

EMB 2021: Year in review

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Dear dairy farmers, dear interested parties,

2021 has been another year where the farmers of the European Milk Board actively and creatively engaged in agricultural policy. Through actions, political demands and legislative recommendations, and also thanks to Fair Milk, you sent out important signals.

In this annual review, we would like to look back at major events, outcomes and projects that marked 2021. If you like, take some time over the next few days to look back at the last twelve months with us.

We wish you happy Christmas holidays and all the best for 2022!

Warm regards,

Your EMB colleagues

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Date for major tractor demonstration in Brussels postponed to date yet to be determined

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A real, actual deal with farmers for a fair agri-food and climate policy: this is a burning topic which affects farmers from across Europe and which they want to draw attention to during a major demonstration in Brussels. Due to the current worsening COVID-19 pandemic situation, the demonstration on December 13 and 14 has been postponed to a date yet to be determined. Each affected farmer should have the possibility to come to Brussels with their peers to demand an actual agricultural deal from EU policy-makers without having to face entry or exit restrictions such as quarantine regulations.

As such, actions – held by farmers' organisations LsV, FDF and EUnited AGRI – will be taking place in many countries on December 13, where farmers will already be highlighting that the time for major improvements has come. And here again: there can only be an actual Green Deal if essential changes are brought to the EU agri-food system and if it is shaped with the strong contribution of farmers. **There can be no Green Deal without farmers!**

Farmers' demonstration slogans

1. No farmers - No Green Deal: BRING FARMERS TO THE NEGOTIATION TABLE!
2. Green Deal: We farmers have solutions!

This is our DEAL - Here is what we want:

3. High quality food for our citizens & food sovereignty worldwide: DEAL!
4. Short circuits – good climate – eat EU-regional: DEAL!
5. Focus on farms' economic & social situation: DEAL!
6. NO decrease in number of farmers: DEAL!
7. Avoid hunger & chaos, and strengthen local agriculture: DEAL!
8. Effective external protection: DEAL! - Free trade agreements: NO DEAL!
9. Green strategies without shifting EU production & without carbon leakage: DEAL!
10. All production costs – also sustainability cost – covered: DEAL!
11. No harmful impact on Africa: DEAL!
12. Essential changes in EU agri-food system: DEAL!

The Green Deal must be a deal shaped by and with farmers. Let's change climate for the better & not food for the worse! Together WITH farmers!

No farmers – NO Deal!

EMB press release of 7 December 2021

Current data on costs in the organic dairy sector show difficult income situation for producers

As current calculations show, producers in Germany were paid an average 48.66 cents per kg of organic milk for the marketing year 2020/21. According to these calculations, however, the production costs amount to 64.39 ct per kg, when producers also receive fair remuneration for their work. Thus, producers were facing a cost shortfall of 24%. The income of farm managers and family workers is only 34% of the applicable collective agreements.

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Over the years from 2016/17 to 2020/21, organic dairy farmers spent an average 51.98 cents exclusively on farming inputs and general operating costs without wages. This means that farm managers and their families were left with a mere 8.07 cents per kilogramme of milk in hand as remuneration for their work. Converted, this means that the producers receive only 34% of the income based on applicable collective agreements set in the cost calculation. According to these facts, organic milk is by no means socially and economically sustainable.

The data on milk production costs in the German organic milk sector has been compiled by the German Rural Sociology and Agriculture Office (BAL) and is updated every year.

Milk Marker Index (MMI) for organic milk

The Milk Marker Index (MMI) for organic milk charts the evolution of organic milk production costs. For the marketing year 2020/21, the MMI for organic milk was 96, i.e. production costs for German organic milk producers reduced by 4% as compared to the reference year 2015/16 (2015/16 = 100).

Price/cost ratio (shortfall)

The price/cost ratio shows to what extent producer prices cover milk production costs on organic dairy farms. In the marketing year 2020/21, the milk price only covered 76% of producers' production costs; there was thus a shortfall of 24%.

Study on milk production costs in eight key milk producing countries

Cost calculations are regularly carried out as an average of all dairy farms and are not limited to organic production. It is very clear that conventional dairy farmers are not being paid cost-covering prices either.

You can find milk production cost calculations for Belgium, Denmark, Germany, France, Ireland, Lithuania, Luxembourg and the Netherlands for 2019 [here](#).

A chronic shortfall between production costs and milk prices – what is the solution?

In order to counteract this chronic shortfall, the European Milk Board (EMB) calls for a legally defined crisis instrument. The Market Responsibility Programme (MRP) observes and reacts to market signals, for example by temporarily adjusting production volumes in times of crisis.

You can find a short description of the EMB's Market Responsibility Programme [here](#).

Background:

The European Milk Board (EMB), the German dairy farmers' association BDM and the German producer organisation MEG Milch Board have commissioned the German Rural Sociology and Agriculture Office (BAL) to carry out a study on production costs for organic milk and to update this study annually. It is an important complement to the Milk Marker Index (MMI), which has been published since 2013, as well as to the EMB's reports on general milk production costs in different EU Member States.

EMB press release of 30 November 2021

The EMB's General Assembly calls for key reforms in the EU agricultural system and to the current environmental and climate strategies

Representatives from twelve European countries gathered this week at the European Milk Board's (EMB) General Assembly in the Belgian town of Leuven to jointly discuss key solutions for the dairy sector. This is because the mistakes made in the EU agricultural sector with all their problematical

consequences are increasingly obvious.

For instance, milk production is already declining in important production countries, as long-standing cost shortfalls have been driving dairy farmers out of production in droves for years now. Against this backdrop, the European milk producers' representatives are reaffirming the need for a change in strategy to guarantee a future for the sector, the farmers and the reliable production of food for the citizens of the EU. The existing cost pressure, which is a burden on producers owing to the current liberal export and import strategy, is compounded by the pressure on income created by the current and future environmental strategies such as the Green Deal and "Farm to Fork". As the numerous milk producer representatives attending the meeting stressed, environmental and climate measures are required for all society's sectors. But they have to be thought through to the end. In the agricultural sector, for instance, the current strategies must be designed in such a way that they are manageable for the dairy farmers and really effective for the

environment and climate.

