

Dear dairy farmers, dear interested parties,

Never start to quit, never quit starting!

We begin the new year with these thoughts by Roman philosopher Cicero. We push on. We are going to continue our political engagement for a healthy dairy market. And we will run our farms back home on the basis of a solid economic foundation.

What can we expect in 2020? The reform of the Common Agricultural Policy remains an interesting topic on which negotiations will continue. The decision on the funds allocated to agriculture within the EU budget is also awaited. The consequences of Brexit are looming and, of course, the economic framework conditions for us dairy farmers still remain a mystery. At the end of the day, what will our milk statements look like in 2020?

Climate change and digitalisation are the new European Commission's flagship policies. Both areas are very important for us dairy farmers. Climate change is significantly changing the shape of the EU budget. The European Commission would like to dedicate a fourth of the total EU budget for climate and environment-related issues. In the future, agricultural and structural funds shall also be more closely linked to the goal of climate neutrality and climate change actions.

Farmers have been contemplating the effects of climate change for a long time now, and are actively working on solutions. In fact, we will be presenting a paper on this very topic at the International Green Week in Berlin this month. It will outline the basic conditions that we producers must first have in order to, thereafter, be able to even start dealing with environmental requirements. You can find out more about agriculture and environmental action in the article by APROLEP, our new member organisation from Portugal, where they touch on some measures for sustainable dairy farming.

This edition of the newsletter also includes two interesting reports from our Swiss colleagues. The farmers' trade union Uniterre expresses its anger at imported butter on shelves in Migros supermarkets. Another article talks about the additional payment for cheese-making, which has not been appropriately passed on to dairy farmers.

We also showcase one more project within our "Fair Milk" series. This time around, we present our French colleagues and their brand *FaireFrance*, which has made fair remuneration for milk a reality.

And last but not least, some good news. We have achieved an important interim goal within last year's campaign on dumping exports of fat-filled milk powder: Data on fat-filled milk powder will be compiled and published by the European Commission as of 2020. We are very happy to see that the efforts by colleagues from Africa and by hard-working NGOs have led to this important step that will ensure more transparency and is a pre-condition to protecting local milk production in Africa.

Our commitment has paid off. It is clear that we can make things happen in Brussels and in our respective countries as well!

EMB Newsletter January 2020

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- An illegal practice in Switzerland permits fraud to the tune of millions in the context of the additional payment for milk used in cheese-making
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On that note: I wish you all a happy New Year 2020 and let's keep going!

Roberto Cavaliere, Member of the Executive Committee of the European Milk Board and President of APL Italy

Portuguese dairy farmers aim for zero-carbon milk

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of the District of Porto.

About 400 people participated in the national milk conference held on 29 November in Eposende and organised by the Portuguese dairy farmers' association APROLEP, together with AJADP, the young farmers' association

In the opening session, Ms Carla Alves, Regional Director for Agriculture and Fisheries in the North, underlined *"the strong resilience and adaptation capabilities of dairy farms"* and lauded the efforts made to better manage livestock effluents as well as to install more efficient irrigation systems. She went on to add that it is important to consume local milk and dairy products as they imply a smaller carbon footprint, highlighting that *"our nationally-produced milk is good, safe and healthy."*

In the panel discussion on "How to promote the use of grass in milk production?", a number of strategies to improve production, harvesting and preservation of pastures were discussed. Grass is a protein-rich food source for cows, and dairy farmers should invest in pastures to reduce their dependence on imported feed, thus contributing to better returns on their farms as well as reducing the carbon footprint associated with the transcontinental transport of the raw materials (soya and others) used in feed.

Dairy farmers also learnt a bit more about how to "Raise cows and produce milk in a sustainable environment". Henrique Trindade and David Fangueiro, researchers from Portuguese universities, presented some solutions to reduce methane emissions from ruminants, through specific additions to livestock diets or a vaccine to reduce the microbial flora in cow intestines, thus reducing the production of these gases. They also provided examples of strategies that can be implemented to mitigate the environmental impact of livestock farming and to capitalise on the potential of livestock by-products (slurry) that can be used as fertilizer for vegetable farming within the idea of a circular economy, by striking a "nutrient balance".

In the panel on "Animal welfare and the image of dairy farming", specialists outlined possible best practices (brushes to allow cows to massage themselves, comfortable beds, etc.) that have been implemented in cowsheds in Portugal to comply with European legislation on animal welfare and to live up to the demanding requirements to receive the Welfare Quality Assessment certification. One of the conclusions was that it is absolutely key to communicate with consumers by, for example, opening the doors of dairy farms to visitors – something that is already being done as part of the [Milk is Life](#) project, which allowed 1200 children, in 2019 alone, to visit cowsheds and learn about the realities of milk production.

