

## Dear dairy farmers, dear fellow campaigners,

### ***No farmers, no food***

Today the world is governed by fear. The fact that we all live in fear is, among other things, a direct consequence of how "we" decided some decades ago that the way forward would be globalisation: we have interwoven our economic flows to the greatest possible extent. We thought it would be beneficial to all of us. For the sake of simplicity, "we" forgot that globalisation also entailed risks.

The reality is now hitting us hard. At the moment, we are facing one of the most severe economic crisis of all times, as globalisation has enabled a virus to spread like wildfire all over the world. In the past, governments regarded their food supply as the most important sector for survival. It is obvious that this way of thinking is no longer part of the DNA of today's European heads of state and government: as in every other primarily geopolitical crisis in the last decade, they support the processing industry. Farmers' incomes are ignored, as ever. And in the current reality that is a very dangerous political decision. *No farmers, no food.*

In the Netherlands, we notice another development. Now that the first clouds of dust are dispersing around the virus, other elements are resurfacing: fear is being instilled by the opponents of livestock farming. First these people thought of eliminating livestock farming by exploiting alleged over-fertilisation -- totally constrained by Brussels' strict rules. Then the livestock farmers were criminalised in the climate debate; and now, as neither that has produced any satisfactory results, the coronavirus has been hijacked. The virus would hit harder in regions with a high density of livestock and would have, for instance, nothing to do with the carnival festivities in the same regions or industrial air pollution.

A renowned professor of Utrecht University, Dick Heederik, immediately rejected as nonsense the assertion that there is a link between particulate matter from livestock farming and public health, describing the "scientific" sources as untrustworthy. However, the publication in a widely-read newspaper will make the reporting have a long-lasting effect. All the more so, because our Minister of Agriculture Carola Schouten asked the RIVM (National Institute of Public Health and the Environment) to study this – a political howler that has already condemned livestock breeding in public opinion even before the study has started. Previous studies have never shown a causal link between livestock breeding and lung diseases. That is of no consideration for the opponents of livestock farming. There are simply too many animals, so animal husbandry has to pay.

Fear – the worst adviser, in addition to incompetent, emotional politicians and decision-makers and biased media. What the world needs now is cool-headedness and science. No spotlight seekers, no witch hunt. To ensure that the consequences of COVID-19 do not plunge the world into even more chaos and famine, which we can prevent with a cool head.

*No farmers, no food.* I hope that by continuing to inform the European Commission and the stakeholders, EMB will be able to draw the attention of the political decision-makers in time to the risks they are now taking. It is now time to change the way we are heading in order to have enough farmers after this crisis to feed our people.

## EMB Newsletter May 2020

Major European milk powder demonstrations with an appeal to the European Commission: "Let's implement a volume reduction programme together!"

- Voluntary production cuts: yes –
- storage aid: no

Milk crisis due to coronavirus?

Germany: discussions about volume reduction – dairy industry associations and farmers' union against volume reduction

Let's implement food sovereignty together, here and now!

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## Major European milk powder demonstrations with an appeal to the European Commission: “Let’s implement a volume reduction programme together!”

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*“We dairy farmers say YES to an EU-wide milk volume reduction scheme and NO to private storage for butter, milk powder and cheese as a crisis measure.”*

While dairy farmers across Europe turn to the Commission and the EU Member States with this appeal, a thick fog of skimmed milk powder spreads over fields in numerous French departments. At the same time, a huge stack of milk powder reaches up to the sky in the German capital in front of the Federal Chancellery, and dairy farmers in Italy, Denmark, Lithuania, Luxembourg and Belgium use milk powder campaign events to strongly demand appropriate crisis measures for the dairy sector.

According to Erwin Schöpges, **Belgian** dairy farmer and President of the European Milk Board (EMB), the many milk demonstrations send an important signal to policy-makers: “Skimmed milk powder has now become the EU-wide symbol for the misguided crisis measures implemented by the European Union in the dairy sector. These measures must take a different direction if they are to have any real effect in counteracting the crisis,” says Schöpges.