The unanimous opinion of the General Assembly was that it was imperative for the solutions for the sector to create general framework conditions that guarantee a cost-covering producer price in order to correct past mistakes and prevent new mistakes in a green policy. The dairy farmer representatives attending highlighted the need for instruments that can temporarily limit production in times of crisis, and for a policy that focuses on the solid financing of sustainability measures. For the farming sector that must mean that all production costs – including the costs of sustainability – are covered and not shifted on to the producers.

Sieta van Keimpema: "The CAP reform adopted this year makes the voluntary volume reduction an official instrument for times of crisis in the EU's Common Market Organisation. This is a first small step on a long way the political decision-makers still have to go along with the farmers to radically reform the current agricultural system." The EU sustainability strategies also had to be adapted on the way. "We want a climate policy – also, of course, because we farmers are the first to feel the impact of climate change. But it must be affordable and really effective for the environment and climate."

EMB press release of 18 November 2021

BDM tour - lessons learned

After 13 days and many stops across Germany, the BDM protest procession arrived in Munich. At the closing rally, the almost 3,200 km journey was summed up as follows: without changes to the policy framework that would lead to a significant improvement of our market position, things are simply going to remain the same!

© BDM

This conclusion is supported by the remarks of the dairy representatives who spoke to us. “There is no solution”, “We are already doing everything imaginable”, “Higher producer prices are impossible in practice” – these were some of the messages from dairy companies. In addition to dairies and abattoirs, we also visited electoral events by the Social-Democratic Party (SPD), the Greens and the CDU (Christian Democratic Union). In this context, it became clear once again that you have no choice but to go on about the issues of the agricultural sector like a broken record. It is only by repeatedly participating in such events that our problems will be addressed. The demonstration in Munich was held alongside the closing event for the electoral campaign of the conservative parties (CDU/CSU) at Nockherberg. We made our discontent heard loud and clear in the presence of Chancellor Merkel, Bavarian Minister-President Söder and Armin Laschet, the CDU candidate for Chancellor.

Federal elections – meetings and panel discussions with candidates

On 26 September 2021, federal elections for the new Bundestag were held in Germany. The SPD emerged as the strongest party and is currently in talks with the Liberals (FDP) and the Greens. In the lead-up to this election, members across Germany invited their direct candidates to meetings and panel discussions on their farms. These events were host to lively debates and some of the new as well as veteran members of the Bundestag were given a greater insight into the BDM's objectives and proposals. Key issues at these discussions were usually the weak position of farmers within the value chain, structural change in rural areas, and the 2030 sector strategy.

Agriculture Minister Conference in Dresden

The BDM used its protest boat, which had already made an appearance across Germany as part of the protest tour, at the Agriculture Minister Conference to point to and call for a much-needed change in course in agricultural market policy. At talks between different associations and the federal-state ministers, the BDM once again underlined the need to come up with strategies that would allow for significant improvements in producer prices. This is a lone voice in the (political) wilderness, but we are deeply convinced that this is the only way to ensure a viable future for our farms.

If we wish to continue to receive agricultural payments in full, we must implement the applicable environmental services. However, the possibilities being discussed at the moment would lead to significant operational restrictions especially for grassland farms, resulting in major revenue losses. In an attempt to at least limit these losses, the BDM, together with AbL and LsV Schleswig-Holstein, put forth some proposals, which received the support of the ministers of North Rhine-Westphalia, Schleswig-Holstein and Mecklenburg-Vorpommern. It will be interesting to see what the Federal Ministry of Food and Agriculture has to say in this context. In terms of the pending infringement procedure (fertiliser ordinance), Mecklenburg-Vorpommern's Agriculture Minister Dr Till Backhaus sees dark clouds on the horizon for the federal states that made major concessions regarding the designation of red zones.

November 2021: Henrik Kramer, Bundesverband Deutscher Milchviehhalter

Fairebel – fairer than ever before

Fairebel, the Belgian dairy cooperative founded eleven years ago by a handful of indomitable farmers, has grown. The goal set out at the beginning still continues to be their raison d'être: offering everyone in Belgium high-quality products at a price that is fair for consumers as well as producers. But

why?

The real problem with many milk products available today is that producer prices do not even allow farmers to cover production costs. Erwin Schöpges (President of the cooperative): "The consequences are apparent all over in rural areas: family farms are disappearing; young farmers are giving up on the profession. In such a context, the Fairebel initiative is a valuable, perhaps even indispensable solution." And consumers seem to agree! In 2020, Fairebel sold more than 12 million litres of milk, which is more than a litre per Belgian. At the same time, the product pallet has also grown, and the cooperative has recently expanded to fruit and beef as well, where they continue to pursue their founding goal. Today, 550 cooperative farmers and

almost 1500 "consumer shareholders" are the collective owners of this venture.

It is plain to see that Fairebel's fair-trade concept is much more than a simple marketing trick to seduce customers. On the contrary – it is the absolute conviction on which the brand has been founded. Such concepts are more important than ever before because the ongoing health crisis has laid bare the need to urgently restructure our food systems. To preserve our autonomy and the quality of our foodstuffs, to mitigate climate change, and to ensure that our farmers are remunerated with a decent wage that actually allows them to make a living. Fairebel's fair-trade concept does not stop at farmers. It ensures that consumers enjoy quality local products, cows are kept in conditions that promote their well-being, and the planet also profits as local farming produces less CO₂.

