



**Day of Action on 29 April 2009:
“Flexible supply control for fair milk prices”**

29/04/2009 will see pan-European campaigns of action organised by EMB milk producer organisations and like-minded associations. Different kinds of campaigns of action - but at the same hour and with the same slogan in every country: "A flexible volume regulation for fair milk prices". The target group of these campaigns are the politicians that made a decisive contribution with their political mistakes in recent months to the current milk market crisis and the attendant dramatic plunge in the price of milk. Politicians can and must create basic conditions that enable the supply of milk to be adjusted to demand. Also consumer associations and many organisations working in the development and environment protection sector support our demands for fair agricultural politics as for example in the petition of the action alliance against milk dumping (see article). For more information about the actions contact the member organisations or the EMB Office.

How to combat too much milk

Concrete measures on the EU level

At the European Milk Board Members Meeting in February, the representatives from 14 countries voted for a catalogue of demands relating to flexible supply control. Firstly, it contains immediate measures (*setting up quota reserves, freezing the 5 times 1% quota increase, and the immediate one-off purchase of surplus products*). In this way the pressure on the market could be relieved and the price paid to producers raised again. Secondly, measures were put forward aimed at a longer-term balance of supply and demand: *the short-term leasing out of quotas from the European market, the creation of a European legal basis for the amalgamation of milk producers/their milk, and the setting up of producer-financed levies*. The EMB executive Committee sent a

letter with these demands (see EMB website) to EU Commissioner Fischer-Boel and to Petr Gandalovic, the President of the EU Agriculture and Fisheries Council, and invited them to talks. In their individual countries, the EMB organisations are making targeted approaches to national politicians and potential partners in a drive for fair milk prices. Because there are possibilities of action on a national level, as shown in France.

National latitude

On 17 March 2009, the producers from every conceivable association and the private dairy industry (FNIL) made a serious attempt to reduce the volume of milk in France. There were two items on the agenda of the meeting of the national institute of breeders' milk board to be voted on: freezing the extra 1% quota and abandoning the netting options for 2009/2010. During the meeting it was announced from the government's side that these matters would not be discussed until the June meeting. Just one week later there was another surprise: at the annual meeting of the French Farmers' Union (FNSEA) the Minister of Agriculture Barnier spoke out clearly in favour of freezing the extra 1 per cent quota for the coming milk year. He also proposed severely limiting netting for 2009/2010, a maximum of 3% each farm. The minister wants to meet up with representatives from the dairy sector in the early summer to study the milk market situation at the time.

10 cents a litre for surplus milk

In Austria, the Alpenmilch Salzburg dairy decided on a measure to increase supply discipline among its suppliers. From 1 April, anyone exceeding his/her delivery quota will receive only ten cents a litre for the milk. This measure is to apply initially for a year. For many milk producers, Alpenmilch's current price stipulation is a "courageous step", which might not work for Brussels as a solution pattern, but as a positive example, says Stefan Scheipl, IG-Milch. "Reviving more rigorous milk quotas would certainly make it possible to restore a more stable price."

Sonja Korspeter

ICMSA demonstration outside the EU Commission office in Dublin

On 19 March, about 50 milk producers

gathered outside the EU Commission's office in Dublin with a live cow. "The EU milk politicians have tricked milk producers", "Fischer-Boel has made us come begging" and "The quota soft landing has destroyed our livelihood" it said on the banners the farmers held up to representatives of the Commission and the large number of pressmen. During the demonstration the milk producers from ICMSA (Irish Creamery Milk Suppliers Association) handed a letter over addressed to EU Commissioner Fischer-Boel demanding both immediate measures to ease the milk market and effective control of volumes on the EU level. The last few months have made it clear that the "unregulated" market does not hold out any lasting solutions.

Sonja Korspeter

To all milk producers!

We are still looking for dairy farmers, who are ready and willing to contact their "opposite numbers" in other EMB organisations directly by e-mail, fax or phone. You do not have to speak a foreign language.

The milk price campaigns carried out last year by EMB organisations in six countries and the ongoing campaigns in France show that the dairy farmers of Europe are united and will no longer be played off against one another – not by the dairy industry, nor by the EU Commission and the Ministries or by other organisations. To be better and more rapidly informed of everything that is happening in neighbouring and countries further afield, we intend to set up sponsorships.

To anyone approaching us about this we will give the contact details of a colleague in another EMB country who speaks English.

