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EMB European General Assembly:

It's time to stop farms from going out of business - European dairy farmers demand consequent reforms for future-proof agriculture

At the latest European Milk Board (EMB) General Assembly, member organisations from numerous European countries came together to discuss the key challenges faced by the dairy sector. Everyone agreed: Even if cost-covering farm-gate prices are now paid more often than before - this means that we have made progress in achieving one of the EMB's goals - the fundamental issues plaguing the dairy sector persist and they must be addressed NOW.

"Real costs plus a profit margin - that's what we should be receiving and it's still not the case. The sector is not in good health," says EMB President Kjartan Poulsen while describing the state of the dairy sector. His colleague, EMB Vice-President Boris Gondouin, adds: "The sector needs positive, long-term regulation. It's true that a sort of sectoral regulation exists at this moment as well. But it is tremendously problematic because it relies on many farms going out of business, which, in turn, keeps production volumes lower. That cannot be the future of the dairy sector!"

The structural issues affecting the milk market have not been resolved. On the contrary - they have become worse than ever before. That is why milk producers must keep up the fight: for far-reaching, sensible reforms.

The EMB appreciates the European Commission's progressive stance, but we need to see more decisive action

The Assembly welcomed the European Commission's current position on reform of the Common Market Organisation. But for dairy farmers, that is not enough: We now need the European Parliament and the Council to make specific political decisions to initiate real reforms. That is the only way to keep farmers on their farms and for new entrants to find real prospects in the sector.

The EMB calls for the following key reforms:

1. Crisis instruments with preventive effect:
The EMB calls for the integration of anticipatory measures for market stabilisation like the *Market Responsibility Programme (MRP)* to effectively prevent extreme price fluctuations and losses.
2. Strengthening producer organisations:
Producer organisations across Europe should have collective bargaining power that represents at least 30% of the EU market. This would lead to fairer prices when it comes to market relations with dairies and retailers.
3. Fair trading practices through legislation that prohibits prices below production costs:
Prices below production costs should be banned to prevent unfair competition and the exploitation of market power along the value chain.
4. Compulsory contracts with fair terms:
The EMB calls for EU-wide compulsory contracts between milk producers and processors as the basis for balanced and collegial cooperation.
5. Inclusion of cooperative processors in a fair market system:
Cooperative dairies must be included as an integral part of the market order - with all corresponding rights and duties.
6. Bureaucratic measures that complicate things for producers and production must be identified and drastically reduced: Despite a higher milk price, many farmers are leaving production because additional requirements and ever-increasing red tape make it impossible to keep going. Those who nevertheless continue to produce cap their investments massively as they no longer believe in a future in milk production.

Goal: Agriculture with prospects

The EMB General Assembly wishes to send a clear sign to policymakers in Brussels and the individual Member States: Without decisive structural reforms, Europe's dairy sector is heading toward an impasse. "Our proposals point the way to

crisis-proof, fair and sustainable milk production. Now is the time to implement them,” underlines EMB President Kjartan Poulsen.

The EMB is not the only organisation advocating for economic and social interests in the agricultural sector. It was an honour to have a representative from the *European Federation of Food, Agriculture and Tourism Trade Unions (EFFAT)* presenting the positions and goals of their organisation at the EMB General Assembly. It became clear, yet again, that by working together with other constructive players, it is possible to push for important social issues at EU level.

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