Fairebel goes even greener as of 25 October

Building on the success of the most recent climate march, Fairebel's farmers are wasting no time in taking on their share of the responsibility. Erwin Schöpges: "From 19 October, Fairebel milk will be sold in new packaging. It was developed together with our long-standing partner Tetra Pak and consists of 87% plant-based materials. It is 100 % recyclable and allows us to reduce CO₂ emissions by 36% as well as to avoid 180,000kg of fossil-fuel-based plastic." These impressive figures are underpinned by a wealth of industrial know-how that is unmatched in the sector and lives up to consumers' justified demands. Furthermore, the outside plastic packaging has also been reworked and has been entirely replaced by cardboard.

This amazing joint initiative by Fairebel, Tetra Pak and Luxlait will be publicised in a country-wide media campaign with the slogan: "Fairebel has found another way to show its love for the planet". This approach is sure to attract Belgian consumers who wish to change their consumption habits. It also reaches out to all Belgians who care about sustainability in the agricultural sector.

Those who have supported Fairebel from the very beginning say:

"We are proud to be working with Fairebel as they take the innovative and noble step of switching to our Tetra Stelo Aseptic Edge 1-litre package and Wingcap opening."

Gilles TISSERAND, Marketing Director Tetra Pak France & Belgium

"The Luxlait farmer cooperative has been a loyal partner to Faircoop from the beginning. For almost eleven years now, Luxlait has been successfully filling Fairebel milk cartons. This close cooperation is made easier by the fact that both our companies share values like cooperative structure, high product quality, sustainability, environmental responsibility, animal well-being and, of course, fairness."

Gilles GERARD, General Director Luxlait

"We can only welcome an initiative like Fairebel because it aligns perfectly with the goals of our retail sector as we look

to reduce plastic packaging.”

Dominique MICHEL, CEO Comeos

“Even as a consumer, it is important for me to play my part. With the new packaging, we are contributing to a better future for us, for our families and for our children.”

Jeremy CHINA, consumer and member of the Fairebel Administrative Board

Fairebel press release of 18 October 2021

"France will always need farmers to feed its population!"

*French consumers have become more sensitive to sustainable production – despite the Covid-19 pandemic and the major disruptions it caused in 2020 . Here are some figures proving this trend: from 2013 to 2016, **FaireFrance** sold about 15 million litres of milk, whereas in 2020, sales skyrocketed to around 14 million litres in a single year.*

© FaireFrance

Despite the Covid-19 pandemic, the 500 members of the FaireFrance cooperative were able to organize in-store tastings and meet consumers. FaireFrance is the only French milk brand to offer so many events in supermarkets. “We explain to consumers what our cartons contain, and these types of meetings are important for both the consumers and the farmers, the latter becoming their own ambassadors and approaching supermarkets and promoting their brand themselves”, says Jean-Luc Pruvot, a farmer from Parfondeval in the Aisne département. Although he also works as an inseminator and milks 117 cows each day, he still finds the time to fulfil his duties as president of the brand.

This cooperative's ultimate goal is to convince more supermarkets and consumers that buying fair milk can make a difference. Last year for instance FaireFrance signed a partnership with ALDI France.

Jean-Luc puts it very well: “France will always need farmers to feed its inhabitants.” But what's in it for farmers? If you crunch the numbers, over EUR 1,400,000 were paid out to member farmers in 2020, enough to boost the morale of a sector that desperately needs it!

October 2021: Maxime Lefebvre, FaireFrance project coordinator

Di fair Milch Säuliamt: success stories and lessons learned

Di fair Milch Säuliamt has now been on the shelves for four years. We sell two types of pasteurised milk: a full-fat non-homogenised milk and a 2.5% fat milk, which can be found in the twelve VOLG supermarkets in our Säuliamt (Affoltern) district. We also produce 10-litre bags for bakeries. In 2020, we hit a new sales record due to the coronavirus pandemic, and the figures for 2021 are slightly lower. But the sales of our milk have been increasing year after

year.

VOLG's top management has decided that we cannot sell any other products from our assortment in their supermarkets. This is why we've planned events in front of their shops to boost our milk sales again. We will be setting up stands where an expert will be showing consumers how they can make yoghurts, Schabziger cheese and cream cheese themselves using our pasteurized milk. Two or three members of our cooperative will also be there

to give her a hand.

Rolf Heer, member of Di Fair Milch Säuliamt cooperative, confirms: "We've had nice experiences with the public. Consumers are buying our products and are ready to pay more because they know that these are local products and that farmers get a fair price for them. I honestly have to say that I didn't expect people to be so enthusiastic. It seems that our commitment and presence in the shops are a real game changer." His only criticism or wish regarding the future is linked to expansion and availability: "We could step up our efforts regarding the retailers to get listed in more shops. But I think that we've proven that fair milk prices are not out of reach and that's already a major step forward."

Di Fair Milch Säuliamt secretary, Adrian Weber, adds: "At the start, I didn't believe that we could help farms and give them better prospects for the future, but our success eventually convinced me. The idea behind this is to show the big dairies that people are ready to pay more, and I think we've done a good job in demonstrating that."

On top of that, our involvement in this project has allowed us to better understand what goes on behind the scenes when it comes to retailers. Adrian Weber describes it this way: "We start to understand how hard it is, if not impossible, to get listed and what contracts and clauses are imposed upon us. We farmers don't usually deal with any of that. So many colleagues used to think that "they simply have to list our products", when in fact they don't "have to" do anything because they have other priorities and problems to deal with. To give you an example, we have to bear in mind that the term "fair" might be a hurdle that retailers have to overcome as it renders the rest of the milk selection, at least implicitly, "unfair". Adrian is not pleased with this and the blocking on the part of certain retail chains. "But at least we learn a lot, just like our project has also shown that people are ready to pay for high-quality and fair local milk."

October 2021: Werner Locher, Chairman of the Faire Milch Säuliamt cooperative

Floods and extreme weather in Central Europe in July

In mid-July, Central Europe experienced long-lasting, intensive rainfall resulting in entire towns, villages and valleys being flooded. This caused numerous fatalities, massive material damage and emotional scarring. We have compiled a few impressions and descriptions of how milk producers were themselves affected in many ways, but also provided crucial emergency aid. They are clearing up and are involved in the immediate reconstruction, as well as asking questions about the extreme weather and climate impact.

