

Dear Dairy Farmers and Interested Parties,

For decades, EU farmers have been complaining - and rightly so - about the cheap food policy of the EU, the growing power of the multiples retailers and the ongoing price-cost squeeze at farm level that inevitably results in the exit of more and more farmers from the sector. The start of 2013 has yet again shown the regulatory and profit imbalance in the food supply chain.

The power enjoyed by international retail multiples and their ability to exert pressure has never been more evident. Nor has the breakdown in regulation outside the farm gate. The horsemeat scandal has arisen, in the first instance, through illegality but let us be clear: It is ultimately a direct consequence of EU policymakers giving almost complete control of our food supply chain to large multiple retailers who at this stage effectively dictate the price of food and the margins available to primary producers.

While the horsemeat controversy clearly has not been good for the EU food industry, it does present us with an opportunity and also further justifies the EMB call for a Market Monitoring Agency. We farmers produce a quality product and we must receive an adequate return from the marketplace. The EU - and in particular our elected Governments and 754 MEPS directly elected by us as producers and consumers - has a duty of care to us to ensure that the food we eat is safe, that it is labelled correctly, and that no one link in the chain is allowed to assume to itself the power to dictate terms and margins to the other links. That duty of care also extends to moving farming and food production on a sustainable basis in both environmental and farming terms for the years to come.

The multiples sometimes claim to speak on behalf of the consumer. Nothing could be further from the truth; their agenda is profit for themselves and themselves alone. Our elected representatives know this but they have failed consistently to do anything about it by way of tackling the multiples once and for all. The horsemeat controversy has been damaging but now provides the policymakers with an opportunity to address the problems in the supply chain and the EU Market Monitoring Agency provides the ideal vehicle to identify the margins along the supply chain, the weaknesses in the supply chain and the measures needed to address these weaknesses.

The policymakers now have their opportunity. The time for inertia is finished. For the sake of every consumer in the EU, policymakers must stand up to the multiples and address this problem once and for all – we might never have a better chance.

John Comer (Member of the EMB-Board and President of ICMSA)

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The European Commission: new legislative proposals planned for the milk market

As already announced at the big dairy farmers' demonstration in Brussels at the end of last November, the European Commissioner for Agriculture, Dacian Ciolos, plans to put forward new legislative proposals in 2013 for the milk market. As soon as the reform of the European Common Organisation of Agricultural Markets has been completed by the middle of the year, these proposals for the milk market are to be tabled as quickly as possible. The EU Commissioner is currently discussing them with milk market experts, including the EMB. Dacian Ciolos must hurry up – not only because of the dire economic situation of European milk producers, but also because his term of office ends in October 2014.

The European Commission's new proposals for the milk market are of great significance for milk producers.

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Interview: French proposals for regulating the milk market

In the following interview the President of Office du Lait in France, Paul de Montvalon, explains the plans of the French Minister of Agriculture, Stéphane Le Foll, for regulating the milk markets in Europe.

What is Minister of Agriculture Stéphane Le Foll's proposal/concept, what are the main important points?

What the minister proposed to the working group meeting was a supply management system that would replace the quotas after 2015. He specified that this system must be free and must complete the inadequate Milk Package, as it would not prevent an abnormally severe drop in the farm-gate milk price.

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Position stated in Brussels confirms the severe imbalance in the food chain

On 13 February, the European Economic and Social Committee (EESC) in Brussels published its own-initiative opinion "The current state of commercial relations between food suppliers and the large retail sector".

According to the EESC, in every EU country a handful of large retail chains controls most of the market, thus forming an oligopoly. In the opinion of the EESC, this position gives the oligopolistic companies huge bargaining power over the suppliers upon whom they can impose trading conditions that are nowhere near balanced. The retail chains are only in competition with one another in relation to the consumer. They vie with one another for their customers, but there is scarcely any visible pressure of competition with regard to suppliers.

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Big demonstration of milk producers in Germany announced

The German Dairy Farmers' Association (Bundesverband Deutscher Milchviehhalter, BDM) – one of the two German member organisations of the EMB – is calling on every dairy farmer to attend a big demonstration in Berchtesgaden, Bavaria, on 11 April 2013. The occasion is the half-yearly conference of the German Ministers of Agriculture on a federal and state level.

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EMB Calendar

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

- 5.03.: Meeting with the Finnish farmers' association in Brussels
- 6.03.: Meeting of the EU Commission's advisory group milk in Brussels
- 25./26.03.: EMB General Assembly in Brussels

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