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Dear Readers,

2008 was a very busy year. Both the milk price offensive launched by EMB organisations in six countries and the current campaigns of action in France show that the European dairy farmers are united and will no longer be played off against one another –not by the dairy industry, not by the EU Commission and the Ministries and not by other associations.

This year it became obvious that the creation of a solid structure to gain influence is a must next to good arguments and strong activities. That includes European politics as much as the representation of the dairy producers in front of the dairy industry and the food retail.

Internally that means to amplify the cooperation of the dairy producers in Europe to gain the objective of cost covering milk prices.

We want to advance that in 2009.

Sieta van Keimpema, Vice president of the EMB gets to the point in the following interview, when she says: "The European Milk Board shall be the face and the voice of the farmers in Europe in 2009."

I wish you a merry christmas and all the best for 2009.

With kind regards

Sonja Korspeter

With a little less we would have won a lot more

Interview with Sieta van Keimpema, Vice-President of the EMB from the Netherlands

The Ministers of Agriculture in Brussels decided to increase the milk quota. How have the Dutch milk producers reacted?

In very different ways. There are people who said one per cent more was not enough, but the majority of milk producers in the Netherlands realise that there's already too much milk in the market. They say that the decision from Brussels is not a good sign from the politicians. A greater volume of milk in the market and better prices for the producer – every milk producer has come to realise that the two things are incompatible. At present we are having an independent institute conduct a representative survey among milk producers in the Netherlands on the question of market regulation after 2015.

What in your view will be the impact on milk producers of the latest EU decision?

It is a decision that totally ignores the market. World demand for dairy produce has dropped. In this scenario increasing the volume means turning a blind eye to the milk producers' livelihood. In the Netherlands the DOC dairy already pays just 25 cents for milk containing 4.4% fat and 3.5% protein. The farmers are very unhappy, some are up in arms because their financial situation is becoming precarious. Now's the time for the dairies to say that there has to be a restriction on volume. Yet only one single dairy in the Netherlands has done this with its suppliers. Cono called on its farmers to supply less milk to enable it to make products with greater added value instead of powdered milk, where the margin is low.

Why do you think this decision was taken? Milk prices were already falling and it was patently obvious that the trend in the market is for too much volume.

The first problem is that our Ministers of Agriculture don't speak with farmers. They talk about world market shares European farmers would have to re-conquer. But if farmers are not paid well for their product there'll be less milk, not more, in many European regions in the future. The attitude that there is too little milk worldwide is wrong – the FAO made that clear in its reports. The outcome of a study carried out by the Dutch Research Institute LEI was that there is not too little food in the world, it is that many people do not have enough money to buy food. A great many people who live beneath the poverty line are farmers – if we destroy their markets with even more milk that will increase rural poverty further.

Another problem is that the export-oriented dairy industry is a strong lobby group in Brussels. And it wants large volumes and low milk prices to enable it to pursue its export interests.

What would the Ministers of Agriculture in Brussels have had to decide to stabilise the milk producers' livelihood?

They would have had to ensure that production could be geared to the market, and at the moment that means producing less. If the market situation improves, production can be stepped up again. A crucial criterion for the volume must be a producer price level that ensures costs are covered. Instead of that, from March depots will be full. Milk in the depot keeps pressure on prices and costs money for refrigeration and rent. To determine now how much is to be produced next year is to ignore the market. If they had listened to us instead, we would not be in this very bad market situation now. With a little less volume we would now be earning more.

But aren't low producer prices good for the consumer?

No, not at all. In the short term the consumer may perhaps be pleased to save a few cents. But only financially sound dairy farms can supply good-quality products that the consumer can rely on finding a large selection of in the supermarket. A fair income for the producer is also a basic precondition for farms fulfilling their additional roles of preserving the countryside and being able to keep animals in a humane way. This is also the reason we are supported by environmental protection and animal welfare organisations, as well as organisations from the field of international development co-operation. Anyway, it is not the consumers that are the problem when it comes to fair milk producer prices. In EU surveys and national opinion polls they have given enough indication that they are willing to pay more if it means being able to trust the food they buy. Time and again they have stressed that the money must go to the farmers.

French milk producers join forces

"We have come to realise that at the end of the day our interests are not really represented. There is a conflict of interests. Our so-called representatives also sit far too often on the boards of co-operatives pushing for the milk price to come down, although what they should be doing is marketing our products better", is how Pascal Massol criticises the milk section of the French Farmers' Union FNPL. That is why the milk producer from the Aveyron region along with colleagues formed the new association APLI (Association of Independent Milk Producers) in southern France.

Switzerland: proposed continuation of milk volume management by producers rejected in the National Council

On Wednesday the National Council rejected a proposal for continuing milk volume control once the current milk quota system is abandoned. The application for volume management under private law was defeated by 82 votes to 77. The aim of National Council member Josef Kunz (SVP/LU), who submitted the proposal together with 70 co-signatories, was to create the basic conditions for enabling a fair producer price.

European Strategy Seminar on CAP 2013

On 11./12.12.2008, 35 representatives of European non-governmental organisations from the fields of agricultural policy, development, environmental protection and nature conservation gathered in Paris. The issue of the seminar was the CAP Reform in 2013.

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