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Press release: At a faster pace with greater transparency!

EU High Level Group should come up with constructive solutions for a balanced milk market

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Tomorrow, Tuesday, 12 January 2010, the EU High Level Group is meeting again in Brussels. Representatives from non-EU countries will take this opportunity to step up and describe the configuration of the milk markets in their countries. New Zealand, Australia, the USA and Switzerland are to be represented. However, there seem to have been no invitations sent out to representatives from countries with a fully functional supply management, which helps prevent expensive surpluses. “According to our information, neither Canada nor any southern hemisphere milk producer country like India is represented. Given their experience, though, they could make a valuable contribution to the debate on the future shaping of the milk market in Europe”, says Sieta van Keimpema, Vice-President of the European Milk Board (EMB). Thus southern hemisphere countries have had to suffer very negative experiences with EU-subsidised imports, whereas for years the Canadian milk market has shown considerable stability regarding consumer prices and farm-gate milk prices.

When presenting the EU High Level Expert Group on 5 October 2009, European Commissioner Ms Fischer-Boel stressed that there had to be no more huge fluctuations in the milk market, greater transparency and a stronger bargaining position for the producers (IP/09/1420). This High Level Group was set up to come up with solutions for these very challenges. “So far there has been no evidence of substantial results from the group’s work, and the milk producers have not been consulted since the meeting in November. It is obvious that the previous European Commission is still shying away from the early, systematic involvement of the players on the agriculture side”, says Willem Smeenk, EMB Member of the Board from France. “What’s more, the work has to be done more quickly, and greater transparency is needed about the opinion-forming process in the group.”

In the meantime the situation on the dairy farms is getting worse and worse. The milk prices that are slightly higher than in the autumn are still far from covering the producer costs, and lower milk prices are already expected again for March. “A price of 26.5 cents has been announced for the Normandy region in northern France in March 2010. The farmers have been living on their reserves for too long already; the very livelihood of many farms is under threat”, is how Romuald Schaber, President of the EMB, underlines the risk posed by further delays in implementing a sustainable EU milk policy.

In light of tomorrow’s conference, the EMB re-emphasises that only European regulation can keep the milk market in balance in the short and long term. National solutions and the proposals put forward by some dairies and governments for regulating the volume of milk by means of contracts directly between farmer and dairy misfire. They further weaken the producers’ bargaining position and result in ever increasing price and volume fluctuations in the milk market.

The EMB proposes setting up a European Monitoring Agency in which all the milk market players are represented – i.e. politicians and consumers as well as milk producers, the milk processing industry and the trade. “And producers have to be enabled to adjust the production volume to demand. This requires the EU creating simple basic conditions, which cost the taxpayer practically nothing, but which are essential for sustainable milk production in Europe.”

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