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Urgent Alert: The EU Must Activate the Voluntary Volume Reduction in the dairy sector NOW!

European dairy farmers raise the alarm amid an acute crisis – markets flooded, prices collapsing

The European dairy sector is facing a dramatic price and market crisis. Milk prices have been falling for months, pushing farms into severe existential difficulties and making it clear that a voluntary volume reduction must be activated immediately at EU level by the European Commission, before more farms are forced to shut down.

Across Europe, farms are confronted with alarmingly low price levels. In Ireland, the milk price stood at 54 cents per litre in August 2025, but has since dropped sharply to 36–40 cents, with a downward trend towards 33 cents. In Belgium, prices have fallen by 16 cents within one year, reaching just 40 cents per litre now, and further reductions have already been announced. Many other European countries are reporting similarly severe price declines. In Denmark, for example, the current price drop amounts to 16 cents per litre compared to August of the previous year. At these levels, production costs are not covered, leading to substantial financial losses for farms across Europe.

A predictable collapse – no constructive EU response

Key indicators such as the Global Dairy Trade (GDT) price index and the futures markets for milk powder and butter clearly predicted this development. From mid to late last year, the GDT declined steadily, with two drops of more than 4% in December alone. Likewise, skimmed milk powder futures on the EEX exchange were already trading at significantly lower levels at the end of the year than in August 2025. The collapse in producer prices was therefore entirely foreseeable. An instrument such as the voluntary supply reduction should have been activated months ago.

Demand: Activate the voluntary supply reduction now

The appeal from Europe’s dairy farmers to the European Commission is therefore urgent: activate the voluntary supply reduction immediately to halt the downward spiral!
Dairy farmers are ready to reduce production through an EU-wide coordinated programme to bring the market back into balance.
Without a swift political response, Europe risks another massive structural breakdown in dairy production, with severe consequences for regional food security and rural livelihoods.

The 2016 crisis must not be repeated

In 2016, the EU only reacted once prices had already collapsed. Today, we are once again seeing rising volumes and falling prices – this time against a backdrop of significantly higher production costs. If action is not taken now, a new dairy crisis will unfold with full predictability. This must not be allowed to happen!

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