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Press release: Members' Assembly of the European Milk Board

European milk producers warn against market liberalisation

(*Saint-Brice-en-Coglès, 21.11.2014*) The situation in the European milk market is becoming dramatically worse. For months prices have been falling in every country. But that's not all: when the milk quotas in Europe are abolished at the end of March 2015, the producers will face another price collapse. It is against the background of this economically and politically tough situation that this year's Members' Meeting of the European Milk Board (EMB) is being held from 20 to 21 November. More than 50 milk producers from 15 European countries are gathering in Saint-Brice-en-Coglès, France, to discuss the current market situation and future strategies.

"The current price situation is drastic", says the President of the EMB, Romuald Schaber. "The milk price is in free fall in every European country." Dairies in Belgium, for instance, have already announced they will be paying only 25 cents from January. In France, too, it is likely that prices will drop to an unbearable level. The worst off at present are the Baltic States, where producers are being paid just 16-17 cents a kilo of milk. The reason is the same throughout Europe: "Production is totally out of synch with the market, that's why the market is flooded with milk", Romuald Schaber explains. And when the last system of limits – the milk quotas – ends next year, the livelihood of many farms will be severely at risk.

Market Responsibility Programme (MRP)

The milk producers are therefore urging politicians to implement the Market Responsibility Programme (MRP) developed by the EMB. The policy proposes that in times of crisis, production volumes are temporarily defined and adjusted to the market. When demand then picks up again, normal production can be restored. "The MRP must be implemented, or else it will be a catastrophe for Europe's milk producers", Schaber warns.

In view of the tense market situation in France, Paul de Montvalon, the French member of the EMB Board, is demanding that policy-makers create the basic conditions for producers to join forces. "Current contractual negotiations between producers and the industry are leading to deadlock. More producers must unite for them to have enough clout in the market to influence the content of contracts."

Véronique Le Floc'h, President of the OPL (Organisation des producteurs de lait) also insists on the need to regulate production in order to guarantee farmers a decent income. Only a fair milk price will allow dairy farmers to cover the additional costs caused by necessary investments. "We can currently observe a phenomenon of 'vagrancy' of dairy farmers, who often work hard without an income."

EMB campaign of action in December

The members of the European Milk Board are agreed that there is still much to be done in the European milk market. To make this unmistakably clear to the politicians, the EMB is planning a media campaign outside the EU Commission building in Brussels on 11 December. "We are dangerously close to the crisis scenarios of 2009 and 2012. The present market situation will drive the farmers out into the streets again", Schaber concludes.

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