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“That’s it: there must be no more wishy-washy decisions!”

European milk producers demand effective measures for the sector from the European Council of Ministers of Agriculture

Brussels 12 July 2016: Romuald Schaber, President of the European Milk Board, reaffirms the opinion of the European milk producers: “When the EU Ministers of Agriculture and the EU Commission gather on 18 July to decide on measures for the milk crisis, the upshot must be an effective outcome”. In this regard the dairy farmers have sent a raft of demands to the Ministers and the Commission of the EU. It calls for the following measures to be put forward on 18 July:

1. The EU acts in unison – voluntary restraint on supply in every country

- The milk producers must be offered a time-limited voluntary restraint on supply with the same terms and conditions on a binding basis throughout the EU. If some countries can evade this obligation to offer the voluntary restraint on supply and maintain or even increase their production level in the defined crisis period, it no longer makes any sense for the other countries to cut their volume. Although they would be showing responsibility for stabilising prices, the effect of their measures would be both exploited and diminished by the non-participating countries. That is why the voluntary restraint on supply must be offered to the dairy farmers in every country.

2. Offer a clear incentive, to appeal to enough milk producers and prevent their being disadvantaged vis-à-vis non-reducing producers

- To achieve a rapid effect in the market, a clear incentive has to be given for farmers to cut milk supply for a limited period. What is crucial is the level of the compensation payment, which has to be the basis for calculating the subsidy. From the milk producers’ viewpoint, it should be above the current milk price level. This would not only accelerate the producers’ decision in favour of it – besides the appropriate effect on the market, the farms would gain extra liquidity. Given the necessity of implementing the restraint on delivery rapidly and as simply as possible, what the EMB recommends is fixing the bonus across the board at 30 cents per kilo of milk not supplied.

3. Parallel to the voluntary reduction in volumes, apply a temporary cap for other producers

- At the same time, in the defined crisis period the milk supplied by producers not participating in the reduction of volumes must be capped for a limited period. This means that they are not permitted to increase their production in this period. Compliance with this restriction would be ensured by an overproduction levy that farmers increasing their volume would have to pay. This would be effective in preventing voluntary cuts in volumes being offset by the increased volumes of others.

So far, countries like Germany and Denmark as well as the EU Commission itself have strongly opposed solutions such as a voluntary restraint on supply co-ordinated on an EU level. In Germany, the federal state Ministers of Agriculture are now putting pressure on Federal Minister Schmidt to finally push ahead with an effective reduction in volumes in the EU. The problem is that Commissioner Phil Hogan has to be persuaded, and so far he has been nothing but destructive. If the attempt fails, and once again only wishy-washy decisions are made on 18 July, the milk market will remain in a permanent crisis and hundreds of thousands of milk producers will lose their livelihood.

Romuald Schaber: “We cannot allow our incompetent EU politicians to destroy our milk production in Europe. That’s it: there must be no more wishy-washy decisions!”.

You can see the complete raft of demands to the EU politicians here

Download press release here

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