was built could be considered as some kind of

afterthought at the mercy of either the processors or the retailers.

The new President also identified Brexit, Mercosur, CAP and the Environment as issues that would dominate the opening period of his presidency. Mr. McCormack said that ICMSA would continue to work within its traditional of rational and positive solutions aimed at ensuring that the voice of Ireland's dairy farmers was heard 'Loud and Clear' in the formation of policy for our

farming and agri-food sectors.

ICMSA press release of 20 December 2017

You can find us on Facebook

European Milk Board ASBL

Rue de la Loi 155

B-1040 Bruxelles

Tel: +32 (0)2808 1935

Fax: +32 (0)2808 8265

Mail: office@europeanmilkboard.org

Document-URL: <http://www.europeanmilkboard.org/https://www.europeanmilkboard.org/english/newsletter-january-2018.html>