The Coronavirus crisis has caused the demand for milk products to collapse. As EMB Executive Committee member Roberto Cavaliere reports from **Italy**, the shut-down of schools, kindergartens and public institutions, coupled with the almost complete standstill in the hospitality and catering sector, has led to a drastic reduction in the purchase of milk products. “We are currently producing way too much milk and this volume needs to be reduced EU-wide. We dairy farmers are ready to take on our share of the responsibility and participate in a volume reduction programme coordinated by the European Commission,” says Cavaliere. However, this is not what the EU is proposing. His colleague Boris Gondouin, who is a dairy farmer in **France** and an EMB Executive Committee member as well, is rightfully upset – like so many European dairy farmers – that the European Commission has decided to back subsidies for private storage. “These subsidies do absolutely nothing to change the difficult reality faced by dairy farmers during the Coronavirus crisis. Especially milk prices for **producers** are falling. However, 30 million euros – as announced provisionally – are spent on subsidies for processed milk products and will go to the **private industry**. This means that the current EU measure was taken for the processing industry, not for the farmers.” Johannes Pfaller, dairy farmer in **Germany** and EMB Executive Committee member, adds: “It is totally absurd to waste resources to make products for which there is no demand. Simply for these products to then be put into storage using subsidies.”

### ***In order to manage the milk crisis:***

1. A crisis measure must directly address milk volume.
2. The EU and its dairy farmers must take on shared responsibility. A programme that can be implemented in each and every EU Member State should be launched. Dairy farmers willing to reduce their production volume are then paid compensation through this EU programme for every litre of milk they do not produce\*.
3. Stacks of butter and mountains of milk powder should not be allowed to pile up in the EU by subsidising the storage of already processed products. Products in storage are still part of the available supply and therefore put pressure on milk prices. The announced 30 million euros would therefore be better spent on a volume reduction scheme rather than on private storage.
4. The EU should be willing to learn from its past mistakes. Private storage and the permission for producer organisations, interbranch organisations and others to reduce production regionally (rather than EU-wide) were

completely ineffective as crisis instruments in 2015-2017. The EU volume reduction programme, on the other hand, was a success (details in [study "Analysis of the EU volume reduction programme 2016/17"](#)).

\* Detailed information in [Market Responsibility Programme](#)

As **Danish** dairy farmer and EMB Executive Committee member Kjartan Poulsen underlines, this is not the first time that the EU is choosing the wrong crisis management instrument. "Dairy farmers from the EMB and other associations highlighted the issue of massive stocks building up in storage back in 2017 with a [large milk powder demonstration in Brussels](#). It is therefore our urgent appeal to the EU to stop using the instrument of intervention storage and to start working with dairy farmers, so that we can implement a volume reduction programme together," says Poulsen.

Today's Europe-wide milk powder demonstrations targeting the political sector will not be the last of their kind. Many German producers have already announced further demonstrations in the coming days.

[Photos and videos of milk powder campaigns in Europe](#)

*EMB press release of 7 May 2020*

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## **Voluntary production cuts: yes – storage aid: no**

*European dairy farmers announce campaigns on 7 May FOR the right crisis instrument and AGAINST misguided measures by the European Commission*

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"The decision to address the milk crisis with the activation of private storage and without coordinated production cuts at EU level is wrong," says Erwin Schöpges, President of the European Milk Board (EMB), expressing a clear position on the [EU measures for the agricultural sector published on 4 May](#). While the EU market is flooded with milk and prices are in a downward spiral, an EU-wide reduction in the amount of milk produced is the only thing that could bring market relief. Putting processed products like milk powder, butter and cheese in storage will not reduce the price pressure for dairy farmers as those products remain part of the excess supply of milk products.

"We are going to strongly express our disappointment at this current misguided decision on 7 May, with milk campaigns in many European countries," says Schöpges. These demonstrations will be combined with a constructive call on the European Commission to **activate EU-wide voluntary production cuts IMMEDIATELY**.

As EMB Vice-President Sieta van Keimpema explains, such a volume reduction scheme must be coordinated by the EU if it is to have a comprehensive effect. "The EU has also temporarily allowed organisations such as interbranch and producer organisations to plan production reductions (according to article 222 of the CMO Regulation), but in the current crisis situation, this is of no use", continues van Keimpema.

**Planning of production through interbranch organisations, producer organisations and others is not effective! – Why must voluntary production cuts be coordinated by the Commission at EU level?**

- **Comprehensive reduction is only possible through EU-wide, coordinated voluntary production cuts**

**There is no strong, EU-wide structure of interbranch or producer organisations that could implement such volume reductions.** They could, if at all, only lead to isolated reductions within their individual organisations. There would be a negligent effect on the EU milk market as a whole. Therefore, the European Commission must take charge of coordinating this reduction so that an overarching positive effect becomes possible.

