

Dear dairy farmers, dear interested parties,

In solidarity and with one voice

The associations of the European Milk Board (EMB) held their Members' Assembly in the Black Forest ten days ago, where they discussed the current situation. The reports of dairy farmers – from the Netherlands to Lithuania – are similar: Farms in many places are financially at the end of their tether. This year's drought has only made things worse and has further decimated farms already running on savings. After a number of difficult years, farmers have burnt through their financial reserves. Farms are going out of business every day, morale among farmers has hit rock-bottom and it is no surprise that young farmers see no future in the sector.

It is disappointing to see that concrete solutions are still slow to come from EU policy-makers. The Member's Assembly was unanimous about cost-covering prices and fair producer income being the only way to guarantee milk production in the long-term. The EMB is going to continue to strive for cost-covering milk prices and to ensure that effective crisis instruments are included in the Common Agricultural Policy.

The words 'solidarity' and 'fair' were heard very often at the Assembly. The unity and team spirit of European colleagues to work toward a stable market was plain to see, as was their solidarity toward producers in developing countries. Milk powder from overproduction in Europe should not end up flooding local markets in Africa!

For many years now, the EMB has spoken in favour of a fair trade policy and against milk powder exports at dumping prices. In October, two of our colleagues were in Burkina Faso in West Africa to support African small farmers in their efforts to strengthen local structures.

This newsletter also includes a report from this trip with impressions from a completely different world, which is, nonetheless, confronted with some of the same problems. Overproduction in Europe is driving farming, here and beyond, into the ground.

Erwin and Adrien – Thank you very much for your efforts in West Africa. I am proud of you and your commitment!

Boris Gondouin, member of EMB Executive Committee and APLI

EMB Newsletter November/December 2018

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"We call for a responsible dairy policy and an effective structure for the Common Agricultural Policy of the EU"

At their latest Members' Assembly in Germany, the 20 dairy farmer associations of the European Milk Board (EMB) reiterated their demand for a healthy dairy market. While meeting in the Black Forest, producers from all over Europe agreed that an effective crisis instrument as part of the Common Agricultural Policy (CAP) reform, cost-covering prices and fair producer income are key requirements for a sustainable dairy sector. These features are absolutely necessary to ensure generational renewal as well.

At this year's Members' Assembly on 20 and 21 November 2018 in the Black Forest in southern Germany, the national member organisations of the EMB discussed the current situation and future strategies of the umbrella organisation for European dairy farmers. The Assembly spoke in favour of solidarity and of finding a European solution for the dairy sector.

Reactions from EMB dairy farmers at the Assembly

Stefan Lehmann (48 years, Germany)

I am glad that we were able to host this Assembly of European dairy farmers here in the Black Forest. It was great to see that as the EMB, we are making progress with our proposals and are thus obliging EU policy-makers to take measures to support sustainable milk production.

Jonas Vilionis (71 years, Lithuania)

Today's meeting showed that while countries sometimes have different interests, the problems we face are still the same. It is thus even more important to find common solutions.

Adrien Lefèvre (28 years, France)

I am happy to be part of this cross-border solidarity between EMB members. I have been able to develop real friendships with dairy farmers of different nationalities. We are all working toward the same goal: fair remuneration for our work.

Werner Locher (64 years, Switzerland)

In my opinion, a very clear will emerged from the discussions at the Assembly – to continue to work in solidarity toward a common goal, in spite of the very different conditions in individual countries.

A robust foundation for the European dairy market

Everyone agrees that the European dairy market needs effective instruments to deal with recurring market crises, climatic anomalies and the range of requirements underpinning the sector. It is therefore essential to expand the Common Agricultural Policy to include prevention of future crises as well as flexible production volume adjustment in the face of market fluctuations. "Voluntary production cuts during crises – a key feature of the EMB Market Responsibility Programme – must be anchored in the CAP as a permanent instrument," said EMB President Erwin Schöpges. "We must break the never-ending cycle of dairy crises and create a robust foundation for the market." He went on to say that cost-covering prices and fair remuneration for the daily work done on farms is even more important. Financial stability is a precondition to ensuring a future for young farmers.

European milk producers want to increase pressure on EU policy-makers

Stefan Mann, Chairman of the German dairy farmers' association BDM, is looking to hold policy-makers in the countries and in Brussels accountable. "I want to encourage policy-makers to make the right decisions so as to prevent the loss of value creation in rural areas." He concluded that such losses, like poor milk prices, are eventually borne by society.

The European Milk Board plans to continue their discussions with dairy-policy representatives at all levels. However, the national associations clearly spoke in favour of sending a clear message to policy-makers as well. "Our European colleagues were very clear that the pressure on Brussels must be increased and we must get their attention through

strong actions if policy-makers were to send us toward the next crisis with their eyes wide open," says Schöpges, summarising the conclusions of the Members' Assembly.

