

## Consumers

### New milk policy also for consumers

#### Ensure consumers healthy milk thanks to fair prices for producers

#### Fair income for dairy farmers

Even if low milk prices may appear tempting to consumers at first sight, because they want to save money: they are bad for all of us. Food has value. In order for high quality food to be available also in the future, it has to be produced under good conditions for the environment, for us and for animals.

Dairy farmers need fair prices for their milk. This is what we aim to achieve.

#### It is necessary, because:

Recent developments on the dairy market create severe problems for milk producers. In many European countries farms are closing down due to the low level of milk prices paid by the processing industry and the retail sector. The reason for these low prices is the lack of a functioning supply management for the milk market. As a result, more milk is produced than can be sold at a fair price.

The low milk prices do not allow producers to cover production costs. Although in many cases the whole family works seven days a week – dairy cows do not allow for a break – an increasing number of dairy farms are forced out of business due to a lack of profitability.

*This has consequences:*

- Milk is produced in a decreasing number of regions. Typical pasture land disappears and regional supply of consumers is at threat.
- Dairy farms do not offer any perspectives for the future – the young generation leaves the sector in favour of other sectors.
- Due to dumping prices, the supply of European consumers with high quality milk cannot be guaranteed in the long term.
- The typical farmed landscape associated with milk production disappears, touristic regions become increasingly deserted.
- In addition, with the help of export subsidies, excess milk floods markets in developing countries and destroys the local dairy sector.

What can I do as a consumer?

You can help the farmers in your region and in Europe by buying milk of the dairy farmers' brand – Fair Milk – or by buying milk directly at a farm. It also is very helpful if you just ask in your local supermarket whether they will soon sell Fair Milk.

Show your support to European farmers. Ask your politicians why no reasonable supply management is in place for the dairy market and why oversupply regularly leads to severe crises, forcing an increasing number of dairy farms to leave the industry.

#### Position of the European dairy farmers (European Milk Board)

About 100,000 dairy farmers from 15 different countries are united in the European Milk Board (EMB) to represent their common interests. As a matter of fact, the Member States' Ministers for Agriculture have played their part in making the price of milk plummet. As no functioning supply management system is currently in place, milk supply in Europe is now well over demand. The result of this volume-related problem is a massive pressure on producer prices.

Consumers will benefit from a different milk policy?

A fair milk price is crucial to the dairy farmers' livelihood, but just as well to the regional supply of healthily produced, high-quality dairy products.

Excessive milk volumes are the reason for catastrophic milk prices. So the volume of milk produced has to be adjusted to the actual demand for milk and dairy products. Dairy farmers call for decision-makers to finally provide for necessary framework conditions. Only when supply corresponds to demand can farmers be in the right position on the market to achieve fair prices.

What needs to be done concretely?

Supply management instruments have to be set up in order to put an end to overproduction and allow dairies to pay cost-covering milk prices to producers.

### ***Measures to guarantee cost-covering prices in the long term***

- Milk producers, consumer organisations, dairies and politicians assume joint responsibility. They have a European Monitoring Agency keep an eye on market developments and the cost of producing milk. Based on this data they calculate the actual volume of milk required, with the objective being a milk price that covers production costs.
- Demand-oriented milk production calls for a legal basis and a levy financed by the farmers. This means that the milk producer pays a certain amount into a fund from which compensation is paid out to farmers when they have to produce less milk. In this way the volume of milk can be decreased and increased.
- For demand-oriented milk production to work, an EU-wide and legally binding production limit for each farm is required.
- Furthermore, a pooling of milk producers within organisations of a sufficient size to allow them to negotiate with the industry on an equal footing must be allowed, instead of each individual dairy farmer having to confront the dairy industry alone.

### **Crises instrument: The Market Responsibility Programme (MRP)**

A crises instrument is required for producers to have more clout in the market and for cost-covering milk-producer prices to be achieved. The MRP is a programme for the EU milk sector that is used when there is a risk of a milk market imbalance.

### **More about the MRP**