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The attendees of the EDA Dairy Platform 2017 in Stockholm did not only listen carefully to the speakers but also engaged in a very lively discussion (photo: IDM)

EDA Dairy Platform 2017

Local roots for global dairy policy and competitiveness

The discussion of the first part of presentations at this year's EDA Dairy Platform 2017 in Stockholm on 29 September was much more lively than expected. The topic „Local roots for global dairy policy and competitiveness“ attracted a high degree of attention as several key questions about how the future of the European dairy sector should be arranged were discussed.

Subsidies – yes or no?

When the discussion came to subsidies, Annette van Velde, a milk producer from the Netherlands and member of the board of European Dairy Farmers, said that subsidies are just driving overall farm costs. It would be better to invest this money into innovation and the like. But, for the time being, dairy farms need subsidies to be able to run their operations. And it would also get quite difficult to manage a transition from the actual status to a subsidy-free milk farming. Then, the discussion briefly centered on intervention of butter and SMP. It became evident that although this measure helps in the short run, the industry will have to pay the price for a temporarily ease of market pressure at a later stage.



The speaker panel of the first session of the EDA Dairy Platform 2017 (from left): Thomas Magnusson, COGECA, Annette van Velde, European Dairy Farmers, Jannes Maes, CEJA, and moderator Ludwig Börger, German Farmers' Association (photo: IDM)

Thomas Magnusson, a Swedish farmer and chairman of COGECA, added that subsidies, in the end, are a benefit only for consumers. He criticised food prices in Europe as being generally too low. Magnusson was answered immediately by EDA president Michel Malet who stressed that the EU dairy industry needs to sell 85% of its products in the Single Market which creates an extreme hard competition environment that has its effect on prices. The recent measure by the EU to reduce milk deliveries for a certain compensation did not really find applause in the discussion at the Stockholm forum: the measure came much too late and did not lead to a rise of EU milk prices. This increase was only a consequence of a recovery of world market prices that had begun even before the EU was able to react.



Elisabeth Backetman, Swedish Secretary of State for Agriculture, told the EDA Dairy Platform 2017 in Stockholm that Sweden has developed a dedicated food strategy for growth through sustainability and profitability. Increased productivity is no contradiction in this context as it means to produce more using less resources (photo: IDM)

What is really needed is security

Another angle was taken by Jannes Maes, a dairy farmer in Belgium and head of the Council of European Young Farmers CEJA. Maes stressed that there is no sustainability if young farmers will no more take over from the older generation. What young farmers need is security, he said pointing out to political developments that often are taking place too fast and are able to virtually turn around a whole sector. van Velde told the audience in this context, that due to the phosphate quota further growth of Dutch dairy farms will be very limited if not impossible. She added that internal opportunities for cutting costs on farms like increasing the milk yield per cow may come under the radar of animal welfare as well.

The biggest challenge, however, for dairy farm operations will be availability of labour . Maes said that it was not enough to hand over farms from generation to generation, the sector needs to attract people from outside as well. To manage this, dairy farming must stay a profitable business. This requires a suitable budget in CAP and effective administrative measures. Maes said that EU financial means must focus on active farms. And CAP must become simpler as well, according to Maes, but only to a certain level as measures might become ineffective by simplification.