



## EU support scheme helps to reduce milk production

Brussels, 16 March 2017

**Nearly 44 000 farmers from across the EU have applied for support from the EU for agreeing to voluntarily reduce their production of milk by nearly 852 000t in the last quarter of 2016.**

This EU milk production reduction scheme, launched last summer and financed with €150 million, was one of the [flagship measures](#) decided by the European Commission to face the milk crisis. It contributed to the rising trend in EU milk prices over the last few months, balancing the markets.

Participating today in the General Assembly of the French federation of milk producers ([FNPL](#)) taking place in Langres, France, Agriculture Commissioner Phil **Hogan** said: *"The European Union continues to strongly support dairy farmers in good times and bad. When I took office in 2014, Europe was entering a profound and lasting dairy price crisis. We saw the storm clouds coming. And we took decisive action at every stage of the crisis, exhausting every legislative tool at our disposal. The voluntary reduction production scheme is a measure which had never been done before, but which has been a clear success. There has been a slow but unmistakable price recovery, with the milk market witnessing a rising trend for a number of months. EU average farm gate milk prices have increased by 31% since last summer, up to 33.7 c/kg in February. Is this a perfect recovery? Of course not. But is it evidence that things are moving in the right direction? I would say yes."*

According to the [final figures](#) received by Member States for the [first reduction period](#) (October to December 2016), 43 968 milk producers reached a total production reduction of 851 700 tonnes of milk. The scheme's wide take-up and the ensuing price recovery show that it responded both to farmers' expectations and to market needs.

The money not used as part of the €150 million set aside for the scheme will remain available for agricultural expenditure and will finance other market measures that may prove necessary in the agricultural sector.

The final figures of the second reduction period (November 2016 to January 2017) will be known at the beginning of April and will provide the full overview of this exceptional, one off scheme launched by the European Commission.

### Background

Under the scheme, farmers receive 14 euro cents for every kilogramme of milk production they agree to reduce. Each Member States could decide to top up that amount with EU funds distributed as [national envelopes for extra support](#) by the European Commission in July 2016. Farmers are paid on the basis of the actual reduction in production and not the planned amount applied for, based on proof of the actual reduction provided to their national authority.

The voluntary milk production reduction scheme was one of the several tools deployed by the European Commission to support farmers facing the crisis that hit the sector. In total, more than €1 billion has been mobilised since September 2015 in the form of market measures like public intervention and private storage for dairy products and other exceptional measures.

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