

MILK-NEWS



Dear Dairy Farmers and Interested Parties,

Once again I would like to express my gratitude for my colleagues from all over Europe having expressed their confidence in me and elected me onto the Board of the EMB at the Members Meeting in April. After my first period of office until 2010 this is now the second time I have been given this honour. For everyone who does not know me: my name is Kjartan Poulsen, I'm from Denmark and am the President of the Danish milk producer association Landsforeningen af Danske Mælkeproducenter (LDM). Together with two partners I run an organic dairy farm with 850 cows and about 1,150 hectares of cultivated land.

The Danish milk producer association has been a member of the EMB since 2004. We are convinced that the best way to obtain political influence is through reasoned arguments and a rational approach. Even if demonstrations and blockades make perfectly good sense in political work in countries farther south like Belgium, southern Germany and France, we in Denmark and the other Scandinavian countries do not rely very much on these instruments. I am therefore pleased that the EMB in Brussels now champions successful lobbying through active substantive work in addition to high-profile campaigns.

Generally speaking I feel that political commitment such as the EMB's is indispensable in a modern Europe. It is a pity, though, that not every EU Member State has its own independent milk producer associations and so too much power remains in the hands of the processing industry. This applies both to private dairies and to dairies organised as co-operatives. That is why I look forward even more to resuming work on the EMB Board and, together with my European colleagues in the EMB, influencing milk policy in Europe. For this unique opportunity to continue our successful work in the Danish milk producer association in Europe I am extremely grateful.

Kjartan Poulsen (Member of the EMB Board and President of the LDM)

Members Meeting in Brussels: EMB very well set up with new Board and concepts

On 15 and 16 April, the EMB milk producers gathered in Brussels for the first Members Meeting this year. The focus of this meeting was on significant steps for the organisation: electing a new Board, deliberating and deciding on new concepts for the EMB's political work.

To enable the EMB's political work to be even more effective in the future and address current policy requirements – primarily with regard to the start of the European Milk Market Observatory – the EMB drew up an alternative to the previous concept of the monitoring agency. Based on MEP

Michel Dantin's proposal for a voluntary suspension of production, the idea is for this new market instrument to become active solely in the event of a crisis in the milk market. It has fixed criteria with pre-defined reference periods for intervention and further measures in the event of a crisis, ensuring total transparency for every market player. This emphatically counters the criticism of Michel Dantin's voluntary suspension of production with regard to its practicability. After exhaustive and involved discussion a large majority of the EMB members voted in favour of the new instrument.

There were few surprises this time in the elections for the EMB Board, which are held every other year at the Members Meeting. Both the previous President of the EMB, Romuald Schaber from Germany, and the Vice-President, Sieta van Keimpema from the Netherlands, were re-elected to their posts. Erwin Schöpges from Belgium, John Comer from Ireland and Roberto Cavaliere from Italy were also re-elected. Paul de Montvalon from France – who had deputised for Richard Blanc on the Board – was also officially elected. After a break of several years, the EMB members invested their trust in Kjartan Poulsen from Denmark for a second time, appointing him member of the Board. On the other hand, Erna Feldhofer from Austria is no longer on the Board.

Further highlights of the Members Meeting in terms of content were the presentation of the study on milk production costs in France and the expert opinion initiated by the EMB and its Swiss member organisation BIG-M on the consequences of the deregulation of the Swiss milk market since 2009. The French cost study had already been presented to the general public at the Agricultural Show in Paris in February and was presented again now to the EMB members. This was extremely important, for it reminded the milk producers at the meeting how crucial it was to have concrete facts and figures to hand when discussing with politicians.

The presentation of the expert opinion on the deregulation of the milk market in Switzerland also aroused great interest among the EMB members. According to the expert opinion, all the dire forecasts preceding the end of the quota system came true, with falling and volatile prices as well as the closure of numerous farms. The speaker, Martin Haab, said that the experiences from Switzerland were indicative of even worse consequences for the EU when its quota system ends in 2015. Because, unlike in the EU, milk prices in Switzerland were even on an upward trend when the quotas were abandoned in 2009. Forecasts for the EU on the other hand are of falling prices even before the end of the quota system. So prospects for the period after March 2015 are far from rosy.

Altogether the focus of this Members Meeting was more on content and strategies than the strength of emotions in the dairy farmer movement. This was well received by the members of the EMB, because the politically calmer time in the run-up to the European elections and the arrival of the new Commission is very favourable for determining where policy is heading. The unanimous opinion was, however, that afterwards the way forward had to be with united forces and effective campaigns in order to take a stance on milk policy preferably before the end of the milk quotas in 2015.

