

04.05.2020

Voluntary Production Cuts: Yes – Storage Aid: No

European dairy farmers announce campaigns on 7 May FOR the correct crisis instrument and AGAINST misguided measures by the European Commission

Brussels, 04/05/2020 “The decision to address the milk crisis with the activation of private storage aid and without coordinated production cuts at EU level is wrong,” says Erwin Schöpges, President of the European Milk Board (EMB), expressing a clear position on the [EU measures for the agricultural sector published today](#). While the EU market is flooded with milk and prices are in a downward spiral, an EU-wide reduction in the amount of milk produced is the only thing that could bring market relief. Putting processed products like milk powder, butter and cheese in storage will not reduce the price pressure for dairy farmers as those products remain part of the excess supply of milk products.

“We are going to strongly express our disappointment at this current misguided decision on 7 May, with milk campaigns in many European countries,” says Schöpges. These demonstrations will also be a constructive call on the European Commission to activate EU-wide voluntary production cuts IMMEDIATELY.

As EMB Vice-President Sieta van Keimpema explains, such a volume reduction scheme must be coordinated by the EU if it is to have a comprehensive effect. “The EU has also temporarily allowed organisations such as interbranch and producer organisations (IBOs/POs) to plan production reductions (according to article 222 of the CMO Regulation), but in the current crisis situation, this is of no use,” continues van Keimpema.

Planning of production through e.g. IBOs and POs not effective! – Why must voluntary production cuts be coordinated by the Commission at EU level?

- Comprehensive reduction only possible through EU-wide coordinated voluntary production cuts

There is no strong, EU-wide structure of interbranch or producer organisations that could implement such volume reductions. They could, if at all, only lead to isolated reductions within their individual organisations. There would be a negligent effect on the EU milk market as a whole. Therefore, the European Commission must take charge of coordinating this reduction so that an overarching positive effect becomes possible.

- Crisis-stricken producers cannot come up alone with the funds for production cuts

Existing producer organisations are funded by their members. In order to implement voluntary production cuts with compensation for every litre not produced, it is necessary to raise funds. Producers simply do not have funds to spare, especially as they are in crisis yet again. The funds earmarked by the Commission for private storage aid should be used for a coordinated EU-wide voluntary volume reduction scheme instead.

- Planning of production through organisations such as IBOs/POs ≠ EU-coordinated production cuts

Potential planning of production by e.g. IBOs or POs cannot be equated with production cuts coordinated by the European Commission. Both measures were implemented in 2016. While the possibility of production planning had no effect on milk prices in the EU, the volume reduction scheme coordinated by the EU allowed prices to recover from their rock-bottom crisis levels.

“We have informed the European Commission, the EU Parliament and the national Ministers about the very difficult circumstances that producers are currently facing and have warned them that the dairy market will collapse unless effective measures are activated. However, once again, the current decision will lead to milk powder and butter pile up in storage, pushing producers into a severe crisis yet again,” says Schöpges. “Why won't they learn from past mistakes?” This question is being asked by many dairy farmers and will figure prominently in the upcoming European milk campaigns on 7 May.

Details concerning milk campaigns on 7 May 2020 in different European countries

Belgium: Milk Campaigns

Where: Flanders (exact location tbc) and Wallonia (Rue du Flament 16, 7090 Braine-le-Comte)

Contact: Erwin Schöpges (DE, FR, NL): +32 (0)497 90 45 47

Germany: Construction of a big milk powder pyramid in Berlin

Contact: Hans Foldenauer (DE): +49 (0)170 5638056

France: Milk powder campaigns on fields in several regions (Hauts-de-France, Grand Est region, Normandy, Pays de la Loire and South West France)

Contacts: Boris Gondouin (FR): +33 (0)6 79 62 02 99

Sylvain Louis (FR): +33 (0)6 44 34 52 43

Italy: Milk powder campaign

Where: Cremona

Contacts: Emanuele Corradi (IT) – contact on site: +39 (0)392 548 9566

Andrea Bruni (IT, EN) – press contact: +39 (0)340 405 0054

Italy – South Tyrol: Milk powder campaign on a farm

Where: Paulihof, Fröhlichgasse 2, 39024 Mals, South Tyrol

Contact: Markus Hafner (IT, DE): +39 (0)340 9946025

Denmark: Milk powder spraying campaign

Where: Vittarvej 60, 6855 Outtrup

Contact: Kjartan Poulsen (DE, EN, DK): +45 (0)21 28 88 99

Lithuania: Milk powder campaign near Kaunas

Contact: Eimantas Bicius (LT, EN): +370 (0)615 85 255

Luxembourg: Milk powder campaign

Contact: Guy Diderrich (DE, FR, LU): +352 (0)621 186 588

EMB press contacts:

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