

The German situation after 1 year post quota era



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The situation in Germany after a year without quotas, the price of raw milk has tanked even further. This ongoing milk crisis is depriving dairy farmers of their livelihood. The loss in value creation of over 6 billion euros in Germany alone shows that there is an acute need for remedial action.

Real crisis

In January, the farm-gate price for milk with 4.0% fat and 3.4% protein content was 27.45 cents/kg. According to the latest milk price projections by Fonterra, the milk price crisis will not ease up in 2016 either – in fact, a milk price of 20 cents/kg has been predicted. Germany's largest dairy is already at a farm-gate price of 21 cents/kg. Private storage of butter has increased to 7,564 tonnes in the period from 2015 to 2016 and 5,315 tonnes of skimmed milk powder has been put into intervention since 01.01.2016 in Germany alone. These figures are rising week by week.

Too much milk

The Berchtesgadener Molkerei dairy sent an urgent appeal to its members at the beginning of March. In this letter, they highlighted the fact that too much milk was being supplied to the dairy. It was unable to handle such large volumes and they asked their suppliers to provide less milk.

In Bavaria, the SPD party submitted a proposal for a label for "meadow-grazed milk." This label aims at aiding dairies to create a high-price market segment for milk and milk products made from meadow-grazed milk, thus retaining and further strengthening value creation in rural areas. The application was categorically rejected by the CSU with the reproach that there are already too many labels.

Politics

This year, the BDM picks up where it left off last year. A number of talks with policy-makers as also with members in the form of dairy farmers' evenings are lined up. In fact, a dairy farmers' evening held on 14.03.2016 in the Reutberg marquee was attended by over 500 participants. At these events, misdirected policies and proposals for available solutions are dealt with in greater depth. This opportunity is also used to try and present the concept of market crisis management.

Research Themes

EuroDairy drives the engine of innovations on 4 main themes at dairy farms: animal care, biodiversity, resource efficiency and socio-economic resilience. Find more info on these dairy topics here!

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