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In **Germany**, it was North Rhine-Westphalia, Rhineland-Palatinate and Bavaria as well as other regions that were hardest hit by the extreme weather and flooding. In these areas, there were also BDM farmers who suffered severe damage on their farms and in their fields.

In the first few days after the disastrous flooding, contacts on the spot were sought to co-ordinate the aid and donations. Right from the start, there was a great deal of solidarity among farmers throughout Germany. On 17 July 2021, BDM published a special newsletter for its members with more concrete news on the possibility of aid and also presenting other offers of help. In addition, many BDM members initiated smaller fundraising campaigns to collect money for the flood victims. These raised several thousand euros. On top of that, contacts on the spot were brought a large number of animal feed donations. This enabled members who had lost large parts of their harvest to still carry on running their farm.

It was also perfectly natural for Fair Milk Germany and its farmers to support the emergency services and local population. The first delivery of milk and cocoa arrived in the areas most affected as early as 16 July. Further pallets were distributed in the following few days.

In **Belgium**, it was the east of the country that was hardest hit, with some places even being flooded twice in one week. Dairy farmers sustained severe damage, especially those whose farms and land were in the region's deep and narrow valleys.

Pastures and meadows have been destroyed, polluted with leaked fuel oil and other contaminants. Expensive analyses will have to determine whether it is still possible to graze cattle there or if it is necessary for expensive decontamination to be carried out (if at all feasible) or to write the land off. There were requests for hay and feed, as well as donations.

Farmers gave immediate help to their fellow citizens affected. Many emptied countless cellars with their equipment, pumps and barrels. And other clearing out would have been a lot harder and slower without their help, machinery and tools. This commitment comes naturally to them, yet in some places farmers complained of a lack of recognition from the public sector. Their voluntary support is taken for granted whilst specialised companies are paid. Overall, the complaints are of a lack of organisational and co-ordination capacity, as well as overburdening and absence on the part of the state, even weeks after the rainfall. The population and farmers organise themselves, often via social networks.

Fairebel, Belgium's Fair Milk, also donated food to those affected and helpers. For instance, in the particularly devastated town of Pepinster, Fairebel farmers handed out Fair Chocolate Milk.

In **France**, where the east was most affected, the impact was less serious in comparison. Cows were saved from flooded pastures and lacking feed is being organised by farmers and neighbours acting in solidarity. Thoughts are already being given to the causes, consequences and prevention of such extreme weather conditions, as well as to coping with the impact of the climate crisis in general.

Producers are experiencing themselves that they sustain damage and incur additional unforeseeable costs. As these costs will presumably accumulate and intensify, it is imperative they are covered by the CAP and/or the consumer price, as well as being considered in production cost calculations.

The (contributing) causes are firstly seen in increasing urbanisation and sealing off land, which takes water's natural place. But self-critical thought is also given, for instance, to watercourses levelled or concreted for or through agriculture that make it difficult for rainwater to seep away. However, farmers should also refer self-assertively to positive or at least alleviating contributions of livestock farming in extreme weather conditions and climate consequences. For instance, the positive effect of pasture land in retaining water, and especially mud, is mentioned. One approach here would be more animal owners who have the same number of cows on more (pasture) land. Meadows and pastures act as sponge, whereas intensively used arable land tends to be washed away and thus into houses and other buildings. We have seen

something similar with fires in the south of France: where animal husbandry is disappearing or being concentrated, it is an easy job for flames on pastures turned into bush.

From south Tyrol in **Italy**, the south of the **Netherlands** and **Luxembourg** we received news and pictures of heavy rainfall and flooding, as well as subsequent solidarity and the indefatigable commitment of farmers.

We wish everyone affected time for grief, a lot of strength in coping with the material damage and emotional scarring, and for reconstruction. Special thanks go to every helper and donor!

September 2021: Simon Bauer, EMB, based on information from its member organisations, especially Producteurs de Lait Indépendants (APLI), Bund Deutscher Milchviehhalter (BDM), Milcherzeuger-Interessengemeinschaft (MIG)

EMB on the CAP deal: Crisis instruments are almost a hit, lack of price fairness is a flop!

© Pixabay, Julien Tromeur

The deal on the CAP reform, which has been officially adopted by the Council of Agriculture Ministers on Monday, is an important step in the right direction, allowing for greater stability in different areas of the agricultural sector with its tool box of crisis instruments. However, it does not set forth any measures to ensure that costs for more sustainable production and producer prices actually

go hand in hand.

Positive elements in the deal on the CAP reform

With the **voluntary volume reduction** crisis instrument (Article 219) as well as the Market Observatories and their functions (like providing information on market disturbances, production, stocks, prices and, where possible, margins) for different agricultural sectors (Article 222) included in the Common Market Organisation, there is now a legal framework for crises to be identified early on and the above-mentioned reduction programme to be activated in response – provided that the correct decisions are, in fact, taken in a timely fashion. This possibility to avoid surpluses and thus price collapses is a positive development. But these instruments must be used effectively and without delay in the face of crises! This is where the European Commission must play its part! A crisis mechanism that would automatically activate the appropriate

crisis instrument is still missing. The capping of producers with surplus output during the period of voluntary volume reduction also did not make its way into the reform. Another positive element is the increase of the pooling threshold for dairy farmers to 4%, who together can thus negotiate or let negotiate a volume of up to 4% of the EU milk volume. However, when looking at processors, this is still not enough. After all, you already have companies with a much higher market concentration, which makes it impossible for producers to negotiate on an equal footing.

