

Dear Dairy Farmers and Interested Parties,

As a taste of what is to come in 2013, I would like to report briefly on the Advisory Group Milk meeting in December last year. The entire dairy sector is represented in this working group in Brussels, tasked with discussing the situation in European milk markets with the European Commission.

Two interesting studies were presented to the group that I feel are worthy of mention. In the first one, a consultancy firm analysed developments in the international milk market. It forecasts a global increase in milk production of 2.6 per cent by 2016, i.e. in China by 14.5 billion kilos of milk, in India by 30.5 billion, in the USA by 8 billion and in the EU by about 5.5 billion. So, altogether over 60 billion kilos of milk more on the world market.

The representatives of the consultancy firm were evidently very pleased that this will make milk prices the world over converge. That has to happen to enable the EU to maintain its position in the world market, they say. And demand in China is absolutely essential for this. When I pointed out that to my knowledge China will soon be self-sufficient in milk, they agreed. China will very soon be a key player in the dairy produce market. What that means for milk prices worldwide and in Europe, we can imagine.

But we were to receive even more “good news”. The European Commission presented the development of margins in the dairy sector. Since 2007, operating costs for the EU 15 member states have gone up by 20 per cent, the price of milk has remained the same and margins have fallen by 30 per cent.

A 30 per-cent drop in margins! A great success for the advocates of milk market deregulation. They can be happy with their lobbying. The EMB was severely critical of these results, of course. Our warnings of the consequences of the “soft landing” for milk producers should have been taken seriously. They were not, sadly. On top of that the dairy industry and the milk trade made it clear that they will not let anything stand in their way to the deregulated milk market. The market must be open, they say. Investments have already been made.

Yet everyone knows that the reason for low milk prices is overproduction. As it is already easy to see that overproduction will be the future of the milk market, if I were an MEP or European Commission official I would give the situation a good rethink. Do I vote for market deregulation, which brings nothing but anarchy to the milk market and decimates the European milk producers, or do I use my head?

I say: try the latter. The first option has done no good and will not do us citizens and farmers in the EU any good in the future. The EMB with its vision for the market and milk policy has been right all along. The analyses of the EU in the Advisory Group give us even more reason to continue pressing ahead vigorously with our demands in 2013. That I promise you.

Sieta van Keimpema (Vice President of the EMB)

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Study on costs of milk production: press conference at Green Week in Berlin

The European Milk Board and the MEG Milch Board have issued an invitation to a joint press conference on 17 January at 13.00 hours during International Green Week (IGW) in Berlin. They will be presenting the innovative concept and results of a scientific study to evaluate the costs of milk production in Germany.

Sehr geehrte Damen und Herren der Fachpresse,

die aktuelle Situation der Milcherzeuger in Deutschland ist bedrohlich. Der zurzeit ausbezahlte Milchpreis deckt in der Regel die Kosten der Produktion nicht. Die damit verbundenen Verluste sind für viele milchproduzierenden Landwirte und ihre Familien existenzgefährdend. So hat sich alleine in den zurückliegenden fünf Jahren die Zahl der Milchviehbetriebe um mehr als 15 Prozent verringert.

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Demonstration in Berlin: We've had enough!

Numerous farming, environmental and consumer organisations are calling on members and sympathisers to join a huge demonstration in Berlin on Saturday, 19 January 2013. Their demand is that fair rules are applied worldwide to promote family farming, instead of agricultural markets being further deregulated. There must be an end to speculating on food and land, as well as to the EU export drive. The demonstration will also focus on environmental issues and genetic engineering. The ARC2020 network, to which the EMB belongs, and the two EMB member organisations in Germany,

BDM and AbL, are actively involved in organising the demo.

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Once upon a time in a country in the EU...

Estonian farmers find EMB strategy very interesting and are sceptical about planned increase in volumes in Estonia.

Were it not for the language and the strangely beautiful landscape of Estonia, you might think you were in any EU country. The number of dairy farms in Estonia is likewise on the decline. Small farms in particular are increasingly vanishing from the scenery. Here, too, fewer and fewer people are working in agriculture, and the farm-gate price is a major headache for producers: at present it is 30 cents (3.4% protein/4.0% fat).

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Turning the tables for a change: BDM seeks the MEPs out in their constituencies

On 14 December last year, the milk producers of the German EMB member organisation BDM paid a simultaneous visit nationwide to the German MEPs to hand over a resolution. This campaign drove home the message the BDM dairy farmers had already sent out with the tractor rally and demonstration in Brussels: when the general conditions for the future agricultural and milk market policy are laid down in Brussels in the next few months, the Common

Agricultural Policy has to be totally overhauled.

Experience of dealing with politicians has shown the BDM that it has to put its arguments forward time and again, and engage with politicians. In this way the dairy farmers intend to make the voters back home aware of the work and

voting patterns of the MEPs in Brussels.

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Sour milk from Brussels

On 11 December last year, the German daily newspaper taz's website had an article worth reading by journalist Knut Henkel on the free trade agreement between the EU and Colombia. The article makes it clear that the surplus production of milk in the EU has consequences that are equally bad for the economic situation of farmers in Europe and in other parts of the world.

"In the end, free trade agreements do not facilitate trade per se; instead they are dictated by the powerful nations. In this way the world is practically divided up anew into trade areas and spheres of influence, with the small companies, traders and farmers being trampled underfoot", says the trade unionist responsible at CUT for international relations.

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Milk: from myth to mass-produced goods

In Germany the Oekom publishing house has brought out a new book about milk. In it the author, Andrea Fink-Kessler, relates the fascinating and eventful history of milk – from its mythological beginnings, when milk was exclusively the preserve of the gods, through the industrialisation of production to the renaissance of raw milk and handcrafted cheese.

The book gives a very good overview of the history of European milk production and processing, and how over the centuries this shaped the life of people in both rural and urban areas. Anyone whose work today has something to do with milk will certainly discover a number of facts relating to milk of which s/he was not aware.

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EMB Calendar

Please find below some of the most important events in January 2013:

- 09.01.: Meeting with the Spanish Minister for Agriculture in Madrid
- 14.01.: Lecture at the Semex Dairy Conference in Glasgow, Scotland
- 17/18.01: Meeting of the Executive Committee
- 17.01.: Press conference at the Green Week in Berlin to present the study on the full costs of production

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