In the concluding session, Isabel Carvalhais, MEP from the S&D group in the European Parliament's Committee on Agriculture, reiterated the need for farmers to tap into public opinion and while they are already implementing best practices, they have to show that they are willing to do more and better to adapt agriculture to the current societal demands for environmental sustainability.

Summary of APROLEP's press release of November 29, 2019

Uniterre's dairy committee outraged at imported butter on shelves in Migros

If there is one message Swiss dairy farmers have constantly received since the abolishment of milk quotas, it has been the following: There is too much milk, buyers and processors are forced to find ways to deal with this surplus. Butter piled up, milk powder was massively produced and put in storage.

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Considering how difficult it is to sell these products on the Swiss market, wholesalers turned to exports as a possible way out. However, the prices of these products were artificially reduced to make them competitive on the European market, or any other international market for that matter. Most of this loss in income was borne by dairy farmers. Every milk statement, slim as it might already be, was reduced by a few additional centimes to finance the 'disposal' of these surpluses (2014-2016: 0.35 centimes per litre of milk from all producers and 0.45 centimes per litre of dairy milk in Fromarte). Of course, processors have also made financial contributions, but they do not find themselves in as precarious a situation as many family farms.

Over the last few days, consumers have taken to social media with reports of cooking butter labelled "Temporary country of production: EU – raw material shortage" on shelves in Migros supermarkets. When it comes to overproduction, producers are expected to cough up; when it's a shortage, it's up to consumers. One can assume that the price for this butter, which must comply with less strict production standards, is not any lower. And of course, family farms can stake no claim to the profits. In fact, no one is currently considering an increase in the target price either.

The intent of our beloved wholesalers could not be clearer. Due to the constant price pressure, farmers will be forced to stop milk production. There will then be a milk short supply and market actors could be 'fully justified' in calling for the opening of borders to bridge the supply gap. This temporary measure only needs to last long enough till the opening of the white production line comes to pass. Who would then be strong enough to continue producing milk in Switzerland with all the associated restrictions in place?

Till such time as the Swiss dairy farmers' association (SMP) and the Swiss dairy sector organisation (BOM) react, we call on all consumers to boycott this imported butter and to only buy butter directly from farmers or in smaller creameries. And, of course, we demand an immediate adjustment of milk prices retroactively as of 1 November 2019. The preservation of an important aspect of our heritage and the survival of about 19,000 family farms that keep this unique knowledge alive hangs in the balance.

Press release by Uniterre Switzerland on 5 December 2019

An illegal practice in Switzerland permits fraud to the tune of millions in the context of the additional payment for milk used in cheese-making

For over a decade, the Federal Office for Agriculture (FOAG) has been covering up for the organised misappropriation of taxpayer money. Processors and creameries have not always passed on the additional payment for cheese-making (15 centimes/kilogram of milk) to milk producers and have kept it for themselves instead. This bonus was put in place to help the sector and should

be paid directly to milk producers.

A study carried out by the journal Recherche Agronomique Suisse* confirms that the FOAG was well aware of this fraudulent behaviour. According to the study, only 60% of these additional payments for cheese-making were actually passed on to milk producers.

This is in spite of the fact that the Federal Act on Agriculture clearly states that this additional payment is meant for producers. As already stated in the judgement by the Administrative Court on 28 February 2017, *"there is no provision in terms of legislation allowing the milk processor to partake in the payment of allocations."*

A simple calculation shows the extent of the issue: if we were to assume that a total yearly sum of 300 million francs was paid as additional payment for cheese-making, 120 million francs were not paid correctly per year. The additional payment for cheese-making was introduced in 1999. This means that the total payments not actually paid to producers could amount to more than a billion francs.

On multiple occasions, Uniterre has drawn attention to this illegal practice and to the fact that the ordinance on milk price support was not being upheld. But Uniterre is not the only critical voice: On 12 December 2018, National Council member Fabian Molina raised the following issue: *"Additional payment for milk used in cheese-making. Systematic fraud?"*

So, what can we do now?

Every milk producer has a right to additional payments for cheese-making. This complaint can be tried before a civil court but, in practice, such litigation takes long and is quite expensive. The contract is illegal if the additional payments are part of the milk price, and a complaint against unjust enrichment could also be raised.

Therefore, we are currently collecting income statements from milk producers and we have launched a campaign to create a legal support fund to take our case to court.

An issue to keep a close eye on! We will get back to you when we have more to report!

