

27.04.2022

Paradigm shift in milk deliveries

MEG Milch Board and European Milk Board publish guidelines for dairy sector contracts in Germany

(Göttingen/Brussel, 27 April 2022) An important step forward on the path to dairy-farmer sovereignty – This is how Frank Lenz, Chairman of German organisation MEG Milch Board describes the guidelines for dairy sector contracts in Germany, published jointly by MEG Milch Board and the European Milk Board. “The guidelines are a clear next step in the Milk & Market Roadmap, where we called for the introduction of obligatory contract-based milk deliveries even before the phase out of milk quotas.”

The dairy sector remains one of the few areas of economic activity where it is very common for the customer – namely the dairy – to present a bill to producers. This means that dairy farmers themselves do not get to send an invoice of any kind. Milk purchase contracts thus do not always reflect dairy-farmer concerns. Albert Pröpster, Executive Committee member at MEG Milch Board, clearly states that this is about a paradigm shift: “Until now, contracts were based on the needs of dairies. We want to turn this around and make the cost situation and the interests of milk producers the basis for milk delivery conditions and contract negotiations.”

In line with this goal, the [brochure](#) is set up in a user-friendly format. In addition to the four demands of the Milk & Market Roadmap (fixed volume, price, quality and contract term), it also includes additional points that should be covered in a contract. “We want to show what a model milk delivery contract could look like and have therefore also included aspects that might not be completely obvious or might only be dealt with later on,” explains Dr. Philipp Groteloh, Managing Director of MEG Milch Board.

“As a business owner, I have to look into the conditions under which my products are sold,” notes Elmar Hannen, an Executive Committee member at the EMB. “This includes contractual conditions. I like the fact that the brochure is a tool that is easy to use and also free of cost. I don’t need to be a lawyer to get a quick overview of this document. It will give dairy farmers renewed courage to choose a different path, to pool together and to put the guidelines into practice.”

The introduction of obligatory contracts might not always be to the advantage of dairy farmers – Kjartan Poulsen, an EMB Executive Committee member from Denmark, can speak to this fact. “We have seen how this played out in France, for example. That is why it is even more important for dairy farmers themselves to be active and to familiarise themselves with these issues. We cannot expect others, for example dairies, to represent our interests; we must do that ourselves. And the guidelines are a good basis for that.” Frank Lenz adds, “Furthermore, it is beneficial for dairy farmers to pool together in producer organisations, and thus negotiate collectively. The guidelines provide useful orientation for milk producer associations as well. When Article 148 of the Common Market Organisation, which empowers Member States to implement obligatory contracts without exception, is actually implemented at national level, dairy farmers will be able to build on this preparatory work. We invite colleagues to make full use of these guidelines.”

Here you will find a video teaser for the brochure (in German):

https://youtu.be/fMqBRE6AH_E

Guidelines are also explained more in detail in the following Zoom tutorial (in German):

<https://youtu.be/h-4X8jaPOOQ>

[Download guidelines for dairy sector contracts \(in German\)](#)

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