Press release

There will be a catastrophe in the EU milk market unless new crisis instruments are applied

European milk producers demand that EU politicians act – gear milk production to market demand!

(Brussels, 11.12.2014) German Chancellor Angela Merkel, French President François Hollande, EU Commissioner for Agriculture Phil Hogan: Europe's rulers are up to their necks in milk, they are in danger of drowning in the white stuff. This was made crystal clear by the European Milk Board (EMB) in a dramatic protest with a milk lake outside the EU Commission's building today. Dairy farmers from all over the EU gathered in Brussels to warn the politicians of a new catastrophe looming in the milk market. "Unless something is done quickly, Europe's milk producers will go under", warns EMB President Romuald Schaber. "We want to send out a signal today and are open to dialogue. If the Commission fails to meet our demands, we will organise spectacular major demonstrations over the next few months", adds Erwin Schöpges, member of the EMB Board.

The milk price has been in free fall throughout Europe for months now. In many countries like Belgium, France and the Netherlands the price will drop well below 30 cents a kilo in the New Year. "The situation is getting worse and worse. Many producers have major difficulties paying their bills and are worried they will no longer be able to pay for feed for their cows", says Schaber. The countries currently hardest hit are the Baltic states. Lithuanian farmers, for instance, are being paid only between 18 to 20 cents on average. In Latvia the milk price is between 22 and 24 cents at the moment.

Europe awash with milk

The reason for the plight is the same throughout Europe: "The situation is drastic. We are currently truly awash with milk – this year the EU will have produced about 7.5 million tons more milk than last year", says the EMB President. The increase in the milk quotas for ideological reasons, oblivious to the real market situation, was already exerting severe pressure on the market, even before the quotas are fully abolished on 31 March 2015. "Supply is exceeding demand by a long chalk. Without the limiting effect of the quota system in key producing countries like Germany and Holland, the situation would be a lot worse now", Romuald Schaber explains.

Meanwhile every indication points to an impending severe market crisis like that of 2009. Then the prices in the EU plunged to 18 cents. The situation has been exacerbated by the Russian ban on dairy product imports from Europe since early August. When the last limiting system – the milk quotas – ends next year, there is a very real risk of another price collapse. Then many farms will see a severe threat to their livelihood, says Schaber.

European Milk Board asbl
Rue du Commerce 124, bte 4, B-1000 Brussels
VAT no. BE0535.674.283

Tel.: +32 (0)2 808 1935
Fax: +32 (0)2 808 8265
office@europeanmilkboard.org
www.europeanmilkboard.org

An additional crisis instrument: the Market Responsibility Programme

Meanwhile there has been no reaction from the politicians. “The politicians know that the existing crisis instruments such as intervention and private storage are nowhere near enough”, exclaims the EMB President. The dairy farmers do not want subsidies; they are urging policy-makers to implement the Market Responsibility Programme (MRP) developed by the EMB. The programme provides for creating effective incentives for the farmers to adjust the volumes they produce to the market. When demand picks up again, normal production can be restored.

“Without an additional crisis instrument like the MRP, Europe’s milk producers and many rural areas will face catastrophe”, Romuald Schaber warns. “Europe’s rulers can no longer turn a blind eye to this.”

Contacts:

Romuald Schaber – EMB President EMB (DE): +49 (0) 160 35 24 703
Erwin Schöpges – Member of the EMB Board EMB (DE, FR): +32 (0) 497 90 45 47
Hanna Vauchelle – EMB Press Officer (DE, EN, FR, IT): +32 (0) 2 80 81 934