

## Dear dairy farmers and interested parties,

At their spring Members' Assembly in Brussels, EMB milk producers appointed the existing Executive Committee to another term in office. This is an important signal - especially in light of the difficult market situation - for the EMB to consistently keep at its efforts in favour of farmers. The problematic prices all across the EU were the main topic at the two-day meeting, clearly showing that the milk market continues to remain in an imbalanced state in numerous countries. Words of the representative from Lithuania: Our milk is being sold at prices between 8 and 16 cents!

This is not breaking news: There is too much milk on the European market but production continues to increase in most countries. The participants at the Members' Assembly all agreed that the decisions of the Agriculture Council on March 14 about voluntary production cuts should be implemented immediately. The potential functional modalities of a voluntary renunciation mechanism were analysed in detail during the Member's Assembly together with two external experts. A representative from the Directorate General for Agriculture presented the Commission's point of which, of course, was quite optimistic.

The explanations provided by an advisor to the French Agriculture Minister revealed a very interesting perspective on the issue of volume regulation - something that was pushed for by France during the Agriculture Council. The French contribution about production cuts was very favourably received by the Assembly, which unanimously agreed that measures taken on a voluntary basis will not be enough to address the issue of overproduction. Nonetheless, there is some slow change...

The participants also welcomed the positive change in the position of the German government with respect to capping. German state ministers clearly stated their support for production cuts in a decree. The German government has finally given up its inflexibility! More detailed information about the favourable vote by German agriculture ministers can be found in this edition.

I would like to conclude with some very encouraging news about our members! The Norwegian association *Bondesolidaritet* was unanimously welcomed to the EMB ranks. We are very pleased to have our highly active Norwegian colleagues on board. Welcome *Bondesolidaritet*!

*Boris Gondouin, EMB advisory board member and president of APLI France*

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## German state agriculture ministers take a clear step towards volume reduction

At the last Agriculture Ministers Conference in April, the state ministers adopted a comprehensive decision to reduce milk volumes: It should be possible for market operators to reduce milk volumes on their own accord. They unanimously agreed that dairies and milk producers should agree on effective measures to reduce milk deliveries and implement them quickly.

According to the press release, the state ministers are ready to support this measure with nationally-funded bonus payments. The federal government is called on to provide these funds or to secure the same at EU level.

If these voluntary measures do not lead to any tangible market relief, the Agriculture Ministers Conference is willing to implement volume reduction without compensation according to Article 221 of the CMO, which allows for national sanctions. The Federal Ministry must study the factual and legal requirements for such possible sanctions and implement them, as the case may be.

These decisions were another - this time larger - step towards adjusting the excessive EU milk supply. We warmly thank the state ministers for taking this clear step towards solving the crisis in spite of resistance from all sides. It is now up to Federal Minister Schmidt to take this vote into account and to push for a European solution towards milk volume reduction. The farmers' association and associations representing the dairy industry, as expected, rejected and protested against the decisions of the agriculture ministers.

Considering the further worsening of the situation on the milk market, these decisions must be implemented immediately. The BDM has called on the Federal Ministry to decide on the legal and most importantly organisational parameters for voluntary reductions in milk deliveries within two weeks. Delaying tactics in the form of discussions about funding viability, for example, are unacceptable. As is often the case, "Where there is a will, there is a way!"

*Hans Foldenauer, BDM Germany*

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## Must - Can - Should Europe feed Africa?

Let us clear up a common misconception at the very start: *The people of Africa need our cheaply produced food to survive. Only our strong, high-performing industries can feed the world.* No, European industry cannot do this and should not be doing this either!

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Just as it is necessary for us to have a job and to thus make a living, people in Africa must also have the opportunity to earn a livelihood. Such opportunities are destroyed when, for example, EU products are imported at dumping prices and hardly anything is produced locally.

Think about the major outrage in Europe when a factory is shut down, its activities are moved abroad and thousands are left jobless in a single stroke. In our part of the world, such blows can be cushioned to some extent because our general economic situation is comparatively stable. This is, however, not the case in developing countries. Therefore, one has to be careful to ensure that local production structures are strengthened, rather than being destroyed.

Belgian milk producers are currently taking up this task with their colleagues from Burkina Faso. Together with Oxfam-Solidarité, they are setting up micro-

dairies in the west-African country. Ibrahim Diallo, president of milk producer organisation UMPL-B in Burkina Faso says, "We have partnered with European - especially Belgian - producers to set up micro-dairies that would provide an economic support system for our producers in Burkina Faso." This is an urgent need because massive exports from Europe could trigger off a rural exodus and create fragile living situations. "This eventually leads to more and more people turning to jihadists for answers," says Diallo, voicing his concerns.

The first contact between Belgian and Burkinabe milk producers came about 7 years ago, as Erwin Schöpoges from Belgian milk producer organisation MIG relates: "As part of a supply strike in 2009, we sprayed three million litres of milk in fields in Ciney and unexpectedly received great solidarity from African farmers." This show of solidarity initially came as quite a surprise to Belgian farmers. Generally the message is to send that milk to the hungry in Africa instead of spraying it. "However, local farmers told us that **we** are the ones causing hunger in Africa in the first place by exporting our milk to the continent at dumping prices," says Schöpoges.

