



President Jean-Claude Juncker
European Commission
Rue de la Loi – Wetstraat 200
B-1049 Brussels

Brussels, 23rd November 2015

The milk market is collapsing and Commissioner Hogan does not do anything about it!

Dear President,

The situation of European dairy farms deteriorates every day. For months now, farm-gate milk prices in many countries have been only 25 and 30 cents per kilo, while it has been proven that production costs are higher than 40 cents. Some farms have already gone bankrupt. Others can only continue producing with the help of further loans of tens or hundreds thousands of euros. The reason for these dramatic developments is the imbalance between supply and demand on the dairy market.

Nevertheless, at the last Agriculture Council, Commissioner Hogan spoke again about a stabilisation of the milk market.¹ This was just yet another statement in a series of comments that make us doubt that Phil Hogan really wants to find a solution and whether he is capable of doing so.

In January, the Commissioner still completely denied the existence of a crisis in the milk sector.² End of September, in a TV interview with ViEUws, he declared that it is not true that milk prices do not cover production costs:

„I don't think that many farmers are producing at below the cost of production. They say that they are, but at the end of the day they continue to produce.“³

Such declarations are not in line with the reality of the market and show the Commissioner's lack of expertise in the field of agriculture. As a matter of fact, Commissioner Hogan has access to several scientific studies, which prove that generally farmers do not receive a milk price that allows them to cover their cost of production.⁴

¹ <http://www.eu2015lu.eu/de/actualites/articles-actualite/2015/11/16-conseil-agri/index.html>

² <http://www.nfonline.com/sectors/dairy/phil-hogan-says-dairy-sector-not-in-crisis/>

³ http://www.vieuws.eu/food-agriculture/eu-farmers-resilient-despite-crisis-says-commissioner-hogan/?utm_medium=email&utm_campaign=Newsletter+Thursday+AD+copy&utm_content=Newsletter+Thursday+AD+copy+CID_c924206747ebd5d8bb062ed3a38e572d&utm_source=viEUws%20newsletter%20%20email%20alerts

⁴ **Studies are available for Germany, France, the Netherlands, Belgium and Italy. They can be downloaded here:** <http://www.europeanmilkboard.org/special-content/milk-production-costs.html>



For several reasons, a great majority of dairy farmers are nonetheless virtually obliged to try their utmost to maintain production. Milk is simply not comparable to regular industrial products, whose production can just be halted one day and started again the following one.

According to article 39 of the Treaty on the Functioning of the EU, it is the Commissioner's responsibility to ensure a fair standard of living for the agricultural community. Only with an adequate income can agricultural diversity, with all its positive effects on the regions' development, be sustained.

The current negative trend is dangerous for EU agriculture. What will therewith be destroyed cannot be recovered. Interactions between market players need to be characterised by fairness and responsibility as well as an open eye on real market developments. In order to assure this, the Commissioner for agriculture needs to have the right instinct and sensitivity, virtues that Mister Hogan lacks.

Phil Hogan does not have any solutions, nor does he want any! He however has displayed well enough his professional incompetence and his disregard for farmers. This is why we, as representatives of European dairy farmers, call you to act accordingly:

Mr President, remove this incompetent Commissioner from his office!

The price volatility of the last years also showed: short-term financial aid does nothing to change the essence of the problem! Therefore we call you to seriously study the crisis instrument put forward by the EMB and other organisations, which is based on voluntary production cuts.⁵

We kindly ask you to have a meeting with us soon, in order to discuss the proposed solutions. If you wish, some farmers managing large farms could also take part at the meeting to tell you about their current situation.

Given the urgency of the situation we invite you to answer our letter by 4th December 2015.

Yours sincerely,

Romuald Schaber, EMB President

⁵ For more information on the Market Responsibility Programme (MRP) of the European Milk Board: <http://www.europeanmilkboard.org/de/special-content/marktverantwortungsprogramm.html>