European milk producers moving closer together

Even though geographic distances in Europe are quite considerable, the European dairy farmers are becoming closer in their aims. That was evident during a recent visit by the EMB Executive Committee to Zaragoza in Spain. Together with the milk producer organisation PROLEC and large numbers of the country's dairy farmers, a press conference was held to give out information on current developments

and joint demands.

José Ramón Arronte - President of PROLEC - made it clear from the outset that "the sector needs a system of regulating volumes that adjusts supply to demand". Both his words and those of EMB President Romuald Schaber were directed at the EU politicians. Political measures, they said, were indispensable for making flexible control of volumes possible that could bring long-term stability to the milk market situation and thus to prices paid to milk producers.

As Arronte went on to illustrate, the Spaniards were struggling like the rest of Europe with an ever widening gap between the milk producer price and production costs. In January, the producer price was 34.6 cents a litre for 3.7% fat and 3.2% protein as opposed to costs of 39.5 cents a litre. Jean Louis Naveau – member of the EMB Executive Committee and President of the French organisation OPL – said the problem was just the same in France. The basic milk prices ranging from 28-31 cents a litre (3.8% fat and 3.2% protein) were far from meeting the ever rising costs of production.

Schaber stressed that a pan-European price of at least 40 cents a litre was required to cover costs and allow a margin for the producers. The EU politicians, however, were steering in precisely the opposite direction. "The so-called soft landing they're looking for is leading farmers to ruin", said the EMB President.

Regardless of whether it is Spain, Germany, France or any other European country, the problems are basically the same, and share the same origin. To counter this, contacts between European milk producers are intensifying – as was apparent at the meeting in Zaragoza. Spatial distances hardly come into it when farmers act in line with each other.

Silvia Däberitz

Milk producers without buyers after April – Solidarity works

When their dairy terminated their contract, more than 400 dairy farmers in Burgenland and Lower Austria had no purchaser for their milk from 1 April and saw their very livelihood threatened.

Faced with the problem, IG-Milch immediately took the initiative to start talks between dairies, politicians and the farmers affected. The organisation can now offer milk producers that

have no alternative to their former dairy delivery contracts with Freie Milch Austria GmbH, a subsidiary of IG-Milch. Initially, part of the milk will have to be sold at low prices on the spot market. However, to be able to pay the suppliers a fair milk price IG-Milch has set up a Fair Milk insurance fund into which farmers, banks, agricultural firms and consumers can make deposits. IG-Milch is continuing talks with Austrian and foreign dairies and trade chains to market the extra milk at cost-covering prices.

The occurrence of this crisis in Austria was, according to IG-Milch, due to political mistakes, which resulted in the current surplus situation. The mechanisms of export subsidies and intervention offer no solution. Ewald Grünzweil, Chairman of IG-Milch: "To improve the overall situation in the milk market what is needed is a flexible control of supply adjusted to consumption. That is why the focus of our work in the next few weeks is on enlightening the political decision-makers on a national level and on collaboration across Europe."

PE

Fall in French milk prices slowing

In France, long-term price fixing has meant that producer prices are not as low compared to the previous year as they are in many other European countries, where prices have plummeted to 22-25 cents. The French dairy industry though is already working on forcing producer prices down as quickly as possible. In the coming negotiations on milk prices for April-June, they want to start at 21.5 cents. Experts are working on the assumption that negotiations between the dairy industry associations and the milk branch of the French Farmers' Union could end up in a producer price of around 24 cents. That would be seven cents less than in a year-to-year comparison.

Sonja Korspeter

8,000 farmers at demonstration in Prague

On 12 March 2009 they arrived from Germany, Slovakia, Austria, Poland, Hungary, Slovenia, Lithuania and the entire Czech Republic to demonstrate against the excessively low milk prices. Last year farm-gate milk prices in the Czech Republic fell continually. At present,

they are 20 cents in some cases, which means dire straits milk producers. The demonstrators from the new EU countries called for all European states to be put on an equal footing immediately. They demanded that the level of direct subsidies be adjusted to that of the "old" countries. They further called on the EU to take action in the face of the milk market crisis. Romuald Schaber spoke at the demonstration as President of the European Milk Board and accompanied the Czech delegation at the ensuing talks with EU Commissioner Fischer-Boel. She promised to meet with dairy farmer representatives again soon to discuss the situation.

