

# Dairy market: 99% of skimmed milk powder public stocks now sold

**The stocks have been prudently released, maintaining market balance and supporting the recovery of the dairy sector, following the 2015-2016 market crisis.**

In total, 380,000 tonnes of skimmed milk powder (SMP) have been bought by the European Commission between 2015 and 2017 through public intervention to stabilise the market and support farmers' income. A process of monthly and later bi-monthly public tenders was opened by the Commission at the end of 2016 to carefully sell the products back into the market.

Agriculture and Rural Development Commissioner Phil **Hogan** said: *"The latest tender is a clear vindication of the Commission's prudential approach to the management of the stock of skimmed milk powder, 99% per cent of which has now been successfully placed back on the market. My objective, at all times, has been to use public intervention as a measure to protect farmers' incomes and, to that extent, we resisted calls over the last three years to reduce stocks through a number of ways or even by simply destroying the stocks. None of these options would have achieved the outcome we have now achieved. Instead, our patient approach ensured that not only were European dairy farmers' incomes protected, but so too were the interests of the European taxpayer. Public intervention of skimmed milk powder has proven to be an effective tool, especially when used in a responsible and effective manner and today's and previous tenders are a clear demonstration of the European Commission's commitment to support European farmers when the circumstances demand it. It also illustrates that the Common Agricultural Policy contains an effective safety net in the event of such market disturbance as we saw in the years 2014-2016."*

Two years into the process, the warehouses have emptied and the milk price is higher at 36 cent per kg compared with 26 c/kg in the summer 2016.

The tender process is [documented in full transparency online](#) in the [Milk Market Observatory](#) portal. With today's sale of 18,514 tonnes, 1% of the original, overall stock of SMP is now left, with 4,000 tonnes remaining out of the original 380,000 tonnes. Out of the 14 Member States that were storing skimmed milk powder on behalf of the Commission, only 4 of them are now left with small stocks.

The next tender will take place on 7 February.

## **More information**

[Factsheet "managing the EU dairy market 2014-2019"](#)

[Milk Market Observatory](#)

[Overview of stocks and tenders](#)