

Dear dairy farmers and interested parties,

News from France. After the massacre, the funeral!

French farmers, engulfed in a major crisis, are going to benefit from a new aid plan. Xavier Beulin, agro businessman and notorious trade union leader, has succeeded in imposing his wishes for 2016 in less than a year. After flexing his muscles in Paris with his fleets of tractors, he has made the most of the lead-up to the Presidential elections to peddle the idea of peace. His idea of peace.

Struggling farmers will be helped toward early retirement or land conversion. The culmination of unionism! The last wave to eradicate those contesting the system in place. Livestock farming will suffer the eternal sentence of solving problems among friends, robbing Peter to pay Paul, without disturbing Xavier, of course. In fact, the carcasses of dairy cows that would lower prices (much more than imports, without a doubt) will be kept off the market to support the meat sector.

Food-grain cultivators will be the first to benefit from this plan, after a mediocre harvest year. A mediocre year that occurs every 20 years! A treat, a delight for livestock farmers who are content when an average year occurs just once every 10 years. There is no point for Xavier Beulin in selling his apartment in Courchevel or Nice to plug the hole – his capital or his house, even less so. Just one miserable year for the food-grain cultivators and national 'solidarity' fills the cracks. Scandalous. Immoral. Revolting.

Since its creation with the help of the EMB, the French organisation of independent milk producers (APLI) has denounced the complicity between major trade unions in all European countries and governments. The ponderance of food-grain giants in mainstream trade union activity shapes decisions to their advantage and profit, at the cost of other sectors. What can we really expect from those who, in spite of the facts, in spite of the evidence, contribute to the annihilation of a whole segment of the agricultural sector thanks to their passivity, their naivety and their support for these destructive trade unionists who are unfortunately the majority on paper? Or from those who abuse farmer unity, manipulate them and trick them into destroying their fellow colleagues?

We have recently celebrated the 10-year anniversary of the EMB. We are gaining ground slowly but surely, in spite of the obstacles we encounter on a daily basis. Those who have joined our movement and subscribed to the EMB's ideas have already won! At a human, social level and are slowly finding peace with themselves.

We are still waiting for livestock farmers to take the step and come join our ranks! This would surely be a victory for us all, for our peasant farmers who yearn to earn a decent living from their work, in a healthy environment with a bright future.

Merry Christmas to all of you and lots of energy for the coming year. The dairy crisis is still far from over. We will continue our work for a sustainable milk policy!

Boris Gondouin, EMB executive committee member and president of APLI

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French MPs finally to propose milk market regulating

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The Committee for European Affairs of the French National Assembly voted unanimously on a draft resolution which includes the European Milk Board's [Market Responsibility Programme \(MRP\)](#). The French milk producer organisation OPL, who has been strongly advocating for the MRP in France,

welcomes this fact.

This breakthrough underpins our demands for a regulation, essential for milk production but also for the other agricultural sectors. With the Market Responsibility Programme, when milk producers increase their production during a crisis in which supply exceeds demand, a penalty might apply, while those producers who accept to reduce their production volumes are offered a bonus. We were heard several times by the French National Assembly, where we had the opportunity to repeatedly call for the implementation of the MRP. The Members of Parliament seem to finally have listened to our claims and

change course towards a regulation of the milk market.

When giving speeches or being interviewed, the MPs all agree: they want to maintain family farming and the jobs that are connected to it, favouring responsible and certainly fairer agriculture. They now have the opportunity to put their words into action. Whether they maintain this resolution will show if they really mean it. It will also commit France to make sure a real regulation

policy is adopted at EU level.

The French National Assembly adopted the draft resolution on 19th November, calling for *"the implementation of a programme that is based on incentives and obligations, similar to the European Milk Board's Market Responsibility Programme, allowing to even out incomes and production volumes in times of crises"*.

While the OPL welcomes this step, we are aware that currently discussed projects rather aim at introducing insurance systems and reforming the CAP, rather than at implementing a true market regulation policy.

