

Dear dairy farmers, dear fellow campaigners,

The year 2020 got off to a bad start: numerous storms in Europe, analysts predicting a stock market crash in the course of the year and, finally, this virus from far away that has spread all over the world.

I must, however, admit that there has been a glimmer of hope and optimism for our profession as dairy farmers since January. The EMB had two meetings with the new European Commissioner for Agriculture, who seems to take a much less liberal approach than his predecessor Mr. Hogan. He seems conscious of the future challenges facing both farming and farmers, the environment, as well as the planet and its inhabitants. Our production needs to be healthier, cleaner and closer to consumers. But we also have to make the case for decent and cost-covering prices that would allow this production to be sustainable and, above all, viable. For the well-being of us all, for existing and new farms and related activities in all our regions. It seems as if our fight against the market economy is finally bearing fruit!

This infamous virus has led many citizens to step back and reflect on issues that we at the EMB have been raising for years. Issues that are at the heart of good common sense. As I write this editorial, we are already facing a cruel shortage of medication and medical devices in Europe! To be expected, with most of the production concentrated in Asia. Our medical independence is in danger! It is a bitter pill to swallow when a shortage implies tough choices: who will we be able to treat and save?

We are in this situation because the market economy has reigned supreme for years! Protection and support for our laboratories, our researchers, our healthcare and thus our medical sector have been completely ignored. This is unacceptable, albeit numerous organisations have been working to resist this system for many years. And we are heading down precisely the same path with respect to agriculture, the sector that feeds us!

I only dare hope that following this tragic period, our policy-makers will adopt the right solutions, using good common sense, as farmers would do. We are calling upon member states to activate our [Market Responsibility Programme](#) now!

Adapting production to real market demand and pooling farmers in producer organisations to strengthen their position have been the EMB's flagship demands. The objective is to achieve good prices and a decent income that would keep people working the land and even add to their numbers. Food self-sufficiency in Europe – that is the need of the day! I can, however, sadly attest that this is no longer the case and has not been for many years. We need to change the system because after medicines, we are going to start running out of basic foodstuffs.

Take care of yourself and your family, and assume your responsibility as a citizen. It is the time for collective resistance!

Boris Gondouin, EMB Executive Committee member

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Corona crisis: The milk market is under increasing pressure

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The fallout of the Coronavirus pandemic is severely affecting the milk market as well. Farms as well as dairies are confronted with an increasing number of problems and challenges with every passing week.

European and international market indicators have been showing a significant downward trend for a number of consecutive weeks now. Although the Global Dairy Trade Index recovered slightly by 1.2% at the last auction, it had already fallen sharply for four consecutive weeks since the beginning of February. Prices have dropped on the Italian spot milk market as well. The average spot price for April fell by 9.34% as compared to the previous month and is now at €30.75/100kg. This is a reduction of 21.28% as compared to April 2019.

Following the same trend, the rates for milk-product futures on the European Energy Exchange (EEX) have dropped significantly. As of 7 April, May contracts for butter fell by a whole 10.6% to €2,754/t as compared to the previous week.

As a consequence, EU prices for skimmed milk powder and butter also adjusted downwards. Over the last week, the price for skimmed milk powder dropped a further 4.4% to €218/100kg. This is in addition to the price decrease of 5.7% in the preceding week. Butter quotations are currently at €342/100kg. This is a further reduction of 2% as compared to the previous week.

Critical situation for dairy farmers

Dairy farmers are under increasing pressure as milk deliveries are on the rise. Some Member States have reported that smaller dairies are already discontinuing milk collection due to capacity issues. The milk price has collapsed in a number of countries. In Lithuania, the raw milk price as of 1 April has been reduced by 3-5 cents, which represents about 20% of the total price.

Many countries are actively calling for measures to control production volumes in order to counteract yet another milk market crisis.

