

08.07.2010

Press release: A step into the right direction: a change in European competition law - milk producers and dairies on an equal footing

EMB presents cabinet of Dacian Ciolos, European Commissioner for Agriculture, with a groundbreaking draft regulation

Hamm / Brussels (08/07/10):

The European Milk Board (EMB) presented Georg Häusler, cabinet chief of the European Commissioner of Agriculture Dacian Ciolos, with a draft of a block exemption regulation. This exemption from European competition law would enable milk producers to organise themselves independent from the dairies to develop common marketing rules. "This regulation is a vital prerequisite for milk producers and dairies to negotiate on an equal footing. Block exemption regulations are a common practice, especially for small- and medium-sized companies and can easily be applied to the market position of milk producers. We could thus avert the disappearance of tens of thousands of European dairy farms" says Sieta van Keimpema, vice-president of EMB, during the meeting with Georg Häusler.

The EU High Level Group on Milk (HLGM) published its report on June 15th and acknowledged the existing imbalances on the dairy market and has invited the EU Commission to consider legal possibilities to develop a special arrangement for milk producer organisations concerning the European competition law. By presenting such a special arrangement EMB takes up and concretises the proposal of the HLGM.

What are the details of the block exemption regulation?

„This measure is suitable to create a framework that will make it possible to counterbalance marketing disadvantages of raw milk and ensure a real competition between milk producers and dairies. Furthermore, there will also be genuine competition between dairies for raw milk" says Hans Loghtenberg, EMB member from Luxemburg, explaining the situation in the dairy market. "If we have common marketing rules (e.g. concerning minimum prices, quality) within the EU, milk producer organisations we can prevent being pitted against each other by dairies that operate internationally" he says. An abuse of a dominant position on the market by milk producer organisations is still being prevented by the EU completion law.

Sieta van Keimpema, vice-president of EMB, says: "A block exemption regulation for EU milk producer organisations is the first step towards a real market participation of milk producers. This measure is also cost neutral and renders emergency funding superfluous."

During the meeting Sieta van Keimpema says furthermore: „The survival of high-quality milk productions in Europe depends on whether milk producers succeed in obtaining a cost-covering price for their milk. A block exemption regulation is the first step into the right direction and strengthens the position of milk producers vis-à-vis the massive, concentrated market power of dairies and retailers".

[Here you find a summary of the block exemption regulation.](#)

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