Missing elements in the deal on the CAP reform

Costs in the milk production sector are already not covered at present.* Prices and subsidies are unable to match costs. More demanding sustainability requirements entail higher costs as well. It will not be possible to cover this additional burden with raw milk prices nor through green subsidies. This is bad news for both experienced producers as well as young farmers. Even though they can be further supported through a mandatory minimum level of 3% direct payments, young farmers will continue to be the losers in the agricultural sector as long as the cost of more sustainable production is not actually covered by market prices.

The European Milk Board would like to thank everyone who has played their part in ensuring that the CAP deal includes important crisis instruments. We would like to expressly acknowledge the work done by the European Parliament as well as the many European dairy-farmer organisations in this regard. However, for a truly sustainable policy, stakeholders like

the European Commission and certain EU Member States must recognise the need for fairer prices and greater stability in the sector, and make efforts to achieve the same.

*A study with the latest cost data will be published on 5 July. If you would like to receive the study in full, please write to office@europeanmilkboard.org.

July 2021: EMB press release

Latest milk production cost study shows hefty expenses, but only low or no income for farmers across the EU

A succinct and highly-informative document has been made available to European milk producers today. The latest study entitled [What is the cost of producing milk?](#) presents the situation on EU dairy farms in the form of clear and reliable figures. In addition to the milk production costs in eight key milk-producing countries, this latest version of the cost study also includes an EU average for the very first time.

© EMB

In 2019, the average cost was 45.35 cents/kg. With EU prices averaging 34.52 cents/kg, there was a significant cost shortfall. "This clearly shows a problematic imbalance throughout the EU," explains Sieta van Keimpema, President of the European Milk Board (EMB) from the Netherlands. Another novel feature: with Ireland and Lithuania, the study by the Bureau for Rural Sociology and Agriculture (BAL) includes two new countries that are at opposite ends of the cost spectrum. With its unique production system and 34.21 cents/kg, Ireland had the lowest production costs in 2019 by a long shot. However, the tendency of cost shortfalls is seen here as well, as costs have increased significantly in the period included in the study, but prices have not evolved accordingly. As a result, costs were not covered in three of the five years included in the study, even in this country with extremely favourable conditions for milk production. Lithuania, with its differentiated farm structure and many small farms, easily tops the list with the highest production costs (58.63 cents/kg). Together with an extremely low milk price of 28.79 cents/kg, the producers in this Baltic country are struggling with an enormous cost shortfall of 51 per cent.

When looking at all the countries together, it is interesting to see that production costs span a broad range between about 34 cents/kg and 59 cents/kg. But when it comes to prices, the disparity shrinks significantly from almost 29 cents/kg to just above 34 cents/kg.

Critical income situation

A look at two large milk-producing countries – Netherlands and Denmark – shows that once costs have been deducted, farm managers and family labour are left with absolutely nothing in hand and thus no income. "We have to bear in mind that we are talking about the Netherlands and Denmark – countries with very modern farms that continue to take on new technical developments. But in spite of this, those running dairy farms are not left with a single penny in hand," says Sieta van Keimpema, pointing to this very difficult situation. Income is at a very critical level in other countries as well. Only Ireland manages to get somewhere close to what has been calculated as appropriate income. Dr. Karin Jürgens, the author of the study, summarises as follows: "Dairy farms are not just missing the earnings needed for stable and future-proof operations. They are not even making enough for an appropriate income or even an adequate living." To the potential criticism that income values are set too high, she responds to the contrary: "The income variable in the study considers the level of training and qualifications and is objectively based on applicable agricultural collective agreements or twice the national minimum wage in the country in question." Kjartan Poulsen, EMB Vice-President and organic dairy

farmer in Denmark, goes on to add: "How can it be acceptable for someone to earn nothing or close to nothing? We are a well-trained workforce with long-standing experience, and we work hard every day. That includes weekends and holidays. Especially during the pandemic, farmers left no stone unturned to ensure that there was never an issue with food supplies. Furthermore, we also undertake major risks and shoulder significant responsibility for our animals, for food security and for the environment."

As French dairy farmer and EMB Executive Committee member Boris Gondouin explains, the brochure offers a good basis for confident campaigning and progress toward appropriate prices: "I am very happy to have this new brochure with a very clear structure in hand, especially because it is a tool that is based on reliable, founded data. It allows me as a dairy farmer to comprehensively understand cost developments. And not just in my country." He has a recommendation for all dairy farmers: "Take this proof of production costs with you to every meeting with dairies, retailers and policy-makers and use it to demand fair prices!" EMB President van Keimpema also adds: "The next generation, the future of food production, would also like to produce milk. Let's use this study and, once again, make this viable for them!"

For the author Dr Jürgens, these figures also provide important insights for successful implementation of current environmental policies like the Green Deal: "Farms will only be in a position to contribute to the implementation of environmental, climate and animal welfare goals that imply higher costs if there are lasting improvements to their economic situation."

Summary of key figures:

In 2019, milk production costs including appropriate remuneration were lower than paid milk prices in all eight countries and in the EU on average – and this is without any consideration of average net investments. Costs were between 34.21 cents/kg in Ireland and 58.63 cents/kg in Lithuania, with 45.35 cents/kg as the EU average. This implies a cost shortfall of 9% (Ireland) all the way up to 51% (Lithuania), and 24% across the EU.

Milk production costs, farm-gate milk price and cost shortfall in 2019 (in c/kg)

Comparison of actual income with necessary adequate income 2015-2019

[You can refer to our cost study here.](#)

[Click here for a video of the press launch of the latest figures along with comments from the countries included in the study.](#)

July 2021: EMB press release

"It is impossible to overstate the significance of farmers for society!"

"And the winner is..." Once again, the audience was eagerly awaiting the announcement of the winners of this year's Golden Faironika at the International Fair Milk Conference, organised by the European Milk Board

(EMB) and the Fair Milk countries.