EMB press release of 22.11.2018

Travel diary Burkina Faso – Week of solidarity among producers

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Travel report by Adrien Lefèvre, milk producer and Vice-President of FaireFrance, who travelled to Burkina Faso accompanied by his Belgian colleague Erwin Schöpges, President of EMB and Fairebel (19-26 October 2018). Aim of the trip supported by Oxfam-Solidarité: Support for "mini dairies" in Burkina Faso and development of the fair local milk brand "FaireFaso" to

strengthen local producers.

After an 8-hour journey, arrival in Ouagadougou, capital of Burkina Faso. Total immersion as soon as we arrive at the airport, where we meet local friends who Erwin has known for many years.

Day 1: Press conference with Belgian media. Location Ouagadougou, headquarters of National Association of Mini-dairies and Local Milk Producers of Burkina (UMPL/B). Thereafter, visit of a family farm in Koudougou with a herd of 36 zebus and a mini-dairy that processes the milk collected on the farm as well as in a dozen neighbouring villages.

We were able to speak to Ibrahim, president of UEMPL/B on the issue of funding of the Bobo Dioulasso mini-dairy in the west of Burkina Faso by FaireFrance. There are already 3 mini-dairies processing milk under the FaireFaso brand.

Day 2: Sunday afternoon, Erwin's friend Mamadou takes us on a tour of Ouagadougou. This was also an opportunity to better understand the local political reality where a recent revolution reached the point of setting the National Assembly on fire in 2015, following a disagreement between the people and the President who was looking to amend the constitution in order to remain in power indefinitely. The situation in Burkina Faso is much worse than one can imagine, lobbies and interests are everywhere and dumping does not affect the dairy sector alone.

Day 3: Two meetings and interesting exchanges with the Embassy of the Kingdom of Belgium and the Embassy of the European Union. We then head to the other end of the city to the UEMPL/B and fairefaso headquarters for a budgetary meeting and to get organised for "72h of local milk", an important local event. Funding and support are a constant struggle...

On the way back, we stop at the Ouagadougou livestock market. Interesting images and discussions with farmers raising animals for meat and finishing who are not part of the mini-dairies and Oxfam networks.

Day 4: Survey on milk powder – product of European surpluses – it is found all over. Very often, it is milk powder enriched with vegetable oils (notably palm), which are much cheaper than fat of animal origin. As it is considered a 'processed' product here in the coastal countries of West Africa, this powder is not taxed like 'agricultural products' imported to West Africa (taxed at only 5% as compared to about 25% to 30% for imported agricultural products). This loophole is thoroughly exploited by multinationals (ARLA, NESTLÉ, DANONE...) who engage in ruthless dumping.

Meeting at 16h with Oxfam at their offices to discuss the future and support strategy for fairefaso and the mini-dairies. Thereafter, meeting at 18h30 with the French Development Agency which is supported by the French government and provides significant funding to local NGOs.

Day 5: Administrative day to write this report, send photos, videos, etc. Rest because tomorrow is the main event of "72h of local milk" – there will be journalists, we have a full agenda, and we will also be intervening separately on a number of

occasions.

Day 6: Start of "72h of local milk". On this first day, journalists from different Burkinabe media were present. The Minister for Youth came and met us during the debates. At noon, I left with Oxfam and SOS Faim to speak post the screening of the film "The Milk System" at the University of Ouagadougou for students specialised in animal husbandry. The screening of this film that denounces European surpluses and the fact that no farmer in the world is able to make a decent living from milk production, irrespective of herd size was followed by a long debate that was very interesting for us and for the students.

Day 7: We leave for the second day of "72h of local milk". This time, the session is based on an exchange between West African and European producers. Surprise visit by the Minister for Animal and Fishery Resources, who had some invigorating and positive comments for the event. In the afternoon, we were able to discuss the future of fairefaso with Oxfam and with Sidibé, who manages the Bobo Dioulasso mini-dairy supported by us.

Return to our lodgings, packing bags and a final shower (40°C today) before heading to the airport. Boarding and take-off around 22h for a 6-hour night flight.

Adrien Lefèvre, Vice-President FaireFrance

[Video Burkina Faso](#)

[Photos Burkina Faso](#)

French dairy sector companies: They have achieved turnover equivalent to 8 years in just 7!

French dairy sector companies are doing very well, in fact, two of them (Danone and Lactalis) are among the top-ranked dairy companies in the world. Between 2006 and 2016, the cumulative turnover of French dairy sector companies grew by 28% to reach 31.9 billion euros in 2016, while during the same period, producer prices were at an absolute low: less than €300/1000 litres!

