



## Press Release

Luxembourg, 22 October 2019

### EU Auditors examine exceptional milk market measures

The European Court of Auditors is examining the exceptional measures the EU has taken to counteract the dairy market disturbances between 2014 and 2017. The auditors are assessing whether these measures, which cost some €740 million from the EU budget, were properly designed and adequately mitigated the effects of the disturbances. The auditors will also check whether the European Commission and the Member States are now better prepared for future dairy market disturbances.

Milk production is the EU's top agricultural sector by value (€58 billion in 2018) and currently accounts for around 14 % of agricultural output. To prevent dairy prices from decreasing to unsustainable levels, measures – known as the “safety net” – are in place to temporarily remove some surpluses from the market. These involve the public and private purchase and storage of butter and skimmed milk powder.

In 2014-2015, EU milk producer prices dropped by some 10 cents per litre to around 30 cents. The Commission considered the milk sector to be confronted with market disturbance due to a worldwide supply-demand imbalance, in which the Russian ban on the import of agricultural products and foodstuffs originating in the EU played a role. As a result, it took exceptional measures to supplement the “safety net”. These measures were intended to provide temporary exceptional aid to those livestock farmers and milk producers most affected by the disturbances. Member States could top up the EU funding from their national budgets.

*“Milk producers were hit by a significant drop in their revenues,” said Nikolaos Millionis, the ECA Member leading the audit. “We will analyse whether the EU budget was well spent to help them overcome the crisis and whether the Commission is prepared for future market disturbances.”*

The auditors have today published a preview of the audit on the EU response to the dairy market disturbances of 2014-2017. Audit previews provide information on an ongoing audit task. They are intended as a source of information for those interested in the policy or programmes being audited.

The auditors will analyse the Commission’s policy and Member States’ data, as well as gathering information from farmers, professional organisations and the dairy industry. They will also carry

*The purpose of this press release is to convey the main messages of the European Court of Auditors’ audit preview. The full preview is available at [eca.europa.eu](http://eca.europa.eu) in English.*

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out audit visits to France, Italy, Ireland and Finland to examine how the measures were put into practice.

### **Notes to Editors**

The report is planned to be published towards the end of 2020.

The main producers of cow's milk are Germany, France, the United Kingdom, the Netherlands, Poland and Italy. Two-thirds of all the milk processed by dairies is used to produce cheese and butter.

Until 31 March 2015, the EU operated a system of milk quotas, which sought to cap overall EU milk production. The EU budget for the safety net was €45.3 million for the 2015-2017 period.

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