But long before the winners were announced at this year's event in Ettelbruck, Luxembourg, the dairy sector and its farmers had already proven themselves worthy of this honour. The efforts of the people honoured with the Golden Faironika have helped dairy farmers make notable progress in the fight for fair conditions in the dairy sector in recent years:

- The tireless commitment of **Guy Francq**, co-founder of the Belgian Fair Milk project, contributed significantly to the successful growth of *Fairebel*.
- With milk production cost calculations for Denmark, France, Lithuania, Germany, Ireland and other countries, **Dr Karin Jürgens** has put a precise number on what actually constitutes **fair prices**. These clear figures have permitted farmers to present well-formulated demands for many years now. Thanks to the studies by Dr Jürgens, it is now evident to both policy-makers and consumers what milk needs to cost in order to compensate the effort that goes into producing it.
- The organisers of this year's Fair Milk Conference, the Luxembourg Fairkoperativ celebrated the ten-year anniversary of its brand D'fair Mëllech, exemplary successes in fairness as well as key supporters: In this spirit, the Golden Faironika was awarded to **André Laugs**. During the coronavirus crisis, this dairy farmer campaigned for those who were struggling with even worse income situations than farmers. Danielle Warmerdam-Frantz, President of Fairkoperativ, congratulated him for being an exceptional campaigner as "his energy and commitment know no bounds and he continues to tirelessly fight to expand the idea of Fair Milk."
- The **Luxlait dairy** was also one of the winners as it showed breadth of vision ten years ago when it decided to work together with farmers on a unique initiative, and was not risk-averse when it came to being a strong partner that sides with farmers. **Convis**, a breeding and consulting organisation in Luxembourg, was also awarded a Golden Faironika from dairy farmers. This organisation advocates for farmers and advises them on issues like feed rationing, digital registration, carbon footprint as well as innovative, environmentally friendly production methods.
- The **Maison Relais de la Commune de Sanem** is another important partner that was honoured with a Golden Faironika. Sanem in Luxembourg was one of the first municipalities to recognise the importance of fair prices for producers and provided its schools with the necessary resources to permit the administration of the Maison Relais, together with its chef, to buy fair and local milk products.
- The hard work that all farmers put in, day in and day out, to ensure food security for everyone was and continues to be a massive advantage for Europe as a whole. Without this strong commitment, it would have been impossible for our societies, especially during the last year and through the months of the pandemic, to count on such reliable and safe food supplies. **For this reason, the EMB would like to award the Golden Faironika to all European farmers. It is impossible to overstate their significance for society.**

During the conference, the European Fair Milk farmers also conveyed their warmest regards to their colleagues in Africa. With projects like Fairefaso in Burkina Faso and Fairemali in Mali, they have taken an important step in laying the foundation for Fair Milk on this neighbouring continent for African producers.

For EMB President Sieta van Keimpema, the International Fair Milk Conference is a very special event: "The Fair Milk projects in Africa and Europe are made possible thanks to the unbelievable commitment of some very important people. They prove on a daily basis that fair prices for producers are absolutely possible. The Fair Milk Conference celebrates this commitment and these success stories. And it reminds the policy-makers and dairy -industry stakeholders who continue to support scandalous milk prices through their political and business strategies that ending the exploitation of

farmers worldwide is their responsibility.

Photos of Fair Milk Conference

July 2021: EMB press release

2020 marks the first year of Faireswiss: let's take stock!

It's spring 2021 and Faireswiss Fair Milk is now one year and a few months old. The first Swiss Fair Milk was launched on 23 September 2019. We would like to look back on 2020, the first full financial year of Faireswiss! We hoped to sell more than a million litres of milk. And we did it! We ended the year with 1,071,271 litres of milk sold, including our different types of cheese.

The range of products keeps growing

After starting with 3.5% fat whole milk as well as five soft cheeses from the Grand Pré cheese dairy in Moudon, 1.5% fat skimmed milk was added to the range of products in mid-March 2020. Then came Le Petit Boisé, a sixth cheese from Grand Pré, as well as Cremo coffee creamer for the catering sector in September 2020. And finally, fondue half-and-half Gruyère PDO/Vacherin Fribourgeois PDO from the Vacherin Fribourgeois SA in Bulle in December. Don't miss out – currently available at Manor. The coffee creamer has also been available at Manor in packs of ten since the start of February 2021.

Growing number of points of sale, growing support

After a strong start in Manor Food stores all across Switzerland, SPAR in German-speaking Switzerland decided to get on board in June 2020, together with PAM and Edelweiss in Valais – not to forget Aligro and culturefood as well as innumerable local food stores. Together with the Lausanne university hospital (CHUV), day-care centres, company restaurants (Novae, Eldora), restaurants and cafés, we have about 400 points of sale and support all across Switzerland! Great collaborations have also come to be with farmy.ch, labelbleu.ch, Maison Chocola'Thé, Intchiè No in Sion, to just name a few.

Awards

We received two PERL awards (Lausanne Region Entrepreneur's Award) at the beginning of the summer as well the Loterie Romande award in the context of the *Semaine du Goût* (Flavour Week) in September 2020. In fact, we were partners at the *Semaine du Goût* and we hosted stands at the Lausanne and Vevey markets during this period to present our project to the public.

60 cooperative milk producers

In early January 2021, an additional 21 milk producers spread over German and French-speaking Switzerland joined the cooperative: a warm welcome to them all! We are now a total of 60 producers. Many more are on the waiting list – incorporating new members must be done progressively.

Growth in German-speaking Switzerland remains slow. We now have someone managing the German contents for our social media presence. Slowly but surely, the project is gaining notoriety. We would like to thank everyone – our consumers, processors, distributors, media representatives and farmers! Let's continue this beautiful journey in 2021!

Visit [our website](#)

Find us on [Facebook](#)

Find us on [Instagram](#)

“It’s all about the faces behind the project”

Interview with **Andrea Münnekehoff**
© Die Faire Milch

Project Manager Marketing/Communication

Die Faire Milch, Germany’s Fair Milk initiative

Andrea, since when have you been active and what products do you offer?

