Press release

Bundeskartellamt / Animal welfare

Increasing animal welfare in milk production – Bundeskartellamt tolerates the introduction of the QM+ programme

Bonn, 29 March 2022: The Bundeskartellamt has no serious competition law concerns against the “industry agreement milk” (Branchenvereinbarung Milch) presented by QM-Milch e.V. to improve animal welfare in milk production. Key elements of the programme are the introduction of a label for products which fulfil the animal welfare criteria set by the QM+ programme, and the financing of the additional costs incurred through a so-called animal welfare surcharge payable to farmers.

Andreas Mundt, President of the Bundeskartellamt: “The industry-wide agreement on a binding animal welfare surcharge in the milk sector can be tolerated in the first programme phase until 2024. Especially when it comes to milk, there are many different competing labels and vigorous competition between the different brands. Only some of the dairies will participate in the QM+ programme. After the first phase, it will have to be reassessed to what extent additional competition elements can be introduced.”

Companies and associations from the agricultural sector (farmers) as well as dairies and food retailers are parties to the QM industry agreement. The aim is to implement a programme for improving animal welfare in the production of milk along the lines of the animal welfare initiative “Initiative Tierwohl” in the cattle fattening sector (see press release of 18 January 2022).
Participation in the QM+ programme is voluntary for farmers, dairies and food retailers. Financial incentives are to enable farmers to implement the increased requirements set by the QM+ programme. For this purpose, food retailers are to pay dairies an animal welfare surcharge for milk products which fulfil the QM+ criteria. The dairies are then supposed to pay out this animal welfare surcharge to participating farmers.

The amount of the surcharge is calculated based on the raw milk equivalent commonly used in the industry. “Milk equivalent” refers to the average fat and protein content of a kilogramme of raw milk and is used as a reference for calculating the amount of milk processed in a certain milk product. In the first programme phase, the farmers are to be paid 1.2 cents per kilogramme of raw milk equivalent. The raw milk equivalent for different products, such as cheese or cream, is determined bilaterally so that there is a certain range and thus room for negotiation.

The Bundeskartellamt’s decision to tolerate QM-Milch’s industry agreement within the scope of its discretion is also made in light of Article 210a of the European Regulation establishing a common organisation of the markets in agricultural products (CMO).