

19.07.2018

Study shows success of the EU volume reduction scheme announced 2 years ago

(Brussels, 19.07.2018) Two years ago – on 18 July 2016 – European Commissioner for Agriculture Phil Hogan announced the EU volume reduction scheme for the dairy market. The measure was a great success and showed that even small reductions have a major effect on producer prices.

A study by A. Fink-Keßler and A. Trouvé examined the EU volume reduction scheme. Here are the main findings of the study:

- The voluntary volume reduction scheme was a great success: with a small reduction in production, a great price effect was achieved;
- Direct effect on milk prices: prices increased from 25.68 cents/kg (07/2016) to 34.16 cents/kg (07/2017);
- 48,200 milk producers from 27 EU Member States took part (approx. 3% of all European dairy farms);
- Reduced volume: 833,551 t (approx. 2% of the milk volume of the same period in the previous year);
- The 4 largest milk-producing countries showed the highest participation in the programme: Germany (232,300 tonnes), France (152,732 tonnes) and the United Kingdom (90,814 tonnes). Together, these three countries account for 57% of the total reduction volume. The Netherlands reduced by 56,117 tonnes;
- Ireland had the highest percentage of participating farms (21%) and reduction volume (4%).

Background: The EU milk volume reduction scheme ran from October 2016 to January 2017. Farmers were given the opportunity to voluntarily reduce their production volume in exchange of a compensation (14 cents per kilogram of reduced milk compared to the same 3-months period of the previous year).

The programme has marked a turning point in Europe's milk policy. With the volume reduction programme, the European Commission has finally provided dairy farmers with an efficient instrument. It is now important that a crisis instrument is firmly anchored in the new CAP so that production volumes can be adjusted in times of crisis, as provided for in the EMB Market Responsibility Programme.

Analysis of the EU volume reduction programme 2016/17

[Here you can watch a short video on the study](#)

Press release of the European Commission "[Final figures reflect success of EU milk production reduction scheme](#)" (5 July 2017)

Contact:

EMB director Silvia Däberitz (EN, DE, FR): +32 (0)2 808 1936

[<<< back](#)