

MILK-NEWS



Dear Dairy Farmers and Interested Parties,

I would like to introduce myself briefly. My name is Paul de Montvalon and I'm a dairy farmer from Angers in western France. My family runs a 90-hectare farm with a milk quota of 350,000 litres. As Richard Blanc has expressed the wish to focus totally on the development of Fair Milk (Fairefrance) in France in the future, I'll be deputising for him in his role as a member of the EMB Board.

I started off in 2009 on the Board of APLI, then I joined the inter-branch organisation Office du Lait, and am currently President of the France Milkboard producer organisation. I am firmly convinced that there is no alternative to a European organisation to stand up for the rights of milk producers. It is only possible to come up with a solution on a European level to the milk producers' dramatic situation. That is why we have to support the EMB's work and, by fighting on both a national and European level, ensure that the free-market liberals' and speculators' way of thinking does not prevail. In the milk producers' view the world market is just a sham. We must no longer accept being constantly abused as the dairy industry's reserve army.

Only the EMB champions a milk price that covers costs and gives the producers a fair wage. To this end it is indispensable that a European monitoring agency be set up, as called for by the EMB. Moreover, we should never cease to promote the continual publication of the real costs of milk production in Europe and the pooling of milk producers – first in each country and then on an EU level. We must be relentless in pointing out the dominant market position of the co-operatives and the threat to food security and food sovereignty in Europe.

For me personally one thing is clear: I do not want to live on bonuses or subsidies, but solely on the proceeds of selling the milk produced on my family farm. That is the aim of my commitment to the EMB

I wish you a merry christmas and all the best for the new year.

Paul de Montvalon (President of France Milkboard and deputy EMB Board member)

EMB meets for general assembly in Hamburg

On 26 and 27 November 2013, the EMB held its second Members' Meeting this year in the Hanseatic city of Hamburg in Germany. At the meeting the European member organisations deliberated on how the political work was to proceed further following the reform of the EU

Common Market Organisation and the big dairy farmers' conference last September.

Although the results of the CAP reform that were recently adopted, rejecting instruments like the voluntary suspension of production, failed to come up to the European dairy farmers' expectations, the representatives of the EMB member organisations at the meeting were agreed that the EMB had reached a crucial stage in its political work. This positive view was primarily due to the big dairy farmers' conference in Brussels on 24 September, at which EU Commissioner for Agriculture Dacian Ciolos announced the introduction of a European monitoring agency for the milk market.

As the EMB sees it, what matters now is for this new institution to be given the requisite powers. On the one hand the EMB members want to work constructively together with the European Commission in this respect, but on the other hand to keep a close eye on it, in order to safeguard the interests of the European dairy farmers in Brussels. A guideline for how the monitoring agency ought to be made up in practice could be the academic study on a European monitoring agency commissioned by the EMB, presented by EMB President Romuald Schaber in Hamburg again to EMB members.

As at previous Members' Meetings, once again friendly non-EMB European dairy farmer organisations were present as guests. The EMB members felt that the lively discussion with the dairy farmer representatives from Finland, Lithuania and Poland was beneficial on both the level of content and the human level, and that it once more underlined the importance of the intensive exchange of views between the European dairy farmer organisations.

To gear the quality of the EMB's work in the future even more closely to its members' needs, the plan is to conduct a survey early next year among EMB members on their satisfaction with the association's work. A questionnaire is being drawn up for this purpose, to be presented at the next Members' Meeting.

On the second day of the Members' Meeting the highlight was a visit to a farm in Quarnstedt, Schleswig-Holstein, which included a lunch. The hot tasty soup with sausages was just what was needed to fend off the inclement November weather and start the journey home invigorated with a head full of new ideas for the EMB's work to come.

Christian Schnier (EMB)

MIG/ FMB: Call to the big demonstration in Brussels on 19 December

The crisis in the dairy sector, with milk prices not covering costs, is only a small part of a much larger crisis that affects each and every citizen. In Belgium alone, everywhere we look we see the entire production sector in a bad state: Caterpillar, Ford, ArcelorMittal. Add to that the crisis with thousands of billions of euros lost because of the banks' dubious speculation, for which the politicians now want us to pay through endless austerity programmes. New projects like the planned transatlantic trade agreements are only taking this madness to extremes.

That is why the farmers of the EMB member organisations MIG and FMB in Belgium have got together with the other sectors and civil society to call for a big demonstration **in Brussels on 19 December 2013** during the summit of the European heads of state and government.

All other EMB member organisations are more than welcome to come and join in. The evening before there will be a meeting in Brussels for people from different countries to have their say and explain the drastic situation back home.

For more information on the demo go to: <http://www.d19-20.be/>

Alain Minet (MIG)

Faire Milch starts in Italy: a dream comes true!

The Fair Milk project was officially launched in Italy under the name Buono e Onesto (Good and Fair) in Milan on 28 November. In future the Italian EMB member organisation APL della Pianura Padana intends to market dairy products under this label bearing the logo of a cow in the Italian national colours. The range is to start off with liquid milk and expand later with cheese and yoghurt.