- **Crisis-stricken producers alone cannot come up with the funds for production cuts**

Existing producer organisations are funded by their members. In order to implement voluntary production cuts with compensation for every litre not produced, it is necessary to raise funds. Producers simply do not have funds to spare, especially as they are in crisis yet again. **The funds earmarked by the Commission for private storage should instead be used for a coordinated EU-wide voluntary volume reduction scheme.**

- **Planning of production through organisations such as interbranch or producer organisations ? EU-coordinated production cuts**

Potential planning of production by interbranch or producer organisations cannot be equated with production cuts coordinated by the European Commission. Both measures were implemented in 2016. **While the possibility of production planning had no effect on milk prices in the EU, the volume reduction scheme coordinated by the EU allowed prices to recover from their rock-bottom crisis levels.**

“We have informed the European Commission, the EU Parliament and the national Ministers about the very difficult circumstances that producers are currently facing and have warned them that the dairy market will collapse unless effective measures are activated. However, the current decision will lead to milk powder and butter pile up in storage, pushing producers into a severe crisis yet again,” says Schöpfiges. “Why won't they learn from past mistakes?” This question is being asked by many dairy farmers and will figure prominently in the upcoming European milk campaigns on 7 May.

**Details concerning milk campaigns on 7 May 2020 in different European countries**

**Belgium:** Milk campaigns in Flanders and Wallonia

**Germany:** Construction of a big milk powder pyramid in Berlin

**France:** Milk powder campaigns on fields in several regions (Hauts-de-France, Grand Est region, Normandy, Pays de la Loire and South West France)

**Italy:** Milk powder campaign in Cremona and on Paulihof farm in South Tyrol

**Denmark:** Milk powder spraying campaign in Outtrup

**Lithuania:** Milk powder campaign near Kaunas

**Luxembourg:** Milk powder campaign

**EU Private Storage Aid: No adequate response to the crises!**

*EMB press release of 4 May 2020*

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## Milk crisis due to coronavirus?

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*At the beginning of the year, there was still some cautious optimism in the sector. Experts and observers were expecting stable or slightly upward market trends – something that was urgently needed by struggling dairy farmers.*

The last dairy sector crisis four years ago together with two difficult years of drought in large parts of Germany and Europe have led to a very tense economic situation on many farms. Production costs are still not covered on most farms. And now the coronavirus pandemic has led to turmoil on all global markets, including the dairy market. Though farm-gate prices are still stable, this is probably just the calm before the storm. Analysts at the Dutch Rabobank, for example, are foreseeing a crisis that will last well into the next year. And according to the European Dairy Association (EDA), “the coronavirus crisis has the potential to become the biggest dairy crisis in decades.” Many dairies already foresee price cuts, for example, Ammerland has announced a milk price between 28 and 30 cents for the next six months.

However, in comparison to past crises, the degree of impact varies greatly from one dairy to another. Some companies that mainly supply to retailers can barely keep up with production and supply. Thankfully, this also applies to small, regional dairies and the organic sector, and notably for many farms involved in direct sales and with their own cheese dairies. On the other hand, companies that mainly supply to large purchasers or the catering sector and those that have focused primarily on exports are suffering. Consequently, the signals being sent by dairies to their suppliers are quite heterogeneous. Nonetheless, the bottom line is that we have to reckon with a long-standing milk surplus.

It looks like we are going to pay dearly for the lack of a crisis management system. Political decision-makers have not learnt their lessons since the last crisis, neither at European nor at national level in Germany. The memory of the ineffective crisis management on that occasion is still fresh in the minds of the overwhelming majority of dairy farmers. Above all, there is broad consensus against large-scale private storage and intervention because the stored surplus milk powder stood in the way of market recovery for many years during the last crisis.

The effectiveness of the volume reduction programme, on the other hand, was evident to most. In spite of the many different modalities – voluntary or compulsory reduction, with or without compensation, different reference periods and percentages of reduction – there is consensus that this time around, farms should be bailed out – not dairies. Therefore, measures must be effective BEFORE milk production, thus targeting farmers. Milk that is not required and cannot be sold at a decent price should not be produced in the first place.

Well-defined models backed by interest groups like BDM, MEG Milch Board and AbL have been on the table for a long time now. Furthermore, “Land schafft Verbindung” can be very useful as a new, large, active organisation that can highlight how farmers’ associations have ended up waging a solitary battle when it comes to dairy sector issues. Networking across Europe through the European Milk Board is also very useful because in other countries like France, the sector is starting to implement its first reduction programmes, and in Austria, for example, dairies are already offering its members reduction incentives.

The pandemic has clearly demonstrated that many sectors can implement measures surprisingly fast, at a speed that would otherwise have been considered impossible – this should be possible in the dairy sector as well!