Our initiative was founded in 2010. We started with two kinds of long-life milk (3.8% and 1.8% fat) and our product range has grown over time to include lactose-free milk (1.8% fat) and three kinds of cheese (semi-soft milk cheese, Emmentaler and alpine cheese). And as a treat for our young and not so young consumers, we also have chocolate milk and vanilla-cream liqueur.

What is the organisation structure like?

We currently have about 100 participating farms across Germany that are committed to the concept of Fair Milk. Our farmers are the face of the brand – they go to supermarkets, talk to customers and consumers, host tasting stands and raise awareness for our products at numerous trade fairs and events. The “fair food eG” cooperative provides the organisational structure. In addition to the participating farmers, consumers can also become members of the cooperative.

What drives the producers?

Managing to convince a retailer to stock our products is extremely motivating. After all, the farmers identify very strongly with the products and they are proud to see *their* milk make it to the shelves. They are also met with real understanding and sympathy from consumers at tastings. This is linked to the fact that putting a ‘face’ to the milk makes the entire situation on farms much more tangible: “We have to invest in our stable” is much easier to understand than an abstract “We need to stabilise the dairy market.”

And what about consumers, what drives them? Why do they invest in the project?

They want to contribute to sustainability. Once again, the faces of the project help significantly as they create a human link and generate trust, which are definitely important factors when it comes to investing. It also allows consumers to be actively involved in charting the general direction of Fair Milk as they can vote at our assemblies.

How do you reach out to consumers and initiate contact with them?

A lot happens through social media. For example, we have over 22,000 followers on Facebook. But we also have many people visiting our website. The fact that no one can make a living from cheap milk is generally known by now. But when it comes to outreach, it is important to leave the shadows of anonymity and, once again, direct contact is crucial. Of course, this contact is not everyone’s cup of tea. We also see how this might not come naturally to our farmers either. Getting over their apprehensions and approaching consumers becomes much easier once they receive first-hand, genuine appreciation for what they do and for the high-quality products they produce.

And what happens next for Fair Milk in Germany?

We are currently working on developing more products and we are in a very exciting phase! Our new organic grass-fed fresh milk will be launched in June. In a broader sense, our goal is to increase earnings and further consolidate our position. We are especially looking to increase membership in the North and East of the country in order to better serve the demand from consumers in said regions. The main, overarching task of 2021 is to achieve a broader presence.

To wrap up: what would be your advice to producers who are toying with the idea of launching a Fair Milk

initiative in their country?

It is very important to have an open, constructive exchange between all committed and interested parties from the beginning. And I am happy to reiterate that the other secret to success is the faces behind the project – it is important to share their story.

Andrea, thank you for your time and wishing you continued success with Fair Milk.

June 2021: Simon Bauer, European Milk Board

No future for European milk production without young farmers!

The General Assembly of the European Milk Board (EMB) with producers from 13 European countries reaffirmed its commitment to fighting for future-proof, cost-covering agriculture. At the biannual assembly, which was an entirely digital event this spring, the long-term survival of European milk production was the main topic for the dairy producers.

The fact that only 5% of producers in the EU are below the age of 35 and only 14% are between 35 and 44 years old projects a grim future for the European agricultural sector. This trend is further exacerbated by milk producer prices in many countries being well below production costs – in some countries, cost coverage is a mere 50%. The dairy farmers at the assembly were presented with figures from a cost study, which will soon be published and which paints a very accurate picture of the current situation, in addition to providing EU average costs. The study also unequivocally proves that in the eight key milk producing countries it covers, the current income reality does not allow for any future prospects. This tense situation will only get worse: while the milk price has mostly stagnated, costs for feed and climate change mitigation are increasing by leaps and bounds.

In spite of this situation, however, it is still absolutely possible to generate revenue from milk, as a [study presented by the MEG Milch Board on value creation in German dairies](#) clearly shows. Sadly, these profits remain at processor level. Producers continue to struggle with cost shortfalls, even when the rest of the production chain is making a sizeable profit. Even though dairies are able to generate considerable added value – with private dairies often achieving much higher levels than cooperative dairies – producers are only paid inadequate milk prices across the board. EMB producers collectively agree that if farms are to survive, a higher percentage of the revenue generated from milk must reach them.

Decent, cost-covering prices are possible! This is demonstrated not only by the figures on value creation by dairies, but also by producer-led projects like [Fair Milk](#). Representatives from this project operating in numerous EMB countries shared their success stories at the General Assembly, which centre around fair prices for farmers as well as the further development of good, direct relations with consumers. On this topic, EMB Vice-President Kjartan Poulsen said, “We are proud of the excellent work done by the Fair Milk representatives in their different countries.”

Another cross-generational challenge already being faced by farmers directly on their farms is the environmental and climate crisis, for instance (green) fodder shortages due to droughts. It is important to ensure that the costs of measures to deal with these crises are not simply passed on to producers. That being said, there is still a lack of balanced, inclusive approaches on the political level to look at how the costs of such measures could be covered. As EMB President Sieta van Keimpema puts it: “The European Green Deal and its 'Farm to Fork' Strategy outline comprehensive measures but they do not talk about how they will be funded. Unfortunately, the situation of farmers is not taken into account in any way.” In fact, especially young farmers feel that producers are, if at all, placed at the margins of this strategy or the many national measures.

Irrespective of age group, it was clear to all EMB members at the General Assembly that they need to and want to advocate even more vociferously for a truly future-proof and intergenerational agricultural sector. They all agreed that young farmers are the future and that the EMB will work more closely with them to ensure cost-covering agricultural prices.

MEG Milch Board updates its value creation study

Milk producers do not profit from the value created by dairies. The first study by the MEG Milch Board in 2015 already demonstrated that there is no competition when it comes to milk. This has been confirmed in an update by the Office for Rural Sociology and Agriculture (BAL), where they studied value creation in 38 dairies. This represents more than two thirds of the annual milk collection in Germany.