As has already happened successfully in Belgium, Germany, France, Luxembourg and Austria, the APL will implement the Fair Milk project in Italy in close collaboration with the EMB. The aim shared by the APL and the EMB is to offer a quality product that does justice to the producers' hard work and also satisfies the consumers' need for a good product at a fair price. The APL is certain that consumers will want to pursue the course adopted and support Fair Milk because of its high quality and fair price.

For more information on Fair Milk in Italy go to: www.latteonesto.com

Costantina Caffi (APL)

No ease-up for German milk producers despite slightly lower milk production costs

The following extracts from the EMB's and MEG-Milch Board's press releases appeared on 2 December 2013 along with the publication of the latest figures from the study on milk production costs in Germany.

EMB press release

Compared to April this year, the cost of milk production in Germany dropped by about 1 cent in July 2013 to reach a value of 42 cents/ kg milk . At the same time, the average milk price amounted to 38,55 cents/ kg milk. This means that there is still a gap of 3,45 cents between the farm-gate price and production costs. These are the results of the current study on production costs, carried out by the German Office for Agriculture and Agricultural Sociology (BAL) and launched by the European Milk Board (EMB) and the milk producers association MEG Milch Board. The numbers for Germany are calculated on a quarterly basis. The Milk Marker Index (MMI), calculated by the MEG Milch Board on the basis of the study's results, shows – with 113 points - an increase of 13 percent in costs since 2009.

Romuald Schaber, President of the European Milk Board, expresses his critical view on the current situation with dairy farmers not being able to cover their costs: "At the moment the drop in milk volumes leads to slightly higher prices. This has somewhat shortened the gap between milk prices and production costs, but we are still far from being able to cover our costs –not to mention from generating profit."

The price/cost ratio published by the MEG Milch Bord on a quarterly basis shows that in July costs were only covered by 92 percent. "It's the dairy farmers who have to pay the missing 8 percent from their own pocket – just as they had to come up for the missing 18 percent in April. For many farmers these repeated extra costs are only bearably for a certain time – even whit the

help of loans. At the end, an increasing number of farmers in Germany and in Europe as a whole have to abandon production”, says President Schaber concerning the consequences of the systematic shortfall between the prices paid and the costs occurred.

MEG Milch Board press release

MEG Milch Board President Peter Guhl views the development in the first half of 2013 as a clear signal that there is worldwide demand for the raw material milk. At all accounts, given the extremely difficult situation in 2012 with prices undercutting costs by 25 per cent on average (price-cost ratio 0.75) a trend reversal was urgently needed for the dairy farms in Germany. Yet Guhl does not regard the milk producers’ efforts as having achieved their objective. “The majority of German dairy farms were unable to cover their full milk production costs at the price level paid up until June, let alone set aside reserves”.

Christian Schnier (EMB)

Over 50 civil society groups demand a paradigm shift in EU trade and investment policies

On 26 November 2013 in Brussels, a European alliance of over 50 civil society organisations – one of them the European Milk Board - launched the Alternative Trade Mandate, a proposal to make EU trade and investment policy work for people and the planet, not just the profit interests of a few. The launch took place as EU trade ministers and the European Commission were leaving for the World Trade Organisation (WTO) negotiations in Bali the following week.

“The current trade and investment regime, imposed by the EU and the WTO, isn’t working. Prising markets open for global agri-business is wiping out small farmers and is a major cause of hunger. The deregulation of financial services through free trade agreements impedes tough regulation of the financial sector, paving the way for the next disastrous financial crisis. We need to break away from this corporate driven agenda,” says Charles Santiago, a member of the Malaysian parliament, who is in Brussels to support the launch of the Alternative Trade Mandate.

The new 20-page mandate proposes that core principles such as human and labour rights and environmental protection should drive EU trade policy. On several areas, such as food, work, money and raw materials, detailed proposals for change are outlined. One proposal is for the EU to become more self-sufficient in protein and oil crops as alternatives to imports of (genetically-modified) soybeans, palm oil and agrofuels, which are devastating for the environment and small farmers in the global south. The mandate also proposes a new process for initiating, negotiating and finalising trade and investment agreements, giving national Parliaments and civil society a stronger role and thereby rolling back policy-capture by big business.

The proposals outlined in the Alternative Trade Mandate were developed in a four-year process, with public workshops held all over Europe and which engaged a wide range of civil society groups from both within and outside the EU. The proposals will form the basis of an EU-wide campaign to make trade and investment work for people and the environment, which will first focus on the European elections next May, asking parliamentary candidates to pledge support for the Alternative Trade Mandate.

The Alternative Trade Mandate can be downloaded at: http://www.alternativetrademandate.org/wp-content/uploads/2013/11/Trade-time_for_a_new_vision-PRINT.pdf

Christian Schnier (EMB)

EMB diary

These are some of the most important dates for the EMB Board in December 2013:

- 10.12.: Meeting of the working group on milk pooling in Brussels
- 12.12.: NGO workshop on EU-US free trade agreement (TTIP) in Brussels
- 18.12.: Board meeting in Brussels

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