

Press release

## Outcome of yesterday's Agriculture Council very disappointing for milk producers, more like provocation

*"This outcome is no solution. We did not take to the streets for this."*

(Brussels, 08.09.2015) The measures announced by EU politicians yesterday are a sham. It is clear that policymakers decided to simply side-step the problem. The crisis in the dairy sector is of a structural nature and will not be solved by the financial aid released by Brussels. "Farmers from all over Europe did not take to the streets for subsidies, but for a crisis-management instrument, to solve the root cause of the problem – overproduction in the European market," says the Executive Committee of the European Milk Board.

Convening such a high-level agriculture summit was not necessary, if EU policymakers were looking to produce this sort of an outcome. Dairy farmers feel like they are being confronted by delaying tactics and will continue with protests. It is clear that policymakers have not grasped what this crisis is about.

Here you have the EU proposals in detail followed by the EMB's evaluation of the same:

- Programme for private storage to be continued: *The past months have shown that this measure has practically no effect. In spite of private warehousing, milk prices are still stuck in a downward spiral.*
- Promoting the sale of milk products within the EU and in third countries, inter alia by expanding free trade agreements: *Clearly a shot in the dark by policymakers, not appropriate for European milk producers and which also poses the danger of negatively affecting markets in third countries.*
- Early payment of direct aid: *In the short term, this measure could help farmers and provide immediate relief. However, production volumes should be reduced and adapted to the market situation at the same time, in order to bring some stability to the milk sector.*
- Strengthening the role of the Milk Market Observatory (MMO): *This must lead to the creation of a fully-functioning observatory. In other words, the MMO must observe but should also be equipped to react to market risks. This would include adjusting production volumes in times of crisis.*

The timid announcement by EU policymakers to contemplate further instruments to reduce price fluctuations must be implemented at the earliest. The Market Responsibility Programme developed by the European Milk Board has the potential to stave off major crises in the dairy market. This index-based programme takes into account developments in product quotas, milk prices and production costs, to then be able to introduce temporary measures, like voluntary production cuts, to help stabilise milk prices during crises. This would attack the root of the problem – overproduction of milk.

It is high time that the Commission and the Council analyse the Market Responsibility Programme for the EU dairy sector.

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