Vanessa Langer and Regina Reiterer, EMB

Coronavirus: dairies and their associations must take action

The measures to prevent an even quicker spread of the coronavirus are becoming increasingly restrictive. While panic buying and hoarding will lead to a temporary increase in the demand for long-life milk products, the dairy market as a whole is clearly under very high pressure. Associations have come to us with requests from representatives of individual dairies to support immediate storage in public intervention facilities.

© BDM

We expect the following from dairy companies: in light of these exceptional circumstances, they need to drop their opposition to the immediate creation of an effective crisis management scheme at EU level. Our response to current market distortions needs to be proactive and effective, and has to be much more than calling on other market stakeholders to fulfil what is their ethical responsibility. We need quick, temporary milk volume reduction across the EU to ensure that prices do not plummet into the abyss. We cannot risk this crisis causing irreparable damage to the agricultural sector, which is integral to ensuring urgently needed basic provisions for the entire population.

We call on our colleagues to actively support this demand. More than ever before, the current economically volatile times require the solidarity of all market stakeholders – dairies and farmers alike. We all have to do what we can to keep the expected losses for dairy farms to the minimum. There is no place in such a situation for selfishness, stubbornness or (unjustified) concerns about the alleged re-introduction of quotas. Everyone needs to work pragmatically toward the same goal.

Considering the immense social dimension of this crisis and the substantial need for funding in all societal sectors, adjustments must be made on all fronts to keep the resulting fallout to a minimum. We are also seeing how quickly political decisions can be made and implemented when they are driven by a common will. Regional parliament decisions in Bavaria, Mecklenburg-Vorpommern and Saxony-Anhalt in 2016 have shown that a non-partisan, broad consensus for temporary EU-wide volume reduction as a crisis instrument is possible.

Policy-makers, who are themselves in crisis management mode, urgently need a joint signal from dairy farmers and the dairy industry calling for effective supply management measures! This would pave the way for quick political action, free of red tape. Even during the 2015/2016 dairy market crisis, merely announcing milk volume reduction schemes led to a clear improvement in market stability.

Aldi reports quick conclusion of drinking milk contracts

The large-scale farmer protests organised by the "Land schafft Verbindung" movement have borne fruit. In a press release, the discount supermarket reported on concluding their negotiations with the dairy industry. Aldi, which accounts for almost 12% of Germany's milk volume, came to an agreement with dairies on a small price increase of 4-5 cents per litre which is, however, only applicable to drinking milk. Our heartfelt thanks to all the activists! This whole situation is reminiscent of June 2008. Because of massive dairy farmer protests, Lidl increased their drinking milk price by 10 cents/litre. However, no changes were made to the underlying market conditions and the BDM's demands were stonewalled. The consequences are well-known – farm-gate prices collapsed in the following pricing period.

Bundesverband Deutscher Milchviehhalter (BDM)

Historically low production volumes, but a milk price that does not go up: a critical evaluation of the "green carpet"!

Farmers' organisation Uniterre has taken note of the latest decision by the Swiss dairy inter-branch organisation to maintain the reference price for industrial milk in the next quarter. The organisation's dairy committee, which carefully observes and analyses developments on the dairy market, is outraged and speechless.

Firstly, we have to conclude, yet again, that the sacrosanct law of supply and demand only operates in one direction when it comes to milk. Even though milk production in 2019 has been at its lowest since 2007, buyers and processors continue to claim that there is no need to re-evaluate the price of milk as a raw material. As usual, milk producers have to fall in line and accept the status quo of 71 centimes per kilogram of A-segment milk. In this context, we would like to strongly emphasize that while this is merely a reference that is rarely paid in practice, an increase in reference price does, in fact, often lead to a higher farm-gate price for producers.