Christian Schnier (EMB)

New EMB Board elected

Once again the second day of the EMB Members Meeting in Brussels saw a key event: there had to be new elections for the EMB Board after two years. The following were appointed members of the EMB Board:

Romuald Schaber, President of the EMB, Germany

Romuald Schaber was born in Petersthal in the Allgäu in 1957. A qualified farm manager, he took over his parents' dairy farm in 1986 (currently 40 dairy cows). He is married with five children. Romuald Schaber is a member of the Stiftung Gesunde Ernährung [Healthy Diet Foundation] and, as President of the BDM (German Dairy Farmers' Association) and President of the EMB, represents the interests of milk producers throughout Europe.

Sieta van Keimpema, Vice-President of the EMB, the Netherlands

Sieta van Keimpema comes from the region of Friesland in the north of the Netherlands. She is married with three sons. She and her husband run a dairy farm with 65 dairy cows. Sieta van Keimpema is a founder member of the EMB, and as President of the Dutch Dairymen Board and Vice-President of the EMB lobbies on behalf of milk producers in the Netherlands and Europe.

Paul de Montvalon, France

Paul de Montvalon was born in 1963 and has four children. He and his wife run a 50-cow dairy farm in Angers, in the French *department* of Maine-et-Loire. After completing his training in Rambouillet, he first had a sheep farm in Indre, subsequently a dairy farm in the *department* of Loire-Atlantique. Paul has been a member of the producer organisation APLI (Association des Producteurs de Lait Indépendants) since 2009, President of the French industry organisation Office du Lait since 2010, and President of the producer association France Milkboard since 2012.

Erwin Schöpges, Belgium

Erwin Schöpges was born in Belgium in 1964, and is married with two children. He manages a 64-hectare purely grassland farm in the German-speaking part of the country and so speaks German, French and Flemish. Erwin set up the Milcherzeuger Interessengemeinschaft (MIG) milk producers' association and was its President until October 2010. Since then he has been Vice-President of the MIG and a member of the EMB Board. In addition, Erwin is President of the Belgian co-operative FAIRCOOP.

Roberto Cavaliere, Italy

As President of the APL (Associazione Produttori Latte Pianura Padana), Roberto Cavaliere represents the interests of dairy farmers in Italy. He has been Regional President of the COPAGRI association in Lombardy since 2010, responsible for the dairy sector nationwide. Roberto runs a 120-cow dairy farm and also markets fresh milk, cheese and his own ice-cream. He has also initiated an agritourism scheme to cultivate contact with consumers. Roberto is a founder member of the European Milk Board and has been on its Board since 2006.

John Comer, Ireland

John Comer from Ireland has been on the Board since 2012. He is President of the Irish Creamery Milk Suppliers Association (ICMSA) and is the first dairy farmer from the western Ireland province of Connacht to be elected to that office. His 42-hectare family-run dairy farm in Shraheens near Castlebar further comprises a beef cattle farm and a calf-raising farm under suckler cow husbandry. John has also lived and worked in Australia and New Zealand.

Kjartan Poulsen

Kjartan Poulsen has now been re-elected onto the EMB Board after an initial period of office until 2010. He is also President of the Danish milk producer organisation LDM (Landsforeningen af Danske Mælkeproducenter). Together with two partners, Kjartan runs an organic dairy farm with

850 cows and 1,150 hectares of arable land. The cows are kept in two stalls, one of which is new and can hold up to about 450 animals.

Christian Schnier (EMB)

EU Commission announces details of the Milk Market Observatory

On 16 April the EU Commissioner for Agriculture, Dacian Ciolos, presented to representatives of dairy farmers and dairies in Brussels the Commission's plans for the configuration of the heralded Milk Market Observatory. By setting up the Milk Market Observatory, the European Commission is acceding to a core demand of the EMB European dairy farmers.

The Commission aims to be proactive in preventing impending market crises in time by monitoring the milk market professionally. The European Commission has already put in place the requisite instruments and data resources. Dacian Ciolos emphasised that the Commission also reserved the right to intervene in the milk market by managing the milk volume should the situation escalate. Such measures, he said, were legitimised by the resolutions passed on the CAP 2013.

