



Q&A – MILK CONTRACTS

Alison Burrell, JRC Seville, Spain – “Contracts are useful when they show terms of payments, delivery of milk, etc. Will they help farmers to get a greater share of money? I don't think so, as this depends on elsewhere in the chain. What the processor can share depends on further down the line; contracts cover a lot of different aspects and help long-term planning.”

Werner Buck, European Dairy Association: “The EU should not legislate on contracts. It would create a restrictive framework that would stifle industry development. Flexible non prescriptive guidelines could be of benefit.”

Padraig Walshe, COPA-COGECA: “The contract or EU guide would specify a set of minimum obligatory conditions which would be deemed necessary for balanced relationships between farmers and purchasers using contracts. It could give a clear indication of duration, milk price, milk quantity and quality with testing and sampling obligations.”

Comment from the floor: “Supply and demand on the market is the issue. Contracts will not influence that. I don't know why people see them as a solution.”

Shauaber, European Milk Board: Replying to this comment, asked: “Why do co-ops fail? It's simple; too much dependency on the market – we have to be careful.”

Lidia Senra, European Co-ordination Via Campesina: “In our view, contracts are instruments that can be used, but much depends on how and where they are produced. Contracts are only useful if you have public regulation fitting supply and demand, and fitting in the EU surplus.”

Rudolf Mögele, European Commission, DG Agriculture: “Contracts help private relations between buyers and suppliers, not co-ops.”

Representative from large French and worldwide proces-

sor Lactalis: “We bought five million litres of milk last year and we have no contracts. Many of these farms have been producing milk for four or five generations so, surely, we are not bad purchasers? Some farmers produced 45% more milk than they have quota for, but we paid for it all and didn't restrict supply. If we had contracts with all these farmers perhaps we might not have paid for this milk. This would not be good for us, as our suppliers would not be happy with us, and not good for our farmers, as they have incurred

• **Olivier Andrault (BEUC), Padraig Walshe (COPA COGECA), Jack Baines (Eucolait), Xavier Durieu (Eurocommerce), Rudolf M-gele (European Commission, DG Agriculture and Rural Development), representative of DG Competition, European Commission, Lidia Senra (European Co-ordination Via Campesina), Werner Buck (European Dairy Association), Romuald Schaber (European Milk Board) and Alison Burrell (JRC Seville, Spain).**