

Dear Dairy Farmers, Dear Interested Parties,

In the Netherlands several farmers have already built stables to be filled with cows from 2015 on. Three billion litres of milk extra (calculated on 8,000 kilos of milk production per cow on average) could be milked if these now still empty stables were filled with cows. A report commissioned by Rabobank shows this overcapacity of cow places very clearly.

At the press conference, where this report which is essentially about chain returns was presented, we heard a lot about the bad situation of the dairy farmers and that something needed to be done. Quotes like: "farmers come off badly again", "the earnings remain nil", "the situation has become nothing better for the farmer", "this cannot go on", "the stretch is out in the primary sector", and most important: "together we should try to bring the percentage of return on equity back to 17%" (source: Zuivelzicht), sounded very promising.

In its marketing messages Rabobank always points out that they are a co-operative, founded by farmers. But on enquiry they said that it would not be a good idea that the co-operative dairy industry shared some of the required percentages in equity with their members/owners. "That could be harmful to the progress of co-operative dairies", as Mr Thus, Dairy Manager of Rabobank, put it. Instead: "Support the individual farmer so that he will become a part of the top 20%". Because there are producers who have return on equity. The LEI report also noted what the percentage of return on equity for that top 20% is: 1.9%. So a further increase in efficiency will not be enough to bring the dairy farmers' income on a level comparable to the rest of society.

We need a good volume regulation and fair prices to offer a future to many farmers in Europe and to enable them to produce good milk in a sustainable way. We, the European dairy farmers, we have to struggle together inside EMB and also together with other groups of society to achieve that goal.

Sieta van Keimpema, Vice-President of EMB, President of Dutch Dairyman Board

Newsletter October 2011

- Council of the EU switching to being OBSTINATE
- Five EU states supplied in excess of their quota in 2010/2011
- Interview with Danish dairy farmer Flemming Jørgensen
- The French Minister of Agriculture's misguided contracts
- Poor farm-gate prices in Galicia
- ARC calls upon European citizens to play their part
- CAP Reform

Newsletter as PDF

[Download pdf file here](#)

Contact

European Milk Board

Bahnhofstr. 31
D-59065 Hamm

Tel: 0049/2381/4360495
Fax: 0049/2381/4361153

E-Mail:
office@europeanmilkboard.org
Website:
<http://www.europeanmilkboard.org>

Contact

EMB - European Milk Board asbl

Rue du Commerce 124
B-1000 Brussels

Phone.: +32 - 2808 - 1935
Fax: +32 - 2808 - 8265

office@europeanmilkboard.org
www.europeanmilkboard.org

Council of the EU switching to being OBSTINATE

Even if in large parts of the EU a golden autumn and mild temperatures have been the major features in recent weeks - unfortunately that does not apply to the EU dairy policy. The strong wind blowing over here from the Council of the EU is pounding the minor progress achieved in the Parliament before the summer. In the "Triologue" negotiations on the dairy market reform the Council of the EU stubbornly opposes important proposals such as a monitoring agency and contracts with dairies applicable throughout the EU. Are all the milk producers' efforts to date for intelligent control of volumes to be swept aside so easily?

[Weiter lesen...](#)

Five EU states supplied in excess of their quota in 2010/2011

In the 2010/2011 financial year, farmers in Denmark, Luxembourg, Austria, Cyprus and the Netherlands produced almost 0.2 million tons of excess milk. So the farmers concerned have to pay super-levies amounting to 55.57 million euros. In total the volume of milk supplied was 137.98 million tons, i.e. 8.1 million tons or 6% short of the total European quota volume. 14 EU states apparently failed to produce more than 90% of their quotas. Even before the abolition of the quota milk volumes are actually being shifted around within Europe. Whereas milk production continues to be concentrated in countries with a high density of milk, in areas where milk production is difficult it is on the decline. So far the EU has neglected to provide security measures to maintain

Europe-wide milk production and with it added value.

[Weiter lesen...](#)

Interview with Danish dairy farmer Flemming Jørgensen

S. Korspeter: M. Jørgensen, some banks in your country had serious problems and land prices more than halved in Denmark... what does this mean for you?

Flemming Jørgensen: All Danish farms taken together have a total debt of about 50 billion euro, spread on about 10.000-12.000 farms. Hence Danish farms and banks are quite strongly linked. Banks have stopped almost altogether lending out more money. The security in form of land has enormously lost in value. When I bought my three neighbouring farms in 2006, 2007 and 2008 I had to pay 40.000€ per hectare. Now, a hectare costs less than 20.000€. But actually in my day-to-day life I do not think a lot about this loss of value. The farm means a lot to me. So I try to look well after my animals, to have a good quality of milk and to get a higher milk price. And good harvests are important as well.

[Weiter lesen...](#)

The French Minister of Agriculture's misguided contracts

In spring 2010 the French government passed a new Agriculture Market Act, the LMA (Loi de Modernisation Agricole). The act obliged private dairies to draw up a contract for their producers by 31.03.2011. The dairies used this new contractual obligation to extend their power over the producers. The farmer is tied more closely to his dairy by the most diverse new terms of contract. That's why relatively few milk producers have so far signed such a contract (only about 5% of French milk producers). In spring 2011 APLI, in conjunction with OPL (Organisation des Producteurs de Lait) and the Confédération Paysanne, set up the FRANCE MILK BOARD (FMB). It is a producer organisation which is not affiliated to any dairy or association and which is open to any milk producer, regardless of whether he supplies a co-operative or a private dairy. It is to be the producers' arm of the French monitoring agency "Office de lait". Its aim is to encourage as many dairy farmers as possible to authorise the France Milk Board to negotiate with their dairy on their behalf and thus gradually build up an economic milk producer

organisation that acts as a real counterbalance to the dairies.

[Weiter lesen...](#)

Poor farm-gate prices in Galicia

The majority of Galician dairy farmers are on the verge of going under, according to the broadcaster Antena3. "Nearly 90% of income goes straight out again to settle bills", says José Antonio, member of the "Gremio de ganadería". The farms' profitability is either low or non-existent. "The farm-gate price is consistently low, but feed is becoming more and more expensive, as is fuel; what you get for a calf is so little you're practically giving it away", José Antonio continues. The farm-gate price is 30 cents a litre, which is exactly what a kilo of feed costs at present. At the moment Galician farm-gate prices are the lowest in Spain.

[Weiter lesen...](#)

ARC calls upon European citizens to play their part

The core Group of ARC2020 gathered near Brussels on 6 and 7 October to discuss the Common Agricultural Policy (CAP). The EMB was also present. In a press release afterwards ARC called upon the citizens of Europe to continue fighting for a truly sustainable CAP, in which funds are used fairly, fair incomes are ensured and economically viable rural areas are created.

[Weiter lesen...](#)

European Milk Board ASBL
Rue de la Loi 155

B-1040 Bruxelles

Tel: +32 (0)2808 1935

Fax: +32 (0)2808 8265

Mail: office@europeanmilkboard.org

Here you find the legislative proposals of the EU Commission about the reform of the Common Agricultural Policy:
Document-URL: <http://www.europeanmilkboard.org/https://www.europeanmilkboard.org/english/newsletter-oktober.html>

http://ec.europa.eu/agriculture/cap-post-2013/index_en.html