*Excerpt from an article by Ottmar Ilchmann, regional president of the German small farmers’ association (AbL) for Lower Saxony-Bremen*

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## Germany: discussions about volume reduction – dairy industry associations and farmers' union against volume reduction

*In a conference call organised by Federal Minister for Agriculture Julia Klöckner, the farmers' union and dairy industry associations concluded that opening up private storage would be an adequate crisis instrument. But the BDM and representatives of the "Land schafft Verbindung" movement advocated for crisis-related volume reduction.*

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Minister Klöckner criticised the dairy industry associations for failing to implement the measures related to volume planning contained in their sector strategy and, once again, called for immediate market adaptation at individual dairy level. The BDM clearly stated that individual actions, which are currently only being undertaken on a voluntary basis, cannot lead to quick market recovery. Furthermore, we also pointed to the contradiction regularly defended by policy-makers, the farmers' union and the dairy industry: they are against the BDM demand for milk delivery reduction in times of crisis because neighbouring EU countries, as well as third countries, would jump at the opportunity and would immediately prevent any market effect by directing their milk deliveries to Germany. At the same time, they are in favour of individual dairies finding their own solutions, which would mean that you do not even need to go to a neighbouring country to counteract this market effect – a neighbouring dairy would suffice. It is difficult to find a greater contradiction and it only shows that they still believe farmers to be fools.

### **BDM calls for immediate binding reduction in EU milk deliveries**

In a letter to and in discussions with the Federal Chancellor, all the Ministers for Agriculture both at national and federal state level, as well as the European Commissioner for Agriculture Wojciechowski, the BDM pointed to the extraordinary developments on agricultural markets as early as 18 March, and also proposed or rather called for appropriate measures. Because of the very tense market situation, the BDM believes that it is necessary to activate a temporary, binding limitation or reduction of milk deliveries for all dairy farmers. One could consider limiting the implementation of this measure to the EU Member States where milk deliveries are higher than self-sufficiency levels.

The BDM is focusing on binding measures for a number of reasons, but to only name three:

1. The current market developments demand instruments that lead to very quick reductions in milk deliveries.
2. At a conference of Ministers for Agriculture, the majority of German federal states, especially those with significant milk production, were in favour of a temporary reduction in milk deliveries without compensation that would be binding for all.
3. To fund the necessary compensation system, EU crisis funds within the EU budget would have to be reallocated. This would lead to a reduction in direct payments and thus endless debates.

The BDM position does not mean that it will categorically reject voluntary production cuts with compensation.

*Johannes Fritz, Bundesverband Deutscher Milchviehhalter e.V. (BDM)*

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## Let's implement food sovereignty together, here and now!

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*On the occasion of the International Day of Peasant Struggles on 17 April 2020, farmers had only one message for the Federal Council for Agriculture: "Enough is enough!" The statements by Federal Councillor Parmelin on 1 April about facilitating certain imports – especially butter – to help deal with the current COVID-19 crisis are simply unacceptable.*

For decades now, farmers and artisanal processors have been sacrificed at the altar of short-term growth and the expansion of the services sector, but even when the system falters, the government decides to continue its support for the globalised market and industrial players in the agro-food sector. The COVID-19 pandemic has highlighted the weaknesses of this food system that has been driven by capitalist market strategies for many decades. The failings of this model have never been more evident and they endanger the key foundations of society. It is definitely time for a paradigm shift.

### Open letter to the Federal Councillor

In our open letter to the Federal Councillor on 14 April, we presented our demands for the dairy sector.

*Three decades of excessively low prices have gotten the better of more than half of our country's dairy farms. Bad volume management and the implementation of an obscure segmentation system have generated the necessary chaos to destroy solidarity among farmers and leave them at the mercy of large retailers. Today, this system is fully exploited by milk purchasers, who have resorted to every possible strategy to acquire this precious raw material at an absolutely indecent price: encouraging overproduction, variable-scale segmentation, zero price stability, non-payment of cheese subsidies (which is illegal). Now – and this comes as no surprise – so many producers have turned away from milk production that there is actually a raw-material shortage and we have to resort to importing butter.*

- ***We call for the milk price to be immediately revalued, for the export of soft cheeses at low prices to be stopped and for part of the milk for cheese-making to be used to make butter, while explicitly maintaining the price of non-silage milk and thus anticipating the drop in cheese sales.***

It is up to the Federal Council and the Parliament to learn from the crisis we are currently facing and to finally lay the foundations of food sovereignty by creating a framework that values local production, short circuits, small-scale farming and local artisanal processors. We need to stop treating food production as simply making a product for sale, and need to look at it as the basis of a country's subsistence, which allows it to survive severe crises and much more. Food sovereignty will drive this radical change.

*Berthe Darras, Uniterre*

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