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Fair prices and market regulation, so that the Green Deal does not exist in a vacuum

EMB organised important debate about agricultural sector together with ECVC and MEP Biteau

Fair prices and a stable situation for producers are preconditions for the successful implementation of the Green Deal. This means that it is necessary to equip the market with instruments that would stop and reverse the current destabilising trend and would create a functioning framework for the Green Deal, which has, until now, existed in a vacuum.

Together with the European Coordination Via Campesina (ECVC) and Member of the European Parliament Benoît Biteau from The Greens/EFA, an event was organised in the European Parliament to provide some important input to the debate on the requirements for a realistic Green Deal. Representatives from different political groups came together with producer representatives from the EMB and the ECVC, as well as representatives from civil society organisations Humundi and the European Environmental Bureau, to discuss the possibilities to stabilise the EU agricultural system and to make it socially as well as environmentally future-proof.

To provide some context for the discussion on how market regulation can be a win-win for farmers and the goals of the Green Deal, the EMB and the ECVC provided some information about the current state of play in the agricultural sector. The EMB provided an overview of the decreasing prices that have been significantly affecting the dairy market once again since early 2023 and are putting farmers under tremendous pressure. As EMB President Kjartan Poulsen reports, they did not focus on the current situation alone: “We also showed how the market has evolved since the end of milk quotas in 2015.” Since then, the increase in volume and the lack of appropriate crisis instruments have exacerbated producer price dips and constant uncertainty, making it practically impossible for young farmers to enter milk production.

Is it possible to find common solutions that would help this sector that is constantly in crisis and address the challenges of the Green Deal at the same time? “We think this is possible if fair, cost-covering agriculture is set as a serious political priority and if the appropriate instruments to achieve it are also put in place,” says Poulsen, explaining the prerequisites to EU policy-makers. EMB Vice-President Elmar Hannen adds: “We have presented a range of possibilities: From the Market Responsibility Programme or the voluntary production reduction scheme that automatically kicks in during crises, to EU legislation that makes cost-covering prices obligatory, as well as to contractual conditions that would lift producers from their weak market position to an equal footing with processors - there are many good concepts and instruments. They are simply waiting to be implemented at EU level, in order to truly equip the agricultural sector for the Green Deal.”

Together with their colleagues from the ECVC, it is important for EMB representatives to ensure that there is a better understanding of the need for stable, socially-sustainable producer structures as the foundation for an environmentally-sustainable agricultural system as well as robust food sovereignty in the EU.

MEPs and representatives from civil society organisations provided constructive contributions as they took the floor in the discussion following the presentations by the ECVC and the EMB. They included:

Benoît Biteau – MEP, Greens/EFA
“We must change the rules, we must draw up new rules of the game.”

Peter Jahr – MEP, EPP
“In the past, politicians didn’t have the courage to adapt production to demand. No proper instrument for supply management was installed once the quotas were abolished. They were under the illusion that the market would sort it out – but it didn’t.”

Benoit De Waegeneer – General Secretary, Humundi
“You can see the impact of our production on the West African markets. The overproduction of milk has external effects that cause problems for other markets.”

Pierre Maison – ECVC, Coordinating Committee Member

“If we can only sell something at dumping prices, we shouldn’t produce it at all.”

Celia Nyssens – Policy Officer for Agriculture and Food Systems, European Environmental Bureau (EEB)
“Market regulation is the right way to improve producer incomes. Food is generally too cheap – we should no longer buy into the ‘cheap food’ paradigm.”

Vincent Delobel – ECVC
“As a young farmer from Wallonia in Belgium, I see how important it is to be flexible all the time. Sometimes you have to specialise, sometimes you have to diversify – we’re already champions at doing that. But we also need air to breath. Our gross margin just has to be higher.”

Maria Noichl – MEP, S&D
“We need grassland. Grassland is inconceivable without feed converters. Dairy farming is indispensable for conserving grassland.”

Andoni Garcia – ECVC, Coordinating Committee Member
“Spain has adopted a law for the food value chain that says prices from now on have to cover costs. We can confirm that as a result of this law, prices in Spain are higher than they used to be. In contrast to the past, they are now above the average prices in other European countries. In particular for milk, this is clearly visible.”

Eugenia Rodríguez Palop – MEP, GUE/NGL
“Market regulation is necessary. That’s why this event today is so important. The food sector should be organised in a way that stops the rural exodus.”

The discussion around fair prices and market regulation as the basis for a sound Green Deal must continue and must lead to constructive results. For the dairy farmers of the European Milk Board, this specifically means: Cost-covering prices that allow farmers to produce sustainably. If we ensure that in the future across the EU, a litre of milk is no longer sold at a price that is lower than production costs, then we will have won across the board. Everyone would benefit: Producers, consumers as well as nature and the environment.

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