

News Details

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Visit to EU milk powder storage facility



What can EU intervention realistically achieve and what can it not?

(Herstal/Brussels, 24/01/2018): A very large volume of milk powder to the tune of 380,000 tons is currently in EU intervention. To get an idea of what even a few thousand tons looks like, EU policy-makers and members of the EMB Executive Board visited the Belgian milk powder storage facility Vincent Logistics in Herstal today. It is currently stacked with milk powder sacks amounting to 12,600 tons, which are awaiting further use.

Romuald Schaber, president of the European Milk Board (EMB) does not wish to demonise the concept of intervention in itself. "Intervention is definitely useful in scooping up seasonal surpluses and redistributing them. There is sense in skimming off milk powder during production peaks and selling it at a later point in time, when market conditions are more favourable and demand rises." However, intervention is not a full-fledged crisis instrument that can keep a chronically unstable market in check, says the President of the European dairy farmers association. The overflowing storage facilities clearly show that intervention is not appropriate as a permanent crisis instrument. This milk powder also stands in the way of long-term market recovery.

The European Milk Board is lobbying for a general reduction in the current intervention volume of 109,000 tons per year as well as a simultaneous increase in intervention price. "Intervention milk powder must be sold at a stable price, i.e. it cannot be sold at dumping prices," underlines Erwin Schöpges, EMB Executive Committee member from Belgium. It would also be conceivable to remove the current stocks in alternative ways without damaging the market.

The EMB is advocating for a crisis instrument that is part of the CAP and can counteract chronic market instabilities. This instrument should monitor the market and react to crisis risks associated with current production conditions by activating measures like voluntary production cuts.

As EU Agriculture Commissioner Hogan also states in his guidelines for the new CAP "The Future of Food and Farming", we need a robust framework for the farming sector to successfully prevent or deal with risks and crises. To this aim, effective and appropriate instruments are a must. Considering the 12,600 tons of milk powder sitting in this storage facility in Wallonia alone, the shortcomings of the current Common Agricultural Policy framework have become more than clear to the dairy farmers and EU policy-makers present.

The wall-to-wall shelves of milk powder sacks present a nightmare scenario even for Bocar Diaw, president of the Senegalese interbranch organisation FENAFILS: "When large quantities of milk powder from the EU – from intervention or directly from processors – are sent to West Africa, our local milk producers have to shoulder the burden." Therefore, representatives from a number of West African countries as well as allied European producers signed a declaration in October 2017 denouncing the massive export of European skimmed milk powder to West Africa. The Senegalese dairy farmer does not mince his words with the attending EU policy-makers: "Overproduction must be regulated within the European Union – Stop relocating your problems to West Africa!"

[More information on the Market Responsibility Programme](#)

[More photos of the visit of the milk powder storage facility](#)

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