

## **Resolution of the European Milk Board**



### **To the Agricultural Council of the European Union**

#### **Liberalisation leads to chaos**

The dairy market has been glutted by an oversupply of milk for months. Consequently, producer prices have kept falling. The European Commission's policy of market liberalisation has failed and the soft landing has not materialised. Re-activated export subsidies and intervention have been equally unable to balance the market and thereby stop the dramatic drop in milk prices.

#### **Looming structural collapse**

Historically low milk prices now also jeopardise the future of forward-looking dairy farms across the EU. This structural break would have incalculable consequences for the whole economy in rural areas. Dairy farming directly accounts for tens of thousands of jobs upstream and downstream. The only way to prevent the utter collapse of milk production structures in Europe is to further reduce milk production across the EU. To achieve this, the abolition of the quota regulation must be abandoned and quotas be used again immediately as an instrument for quantity regulation.

#### **Change of course needed**

The EMB therefore urges the European Agricultural Council to freeze all already decided further quota increases and the allocation of quotas to the Member States.

Moreover, the EU milk quota for the current campaign 2009/10 must be reduced by 5% in order to balance the dairy market as quickly as possible.

To avoid similar future market distortions, the quota regulation must be made more flexible. It can then be used as a market economy instrument.

The milk producers organised in the EMB urge the EU Agricultural Council to start implementing their demands still under the Czech presidency of the Council.

The EMB is going to examine the situation on the dairy market again at its meeting in early July. If meanwhile no substantial steps have been taken by the EU Agricultural Council, the EMB-Organisations are prepared to resort to even the harshest measures to defend the livelihoods of dairy farms.

[www.europeanmilkboard.eu](http://www.europeanmilkboard.eu)

