

Dear dairy farmers and interested parties,

The autumn assembly of the EMB took place on November 9 and 10 in Nunspeet in the Netherlands. On this occasion the member organisations celebrated the Board's 10-year anniversary.

But is there anything to celebrate considering the disastrous milk prices that have been the norm of two years now? Does the EMB truly serve a purpose? Wouldn't the invisible hand of the market be best-placed to solve these problems?

So what are the problems that dairy farmers have been facing for so many years? Coming straight to the point: milk prices that hardly allow them to break even and that too while dealing with rising costs and increasing environmental and animal welfare standards demanded by consumers. As part of the politically-determined market liberalisation, European milk producers are being asked to surrender themselves to the mercy of these markets. Policymakers simply sweep rising production costs and higher expectations under the carpet. These disastrous policies have forced many of our members to give up and those who remain are being pushed to the brink of ruin.

In the last ten years and to date, the EMB has been one of the few organisations at European level that has used all imaginable resources to fight against these fatal developments. The EMB was and is the voice of dairy farmers. With clear demands and well thought-out ideas. With passion and authenticity. In an ambitious and straightforward fashion, the EMB's member organisations and their farmers fight for their rights and for a cost-covering milk price. Without the activities of the EMB, the milk crises in 2009, 2012 and 2015/16 would not have become a topic for the general public. European dairy farmers would have died a slow death. No one would have raised their voice and demanded a price correction.

Today, the EMB is recognised and respected at European level by political institutions like the European Parliament and the European Commission. We can interact with the other stakeholders as equals. Our participation in discussions is paramount.

Success for the EMB! The volume reduction programme adopted by the Agriculture Council, which has been up and running since October 1, 2016, broadly aligns with the EMB's demands. Not only is implementation of the programme of utmost importance, it also represents a paradigm shift in European policy. Policymakers who refused market intervention for months finally gave up their blind faith in the market. This realisation came late, but not too late. All that remains is to keep at it and to continue to work to ensure that such price crises do not reoccur.

But first, celebrations are in order. Ten years of being the voice of dairy farmers. Ten years of persistence. Ten years of amazing actions and coherent ideas. Ten years of the EMB and its success!

Romuald Schaber, EMB president

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EMB celebrates 10-year anniversary

The only thing missing for a perfect anniversary - a crisis instrument!

Protest marches in major European cities, over 1000 tractors driving through the centre of Brussels, milk dripping down the windows of the European Parliament, meeting with the Pope in Rome: These are just four of the many actions undertaken over the years by the European dairy farmers of the European Milk Board (EMB) that have made an impact on policymakers and the public. However, this association of milk producers is also known for constructive political dialogue and their participation in EU working groups, where they have put forth concepts to help create a stable dairy market. The results include a Block Exemption Regulation, which made its way into the EU Milk Package, the Milk Market Observatory (MMO) and the current voluntary production cuts at EU level. The sector, nonetheless, still needs a

standard crisis instrument.

Brussels/Nunspeet, 10.11.2016: "Stand up if you are a farmer!" is the motto of the European milk producers who have been fighting together as the EMB against the disintegration of farming since 2006. "EU policy that barely lived up to the goals of the CAP - market stability and ensuring an adequate income in the agricultural sector - made founding the EMB absolutely necessary," reminisces EMB President and dairy farmer Romuald Schaber. "Even back then, solidarity with colleagues from other countries and working toward common goals was very important to us. We did not want to be played against each other; we wanted, in fact, to work together toward a fairer agricultural sector." The EMB, representing about 100,000 milk producers, has embodied precisely this solidarity for the last ten years. Members work together for fairer milk prices, but also for an agricultural model that takes into account animal welfare and ensures balanced regional development - goals that are important for society at large.