The American Farm Bill's *Margin Protection Program* is mentioned as an example. However, there are two major hurdles: the programmes' incompatibility with the Common Market Organisation (COM) and the European budget. The insurance system is based on single-product farming, thus making it necessary to review the recoupling of direct aid. And the European budget is an annual budget, while it would need to be at least a three-year one.

The processing industry, including cooperatives, are working on making this programme compatible with the COM. And we all know how powerful their lobby is!

The EMB and its member organisations not only have to continue their work with European and national decision-makers in all Member States, but we need to redouble our efforts in order for market regulation to become the solid foundation of the Common Agricultural Policy.

Véronique Le Floc'h, OPL France

France: Producer organisations can now become members of several associations of producer organisations

A new decree adopted by the French government widens the conditions according to which producer organisations (PO) can join several associations of producer organisations (APO). The initial text from April 2012 did not allow French producer organisations to be members of two different associations of producer organisations.

© Denis Jehannin

With the new decree, "an organisation can join several associations of producer organisations for a product of the same category of recognition, provided that these associations have different goals which are compatible with each other and provided that they adopt rules and implement measures which do not relate to the same object. The membership to several associations shall not impede them from carrying out their activities in an adequate manner."

Interview with Denis Jehannin, milk producer in Brittany, vice-president of the France MilkBoard Grand-Ouest

What is the new decree going to change for farmers?

Since 21st October, French POs can become members of several associations of producer organisations (APOs), provided that they have different mandates, e.g. information and negotiation. So far producer organisations could only be members of one APO.

What does this mean for producers in practice?

This new rule will increase farmers' power in decision-making, for example regarding production management and price negotiations. However, for this to be the case, these APOs need to be cross-dairy associations, meaning that their members have to sell their milk to different dairies.

With the new decree, the three France MilkBoard will be able to set up a APO France MilkBoard and at the same time become a member of a transnational APO.

So you also plan to work together with your European colleagues? Which would be the advantages of such a cross-border cooperation?

We already work with our German and Belgian colleagues within the EMB's pooling commission. As a first step, its purpose is to exchange information between the producers from those countries. But eventually the aim is the same: a cost-covering milk price for all European dairy farmers through supply management.

Thank you a lot for this interview!

Silvia Däberitz, EMB

More information on the [decree of 20 October 2016 concerning the conditions of membership of a producer organisation to several associations of producer organisations in the cow's milk sector](#) (text of the decree in French)

Switzerland: The milk inter-branch organisation continues to fail its function

The Swiss milk inter-branch organisation BOM has reacted to the demands at the milk summit (27 May 2016) and decided on a so-called "tightening" of milk purchasing contracts. The fears of BIG-M have unfortunately been confirmed: After an extensive back and forth, a passage that allows the volume of A, B and C milk to be reported in percent was, nonetheless, included.

For the majority of producers, this is anyway the norm and so nothing has really changed. Everyone should supply as much as they can. No managing of milk volumes based on demand and supply.

Article 37, paragraph 2 of the Swiss Federal Act on Agriculture states: "A standard contract within the meaning of this Article is a contract that has a minimum period of validity and possible extension of one year and includes terms concerning quantities, prices and methods of payment."

We dairy farmers are indignant! When the law talks about volumes, it refers to milk volumes in kilogram or litre and not in percentages of volume! The BOM should really have spared itself this exercise involving innumerable expensive meetings. Besides additional useless bureaucratic formalities for milk traders, this decision serves dairy farmers in no way whatsoever. Nothing should come in the way of surpluses. All the members of parliament and boards that approved this BOM document were very much in the know. However, almost all of them now put their hands up and act as though the sector had done its homework. How embarrassing is that??? They are all talking about strengthening the position of milk producers. But for this to be possible, the market must be in balance. It is clear that the interested parties making unbridled profits thanks to this situation of surplus have won yet again.

