



Press release 04/03/2015



Presentation of the results of the study on milk production costs in Belgium

Today in Brussels, the MIG and the EMB presented to the cabinet of the Federal Minister responsible for agriculture the dairy farmers' situation and the results of the independent study on the costs of milk production in Belgium.

The study follows similar ones recognised by European bodies carried out in Germany, France and the Netherlands. These studies use the same sources (FADN and institutes of national statistics) and the same calculation methods.

The results of the studies carried out in Germany, France and the Netherlands already caused quite a stir when they were published. Their figures clearly show the gap between the costs of production and the prices paid to farmers for their product.

Here, too, in Belgium there is a big difference between the farm-gate prices and the real cost of production. This makes it very difficult to guarantee dairy farmers a fair standard of living – which is a manifest aim of the Common Agricultural Policy¹.

The study clearly shows that:

To cover the costs of milk production with a fair revenue², the farm-gate price must be 46 cents per kilo of milk.

In December 2014, Belgian dairy farmers received an average of 31.15 cents per kilo of milk³; hence the gap to be made up is 14.85 cents a kilo.

Milk production does not guarantee Belgian dairy farmers a fair income.

Just the same as the German, French, Dutch and Belgian farmers, milk producers in other European countries are not paid a price that covers their production costs, resulting in a growing number of dairy farms giving up production and significant job losses in the agricultural sector. Farmers must be able to receive a decent price in the market.

Subsidies are unable to rectify the existing market distortions. It is up to the producers, politicians and consumers to assume joint responsibility for demanding and drawing up a suitable framework enabling the market to operate properly and guaranteeing milk producers a fair income.

The full scientific study on production costs is available on the EMB website: www.europeanmilkboard.org

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¹ See Article 39 of the "Treaty on the Functioning of the European Union", revised in 2009

² Agricultural workers' pay agreed by collective bargaining (CP144.00 - Agriculture)

³ EC Milk Market Observatory (EU Regulation no. 479/2010 Article 2)