News Details
News Details

16.10.2009

Report of EUROPEAN COURT OF AUDITORS supports EMB position

Have the management instruments applied to the market in milk and milk products achieved their main objectives?

In a report published yesterday answering this question, the EUROPEAN COURT OF AUDITORS showed analysis and recommandations concerning dairy policy, which strengthen the position of the European Milk Board (EMB). "The report of the EUROPEAN COURT OF AUDITORS indicates clearly, that effective mechanisms of volume regulation are necessary at the European market", says the President of the EMB, Romuald Schaber.

Parts of the report of the EUROPEAN COURT OF AUDITORS, 15.10.09

"With regard to market equilibrium, the Court concludes that milk quotas have effectively limited production, but that their level has proved to be too high for a long period of time, compared to the market's capacity to absorb the surpluses."

"The Court recommends that monitoring the development of the milk and milk product market should continue, so that liberalisation of the sector does not lead once again to over-production. Failing this, the Commission's objective of keeping to a minimum level of regulation, of the safety net type, might rapidly prove impossible to fulfil."

"As for the objective of stabilising prices, the Court finds that the nominal milk producer price varied little during the 1984-2006 period compared with the period before the introduction of quotas. However, in real terms, the milk producer price has fallen continuously since 1984."

"The concentration of processing and retailing companies must not reduce milk producers to "pricetakers", and must not restrict opportunities for final consumers to benefit fairly from decreases in prices."

"The Commission and the Member States should therefore focus primarily on satisfying the needs of the European domestic market, and also on the production of cheeses and other products of high added value which can be exported without budgetary assistance."

<<< back