Werner Locher, Secretary BIG-M

Warm thanks to consumers: Supermarkets, dairies and the Federal Government must now meet demands

Ottmar Ilchmann, president for the dairy sector at the German small farmers' organisation AbL, has thanked consumers for their strong willingness to, once again, pay higher prices for milk.

"Retail chains raised prices quickly and significantly for fresh milk and some other milk products and rolled it back with an equally significant drop in prices half a year ago. Retailers and dairies must now ensure that the money from consumers reaches dairy farmers in full, considering they were the ones who had to deal with rock-bottom prices for over two years," demands Ilchmann, addressing the headquarters of retail chains and dairies. Neither supermarket chains nor dairies suffered; only farmers had to deal with the ruinously low prices in the last two years. "Till now, dairy farmers had no negotiating power when dealing with dairies. We bear the price risk for the whole chain by ourselves. This forced many of us to give up our activity and those who continue to produce milk have been financially leeched dry. Therefore, higher prices paid by consumers must reach dairy farms in full," explains Ilchmann.

At the same time, the vice-president of the AbL also appeals to all fellow dairy farmers to do everything in their power to prevent a rise in milk production volumes once again. "Milk producers have a responsibility as well. We must now take up this responsibility because even more milk ending up in publicly-funded

storage can quickly destroy the early price recovery as too much milk would be available on the market," says Ilchmann.

To ensure that individual milk producers can, in fact, assume this responsibility towards sound and fair pricing, he says that legislators must also give them the appropriate instruments. Federal Minister Christian Schmidt cannot sit back now that he has dropped his long-standing objection to volume control measures in recent months. "Mr Schmidt would be taking the easy way out if he were to leave the future of dairy farmers entirely in the hands of the dairy industry and their associations once again. This crisis has shown clearly enough that German dairies are not willing to consider the interests of dairy farmers when they are at the cost of volume and price. Unlike dairies in Austria and the Netherlands, voluntary measures like paying short-term bonuses for production cuts in times of surplus or quality strategies have been turned down. In the future, dairies should not be allowed to make unilateral decisions, without any consultation with the affected dairy farmers," summarises Ilchmann. "The lesson from this crisis must be giving milk producers a real negotiating position in the face of dairies and also against cooperative dairies in order to avoid such crises. That is and remains our demand to Federal Minister Schmidt," says the AbL vice-president.

AbL press release on 04.11.2016

Successful Nyéléni Forum for Food Sovereignty

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The second European Nyéléni Forum for Food Sovereignty was held from October 25-30 in Cluj-Napoca, Romania. Over 700 participants from about 40 countries, including farmers, consumer and urban movements, NGOs, workers and trade unions came together for this event.

Industrialised farming and free trade agreements like TTIP and CETA threaten peasant agriculture. At the Nyéléni Forum meetings, participants develop strategies and action plans to combat the neoliberal system and highlight alternatives. The 2011 Nyéléni Europe Declaration (Krems, Austria) states: "We want to provide the building blocks for people to develop their own food distribution systems." The 2nd Forum in Cluj-Napoca was organised around four thematic axes "new models of food production and consumption", "food distribution", "the right to natural resources and the Commons" and "working conditions in food and agricultural systems".

The Citizen's Initiative for Food Sovereignty presented by farmers' trade union Uniterre at the Nyéléni Forum was received with great interest. Many delegates warmly welcomed the commitment of the Swiss organisation and wished to learn about the content of the Initiative in greater detail to introduce it in their countries as well.

The members of the Nyéléni Movement understand food sovereignty as a culture in itself rather than just a concept. Therefore, cultural exchanges were also an important part of the event in Cluj-Napoca with music, dance, films as well as visits to local rural communities. Furthermore, this shared philosophy and vision was also put into practice: Participants were fed meals made from 100% local products and everyone contributed actively to the running of the Forum.

