Spain: Government proposes an agreement with the dairy sector to save production

The draft agreement promoted by the Ministry of Agriculture between the various links in the dairy value chain is based on the industry commitment to transparency in trade relations with ranchers publishing contributions which sells milk to the distribution and sharing price appreciation producers. Government is working while in a standard contract that saves which throw on the floor in home prices. Producer organizations, cautious, asking for more collateral to sign the agreement, which aims to close in early October. He continues their demonstrations.

The OPAS not trust the statements of intent and distribution industry. "It is very generic, no realization in prices and production costs," criticized Miguel White, general secretary of the producer organization COAG, which does not support the agreement because "we understand that does not respond to that at this moment are demanding farmers ". Another organization, UPA, neither will not be collected until the text "indispensable conditions to assure producers," said Lorenzo Ramos, secretary general. They want "a text that commits those responsible for the crisis

to end it, ending abusive practices of large retailers, eliminating the pressures and threats on the livestock industry and the price in recovering origin of milk to levels that at least cover production costs, "according to UPA.

"We are working for the dairy industry is sustainable in all its links," said the president of INLAC, Ramón Artime (ASAJA). INLAC, Interprofessional Organization, is well aware of the grave situation being experienced by farmers and is convinced that this agreement will alleviate the situation in which they find some farms. Agri-Food Cooperatives of Spain said it is "favorable agreement with the introduction of a series of concretions, in particular on the concept of sustainability and first purchasers, to ensure compliance by all operators in the sector".

Meeting of the Minister of Agriculture INLAC

These reactions were collected after the meeting between the Spanish Minister of Agriculture, Isabel García Tejerina with representatives of the INLAC, which brings together farmers and industries, and distribution organizations Anged, ACES and Asedas. It was a meeting with the aim of reaching a commitment to provide stability, sustainability and transparency in the value chain, the result of a draft agreement, presented by the government on August 18 last, in which the sector has been working since.

On the one hand, the distribution promised to give value to dairy products that are not used as bait. The agreement calls for trade relations more stable, that trade agreements with industry are longer term, ie, the distribution and the industry can plan. This is to stabilize purchases with longer-term contracts along the whole food chain, according to the Government.

In connection with the commitment of the industry, the Spanish minister pointed out that working on a standard contract to provide transparency to the relationship between industry and farmers. In addition, the industry also agrees to transfer to farmers of the improvements obtained from commercial relations with the distribution.

For its part, the Ministry of Agriculture is committed to making timely monitoring of compliance with the agreement in this regard, García Tejerina said the next royal decree that will regulate the price of knowledge transfer to industry. Thus, the Observatory on the Food Chain will be responsible for periodically analyzing the value chain of liquid milk for providing data and updated information on prices and yields of the various links in the chain information.

García Tejerina said that while the agreement reached in first instance and the European Commission signed finishes shaping the package quantified at 500 million euros, the government is working to inject liquidity into the farms that are in difficulties. This will facilitate liquidity through the aid of 300 euros per cow for those farms that are selling below production costs, and aid for those that do not cover the costs for depreciation of investments in their farms.