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The dairy farmers of the CR, APLI and EMB demand a French milk price above €500/1000L

During the International Agricultural Fair held in Paris, in March 2022, the Coordination Rurale (CR) and the Association des producteurs de lait indépendants (APLI), both EMB members, demanded a milk price of €500/1000L which was based on a production cost calculation for French producers carried out by the BAL[1]. This price, by no means utopian, was reached at the beginning of 2023!

During the SPACE exhibition (International Exhibition for Animal Farming), representatives from the CR and APLI went to meet representatives of the various dairies present at the exhibition to call for an urgent end to the fatal €50/1000L[2] drop in the price paid to producers. According to Sophie Lenaerts, Vice-President of the CR and head of its dairy section: *"The current situation on the dairy market does not justify by any means this decrease, other than the industry's ambition to up its margins at the expense of producers"*, a statement seconded by Boris Gondouin, APLI representative at the EMB, who added *"The spot milk price has just passed the €500/1000L mark, meaning there is a production shortage. If the price paid to farmers doesn't bounce back soon, the sector will continue its decline as producers are unable to make a living, start their business, and invest."*

For want of being listened to when they presented the EMB's production cost calculation method, the CR and APLI referred to the sector's "official" indicators: *"The MILC[3] index is currently at €140/1000L. To cover producers' expenses and remuneration, the average figure should be of about €210/1000L, a €70 difference compared to the current figure. Given that the actual current price of milk is of €450/1000L, it should also increase by the same amount to reach €520/1000L so that producers can be paid fairly"*, Joseph Martin highlighted, President of CR Brittany and Head of CR's Dairy Section.

Is France the only country facing this problematic situation? Not at all: Prices are once again plummeting in many European countries and do not make it possible for producers to cover their costs. For example, our Belgian colleagues have reported an 8 cent/kg of milk deficit for the second quarter of 2023. In Germany as well, the shortfall already amounted to 3% last April. Since then, the average price has dipped from around 46 to 42 cents/kg of milk in July, further widening the gap. Lithuania, as well, had already suffered a 15% shortfall in the first half of 2022. This is a situation European farmers cannot sustain.

EMB President Kjartan Poulsen has alerted the European Commission: *"The EMB and its members are clearly exposing the problem to politicians. In the meantime, the European Commission's initial complete disregard for the situation has somewhat evolved, so that there is now a slight concern about the market situation, even within the European Commission itself. However, this is far from being sufficient. The sharp decline in prices needs to stop and this can be done thanks to the voluntary volume reduction scheme - and it is high time the Commission activated it!"*. But as the European Commission's responses to official questions have shown, policymakers have yet to head in that direction, although they urgently need to do so: *"Here it is, the crisis we've been warning about for a long time"*. The watchword has never been timelier: *"Take action now!"*.

[1] Farm Economics and Rural Studies Office (BAL), Germany

[2] Source: Visionet - weekly table A23S34, actual price of conventional milk: January 2023: 499.90€/1000L - June 2023: 447.40€/1000L

[3] <https://idele.fr/detail-article/milc>



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