This was a great opportunity for the Romanian farmers' organisation Ecoruralis as hosts of the Nyéléni Forum. It allowed them to shine a light on the situation of the approximately 4.7 million small farmers in the country. Romania's accession to the European Union has made things more difficult for the peasant population - the industrialisation of agriculture is steaming ahead and is endangering rural communities and their traditional way of life and modes of production. Through the Nyéléni Forum, Romania hopes to attract the attention of European civil society and thus receive signs of solidarity and support from other countries.

Mathias Stalder, Uniterre

[Selection of photos](#)

[Information about the conference](#)

[Background about the Nyéléni Movement](#)

News from Brussels

Task Force demands EU rules against unfair trading practices

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The report by the Commission's Agricultural Markets Task Force on recommendations to enhance the position of farmers in the supply chain concludes that *the policy framework can and should be further improved*.

It calls for new legislation at EU level to combat specific unfair trading practices and also mandates effective enforcement regimes in the Member States - such as an Adjudicator. Recommendations regarding binding written contracts have also been put forth.

Other recommendations cover increased market transparency (information about margins of intermediaries and monitoring the evolution of margins), improved cooperation between farmers (strengthening collective action by producers), easier access to finance for farmers and improved uptake of risk-management instruments (including future markets).

EMB note: *our analysis shows that the Task Force's recommendations will not suffice to adequately stabilise the EU's dairy sector. A detailed analysis will follow in our January newsletter.*

Report of the Task Force "[Improving market outcomes – Enhancing the position of farmers in the supply chain](#)"

Commission publishes study on the impact of future trade agreements on agriculture

The study published on 15 November provides information about the possible impact of future trade agreements and supports the current EU approach to essentially protect sensitive sectors. It studies the impact of twelve future trade agreements on the agricultural and food sector

For the dairy sector, the study expects EU dairy imports to significantly increase in comparison to the current low levels. It claims that exports to the over 12 countries would be a significant positive development and would improve the EU dairy trade balance by almost 1 billion euros. According to the study, USA and New Zealand will increase their exports to the EU to the largest extent. Increased EU exports to Japan, Mercosur (Southern Common Market), Mexico, Turkey, Indonesia, Canada and USA will allow the EU to compensate for increased imports from New Zealand and USA and significantly improve the trade balance for dairy products.

EMB note: *The dairy sector is portrayed to benefit from future trade agreements. However, the study does not differentiate between who profits from exports and how much of these profits would actually reach milk producers.*

Study: [Cumulative economic impact of future trade agreements on EU agriculture](#)

Commission report on the Milk Package (24 November)

The recent Commission report shows that after three years of implementation, European farmers are increasingly using the tools provided by the Milk Package, such as collective negotiation of contract terms via producer organisations, or

the use of written contracts. According to the Commission, the potential of Producer Organisations and collective negotiation are still not being fully exploited. Member States are, in particular, encouraged to take the necessary steps to foster the creation of producer organisations with collective actions that go beyond collective bargaining, thus enhancing producers' weight in the milk supply chain. A further consideration is strengthening the role of Inter-Branch Organisations. The Commission recommends extending application beyond 2020 in order to tap into the full potential of the Milk Package.

Report: "[Development of the dairy market situation and the operation of the "Milk Package" provisions](#)"

CETA compensation for Canada's dairy sector

Canadian dairy farmers are set to receive financial compensation from the government to counterbalance the effects of the CETA free trade agreement concluded with the EU. 250 million Canadian dollars (about 170 million euros) are to be invested over the next 5 years to strengthen the competitiveness of Canada's milk sector (for e.g. through the use of milking machines, automatic feeding systems or herd management software). Processors will also receive 100 million dollars (70 million euros) to modernise as well as expand their product palette. The Dairy Farmers of Canada organisation is expecting income losses of 116 million dollars per year as a result of CETA.

CETA: vote in the EU Parliament postponed to February

The European Parliament will not vote on the controversial free trade agreement CETA until February. The co-ordinators have agreed that the Trade Committee will vote on the agreement on 24 January, followed by a vote in the plenary session on 1 or 2 February.

Regina Reiterer, EMB

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