Question for written answer E-004247/2018
to the Commission
Rule 130
Miguel Viegas (GUE/NGL)

Subject: Failure of milk sector contracts

Written contracts between producers and industry were touted as a suitable replacement for the milk quota regime. In Portugal, the biggest dairy industry group (Lactogal, with a market share of more than 30%), citing overproduction, encouraged its suppliers to reduce production, thus shrinking production by around 60 million litres. Some 100 producers agreed to stop supplying the group, receiving compensation of 20 cents per litre in return, while others agreed to have their contracted amounts cut back and received compensation of 15 cents per litre and a promise that the price paid to them would remain around 31 cents. Despite that promise, last week, Lactogal dropped the price paid to producers by a cent per litre.

This situation demonstrates the limits of contracts, and particularly their ineffectiveness where fair prices for producers are concerned. What view does the Commission take of this situation? Has the time not come for new public supply regulation mechanisms which protect Member State producers and prevent farms from disappearing?