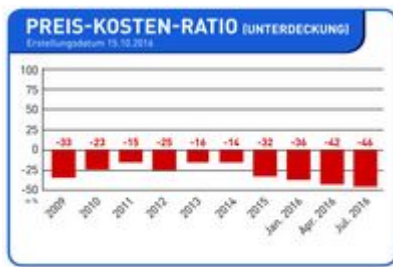


19.07.2016

### No consequent action to combat the crisis in the dairy sector



Quelle: Statistiken und Tabellen:  
Trendberechnung BML auf Basis von Daten Destatis und INL

### The measures adopted by the Agriculture Council are far from enough to overcome the crisis

Brussels, 19.07.2016: Producers on the dairy market are under exceptional pressure. The prolonged crisis with continuously sinking milk prices has dairy farms across the EU at the end of their tether. It was therefore key that yesterday's Agriculture Council decided on radical measures to reduce overproduction on the market. However, the measures adopted yesterday are not going to provide the urgent reorientation the sector needs. Instead of taking a consequent EU-wide approach, which would offer all producers the possibility of voluntary production cuts, 350 million euros of the total 500 million package, that is, the majority was allocated to measures that are not clearly defined.

Romuald Schaber, President of the European Milk Board (EMB), is disappointed: "Production cuts is the label used to describe the current package of measures. However, no one wants to take a crack at their proper implementation. Merely 150 million euros shall be used for measures to reduce production. This amount is not nearly enough in light of the severity of the current crisis."

#### **Too short a reduction period and no simultaneous capping**

Furthermore, while the envisaged reduction period of 3 months during which willing producers will receive financial compensation is too short, there is no simultaneous volume capping for other producers. Therefore, there is a great risk that the achieved reductions will be neutralised by increased production by other producers and the effect on milk prices will be minimal or insignificant. The equivalent 14 cents to be paid for each litre of milk not produced is not enough of an incentive either. This compensation has to be higher in order to generate enough willingness and bring about sufficient volume reduction on the market.

"With prices that are sometimes below 20 cents per litre of milk, we are facing an acute and significant crisis in the dairy sector in Europe. This crisis must be combated with consequent and clear policy," says Schaber. However, the European Commission and some Member States have been trying to ignore the consequences of this crisis for months now. Sadly, the measures adopted yesterday show that nothing has changed.

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