To support and steer the monitoring agency there are to be regular consultation meetings attended by two representatives of a dairy farmers' organisation and two from the dairy industry. In a quarterly cycle, 12 to 14 representatives of these organisations are to be informed of the development in the milk market and assessments of it drawn up.

When the Milk Market Observatory was presented, the President of the EMB, Romuald Schaber, criticised the demand from the agricultural industry and its associations that market adjustment measures be deliberated and decided on in the consultation meetings in the event of market crises. He stressed that in the event of imminent market crises there was instead a need to act immediately to adjust the market. If meetings had to be agreed first to deliberate and decide on steps to be taken, there would be a major risk of the milk industry organisations in particular being able to delay the necessary market adjustment measures considerably and of dairy farmers sustaining substantial losses. That is why it was preferable to have an automatic mechanism prescribing appropriate market adjustment measures for specific changes in the milk market.

Homepage of the European Milk Market Observatory: http://ec.europa.eu/agriculture/milk-market-observatory/index_en.htm

Christian Schnier (EMB)

The situation in the EMB member countries' milk markets

The EMB's member organisations provided the following assessments of the milk market situation in their respective country:

Austria

2013 was a good year for the milk producers in Austria as regards the milk price. Feed, on the other hand, was rather scarce owing to the long winter. On average the net prices were 31 cents in 2012 and 38.5 cents in 2013. That made many farmers happy and they expanded. Now the trend is turning, however, and prices are falling. How much they will fall cannot be predicted yet.

Belgium

The milk price in Belgium is about 38 cents and is expected to fall. There is a special situation in Flanders: in recent years many farms there have sold their quota and milked, in some cases, up to three million litres of milk a year without a quota. As Belgium altogether exceeded its quota this year and a super-levy has to be paid, the livelihood of these farmers in particular is threatened and for one week they threw away all their milk in protest.

Denmark

On average the milk market situation was good in 2013. A record price of 43 cents for conventional milk and 50 cents for organic milk is currently being paid. This is a development the milk producers in Denmark have been waiting 20 years for. The Danish government is now paying increasing attention to agriculture, as exports from this sector have risen continually since 2008 and are therefore generating growth.

France

The situation is catastrophic. Only a short time ago the milk price went up to 45 cents, having been considerably lower beforehand. Many dairies want to bring the prices down again.

Germany

The milk quota is currently being exceeded in Germany, with the threat of a substantial super-levy of 11 cents a litre. In some regions the milk price fell from 43 cents in the winter to as little as 32 cents in the spring. Germany is a split market at present: unlike the rest of the country, in the northwest in particular big dairies like Arla and Friesland Campina are dominating and trying to acquire ever larger market shares.

Ireland

The situation in Ireland is still good, as it was throughout the last six months. On the other hand the world market picture is a different one. The Dairy Board Index fell by a quarter to 33 cents. So the milk price is also expected to drop in Ireland in the next few months. There could be an even more drastic change in the situation, though, should the previously steady demand from China collapse. Then the farms that are now expanding rapidly could face ruin.

Italy

In late 2013 there was considerable tension in the milk market because of a shortage of milk. This drove prices up. Now the situation is different and the processing industry is trying to put pressure on the price. At present the milk price is 44 to 45 cents, and the industry wants it to settle at under 42 cents. Altogether the milk volume in 2014 is expected to be on a similar level to 2013. The influence of the new government in Italy on agricultural and dairy policy will have to be seen first.

Netherlands

The milk price is dipping slightly in the Netherlands, as world market prices are falling. However, the Dutch farmers' association is of the opinion that this will have hardly any impact on margins. The farmers' association and the dairy industry in the Netherlands have set up new inter-branch organisations that will begin their work in 2015. Whether these organisations will make any difference for producers remains to be seen. Many farmers in the Netherlands are still banking on growth because of the world market and demand from China. Last year the Dutch milk quota was exceeded by five per cent and production is still rising.

Poland

In principle, farmers in Poland are still satisfied at the moment, as until recently prices were about 45 cents for a litre of milk. The crisis in Ukraine will soon start to be felt, though, and put noticeable pressure on the milk market. If milk can no longer be exported to Russia, milk prices will plummet.

Christian Schnier (EMB)

EMB diary

Here are the EMB Board's key dates in May 2014:

- 5.05.: Meeting organised by the European Commission on Trade Sustainability Impact Assessment (Trade SIA) in Brussels
- 15.05.: Board meeting in Brussels
- 27.05.: Meeting of the European Commission's working group on the milk market observatory in Brussels

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