© OPL

Taking the turnover in 2010 as a reference, one can conclude that the sum of all annual turnover superior than that of 2010 amounts to 31.2 billion euros – the equivalent of the turnover of 2016. This means that companies have achieved the turnover of 8 years in just 7! When this figure is considered against the number of litres collected during this period, French dairy companies earned €1300/1000 litres while German companies only earned €700/1000 litres!

Profitable practices... where producers do not get their share of the spoils

When looking at the activity reports of dairy companies, the absolute opacity regarding financial gains derived from milk cracking is hard to miss.

Milk is, in fact, not only transformed into milk products, it is also broken down into a number of very lucrative by-products. In addition to whey, which is extracted during cheese production and can be dehydrated and added to milk powder to produce infant formula, you also have casein and lactose that find many interesting applications: the production of desserts, cold cuts, luxury paper, as a solvent in paints, tanning... The gains from these activities that are profitable for companies should also reach producers *as part of* their payment structures!

Significant investments in France and the world

Between 2012 and 2014, 74 of the 250 European projects (i.e. almost 1/3rd), backed by 48 companies (of the 143 that have invested at European level), were launched in France. These projects in France represent more than one billion of the 6.4 billion euros invested at European level. Unfortunately, the number of self-employed persons engaged in dairy cow rearing has decreased though the number of projects has increased: Between 2010 and 2016, 14,000 instances of self-employment have disappeared while 520 full-time jobs were created.

Véronique Le Floc'h, president of the French dairy farmers' association OPL

Solidarity - Farmers across Europe working towards the same goal

The situation of farmers in Europe is well known and most farmers can feel it first hand every day, especially when they have to pay bills. We farmers do not want to accept this anymore, but none of us can change anything on his or her own. We must reach a situation where we stand together and can show that it is not just a few farmers who want change.

Through its work, the European Milk Board (EMB) has managed to bring attention to the challenges in dairy farming and prevent the situation from becoming even worse. At the April General Assembly of the EMB, an overwhelming majority of the organizations present decided to pursue the proposal tabled by Norwegian Bondesolidaritet to build solidarity among farmers and between consumers and farmers. This should complement ongoing and planned actions. The goal is to develop a position that becomes apparent to politicians and the people, thus giving the EMB a far clearer voice in the political environment.

Everyone is aware of how powerful solidarity can be, and now we must do everything in our power to help each other build solidarity throughout Europe, from the smallest villages to the biggest cities. And we must remember that nobody helps the one who does not help himself. We are faced with two alternatives: act now or wait until it is too late.

Solidarity might be the answer. However, solidarity does not happen by itself, it has to be built little by little among European farmers and between farmers and consumers. This will be laborious work that must primarily be carried out by individual farmers or small groups of farmers and their national organizations that are members of the EMB. For farmers' solidarity to succeed, all member organizations across Europe must act in synchrony and orchestrate their actions, with the EMB taking the role of the conductor.

The reason is that when all member organizations follow the same plan in terms of both measures and timing, it will give farmers crucial moral support by showing that farmers across Europe are standing together and working on the same goal. Our common website will be very important for strengthening the European community of farmers. It will also be an important contribution to creating a basis for believing that it is possible to change today's situation for all farmers in Europe and beyond. The new website will offer information on solidarity to farmers and consumers, and every farmer can follow the results of his or her own work and the results in all the other countries.

If we succeed in building solidarity as a means of achieving fair framework conditions for food production where quality and food safety matter more than price, today's citizens and future generations will be deeply grateful for our joint efforts. A critical success factor in achieving this goal will be to convince consumers so that they stand together with the farmer. We will do this jointly, and as the EMB President Erwin Schöpoges said: "Let's tackle this challenge!"

Even Erlien, Bondesolidaritet Norwegen

BDM Regional Team for Bavaria at the heart of European policy-making

In mid-October, the BDM Regional Team for Bavaria hosted a very special event in Brussels, "the capital of the EU." The Regional Team organised an evening with MEPs at the Representation of the Free State of Bavaria, which is located in a small, picturesque castle.

Centrally located among buildings of the European Commission, the Council of the European Union and the European Parliament, these facilities are only made available to interest groups and topics that defend Bavarian interests, and it was therefore a great pleasure for the Regional Team to be given this opportunity to have an exchange at European level.

In addition to numerous Members of European Parliament, many representatives of the European Commission's Directorate General for Agriculture as well as representatives from civil society and the media participated in this evening event. In fact, even before the event officially began, an interesting discussion on the key topic "CAP post 2020 – where are we headed?" was already under way.

