

11.12.2009

Firmly targeting regulation of the agricultural markets

Press release

Press release

At the invitation to Paris of the French Minister of Agriculture Le Maire, 22 European farm ministers are targeting future regulation of the agricultural markets. EMB's demand: regulation must strengthen the producers' market position – flexible supply control at producer level is a must.

Hamm/Paris, 11 December 2009: It was a day like no other, both on the Champ de Mars, Place Jacques RUEFF and in the building where the European Ministers of Agriculture were meeting. Whilst outside the symbolic eye of the European milk producers guarded by tractors from the EMB member countries was sending out a strong reminder for political decisions aimed at flexible supply control on the producer side, inside the farm ministers from 22 EU states were discussing a principal regulation of agricultural markets. Among others, the joint declaration published by the ministers stresses the need for a regulatory framework to counter crises and the wish to build fair relationships between market actors, the need for producer incomes as well as the importance of food diversity and sustainable and eco-friendly production.

Romuald Schaber, President of the European Milk Board (EMB): "We welcome the discussion. However, it is vital for the milk market that flexible supply control is introduced on the producer side, not just any old form of regulation. It will only be possible to create fair relationships between the players in the market, and along with it a fair income for the producers, if the milk producers' position in the market is strengthened vis-à-vis dairies and the retailers." The President of the French producer organisation Organisation des Producteurs de Lait (OPL), Daniel Condat, points out the opposite situation: "Binding contractual relationships do not result in fair dealings between the players, they only strengthen the dairy industry."

Roberto Cavaliere from the Italian organisation APL explains the negative consequences associated with it: "Unless their market position is strengthened, tens of thousands more milk producers will have to give up their farms, and milk production will be further concentrated in just a few locations. This will mean an end to biodiversity and food diversity." And it will restrict radically the opportunities for environmentally-friendly production.

Pascal Massol, President of the French producer organisation APLI (Association des Producteurs de Lait Indépendants Nationale) stresses the importance of political decisions that help balance out the milk market: "The milk market is in a state of great imbalance that has conjured up a crisis which the milk producers in particular have been struggling with for many years." The President of the EMB, Romuald Schaber, adds: "In recent months, milk has been traded on the spot market for under 10 euro cents in some cases. These prices no longer have anything to do with the actual value of the milk; this sale is nothing other than pure dumping".

The collapse of producer prices for milk is due to the market mechanism of supply and demand as factors determining prices. When supply exceeds demand, the price falls. The experience of recent years and decades confirms that in the European milk market even a relatively small surplus of supply can result in disproportionate falls in the price. That is why supply control on the producer side that avoids harmful overproduction is essential. The politicians that advocate this on a national and international level have realised that a policy of damaging deregulation must not be blindly pursued.

Contacts:

EMB President Romuald Schaber (DE): 0049/15155037174

France (OPL and APLI) - Pascal Massol (FR), President APLI, France:

0033/670517303; Daniel Condat (FR), President OPL: 0033/607086240

EMB Press Officer: Silvia Däberitz: (DE, EN, ES) 0049/ 23814361200

[<<< back](#)