Secondly, the Swiss inter-branch organisation (BO Milch – IP Lait – IP Latte) welcomes the introduction of the "green carpet"* as a sustainability standard, hailing it as a success and a step forward. However, an increasing number of producers are reporting that their buyers have amended the quantities of A- and B-segment milk in their milk payments. As the 3-centime "green carpet" bonus is only paid for A-segment milk, producers are cheated out of it yet again when the amount of this segment is lowered to make way for more B-segment milk. One more trick to get out of paying family farms what is their due. The milk price monitoring by the Swiss Milk Producers association (SMP) clearly shows that the average milk price (segments A and B) has dropped since September 2019, although everything points to milk supplies being very close to or even lower than demand. In this context, it is also important to remember that consumer prices were increased because of the "green carpet". How can we trust the producer representatives in the inter-branch organisation if they refuse to assume their responsibility and are unable to find solutions for our legitimate concerns?

Long live butter imports!

The article in the "Agri" trade journal of 28 February entitled "Butter imports will be necessary to meet market needs", in which the Fribourg milk producers' organisation FSFL analyses the current market situation, has left a very bitter aftertaste. Yes, it is true that with butter reserves practically empty at the beginning of the year and milk shortages foreseen by the end of 2020, everything seems to suggest that we are heading toward an opening of the white line. It is shocking to see that the need to increase the farm-gate milk price has not even been considered. Once again: what is the point of our associations if they do not protect our interests and do not advocate for fair, decent remuneration for producers? We are at a loss for words!

Uniterre's dairy committee calls on BOM and SMP to raise the price for A-segment milk, provide credible justification for the increase in the amount of B-segment milk, and to implement the "green carpet" correctly! If we want to stop bleeding our dairy farmers dry, maintain drinking milk production in Switzerland and prevent an opening of the white line, there is no way around a better milk price!

The fact that the Swiss Fair Milk cooperative is off to a flying start clearly and unequivocally shows that Swiss consumers are willing to pay more for dairy products when they know that they are supporting family farms and helping them earn a better living.

Excerpt from Uniterre press release of 10 March 2020

* The "Tapis vert" (literally "green carpet") is a new milk production standard and an instrument to clearly distinguish Swiss milk and dairy products from foreign ones. It came into force on 1 September 2019. Those who fulfil the necessary conditions can claim a bonus of 3 centimes per kilogram of A-segment milk.

Nitrates Directive: situation in France and Ireland

Our new series examines the situation with regard to the Nitrates Directive in different countries and analyses national rules together with the challenges they create for farmers. This issue focuses on France, which has a very complex system, and the Irish nitrates derogations.

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Nitrates Directive: the French case

In France, regulating the use of nitrate fertilizers is very complex because of the many overlapping legislative instruments at both regional and departmental level. There are also specific rules regarding different catchment areas.

The annual land application in livestock manure must be less than or equal to 170 kg of nitrogen per hectare of agricultural land. For dairy cows, the standard nitrogen production per head depends on the herd's milk volume reference and the amount of time they spend outdoors, especially at pasture. Generally speaking, the ceiling of 170 kg for organic nitrogen is no longer an issue. One can say that there are a number of technical rules to keep things within this limit, and that France is no longer looking to request derogations to the 170-kg ceiling. Livestock farmers must maintain an up-to-date provisional fertilisation plan as well as a record of their application practices.

With respect to the conditions governing land application, the distance from water courses depends on the kind of fertiliser, the slope of the agricultural land, and the presence (or lack thereof) of vegetation cover alongside water courses, i.e. vegetated and unfertilised riparian buffer strips. If the slope is less than 10%, the minimum distance is 35 m. If the slope is greater than 10%, the minimum distance is 100 m. Land application is prohibited for water-saturated, frozen or snow-covered ground (the last condition does not apply to solid manure).

Special and enhanced measures must be implemented for nitrate-vulnerable zones. The nitrogen balance – calculated for the farm as a whole by subtracting the amount of nitrogen removed by crops from the amount added in the form of organic and mineral inputs, including dunging during pasture – must be less than 50 kg/ha (or a three-year average less than 50 kg/ha). Derogations for nitrogen land application are possible, for example, in the case of irrigation, localised fertiliser use during sowing or for foliar nutritional supplements.

