News Details
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Press release: Persisting with freeze response – Liberalisation seems more important than the livelihood of dairy farms

The EU Commission’s Report on the Milk Market contains not one single measure of its own

22 July 2009, Brussels: Today the EU Commission has presented the Milk Market Report demanded by the EU Council. Romuald Schaber, president of European Milk Board (EMB) who commented on details of the report in the yesterdays' meeting of the EU Parliament’s Agriculture Committee, says to it:

“We welcome the fact that the EU Commission warmly recommends the member states to abolish netting. That is already a step in the right direction. But it is imperative that this mindset is reflected in the measures carried out by the Commission itself. It is not enough to state that production in Europe falls short of the quotas. The fact is that demand is on the decline worldwide. That is why milk quota has to be temporarily removed from the market.“ Romuald Schaber comments: “If the Commission feels unable to administratively reduce the quota by 5%, it ought to enable the European dairy farmers to stop supply on a voluntary basis. To this end, it could divert the money used for export subsidies into paying farmers willing to reduce their volume compensation for their loss in income.”

Apart from this direct reduction in the volume of milk on the market, additional sales options on the European market must also be considered. “We are thinking not only of the increase in the proportion of milk admixed to industrial products, but also of ensuring that products bearing the names “dairy ice cream” and “cheese” are actually made of milk.” Imitation cheese and ice-cream made from vegetable fat not only constitute consumer deceit, they are also damaging dairy farms throughout Europe.

“However, we are totally against the export subsidy and intervention measures re-submitted by the EU Commission. Both are harmful to the milk markets. Doubly in the case of export refunds: firstly for the markets in the southern hemisphere and secondly for the repercussion via the world market price on the European market.” The EU Commission’s tendency to make the individual member states increasingly responsible for agricultural policy again (raising the de minimis limit), is contrary to a coherent agricultural policy for multifunctional agriculture, and also creates distortions of competition between farmers in the individual European countries.

“The EU Commission, the EU Council of Agriculture and Fisheries, and in future the EU Parliament, have to assume their responsibility and take rapid steps to prevent dairy farms shutting up shop in Europe. Given the prices (18-22 cents), which currently cover only about half the costs of production (40-42 cents), in the next few weeks many will have no other choice unless the market volume is reduced. This is not a question of funding; it is a question of whether the policy is shaped in the interests of society and therefore farmers, or in the interests of just a few groups intent on making a mint from unfair exports.”

It seems that the EU Commission makes the proposition to introduce a slaughter cattle subsidy. Such a measure is not only disputable in general, but would also cause a prize drop on the meat market. With regard to the rural areas it can not be an objective to encourage farms to get out of business.

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Report of the CommissionAnnex

Press release of the Commission

<<< back