Sonja Korspeter

18,000 signatures against EU milk dumping

In only one week, over 18,000 people in Germany signed a petition for the abolition of European milk export subsidies. Representatives of the German Organisation of Family Farmers (AbL), Brot für die Welt [Bread for the World], Campact, FIAN, Germanwatch, Misereor and Oxfam submitted the signatures and their demands to the German Federal Development Aid Minister Heidemarie Wieczorek-Zeul. "It is unacceptable for developing countries to have to suffer from the structural problems of the European dairy industry. We demand that at the EU Council of the Ministers of Agriculture in Brussels on 23 and 24 March the German federal government votes for an immediate stop to milk export subsidies", said the campaign alliance.

And the dairy farmers in Europe had also made it clear that export subsidies were not in their interest. Their current situation was appalling because the surpluses organised by the Farm Ministers had pushed producer prices down to an historic low. For markets to work, milk production in the EU must be geared to actual demand. Export subsidies for milk benefit primarily the export-oriented dairy industry and the food combines. Campact's online campaign is backed by an alliance of 28 German development aid, environment, farmers' and human rights organisations. For more information on the campaign:

www.milchdumping-stoppen.de

PE

Italy: Illegal imports – Checks on milk transport reveal severe irregularities

On 27 March 2009, the Italian police carried out nationwide checks on milk transport. The controls, which had been called for by the milk producers' organisation APL at a demonstration, revealed numerous cases of so-called "black milk" – i.e. milk for which there are no legal papers to prove its origin.

Roberto Cavaliere, Chairman of the APL, member of the EMB Executive Committee and the person responsible for milk matters at Copagri Italy, was vehement in pointing out that these illegal imports, of dubious quality, were also forcing the prices for legal milk well below a cost covering producer price level. He thanked the authorities for the campaign of stopping and checking throughout Italy, and went on to demand a crisis council on a ministerial level to study the milk sector and take suitable measures to improve the drastic situation.

PE

300 milk producers at the Farm Ministers' conference

In late March, the German Federal Dairy Farmers Association (BDM) made it clear, with various demonstrations involving some 300 dairy farmers at the Farm Ministers conference in Magdeburg, that milk producers expected collaboration with the politicians to find ways acceptable to both sides of reaching a milk price from which farmers could make a living.

Outside the conference hotel, the federal-state Ministers of Agriculture and national Minister of Agriculture Aigner were challenged to engage in talks with the milk producers. Up against the continuing dramatic development in milk market prices, the BDM demanded a clear declaration that action had to be taken. In return the BDM offered to be a solution-oriented negotiating partner in order to guarantee the long-term supply to consumers of high-quality milk from sustainable production. As a sign of their readiness to stand up for the future of milk, some national Ministers of Agriculture placed their federal state's coat of arms on a life-size plastic cow.

At the same time, a fleet of tractors comprising 30 tractors and vehicles from supporters from the local area in Magdeburg caused quite a stir.

The positive reaction to these consumer demonstrations was overwhelming: within a mere hour and a half they succeeded in gathering some 1,900 signatures from passers-by – an expression of the support for keeping regional milk production.

PE

The Netherlands: initial talks largely fruitless

There was no positive outcome from talks on the milk price crisis with the Dutch Minister of Agriculture Gerda Verburg (Christian Democratic Clarion - CDA) and the parliamentary parties. More than anything, the Dutch milk producer associations NMV and DDB are sceptical about the statements made by the People's Party for Freedom and Democracy (VVD), the CDA and the Party for Animals (PvdD). Although in the talks these parties' representatives expressed concern about the situation, they had previously supported the increase in quotas. So they bear some of the responsibility for the milk surplus in the market that is causing prices to carry on falling. At the moment they reject a limit to production and are in favour of European netting, which would result in an increase in production. In contrast, the Christian Union (CU) and the Socialist Party (SP) expressed their support for regulating production.

Pressed by parliament, Verburg was only prepared to address Brussels about a speedier disbursement of direct payments – something that represents no solution in the medium term or the short term. Further round-table talks with the politicians have been scheduled for 15 April.

How little political representatives are sometimes aware of the realities in their own sector was also shown by the minister's suggestion that in future protests milk should not be thrown away but offered directly to schools or sold at the farm. Had she done her homework, she would have realised that the sale of milk to third parties is forbidden under Dutch law, European legislation and the Dutch co-operatives' contracts. This makes it clear that it is essential and right to address and inform politicians on a national level and to confront them with our demands.

Sieta van Keimpema

