Press release

Instrument for volume reduction now!

The Council must promote the MRP at EU level

(Brussels, 14 March 2016) EU Agriculture Ministers meet today in Brussels to discuss future measures concerning the milk sector. It is high time that effective instruments finally be implemented. The European Union's Milk Market Observatory (MMO) has been reporting falling prices for months now, created by the increasing production volumes on the dairy market. A turnaround is not in sight and it seems that 2016 will be more of the same. Europe's dairy farmers are stuck between a rock and a hard place.

The Agriculture Ministers agree that something needs to be done regarding the dairy market and have already submitted their proposals for suitable measures. However, there are highly divergent views about what shape these future instruments should take.

Like in the past, some countries are still trying to push for liberalisation - in spite of all warning signs. It is however also evident that many countries have understood that only a balance between supply and demand can guarantee stable prices for farmers. French minister Le Foll has proposed a model for volume reduction based on voluntary production cuts. Measures towards volume regulation are currently supported by many countries.

We need volume management on the dairy market! The protests in the past weeks and months clearly show how desperate farmers are. The precedent set by Dutch dairy FrieslandCampina has shown that reducing volume through a bonus system is technically possible and can be implemented in the short-term. However, it must also be clearly stated that the interests of individual dairies stand at the forefront and the effect is limited to the region.

In order to ensure a sustainable recovery of the European dairy market, a legal framework has to be created at EU-level. The implementation of the same must be undertaken by the EU Institutions and cannot be delegated to dairies. This is the only way to ensure that the crisis instrument serves the interest of the European market.

Furthermore, production cuts will have the desired effect only if milk deliveries at European level are capped in parallel, as proposed in the bonus-malus model of the EMB Market Responsibility Programme.

We appeal to EU policy-makers - especially to the Commission and the Agriculture Ministers of the Member States - to instate such a crisis instrument for volume management.

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