

News Details

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26.06.2023

Press release: It's time to focus on the dairy market!

Representatives from 14 European countries call for an end to political ignorance in the EU

With 18 organisations from 14 countries, the EMB's first Members' Assembly this year in Brussels attracted a strong turnout. The discussions among the member organisations were further enriched by exchanges with guest speakers from the retail sector and from the organisation European Coordination Via Campesina (ECVC). During the two days of the assembly held at the end of June, the situation on the international dairy market was analysed and constructive projects, ideas and possible cooperation initiatives were discussed.

During the meeting, Guntis Gūtmanis from the Latvian LOSP (Lauksaimniecības organizāciju sadarbības padome - "Cooperation Council for Agricultural Organisations") was elected to the EMB Board. "We very much look forward to his future participation in the board. This means that, alongside France, Germany, Belgium, Ireland, Italy and Denmark, an Eastern European country now also has a seat," EMB Chairman Kjartan Poulsen added, welcoming the election of the Latvian colleague.

A very tense EU dairy market

The reports by the national member organisations on the economic situation in the individual countries were unanimous: prices are falling, and costs remain high. However, the situation is rather ambivalent regarding the amount of attention paid to the imbalance on the milk market by decisionmakers and their response to these developments. As Poulsen informs, there is no doubt about EU parliamentarians' political will to take action in this regard. This, however, does not apply to the EU Commission. In response to a written question recently sent by representatives of the EU Parliament to the EU Commission on the possible activation of the voluntary reduction scheme, the EU Commissioner for Agriculture provided a very negative answer. He sees no need for the use of the CAP instrument, despite the reality of an ageing production system and the massive withdrawal of farmers from production, which have been a bitter reality for many years already. "For us farmers who have been observing such developments in the dairy sector for a long time and who know the consequences of a late response to crisis signs, this answer is frightening," says Poulsen. "The Commission must shoulder its responsibilities and finally start focusing on the dairy market and take measures: in the short term with the activation of the voluntary reduction scheme and in the medium term by reforming the sector so as to ensure that producer prices being below their full production costs finally becomes a thing of the past." A fair price is necessary to provide producers with an adequate income which, in turn, is essential to ensure that the number of farms does not continue decreasing.

A fair food chain thanks to Fair Milk

Yet, the EMB members are not relying solely on the political avenue. The importance of the [Fair Milk](#) project was highlighted at the EMB General Assembly as a key project that guarantees producers a correct and fair price. Here, the focus is always laid on social sustainability and a thriving agriculture. Boris Gondouin, EMB board member from France, emphasises: "Whether in Belgium, Germany, Luxembourg, Switzerland or France, a fair food chain has really taken shape here thanks to the unstinting commitment of highly dedicated farmers."

Contacts:

EMB president Kjartan Poulsen (EN, DK, DE): +45 (0)212 888 99

EMB vice-president Elmar Hannen (DE): +49 (0)175 6378484

EMB board member Boris Gondouin (FR): +33 (0)679 620 299

EMB director Silvia Däberitz (EN, DE, FR): +32 (0)2 808 1936

Background

Crisis prevention through activation of voluntary production reduction

Voluntary production reduction already proved its effectiveness in 2016/2017 as an instrument to counteract crises linked to overproduction in the EU. Contrary to intervention, where processed milk products like skimmed milk powder and butter are simply taken off the market temporarily and put into storage, voluntarily “producing less” actually reduces the volume of milk on the market. In exchange, the EU pays farmers a bonus for reduction in milk production up to a specific number of litres. Considering the current market situation with milk prices falling well below the level of increased production costs once again, this CMO instrument should be activated now.

EU surpluses are problematic for our EU producers, but they are also damaging for local producers in, for example, African markets. Their milk production is priced out by cheap EU milk powder.

Fair Milk: A model for the entire sector

When looking for brands in Europe that pay producers an appropriate price that includes fair remuneration, you will often come up empty-handed. That is why EMB producers decided to create their own brand, **Fair Milk**, which upholds this fundamental requirement. With this brand, we are already reaching consumers in Belgium, Germany, France, Luxembourg and Switzerland who recognise the importance of a fair income for farmers. This project is open to all producers and illustrates that fair prices in milk production are possible. This is especially important because it also sends a strong signal to the younger generation and makes it possible to attract them to dairy farming.

However, compared to the number of producers, who still have to get by with unfair prices, the proportion of the sector that is currently covered by Fair Milk projects is too low. The project can and must be expanded and its public benefit must be clearly recognised because more producers and consumers should have access to fair conditions and fair milk products.

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