Constructive efforts helped overcome significant hurdles

There have been a number of political achievements in this period: The EMB proposal for a **Block Exemption Regulation** led to producers being allowed to bundle supply in the 2012 Milk Package. The **concept of a monitoring body** was included to some extent in the Milk Market Observatory (MMO) and **voluntary production cuts**, an essential feature of the **EMB Market Responsibility Programme**, was introduced at EU level this year. In the last ten years, the **Fair Milk** campaign also led to the creation of dedicated milk brands in six European countries, thus establishing direct relations between farmers and consumers.

Being constructive and contributing to finding solutions has been the ethos of this milk-producer organisation from the very beginning. "We never wanted the EMB to just be a constant thorn in the side of policymakers. We want to shoulder our responsibility as producers and be seriously involved in political discussions," explains EMB Vice President Sieta van Keimpema in relation to the intentions of the EMB's members. "We would like to thank everyone from the political sphere, civil society and the dairy sector who have supported us over the last ten years."

There has been some progress, but there is still a lot to be done for the dairy sector

The one-time measure of voluntary production cuts must now lead to a standard crisis instrument as illustrated in the Market Responsibility Programme (MRP).

This would first require a legislative framework that:

1. **Establishes a market index through the MMO**

2. Introduces caps for the remaining production during voluntary production cuts in times of crisis, together with sanctions to ensure that the caps are enforced, and
3. Allows the collection of a levy from producers to finance the crisis instrument.

Stronger participation of milk producers all across Europe

Farmers have made significant contributions as well as a number of sacrifices over the last ten years. The milk supply strikes of 2008 and 2009 are remembered by all as an intensely difficult period, but also as a necessary action. Enormous effort was put into protests and political action - an energy that stemmed from both courage and desperation. "We would like to thank everyone for their unique and amazing commitment over the last ten years. We would not be where we are today without your fantastic efforts," says Romuald Schaber, addressing his fellow colleagues all across Europe. He says that farmers rose up and refused to remain silent or to allow themselves to be pushed out of production due to inappropriate agricultural policies. He adds that the dairy sector is still not where it should be if it is to avoid crises in the future. "The only thing missing to make this anniversary perfect is a standard crisis instrument. But we will keep fighting for it together!" declares Schaber, emphasising the milk producers' plans.

Some political representatives as well as certain interest groups were definitely not always happy about European milk producers speaking with such a strong and confident voice. But that is precisely what was and remains important. Farmers and vibrant rural areas are integral to supporting our food system and our societies. The EU also needs the committed, democratic input of its citizens. It is a union that should live off such constructive participation. Therefore, the European dairy farmers of the EMB will continue to work according to their motto: "Stand up if you are a farmer!"

EMB press release

[Video 10 years EMB](#)

[Photo gallery](#)

Spain: against unfair practices of industry and retail

After the election of a new executive board in September, the new president of OPL Spain, Jose Alberto Martin, has begun contacting other associations of producers and consumers, to try to make a common front against abusive practices of the industry and retail sectors.

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OPL calls for food origin labeling for all food products and fights against all the false information about the consumption and production of milk. In this regard, we have already launched a media campaign to combat the emergence of an alarming and ongoing campaign of slander against milk, even the criminalisation of dairy producers. OPL has refuted many different accusations of alleged animal abuse by farmers and false studies on milk's dangers without any scientific basis. We also urge the government to take action because if they don't do anything to stop this, it is useless spending money on campaigns to encourage milk consumption. We are, already, studying some cases to bring lawsuits if the negative campaigns proceed. Likewise, we have transferred information about unfair practices of industry and distribution, to make them public and raise social awareness of the situation of dairy producers.

The problems faced by Spanish milk producers have led to the closing down of 1,544 farms in 2015. Today there are only 16,490 dairy farmers left, and, unfortunately, we expect the closure of other

farms by the end of the year.

The average price of milk in August, reached 29 eurocents, a little bit higher than in July (28.6 cents), but lower than during the month of the previous year (29.7 cents in August 2015). Galicia is the region where the price is the lowest (27.2 cents). However, while the authorities fail to promote distribution of profits throughout the production chain where everyone receives their due, the weaker and more disunited part of the production chain - the producer - will have everything to lose. We have been demanding fair and cost-covering prices for more than half a year. We ask for sanctions to be established if those prices are not achieved and we insist on the need for a mediator. We should start controlling European production, based on the consumption of each country, and export demand, in order to control surpluses and to give more stability to all countries.

