

Press release

Milk producers' interests put on the back burner in the new Milk Package

The European Commission, Parliament and Council of Ministers' agreement on the Milk Package totally ignores the milk producers' situation

Brussels/Hamm, 7 December 2011: "The European milk producers are deeply disappointed", is the comment made by Romuald Schaber, President of the European Milk Board (EMB), on the current upshot of negotiations between the Commission, Parliament and Council of Ministers on the reform of the dairy market. The resolutions they have taken have missed the target of strengthening the producers' position by a long shot.

Schaber: "If contracts between producers and the dairy are **not** obligatory throughout the EU, and instead every country decides on its own whether to introduce them on a compulsory basis or not, then it is simply impossible to improve the European producers' position in the market." Moreover, since the political resolutions passed on 6 December stipulate that members of co-operatives are not allowed to enter into any contracts at all, dairy co-operatives will, he goes on, continue to be able to exert merciless pressure on prices.

Another severe problem, he says, is that of limiting the pooling of producers to bargain jointly with dairies to 3.5 per cent (European level) and 33 per cent (national level). That is because the market share of many dairies already exceeds these pooling limits many times over. Producer organisations, which have been restricted in size, have to negotiate with these giant dairies without any real say in the market.

"This so-called compromise with the Commission and the Council of Ministers has hammered these proposals put forward by the European Parliament to an incredible extent", says Schaber. For the final resolutions passed by the three EU institutions have ditched not only the higher national pooling limit of 40 per cent of the national milk volume *and* the obligatory contracts throughout the EU *but also* the monitoring agency originally proposed by the MEPs.

The fact that, under the compromise, cheese manufactured as protected designation of origin (PDO) or protected geographical indication (PGI) may possibly be subject to control of supply, is, according to Schaber, unfortunately nothing more than a scanty cover-up. As Schaber says: "Supply management must apply to the entire milk market, otherwise everyone, the producers in particular, will be careering towards the next crisis."

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