

06.10.2016

Crisis? What crisis?



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When you read and listen to some of the statements released in the last few days, you get the impression that the dairy crisis is over. Markets are more stable, demand for butter is rising and it is becoming more expensive behind the scenes on retail markets, milk has high value on spot markets at 37 cents in the Netherlands, the Kieler Milk Index is back to 27 cents, and yes - even some dairies have moderately increased their farm-gate prices. Thus the slight upward trend has also reached dairy farmers - the weakest members of the value chain, unless they are unlucky enough to be supplying to leading dairy DMK. In this case, they will have to wait a bit longer. Representatives from farmer's associations are rejoicing and believe it or not, already have a price of 30 cents in sight for the end of the year. Their declaration: Many farmers will survive the crisis. How great!

So is the market back in shape? Can we go back to our plans, produce more, store, conquer markets - as though nothing happened? No way! Just a reminder: Prices are still 15 cents below production costs across the board, farms are desperately fighting to survive, many farms and families are overtaken by resignation, doubt or even a feeling that the end is nigh. Many more will shut down their farms, that too when things are getting slightly better because cattle, equipment and even land is easier to sell at that point. Most farmers are this frustrated because they have come to a bitter realisation: This crisis is not an industrial accident within a functioning system; it is the direct effect of this system that only serves the interests of dairies and trade. These parties as well as the farmer's association and Federal policymakers, who followed the former's whispered instructions, are still not willing to admit their culpability and assume their responsibility. Nonetheless, European and Federal policymakers are taking baby-steps in the right direction by offering a volume reduction programme to the tune of 150 million euros, together with possible further funding for volume control - something that was unthinkable just a few months ago!

These small victories are thanks to the persistent offensive put up by numerous farmers, many from the ranks of the AbL. Minister Schmidt and his department had to reluctantly accept our ideas because they were perplexed and helpless themselves. However, implementation is slow, bureaucratic and too limited, all in the hope that the crisis will come to pass before the crisis instruments actually come into force. The French Agriculture Minister has responded differently and is providing an additional 10 cents over and above the 14 cents offered by the EU for every litre of reduced milk, but only for farms continuing milk production, in order to ensure that the initial recovery serves precisely these farms and is quicker. And what about our dairies? For months, they adamantly refused to implement the reduction within the sector stipulated by policymakers and are now advising some of their suppliers to not participate in the programme! This makes it very clear that all they are interested in is very cheap milk.

To the contrary, Dutch dairy Friesland/Campina is expressly supporting the national 10-cent reduction bonus with their own funds, in order to increase the value of milk. Things in Germany are completely different, where the unholy trinity of farmer's association, dairies and policymakers leads to farmers' interests being completely side-lined.

One of the important duties of the AbL is to highlight these connections and to present alternatives. We therefore always stand with farmers, wherever they decide to resist this system and stage public demonstrations to create awareness about

their situation. AbL is also at the forefront in highlighting alternatives to the expand or disappear philosophy, constant intensification and an offensive export strategy. A different model of milk production that is sustainable, animal friendly and in harmony with society is possible. Therefore, we are promoting initiatives like suitable feeding of ruminants using less concentrated feed, meadow-grazed milk production, GMO-free milk and organic milk, together with other colleagues from the sector. One is not possible without the other - resistance and self-help are two sides of the same coin!

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