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Disastrous developments for European agriculture: A wake-up call for the EU

Farmers in Europe have reached a critical juncture. Recent developments in the dairy sector demonstrate that producers are under massive pressure. This time around, the offence occurs in France: The announcements by the Savencia group that will significantly weaken producer organisations (POs) and the planned reduction in milk purchases by Lactalis are alarming developments for a sector where the exploitation of the lowest rung in the value chain only gets progressively worse.

Members of the Sunlait producer organisation are being forced by Savencia to make an impossible decision. Producer organisations were created to negotiate jointly for a group of farmers, so that they could have greater market power in the face of processors. However, if Sunlait members wish to remain loyal to their producer organisation, they will no longer be able to deliver their milk to Savencia. This is because Savencia is no longer going to meet Sunlait's conditions, but will only buy on its own conditions - i.e. at lower prices.

What is playing out here is an illustrative example of how companies make the most of any and all opportunities to put pressure on milk producers. This means that producer organisations, and with them their member farmers, end up in a weaker position. This is a wake-up call, not only for France but for the EU as well.

The EU has repeatedly stated that strengthening the position of farmers in the supply chain is a priority. However, while they simply remain words that are not backed by action, farmers are fighting for their very survival. The current situation demonstrates the incapacity of the EU and demands urgent measures. Even in France, where the EGALIM Law should lead to improvements, the inappropriate implementation of this law means that the situation has not gotten any better.

Market conditions must be effectively adjusted now - not tomorrow, not in the coming months, not next year, but right NOW:

- Producer organisations must be strengthened, not weakened! To this aim, POs must have a horizontal structure and must not be vertically organised under any circumstances! For example, the FMB (France Milk BOARD) producer organisations have the correct horizontal structure. They were authorised in France in 2012 and work with a range of industrial companies (Lactalis, Savencia, Vaubernier, SILL MALO) through framework contracts. This permits French producers to conclude contracts with multiple buyers, and they are free to produce for different milk processors and thus receive better prices.
- Farmers should no longer be held hostage by industry! It is the responsibility of policy-makers to introduce EU legislation in this regard.
- Cost-covering producer prices must be obligatory and must be anchored in UTP and CAP legislation!
- The EU contracts system must be urgently overhauled!
- Important rules must apply to cooperatives as well! Furthermore, it should no longer be possible for cooperatives to be recognised as vertical producer organisations!
- We need a crisis instrument like the [Market Responsibility Programme \(MRP\)](#) to prevent price collapses!
- We are not against trade but it should not put our producers at a disadvantage! For example, we need mirror clauses to ensure that imports comply with EU standards!
- The Fair Milk project must be publicly recognised and supported! After all, it is the only project out there that can keep farmers in business.

These aspects are not new, but have been part of the EMB's demands for a long time now. It is a shame that the EMB's input and proposals, like matching supply and demand, were not taken up to stabilise the sector. The current situation simply allows industry to use the system to further exploit producers. What is happening to producers is nothing short of a disaster for farmers and their families. And it is also catastrophic for the EU and its food sovereignty. The EU is losing farmers in record numbers.

This year's farmer protests have clearly shown that things cannot go on like this. But from where we stand, it looks like nothing is changing. Farmers say:

STOP!
Urgent measures NOW!

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