We just have to take a look to the alarming decrease in dairy consumption. Last year, milk consumption in Spain fell by 4.3% from 3,419 million liters in 2011 to 3,271 in 2015.

José Alberto Martín, president OPL Spain (Organización de Productores de Leche)

Germany: Days of action in front of dairies and supermarkets

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and Faironikas.

On October 4, dairy farmers from the German dairy farmers' organisation BDM visited about 30 dairies all across Germany. Many teams even showed up with tractors. The members highlighted their intentions with signs, banners

The aim of the action was to hand over the resolution listing the BDM's demands. Milk producers are asking for a larger share in the profits that dairies are able to make thanks to the slight relief on the dairy market. The money should go to those who really need it and are directly affected by the crisis: the milk producers. They demand at least 40 cents/kg milk, which would still not make up for losses incurred in previous months.

The Market Responsibility Programme (MRP) has to be set up as an effective safety net for the EU dairy market to ensure that prices do not collapse and that preventive measures can also be taken in a timely fashion. Many representatives from the dairies were ready to engage in dialogue and signalled support for BDM's demands. The atmosphere was much less strained than in the past.

BDM members also visited supermarkets on October 10. The action "5 past 12" aimed to show retailers that milk producers have run out of options and that the awful milk price has led to zero liquidity on farms. A resolution was handed over to them as well, as retailers can also play their part in improving the situation. The market should not be controlled by retailers but their actions can also contribute to price stabilisation. The BDM also demanded that farmers receive full compensation, above and beyond the legally prescribed standards. Furthermore, the resolution also stated that consumers should not be used as an excuse for low milk prices. Consumers are aware of the value of milk and are willing to pay appropriate milk prices for a quality product and thus ensure that farmers can earn a living from their work. There were some fruitful discussions with retailers.

Both actions received widespread media coverage, with updates and articles in regional as well as national media.

Nadine Gund, director BDM

[Resolution: Demands to German and European dairies](#) (in German)

Round Table with Jan Slomp at the European Parliament

What do the terms sustainability and competitiveness actually mean? This question was raised by Mr. Jan Slomp, president of the Canadian National Farmers Union, during the round table discussion in the European Parliament organised by the EMB on September 19.

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Mr. Slomp was invited to visit Brussels after writing an impressive letter to Commissioner Hogan. In this letter, he explained the benefits of Canada's market management system for the dairy sector. This system prevents milk price crises like the one the EU is facing since the abolishment of milk quotas. The Canadian dairy management system enables milk producers to negotiate milk prices and adapt supply to demand. The result is no overproduction, fair prices, no crises in the sector, income stability for milk producers and no need for income subsidies.

"Is it sustainable to substitute local production with products from across the border or overseas? Is it sustainable when local production is suppressed and domestic social structures are destroyed, leading to the loss of jobs and economic stability in the entire rural area around dairy farms? Can a company claim to be competitive when it can sell a cheaper product because the government pays income entitlements to those producing the raw materials? Thus allowing traders and the food industry to pay these producers a price that is far below cost price?"

These are the questions that Jan Slomp, an emigrated Dutchman, used to explain the perverse effects of what is often called "free trade". The Canadian government claimed that Canadian export rates were going up due to trade agreements. The import rates, however, were going up to the same extent. Often, products that used to be produced locally are now imported. Conclusion: Trade agreements lead to the loss of sovereignty of governments, thus benefiting only traders and industry.