In his official welcome speech, Regional President Manfred Gilch expressly underlined the interplay between European agricultural policy and the continued existence of widespread, future-oriented dairy farming. The floor was then given to policy-makers: Agriculture politician from the SPD Maria Noichl asked the audience some important questions in her opening remarks: "Must the EU feed the world? Can the EU feed the world?" Martin Häusling, agriculture spokesperson for the Greens in the European Parliament, also expressed similar doubts about the effects of the current CAP on dairy farmers. He said that this policy has been unable to prevent the ongoing structural collapse but has only tilled the land for an agricultural policy oriented toward exports on the world market.

Thereafter, Hans Foldenauer, BDM Board Spokesperson and dairy farmer himself, outlined the substantive markers deemed important by the BDM: A reorganisation of the Common Market Organisation (CMO) is essential within the framework of CAP negotiations because the CMO is absolutely decisive in ensuring the cost-conscious production of agricultural goods. With these remarks, he clearly aligned with current efforts by farmers' associations and cooperatives, who say that it is important to, first and foremost, lock in the resources for the next funding period and to only thereafter mull over the meaning and purpose of payments.

The interesting discussion that followed touched on a wide range of CAP-related issues – more farm-specific, regional issues such as the future of tethering were raised; "big" questions like the future of the two-pillar model were also debated. Especially in relation to questions concerning the dairy market, BDM National President Stefan Mann could only highlight the relationship between agricultural subsidies and sustainable milk prices: A fair and cost-covering milk price is the only way for EU agricultural policy to live up to its true obligations, and to make it possible for farms to develop and remain future-proof.

Johannes Fritz, German dairy farmers' association BDM

What's the matter with the dairy sector?

That is, in fact, a good question: What is actually going on in the dairy sector? Let's begin with some figures: 32.58 and 34.68 cents/kg. These were the average milk prices in Belgium and Germany respectively over the last five years.

Is it possible to glean enough information about the state of the dairy sector from these figures? Not really. If we were to, however, consider production costs in these five years alongside, things definitely become clearer. The average production costs per kilogram of milk were 44.58 cents in Belgium and 43.15 cents in Germany.

Conclusion: With an average shortfall of 12 cents in Belgium and 8.50 cents per kilogram of milk in Germany, it comes as no surprise that those working in milk production earn much less than the average population.

This clear insight is possible thanks to a series of studies carried out by the Bureau for Rural Sociology and Agriculture (BAL) over the last five years. Starting with realistic calculations for Germany in 2013, a clear picture of the current situation on German dairy farms was finally available. France and the Netherlands joined the study in the same year and with the addition of Belgium, Luxembourg and Denmark, the study is now available for six milk-producing countries.

How are these studies different?

They are:

Regular and up-to-date: Figures are updated annually and even quarterly in some cases.

Comprehensive: Working hours invested in milk production are also considered while calculating costs, and that too, keeping the worker's role and qualifications in mind. This seems obvious, but you would be surprised by how often this is left out in other studies.

Representative: They use verifiable EU data from the Farm Accountancy Data Network (FADN), which is a very broad-based European data collection exercise.

Comparable: As it is based on harmonised EU data, the calculations for individual countries can be compared with each other.

What is the significance of these studies for European milk producers?

These studies offer great added value to dairy farmers in the participating countries. They make it possible for them to present a crystal-clear image of the current situation to policy-makers and to show that the current framework conditions for the dairy sector are lacking. Representatives of the **Fair Milk brands** refer to these figures in their negotiations with supermarkets to illustrate what the fair price for a litre of milk should be. Sieta van Keimpema, vice-president of the European Milk Board (EMB), also considers these calculations an important driving force: "They lead to public debate – at last. But these studies have also been a wake-up call for us milk producers. We have been shown the true worth of our work and our animals. And let's be frank, it also becomes painfully clear that our work is grossly undervalued. This has consequences for the future of farming. Only 6% of producers in the EU and 1.68% in the Netherlands are younger than 35. Only 15% fall within the category of 35-44 years."

According to BAL scientist Dr. Karin Jürgens, the balance of milk production costs and milk prices in all countries surveyed also shows the dilemma. "For years now, milk producers have had to live with milk prices that do not meet today's development requirements and their professional qualifications."

This has to change. An instrument to protect the dairy sector from crises would address this less-than-ideal situation to some extent. In this regard, the dairy farmers of the EMB call for the implementation of the Market Responsibility Programme (MRP).

Sieta van Keimpema on this point: "We want to constructively contribute to improving the situation on the dairy market. The cost studies are on the table to provide a clear picture of the sector. We present the MRP alongside to show what can be done to resolve crises."

[Please find here the cost study with results for 2017](#)

EMB press release of 27.11.2018

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