* *Wirkungsanalyse der Verkäsungszulage auf den Milchmarkt, Listorti G., Tonini A., Agrarforschung Schweiz, 2014*

Mathias Stalder, Uniterre

Important interim goal achieved: Data on fat-filled milk powder will be compiled and published by the European Commission as of 2020

When the "We should not export our problems" campaign was launched last year, the issue of fat-filled milk powder being exported to Africa at dumping prices did not figure in any way in data collection and was, therefore, given no consideration by EU policy-makers.

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However, the negative effects of these exports on local production were very obviously felt by African farmers. Therefore, together with fellow dairy farmers from the EMB in Europe as well as NGOs like Oxfam, SOS Faim, Veterinarians Without Borders and CFSI, they organised a protest in Brussels against this dumping and met with a number of policy-makers to call for a responsible EU export strategy.

One of the demands within this campaign was for the Milk Market Observatory (MMO) to henceforth compile and publish information about exports from the EU of these milk-powder blends. Without transparency on this front, the European Commission would continue to grope in the dark, resulting in disastrous consequences for local milk production in Africa.

The constructive exchanges between the campaign participants and the European Commission in recent years has borne fruit. The main demand for appropriate data collection has now been addressed by policy-makers: As of this year, an instrument will be implemented to monitor European Union exports of milk powder that has been re-fattened with vegetable fats/oils. Thanks to a dedicated customs code for fat-filled skimmed milk powder, it will now be possible to compile data on the exported volume and countries of destination on a monthly basis. The scope of the Milk Market Observatory, which was set up at EU level a few years ago thanks to efforts by European Milk Board dairy farmers, will thus be expanded to include important additional data.

For the campaign participants, this new instrument is an important interim achievement on the way to an EU export strategy that does not threaten local markets in Africa in any way. To achieve the end goal – a partnership with Africa that is a fair agreement among equals – there are, of course, many more significant developments that still need to occur. For further information, please refer to the "We should not export our problems" [common declaration](#) from April 2019.

Silvia Däberitz, EMB

Fair Milk in France

Fair Milk in France

Milk and milk products are an important cornerstone of our diet and an integral ingredient in French cuisine.

The French Fair Milk project currently has over 7500 members. Sixty *FaireFrance* farmers deliver their milk directly to the dairy in charge of processing and packaging Fair Milk. Members receive a “fairness bonus” for every litre of milk sold. This ensures a farm-gate price of 45 cents per litre. In this way, Fair Milk supports dairy farmers all across France.

Another unique feature of *FaireFrance* is that all the Board members are dairy farmers themselves. They are the driving force of the project and manage it independently. Decisions are taken collectively at, for example, the annual Members' Assembly.

The direct link to consumers is also important. Every year, *FaireFrance* farmers organise thousands of tastings in supermarkets, where they showcase their products and their philosophy. This amounts to about 500,000 interactions between producers and consumers every year, which leads to a steady increase in the number of consumers supporting the project.

FaireFrance currently sells milk packaged in different sizes as well as cream – a key ingredient in many of the classics of traditional French cuisine. We are especially proud of the fact that we started selling organic semi-skimmed milk in 2018 as 10% of our members are organic farmers.

Supporting such initiatives is very important. *FaireFrance* was founded by humble farmers who wanted to break the cycle of constant crises and take their destiny back into their own hands.

We have done our share of the task by showing that cost-covering prices are, in fact, possible! Now it is up to policy-makers to use this information and to keep it in mind when taking political decisions in the future.

Further information at www.fairefrance.fr

Jean-Luc Pruvot (*FaireFrance*) and EMB office

How can EU milk production be climate-friendly as well as socially and economically sustainable?

Invitation to a press conference on 16 January 2020 at the International Green Week in Berlin

Dear media representative,

It is our pleasure to invite you to a press conference by the European Milk Board (EMB) on 16/01/2020 at the International Green Week in Berlin.

In recent months, farmer protests against the current agricultural policy have become more frequent in Germany and in other European countries as well. Therefore, the Executive Committee of the EMB will give answers to specific issues at the press conference:

- What are the underlying reasons for so many farmers protesting with their tractors against the agricultural policy?
- What must agricultural policy look like, to ensure that farmers are no longer socially and economically left behind?
- Is it possible to meet societal demands for environmentally-sustainable agricultural production if producers are, at the same time, under major pressure to constantly reduce production costs to remain competitive on international markets?

We look forward to seeing you at the press conference on Thursday, 16 January 2020.

When and where: 16 January 2020 at 15:00

Messegelände Berlin – Hall 6.3 – Press centre room B – Messedamm 22 – D-14055 Berlin

EMB press invitation for 16 January 2020

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