

Press release:

## **European Milk Board Dairy Producers Soup it up in Kappel - Representatives from 14 European Countries Define Joint Strategy**

**09-07-09, Kappel am Albis / Zurich:** The reason for the European Milk Board to hold its members' meeting in Switzerland was quite deliberate. It is here, just two months after the statutory quota system was abolished on 1 May 2009, that the colossal deterioration becomes apparent in the position of milk producers over the dairies. Martin Haab speaking on the response by EMB members BIG-M and Uniterre to the current situation: *"State control of the dairy market has fallen into the hands of the dairies who are now shamelessly dictating prices and prescribing volumes that by far exceed demand. Policymakers must immediately lay down in law a generally binding policy that brings supply into line with demand"*.

Canada has for decades been operating a well-functioning system of volume control that allows producers to take an active part in the market. Representatives of the Dairy Farmers of Canada repeatedly brought their valuable experience into the discussion at the conference. *"With our flexible system of adapting offer to demand we have reached the aim of producing milk for the Canadian market at prices that cover cost"*.

By contrast, the position of milk producers in Europe is nothing short of catastrophic; prices in virtually all countries have fallen to 18-22 cents, a level that is seriously threatening the survival of many dairy farmers. The measures put forward by policymakers, such as granting cheap loans or the premature disbursement of direct payments as well as export refunds and intervention, are not the appropriate means for bringing about a turnaround in market trends. But this is what is needed to achieve cost-covering milk-producer prices and put dairy farming back on a sustainable footing.

The ultimatum set by the European Milk Board to the EU Agriculture Council and EU Commission expired on 30 June. Although there are signs – such as doing the market analysis earlier than planned – that the politicians have recognised the need for action to restructure the milk market, dairy producers are at the end of their tether. The time for inching forward is now over. Romuald Schaber, President of the European Milk Board comments: *"The system must be changed with immediate effect so as to gear milk production to the market"*. For this reason and as an immediate measure, the EMB demands a 5% cut in the milk quota for the 2009/2010 dairy year. This will take pressure off the market and, doing so, pave the way toward higher milk prices.

This will provide an opening for flexible volume control. *"What we in the EMB are aiming for is a change of system. We need a legal framework that puts milk producers in control of volume. Over the weeks ahead we, as milk-producing members of the EMB, will fight with all our might and leave no stone unturned to achieve this goal."*

*Should the politicians refuse to implement the necessary reforms, the next European-wide delivery stoppage is just waiting to happen. Responsibility lies solely in the hands of the policymakers".* This was the consensus of all attending the conference from Northern, Southern, Western and Eastern Europe.

Pascal Massol, Chairman of APLI, EMB's new member from France: *"Our association has attracted several thousand milk producers in a very short period of time. Now we are working in sync with our colleagues from the EMB on a united front right across Europe".*

Adding a strong symbolic gesture to their iron resolve, the representatives of dairy producers from 14 different countries ate milk soup at the milk-soup stone memorial in Kappel. In just the same way as those before them, they refused to follow the command of their "generals", today's supermarkets, dairies and politicians. *"Any attempt on the part of the politicians to drive a wedge between us and speak of the need for the price of milk to reach ever new lows will strengthen our determination to put an end to this mutual destruction of livelihoods in an environment of unbridled competition. Instead, we will stand shoulder to shoulder and follow the same road, no matter how bumpy. We're ready and adamant".*

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