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Milk imports from Oceania will destroy small-scale dairy farms



The Federal Government must turn away from this cheap export-import strategy. The AbL calls for a quality offensive.

On 22 May, the Foreign Ministers of the EU Member States approved the European Commission's trade mandate, which serves as the basis to launch negotiations for a trade agreement between the EU and New Zealand & Australia. To date, the sensitive European dairy market has been offered the widest protection against imports. This new trade agreement would do away with these safeguards.

"The situation on the dairy market is currently extremely fragile and tense," says Ottmar Ilchmann, spokesperson of the German small farmers' association AbL. "Though the market has recovered slightly in recent weeks, you cannot count on the prospect of price increases as yet. The milk market is still flooded. That is why the prices paid to producers are ten cents short of cost coverage. This situation is disastrous for our dairy farms and with a new trade agreement with New Zealand and Australia, additional dairy imports would be allowed on to our already overflowing market. This will put our entire small-scale dairy farming sector on the line."

New Zealand and Australia mainly want to export dairy products, but they are interested in meat as well. According to calculations by the Thünen Institute, full liberalisation would lead to production reductions in Germany between 3.3% and 3.9% for raw milk and 3.9% and 4.5% for dairy products. Producing milk is significantly cheaper in Oceania as compared to Europe. This low-prices strategy has, nonetheless, had consequences in New Zealand. The environmental impact of nutrient surpluses from agriculture regularly make the local headlines.

"We would be importing this environmental burden as well, if such trade agreements were to be concluded," says Ottmar Ilchmann. "At the same time, our farmers will also be pushed toward more intensive production, driven by this cheap export-import strategy. Society and farmers are more vehement in their critique of this development. The German small farmers' association AbL rejects trade agreements like this one with New Zealand and Australia and calls for a quality offensive in agricultural and trade policy."

Press release of the German small farmers' association AbL (22 May 2018)

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