Jan Slomp also expressed his concerns about CETA - the EU-Canada Comprehensive Economic and Trade Agreement. The 17,000 tonnes of cheese that Europe would be able to export to Canada would mean the closure of 400 dairy farms in Canada. These EU export will neither benefit European milk producers nor consumers. Trade agreements like NAFTA - the free trade agreement between Canada, USA and Mexico - have already proven this. Primary producers in both Canada and the EU need prospects for the future, not false competitiveness imposed by governments, trade or the food industry. Trade agreements lead to monopolies and do not benefit grassroot societies.

Governments worldwide neglect the wishes of the people. The changes in global social stability show that people are fed up with this kind of treatment from policymakers. In the European Union, Brexit is clear evidence of the same. It would be wise to take a time-out to reconsider trade agreements and their scope, in order to prevent monopolies from further expanding their influence on markets and to guarantee lively and prosperous rural areas around the world.

Sieta van Keimpema, EMB vice-president

Further info:

- [Letter by Jan Slomp to EU-Commissioner Hogan](#)
 - On the Canadian system of supply management: [Strengthening Supply Management - Defending Canadian control of our market space and advancing food sovereignty](#)
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EU milk powder threatens local milk production in West Africa

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West African producers in dialogue with EU policymakers

A responsible EU milk policy was the central issue during the visit of two representatives from Burkina Faso to Brussels in September.

René Millogo from an initiative to support dairy cattle herders and Mariam Diallo, General Secretary of the national association of small dairies in Burkina Faso had been invited by the EMB, where they spoke to representatives from the European Commission and the European Parliament. The Burkinabe delegation unequivocally stated that overproduction in the EU leads to dumping in African markets. A [detailed report](#) on the visit in Brussels can be found in the October issue of the newsletter.

Study: "Europe's milk sector has its eyes on West Africa"

A recent study by Oxfam and SOS Faim Belgium reveals Europe's ambitious plans for the West African dairy market. Europe produces too much milk leading to surpluses, which have increased significantly since the end of the quota system in 2015. Milk consumption as well as population growth has stagnated. On the contrary, there has been a major rise in demand for milk products as well as in population in West Africa.

The European dairy industry has its eyes on West Africa's growing markets. Multinational companies already have a foot in the door and are vying for control of the dairy market. What then happens to African milk producers?

Study "Europe's dairy sector has its eyes on West Africa" in [English](#) and [Dutch](#).

Regina Reiterer, EMB

Short-term outlook for dairy market

The European Commission published the short-term perspectives for the European dairy market for 2016 and 2017 at the beginning of October. The report shows initial relief on the dairy market, but it is not very confident about a lasting market recovery.

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All dairy product prices increased in recent weeks in Europe and Oceania. EU butter and whey prices rose the most remarkably to 374 €/100kg. The EU butter price was back to 2012-2013 levels. The average price for EU skimmed milk powder remained low but was nonetheless 13% above the intervention price. Since mid- September, no quantities have been offered for intervention. According to the report, the rising dairy product prices will lead to higher milk prices being paid to farmers. EU milk prices reached their lowest at 25.60 €/100 kg in July. The average EU raw milk price started increasing in August (26.40 €/100 kg).

The European Commission is very conservative about the duration of this recovery regarding EU dairy product and milk prices. There are concerns linked to the large quantities of skimmed milk powder in public and private storage, which could lead to market disturbances if made available. Moreover, higher milk prices will increase production. In addition, the favourable milk production forecasts in the United States and New Zealand will be reflected in the European market. An extended growing season due to favourable weather conditions might also lead to additional milk production in the last quarter of the year in some countries (Ireland, UK, and Portugal).

EU milk collection 2016 and 2017

In 2016, EU milk collection has decreased since June and is expected to be 2% below 2015 in the second half of the year. Combined with a 3% increase in the first half of the year, EU milk collection for the entire year is expected to be 0.6% above 2015 (=+800,000 t). In the early months of 2017, milk collection should remain below 2016 levels, but that will not be the case in the following months, even more so if prices increase. Therefore in 2017, milk deliveries are expected to further expand by 0.5%.

Short-term outlook for EU arable crops, dairy and meat markets in 2016 and 2017

Regina Reiterer, EMB

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