Since this first contact, Belgian colleagues have made a number of trips to Burkina Faso, which gave them a clear picture of the situation and allowed them to propose useful support measures. This eventually matured into the decision to set up a highly practical joint project. "We want to contribute to maintaining and improving local milk production. On one hand by setting up and expanding micro-dairies, while on the other, by also ensuring responsible production in Europe, not based on overproduction," says Schöpoges, explaining the objectives of the international partnership.

Undoubtedly, Europe must, can and should support Africa in its development - but only with useful projects and not with cheap exports. The latter only aims at increasing European profits by expanding market share in the African market. Arguments claiming that this benefits the African people are not just very shaky, they are knowingly false. At the end of the day, the negative effects of such policies affect us all - even us Europeans, when millions of people leave their countries, fleeing from poverty and war.

*Video describing the project*

*Silvia Däberitz, European Milk Board*

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## Bondesolidaritet – new EMB member from Norway

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Bondesolidaritet, which means "farmers' solidarity", is a grassroots organization aiming to increase farmers' income in Norway and beyond. Many have realized that the imbalance between the price of our products and the cost of equipment, hired hands and services is no longer sustainable.

Bondesolidaritet was created in 2012 as the Norwegian farmers' income had gradually fallen behind. Traditional negotiations with the government had not sufficiently improved income. Bondesolidaritet does not rely on membership fees to finance its activities, but seeks financial support from farmers, unions, local governments, businesses and organizations.

Norway still has a milk quota system that works. It regulates the supply of milk to the market, but has not been adequate to ensure that the milk price keeps up with the general cost development. In our opinion, safe national food production is not compatible with a global market economy as production conditions in terms of topography and climate vary so greatly between countries and regions.

Bondesolidaritet has always been convinced that international solidarity is the key to a fair price for farmers in all countries and has actively worked for this from the start, partly financed by private means. In early 2015, we heard about the European Milk Board. We first met in April last year. The meeting made us believe that it would indeed be possible to take back power over food supply and

demand a fair price for the farmers' products. We expect from our membership in EMB that it will be possible to build solidarity among European farmers and gradually reach a situation where all European farmers get a fair price for their products that is in line with the level of wages and cost of living in their respective countries.

*Even Erlien, Bondesolidaritet*

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## Tour of European milk producer organisations in the West of France

Since 2009, crises have become a recurring feature. This was caused by production increase through the so called "soft landing": The European Commission has increased milk quotas without concern for market situation and market outlook - so the quota system didn't work any longer. As a result the milk market has experienced a substantial fall in milk prices.

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For years now, milk producers have been unable to live off their work. As a result, the producer organisations (PO) of France MilkBoard decided to take things into their own hands by creating POs to reinforce the market position of producers. To this aim and together with their fellow European POs WAFAB from Belgium and MEG Milch Board from Germany as also the National Association of Danish Dairy Farmers Danske Mælkeproducenter, they organised a "Tour of the West" at the beginning of April and appealed to French producers, as also all dairies, to join them.

After a conference entitled "Dairy crisis - the European solution", a series of meetings towards information dissemination and discussion were held from April 5 to 7. These three days of meetings gave dairy farmers a chance to share their experiences and to talk about the current situation. The message was clear: the creation of producer organisations is the only way to achieve real impact during price negotiations!

Emmanuel Binois, co-president of France MilkBoard Greater West, agreed that strengthening POs is of key importance in France and at European level: *"The meetings led to a number of exchanges with our German, Belgian and Danish colleagues. Like everywhere in Europe, they are facing the same problem as us: we do not have much power in the face of dairies, which are often large international companies."* In his opinion, the creation of cross-cutting, free and independent POs in milk-producing areas would help to truly reinforce the position of producers. *"The more we are, the stronger our position in business negotiations. And we could also go further: if we bring together enough producers at national level, we can even envisage creating a European PO in the medium term. Why should borders stop us - this is Europe after all!"*

The discussions between producers from different countries showed yet again that the situation is the same all across Europe: Milk prices do not cover production costs. This is also the case in countries like Denmark, where structural changes are much more advanced. *"On Danish farms, average debt is around 20,000 euros per cow,"* states Kjartan Poulsen, president of the National Association of Danish Dairy Farmers Danske Mælkeproducenter. *"The debt weighs heavily on our shoulders and on those of many colleagues who have no other choice but to close down,"* he explains.

### **"Producers, join us - together we are stronger!"**

According to European producers, working shoulder to shoulder and looking for joint solutions - and not fighting against each other - is the only possible way to bring about a change. They believe the solution is, and will have to be, European.

*France MilkBoard*

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## Switzerland: We demand a shift in agricultural policy!