The questions explored in this study include:

- What is the degree of value creation through milk processing?
- Is there a correlation between the farm-gate milk price and value creation?
- What part of value creation by dairies reaches milk producers?

The study shows that all dairies included in the study experienced a positive trend. Over a period of ten years, value creation has steadily increased, to differing degrees. Net value creation varied considerably between the dairies. In comparison, farm-gate prices evolved homogeneously, including significant drops across the board in crisis years 2012 and 2015/2016. For the MEG Milch Board, this is clear proof that there is no market when it comes to milk.

The large cooperative dairies with low value creation continue to be the ones determining farm-gate prices. Dairies with higher value creation align themselves accordingly. They pay their suppliers the same milk price as dairies that achieve lower added value. As a result, farm-gate prices remain very low, which spells disastrous consequences for milk producers.

The updated study also includes crisis years 2015/2016. During this period, many dairies were able to increase their net value creation – because they could buy milk at rock-bottom prices. Some – including cooperative – dairies were even able to amass significant reserves and provisions. They did not contribute in any way to alleviating the existential threat faced by dairy farms.

What role do exports play?

The study clearly shows that exports are no guarantee for higher value creation. Offloading milk surpluses on to the world market in the form of commodities can only generate a low level of added value. High-value processed products, on the other hand, present a very different picture. It all depends on what is exported, not on whether goods are exported. However, it is also important to keep in mind that milk producers do not partake in higher value creation. This is because all dairies pay very similar farm-gate prices.

The study can be summarised as follows:

- Milk processing can lead to high value creation.
- However, this net value creation does not influence farm-gate milk prices in any way.
- The effects of a milk crisis are only borne by milk producers, not by dairies.
- Milk producers do not profit from exports.

What must be done to get milk prices to increase?

- Farmers must pool their production in producer organisations upstream of the dairies.
- This would mean that an amendment of Article 148 of the Common Market Organisation is imperative – for all dairies, including cooperative dairies.
- Milk purchase contracts must replace compulsory supply and purchasing guarantees.

We invite you to consult the [brochure](#) on the value creation study (in German). Please find [here](#) a short version of the study in English.

May 2021: MEG Milch Board w. V.

Report says EU trade agreements benefit EU farmers – “illogical and pointless”, say ICMSA

The President of ICMSA has rejected the findings of a report published by the EU Commission that purports to show that the EU's policy on trade deals has benefitted its indigenous farming and agri-food sector. © ICMSA

The [Commission's report](#) claims that EU policy will result in substantial increases in EU agri-food exports, with more limited increases in imports creating a positive trade balance overall. The report quotes the Commission's Executive Vice President, Valdis Dombrovskis, as saying that the EU “has always stood for open and fair trade which has enormously benefitted our economy, including agricultural producers” and it is this conclusion that will most astonish farmers, according to Pat McCormack.

“Mr Dombrovskis must be aware of the fact that the number of family farms in the EU has declined – and is still declining – year on year. If what he said was true, if EU trade policy was benefitting agricultural producers, then that would be reflected in the numbers of EU citizens farming or otherwise engaged in primary food production, but those people are still leaving the sector every year. They're showing what they think of the EU's attitude to EU farming by leaving the sector. That's the reality and every scrap of data for 25 years shows that that's the case”, said Mr McCormack.

“Possibly Mr Dombrovskis means that the EU trade policy is beneficial for the multinational food processors based within the EU, and that may very well be true but it most certainly doesn't benefit the farmers in all the Member States who are struggling to make a reasonable living”, he continued.

Mr McCormack was even more scathing of the fact that the report did not incorporate environmental or climate effects, describing their non-inclusion as “a disqualifying omission”.

“The illogical and pointless nature of this report can best be illustrated by the fact that environmental and climate change measures – the very things that the EU keeps telling us will be the most important considerations in forming policy now and into the future – form no part of the report and specifically were not taken into account when it was being assembled. Effectively that makes the projections and predictions on the EU side of the comparison questionable at best and meaningless at worst. If EU farming and agri-food is going to be predicated on the transition to lower emissions farming and food production, then what good are any scenarios out to 2030 that take no account of that basis?”, asked Mr McCormack.

“Of course the reason why environmental or climate measures couldn't be incorporated into the Commission's report is that it would illustrate very vividly the fact that most of the other entities with which the EU has FTAs or trade agreements don't have anything resembling similar environmental standards or climate mitigation measures. If it was included on the EU side, it would highlight the fact that there was no comparable calculation on the 'other' side – Mercosur is the perfect example. It's difficult to see how anyone can take this report seriously – Irish farmers certainly won't”, said Mr McCormack.

Demonstration to ensure a sustainable future for Portuguese milk production

In a powerful action on 26 February, APROLEP symbolically placed hundreds of boots on Avenida dos Aliados in Porto, the centre of the largest milk-producing region in Portugal. The boots were meant to represent the 200 colleagues and their families and employees who abandoned milk production during the last year. At 30.4 cents per kg, the country has one of the lowest producer prices in the EU.

The goal of the action was to alert the government to the situation of dairy farmers and call upon politicians to immediately create the necessary framework conditions that allow farmers to survive. Assessments of the future Common Agricultural Policy (CAP) have shown that income aid will decrease. Even the ministry's most optimistic projections suggest a dramatic loss in support. In addition, APROLEP asked for the proposal to install an early warning mechanism and voluntary production reduction in times of surpluses to be integrated in the Common Market Organisation of the CAP. Another objective of the action was to challenge industry and retailers to have a dialogue in order to raise the producer price to a sustainable level. Because what is more important than support is a fair price. But until farmers get a fair price, aid will be essential. We have to reverse the current path that leads to a slow death of milk production in Portugal!

March 2021: Associação dos Produtores de leite de Portugal (APROLEP)

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