

News Details

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Halt volume increase on the dairy market and stop price dumping by retailer brands



EMB press conference at the International Agricultural Show in Paris (SIA)

A surplus of volumes on the market, falling producer prices and a far too low producer income. These problems are recurring themes when it comes to developments in the dairy sector and characterise the current situation. The European Milk Board (EMB) was created in 2006 to fight against this trying situation and developed a market-oriented concept for crisis prevention called the Market Responsibility Programme (MRP) and has made it available to the EU.

Triggering the MRP and halting the increase in volumes

"Dairy producers in Europe are currently witnessing a drop in prices, threatening their farms", EMB President Kjartan Poulsen stated. Following a short, unusual period of near-cost-covering prices, growing volumes and shrinking demand have given rise to a harmful imbalance on the market. During their press conference at the Agricultural Show in Paris, the EMB Board highlighted one key aspect: The EU Commission needs to have the monitoring agency assess the market and introduce a reduction in volumes by following the example provided by the MRP.

Policies are needed to put an end to price dumping by retailer brands

"The situation on the market is rough", added Boris Gondouin, French EMB Board member, during the press conference while pointing out yet another negative development on the market: In many European countries, policymakers are letting retailers push off the shelves national and fair brands brought to the market by dairy farmers themselves by price dumping with their own private labels, especially since the Covid crisis and the war in Ukraine. Strong protests are already taking place in Europe against these unfair trade practices, as was the case, for example, beginning of February in Belgium and in France. "Policymakers need to intervene and put an end to this unfair behaviour", Gondouin added. "Without adequate regulation, we will soon reach the point where too much has been ousted and destroyed, and there will be no going back."

As the EMB further stated during its press conference, the position of producers on the market needs to be actively strengthened. "This sector needs strong, horizontal producer organisations that each negotiate with dairies. Policymakers must support and facilitate this. Ideally, these organisations would be transnational so that they can cover the market in larger regions", Poulsen added, before calling on European dairy producers to join adequate organisations to increase the impact and negotiating power of dairy farmers on the market.

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