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A major win for Swiss farmers and consumers: The Federal Chancellery has approved the attestation of our "Initiative for Food Sovereignty. Agriculture affects us all". Farmers' trade unions Uniterre and *L'Autre Syndicat*, both members of La Via Campesina, together with over 70 organisations strived to create a space for the Swiss population to finally have a real public debate

about agricultural and food policy.

Signatures were being collected for the "Initiative for Food Sovereignty" since September 2014. With over 131,600 collected signatures and 108,680 attested by the Federal Chancellery, we have been successful in this first phase. This paves the way for a debate that includes the citizens and the

parliament.

The Initiative is looking to implement the principle of food sovereignty and is calling on the Federal Government to bring about a shift in agricultural policy. The objectives include diverse, peasant, GMO-free agriculture; possibilities for future generations and fair income; transparent market conditions and also

fairer international trade.

We live in an interconnected world - that is fact and it is no way our intention to isolate Switzerland. Trade is essentially useful, except when it spins out of control and moves towards an all-powerful system in the form of free trade.

Instead of continuing to favour large agro-food companies, the Initiative calls for a new orientation that serves society at large. The Initiative shows how trade can be carried out in a fairer way, so that peasant and regional food production can continue to exist.

We have been successful in the first phase and we now support the citizens with renewed strength in the fight for adoption.

[Text of the Initiative](#) (in German, French and Italian)

[Article, photos and video interview with Ulrike Minkner](#) (Source: Schweizer Bauer)

*Nicolas Bezençon, Uniterre Switzerland*

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## News from Brussels

## EU Regulation on voluntary production planning published

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On April 11, the European Commission published an implementing regulation on voluntary production planning.

According to Article 1 of [Commission Implementing Regulation \(EU\) 2016/559](#), *recognised producer organisations, their associations and recognised interbranch organisations in the milk and milk products sector are hereby authorised to conclude voluntary joint agreements and take common decisions on planning the volume of milk to be produced during a period of six months starting from the date of entry into force of this Regulation.*

The concerned producer organisations shall then indicate the estimated production volume covered and the estimated time period of implementation to the competent authority.

The clock is ticking: Voluntary agreements and decisions on planning the volume of milk to be produced can be concluded between April 13 and October 12, 2016!

## Agriculture Commissioner considers financial incentives to curb milk production

Agriculture Commissioner Hogan has not ruled out talks about new financial incentives to curb milk production. The move shall, however, only be assessed once the Commission has a better overview of the possible margins in the 2016 budget, with sources suggesting that this amount would not be very much.

At the last Agriculture Council on April 11, Hogan already talked about linking state aid of €15,000 per farmer per year to a “freeze in production”. Such a move would allow Member States to provide financial incentives to dairy farmers participating in voluntary volume reduction schemes (under Article 222) during times of severe market imbalance. Ministers will hold a further debate on the market situation at the next Agriculture Council (June 27/28).

## European Parliament: Hearing on exceptional market measures (25 May)

A hearing on temporary and exceptional market measures to reduce the crisis in the dairy sector will take place on May 25 in Brussels. MEPs in the Agriculture Committee will discuss the exceptional market measures with key players from the sector (Copa-Cogeca, EDA, Via Campesina and EMB). The European Milk Board will be represented by Romuald Schaber.

## Milk Market Observatory

At the last meeting of the Milk Market Observatory in April, the European Commission presented the latest figures for the milk market: European milk deliveries increased in January-February by 7.4% as compared to the previous year (+ 1.7 million tonnes). There were especially significant increases in Ireland, Luxembourg, Belgium and the Netherlands. A further drop in prices is expected.

In the early months of 2016, private storage was petitioned for 60,912 tonnes of butter and 18,750 tonnes of skimmed milk powder together with almost 40,000 tonnes of cheese in the second round. A further 22,600 tonnes of skimmed milk powder were removed from the market in the period from 2-19 April through intervention buying. The largest volumes came from Germany (6,054 t), Belgium (5,792 t), Poland (3,219 t) and Lithuania (2,181 t).

[MMO Report 26 April](#)

## Confidential TTIP negotiation documents revealed

The confidential TTIP negotiating documents leaked by environmental protection organisation Greenpeace could be a time bomb for the ongoing negotiations. The documents give a detailed description of the state of play and place the

positions of the EU and the USA against each other. According to the information from the "Süddeutsche Zeitung", Washington is threatening to block export simplification for the European automobile industry, in order to get the EU to take in more agricultural products. The United States is also said to be against the European precautionary principle and the use of public arbitration courts for complaints from companies.

Agriculture chapter (document Nr. 2) available on [TTIP leaks](#)

### **Wallonia says No to CETA**

A majority at the Walloon Parliament formally rejected the ratification of the free-trade agreement between the EU and Canada (CETA). The Walloon head of government Paul Magnette had already warned the European Commission that his Parliament would not ratify the agreement in its present form. The investment court system (ICS) was one of the contentious issues.

This step could derail the trade agreement between the European Union and Canada, which was already agreed and adopted in 2014. To enter into force, the agreement must be approved by all 28 EU Member States and the European Parliament.

[Resolution text](#)

*Regina Reiterer, EMB*

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