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## **Croatian Dairy Farmers protest against the Dukat (Lactalis) Dairy's Dumping Prices**

*Hamm/Zagreb, 17.02.2012: In Croatia a conflict had been smouldering since the beginning of the year between the dairy farmers and the Lactalis dairy Dukat that escalated last week.*

After the Dukat dairy's unilateral announcement of cutting the farm-gate price for milk from the previous 2.67 kuna to 2.3 kuna (about 30 cents) per kilo of raw milk, in January the milk producers of the EMB member organisation HSUPM entered into negotiations with the dairy and the Ministry of Agriculture, but the talks were stopped a few days ago without any result.

Even the previous 2.67 kuna price paid to milk producers by no means covered their costs. These are about 4.09 kuna (52 cents). Yet the dairy is not prepared to revert to the old price, which the producers vehemently demand. Dukat's argument is that the cheap imported milk from Bosnia and Serbia results in the retail price of milk in the supermarket being only 3.90 kuna (51 cents), and so it cannot pay a higher price.

The roughly 14,000 milk producers in Croatia produce 600 million litres of milk a year, which covers only 50% of national demand. The other 50% is imported.

What makes the situation particularly problematical for the milk producers is that the Minister of Agriculture has just cut state support payments by a third. So the farmers are under severe financial pressure from this side, too.

That is why on Thursday, 7 February, milk producers from all over the country drove their tractors to the dairy in Zagreb to organise a warning campaign. For two days between 50 and 100 tractors have been parked in the central car park outside the dairy, where they were then corralled by the police. Although the access roads to the production sites were clear, Dukat used the alleged blockade as an excuse to stop collecting milk from the producers.

Yet the protest seems to be showing initial signs of success. The Police have manifestly withdrawn their strong presence and are now just monitoring the situation, and Dukat announced early today that it was resuming its milk collections.

But scheduled talks with the ministry have since been called off by the official side and the situation still remains very uncertain for the Croatian dairy farmers.

The European Milk Board backs the HSUPM's demand for a cost-covering price and wishes the milk producers good luck and every success for the outcome of the negotiations.

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