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Statement of the European Milk Board on the Council Decision on intervention skimmed milk powder

(Brussels, 31/01/2018) With respect to the Agriculture Council Decision to limit the buying-in of skimmed milk powder at a fixed price to zero tonnes for 2018, the European Milk Board would like to issue the following statement:

- Since intervention storage is currently overflowing and the stored volume is exerting a downward pressure on the milk price, the Council Decision is understandable;
- Intervention can be used to absorb seasonal surpluses but is not a crises instrument in and of itself – this has become sufficiently clear;
- However, if intervention is stopped but production volumes are not reduced, the dairy market will be flooded (instead of milk powder piling up);
- Therefore, a simultaneous volume reduction programme is a must to counteract surplus production in coming months;
- EU policy-makers must immediately create the framework for an effective volume reduction programme. The EMB would like to draw urgent attention to its Market Responsibility Programme. This instrument monitors the market and addresses the current production situation when faced with crisis risks, by activating measures like voluntary production cuts and production caps at the previous year’s level (2017) during the reduction period.
- Furthermore, the EMB calls for a general reduction of future intervention volumes from the usual 109,000 tonnes per year, as well as a simultaneous increase in intervention price;
- The existing stocks in storage must be reduced without negatively affecting the market (animal feed). Skimmed milk powder exports must not endanger local markets in third countries.

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<<< back