Alexandre Chédeville, OPL-CR

Ireland's nitrates derogations

The Nitrates derogation (allowing farmers to exceed 170 kg N/ha) in Ireland will run to the end of 2021 when the fourth programme concludes. Currently over 7,000 intensively stocked farmers with 11% of Irish agricultural area and 20% of bovine livestock availed of the derogation in 2018 with a similar number in 2019. In addition, a further 5,000 farmers with 13% of bovine livestock exceeded the 170 kg N/ha livestock manure limit but exported slurry, or took other actions to comply with the limit.

New rules for those in derogation or above 170 kg N/ha but exporting to others to stay below derogation limit

The current nitrates derogation provided that at least 50% of slurry produced on the holding was applied by 15 June. Low-emission slurry spreading (LESS) equipment was used for any slurry applications after 15 June.

List of proposed measures for 2020 / 2021

- Farms stocked above 170 kg N/ha (including those that export slurry to avoid getting a derogation) must take part in a compulsory liming programme.
- Farmers that obtain a derogation must complete a prescribed training course in nutrient management.
- Slurry must be spread with low-emission slurry spreading equipment after the 15 April on farms stocked above 170 kg N/ha (including those that export slurry to avoid getting a derogation).
- All slurry produced on farms stocked above 170 kg N/ha (including those that export slurry to avoid getting a derogation) must be spread with low-emission slurry spreading equipment.
- Farmers that obtain a derogation must regularly record grass growth. Training will be provided to farmers that do not currently measure grass.
- For all new reseeds, clover must be incorporated into the seed mix on farms that obtain a derogation.
- Farmers will not be able to apply for a nitrates' derogation on commonage land. Likewise, commonage land cannot be used to calculate the amount of fertiliser that can be used on the farm.
- Farmers stocked above 170 kg N/ha (including those that export slurry to avoid getting a derogation) must reduce the amount of crude protein in their purchased concentrate feed.
- Farmers obtaining a derogation will have to undertake a biodiversity measure – the details of which are yet to be finalised.

Paul Smyth, Irish Creamery Milk Supplier Association (ICMSA)

Fairebel chocolate milk – a product that supports women cocoa producers

© Sean Hawkey

As of October 2019, Fairebel's chocolate milk has been made using Fairtrade-certified cocoa that guarantees cocoa producers a fair price. Consumers clearly approve: 335,637 units were sold in just three months. This commercial success will make it possible for the Faircoop cooperative to support the

Women's School of Leadership in the cocoa-producing regions of Ivory Coast.

Fairebel and Fairtrade share common values: fair prices, good working conditions and a sustainable future for farmers. Consumers and producers should be more closely connected, with today's consumers showing a much greater interest in the conditions under which products they use are being made. This shared vision led to a partnership agreement in late 2019.

"For a long time now, Fairebel has aspired to create a project underscored by solidarity with the cocoa producers of West Africa", explains Erwin Schöpges, President of Faircoop. The cooperative now only uses Fairtrade-certified cocoa for their chocolate whole milk, thus supporting fair prices as well as a training project for women in the production regions of Côte d'Ivoire.

Strong women as leaders in the cocoa trade

The Women's School of Leadership is part of the Fairtrade organisation's strategy that aims at strengthening the position of women and encouraging them to take on leadership roles and responsibility within their farming cooperatives.

Yadua Adingra is one of them. She participated in the training and is now at the helm of the women's association of CAYAT, a cocoa producers' cooperative. "Thanks to everything I learnt at the Women's School of Leadership, I was able to convince my cooperative that I was the right woman for the job", says Adingra.

A joint commercial success

Whole chocolate milk has always been Fairebel's top-selling product. In the last three months, 335,637 cartons were consumed at breakfast, during breaks or as a snack between meals.

For every unit sold, the cooperative contributes an additional eurocent. "We will be contributing a total € 3,356.37 to the Women's School of Leadership project", says Schöpges. "Our Belgian cooperative will definitely sell more than a million packs in 2020, which means that we will be able to invest more than € 10,000 in this wonderful project."

Excerpt from Fairebel press release of 5 March 2020

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