



Confédération Paysanne



Lausanne, the 29th of November 2011

**Press release on the European dairy farmers' protest campaign:
Prevent butter mountains instead of dumping them**

Today Swiss dairy farmers together with fellow milk producers from Europe demonstrated impressively in Basel and Geneva how senseless it is to export at dumping prices.

Dumping exports are doubly ruinous: they deprive farmers of income both in the exporting and the importing country.

Although this has been common knowledge for some time, in the dairy sector Switzerland is now operating what is termed a market cleansing system, exporting surpluses to other countries at dumping prices. Firstly these are butter exports to countries outside the EU, made cheap by compulsory levies on the Swiss milk producers. Secondly, however, surpluses are also being dumped on the EU: low-fat cheese for the industry is being exported at cheap prices thanks to the cheese production allowance, and more recently reduced fat butter, too. For these exports the milk producers are being paid a C-milk price of 23 centimes (19 cents) a litre.

In this way precious food that is expensive to produce is being "flogged off". And the resultant low farm-gate prices are killing family farming on both sides of the borders.

None of this has to be. The milk producers' campaign underlines their demand for a volume control system to be applied in Switzerland to prevent surpluses being produced in the first place. The volume produced must be adjusted to the existing market demand. That would solve five problems at a stroke:

1. No more problem of the costly disposal of surpluses, hence no more price pressure on the milk producers in Switzerland.
2. The dairy farmers in other countries no longer have to suffer the extra burden of Swiss dumping exports and the resultant extra cheap volumes in their markets.
3. A stabilisation of the milk price takes the pressure to grow off the farms.
4. Better income enables the farmers to re-invest more and more.
5. Higher market revenues enable the states to cut the money they spend on propping up production.

We therefore emphatically demand:

- **An end to organised overproduction (more than 200 million litres a year)**
- **No compulsory levies for dumping butter**
- **No segmenting of the farm-gate price by milk processors. They apply segmentation arbitrarily as a means of reducing the price. The segmentation system is not transparent, as the processors fail to comply with their duty to report to the Federal Office for Agriculture.**

The mechanism of universal applicability applied by the Federal Office is misused to dump overproduction instead of using it to control volumes in line with the market, as demanded time and again by the producers.

We need volume control to be in the producers' hands to enable demand-oriented, cost-covering milk production – in Switzerland and in the EU. It is time those who represent the farmers' interests realise their strength instead of kowtowing to the demands of the dairies and the retailers.

The dairy farmers of Switzerland stand shoulder to shoulder with their fellow farmers from the EU. They will not be forced by profit-driven dairy companies into cut-throat competition! Such competition is destructive and for the sake of short-term profit threatens our very livelihood.

Switzerland: Uniterre, BIG-M. Germany: BDM - Bundesverband deutscher Milchviehhalter, Abl - Arbeitsgemeinschaft bäuerliche Landwirtschaft, France: Apli - Association des producteurs de lait indépendants, Confédération paysanne. Europe : EMB - European Milk Board

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