

EU offers milk farmers €500m to shore up prices

BRUSSELS - The EU announced on Monday another €500m for the bloc's farmers to help reverse the plunge in prices shaking the dairy industry, bringing the total support to one billion euros.



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Overproduction of milk since EU quotas were abolished in April 2015 triggered a collapse in prices that have not recovered despite an initial €500m (\$553m) aid package announced in September.

"This package provides a further robust response, and means that the Commission has mobilised more than one billion euros in new money to support hard-pressed farmers," EU agriculture commissioner Phil Hogan said.

"Our ultimate goal is to see the much needed recovery of prices paid to farmers, so that they may make a living from their work", he added.

In a breakdown of the funds, which were announced at a meeting of EU agriculture ministers, the bloc will spend €150m to compensate independent and other producers for each litre of milk they do not produce.

Another €350m will be distributed to the 28 member states that will decide what further measures to take to support their farmers. The member states will also be able to match the funds with their own money.

A combination of factors, including changing dietary habits, slowing Chinese demand and a Russian embargo on Western products in response to sanctions over the Ukraine conflict has pushed down prices for beef, pork and milk.

Source: AFP

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