



PRESS RELEASE

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Milk producers want prices, not subsidies! Social peace and deregulation of production cannot be bought - The EU needs another dairy policy.

The decision of the EU Agricultural Council of October 19th to grant €280 million to dairy producers¹ without implementing any structural measures will not solve the crisis: it will neither reduce the surpluses nor increase the price of milk, nor give hope to milk producers. This *"contribution of the Commission to put a term at the demonstrations in the streets...."*, quoting Mrs. Fischer Boel yesterday, amounts to making taxpayers pay for the errors of the current policy.

This payment of €280 million which will be distributed according to the quota per producer, will reinforce the inequality between countries, areas and producers.

The dairy industry and large retailers will continue to garner substantial benefits: structural overproduction is maintained – and therefore also low prices for producers.

This is quite a bad sign for the coming debate on the future EU budget and CAP.

The Commission and the Council should follow the recommendations of the EU Court of Auditors. In its report of October 15th, it *"concludes that the dairy quotas limited the production effectively, but that their level proved a long time too high compared to the capacities of the market to absorb the surpluses..."*.² It is what we have been saying for a long time.

"The Commission and the Member States should therefore focus primarily on satisfying the needs of the European domestic market, and also on the production of cheeses and other products of high added value which can be exported without budgetary assistance". The Court thus consolidates the request of European Coordination Via Campesina and European Milk Board to remove export subsidies.

"In-depth reflection should be given to strategies to tackle the special problems of those regions where milk production is most vulnerable, in particular in mountainous areas, and to tackle the environmental consequences of a geographical concentration of milk production". The Court joined our request for reorientation of the modes of dairy production and better distribution of the production between the regions, very related to the choice of the modes of production.

"The Court recommends that the price formation process in the food industry should be subject to regular monitoring by the Commission. The concentration of processing and retailing companies must not reduce milk producers to "pricetakers", and must not restrict opportunities for final consumers to benefit fairly from decreases in prices." The Court supports our request for transparency of prices along the dairy chain.

The Council and the Commission can no longer ignore the need for legitimacy in dairy policy expressed by the Court of Auditors.

Resignation of producers is not the main question of the day.

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¹ has still to be confirmed by the EU finances Council on November 19th

² <http://eca.europa.eu/portal/pls/portal/docs/1/3120295.PDF>