

Milk shortages hit Western Europe

by Marcia Merry

Milk shortages are now breaking out in Western Europe, paralleling the milk shortage and dairy-farm crisis worsening in the United States. Some West German dairies report a drop of 40% in their farm raw-milk supplies. Milk output overall has been declining in the European Community since a deliberate milk reduction plan went into effect last March.

Next to no reports of the European dairy situation appear in the U.S. media, and little in the farm trade journals. Instead, the Department of Agriculture and State Department are trying to divert attention to farm trade warfare between the United States and Europe and between the United States and Canada. Earlier this month, Secretary of Agriculture John Block sent a much publicized letter to the EC complaining about their refusal to institute certain "free-trade" measures the State Department was demanding for farm products. In turn, the new U.S. agriculture trade act contains a much publicized "retaliatory" mechanism on wine exports and imports. Western European grain output was cited last week by the Agriculture Department as the cause of the low prices U.S. farmers are now receiving for grain. This week, Block went to Canada to complain about Canadian hogs and potatoes entering the country.

Cartel food-scarcity plan

Behind the histrionics and lies, the real story is simple and deadly. A small chain of world food cartel companies (Bunge, André, Cargill, Dreyfus, Continental, Nestles, Unilever) is manipulating government policy through the U.S. Agriculture Department and Europe's Common Agriculture Policy (CAP). The goal is to dismantle the most productive farm systems ever developed, and build up Soviet strategic food defense stockpiles. The method is simple: "controlled scarcity." This is moving very fast in the dairy sectors of the United States and Europe, which together account for 40% of the world's annual milk output.

The European Community is the largest single dairy-producing region in the world. Most milk-powder exports to the Third World have been directly or indirectly controlled through Unilever, Nestles, or related brokers. Over the last decade, this cartel has written off Africa and other zones they call the "Fourth World," and has begun to reduce output capacity in Europe and North America.

European and American farmers are told that the reason they are getting low prices and must cull cows is the "downward pressure" of intense competition. The competition is all orchestrated by the cartels through the New Zealand Dairy

Board—an old British Empire creation, the largest dairy exporter in the world. According to the Foreign Agriculture Service, supervised by Undersecretary Daniel Amstutz of Cargill, U.S. milk output needs to be priced cheaper to compete with East bloc and New Zealand milk powder, which sells for \$600 per ton, less than half U.S. and European productions cost.

However, the cartels are guaranteeing the Soviets both dairy imports and herd processing technologies. From 1982 to 1983, Soviet milk-cow productivity went up 6%, the largest improvement anywhere in the world, though from a very low level. The breeding and herd management systems are supplied by W. R. Grace.

The output drops

In March 1984, the CAP milk-reduction "quota" system went into effect, compelling European dairy farmers to reduce their milk deliveries to processors by "quota" amounts set for each nation. The official target price for milk is frozen at last year's level. A system of premiums pays farmers, in some cases according to age, to reduce output. The cow cull rate has gone up dramatically. A few weeks ago, the quotas became binding, and, around the same time, shortages were reported.

On Oct. 13, the *Frankfurter Allgemeine Zeitung* reported in its economics section that numbers of dairies are complaining about the lack of raw milk. Many farmers are delivering up to 40% less than before. In Bavaria, the situation is extreme. There is not enough to supply both Bavarian needs and usual Italian exports.

Overall, the farm milk supply going to German dairies has shrunk to 1980 levels. In September alone, production went down 8% as compared with a year ago.

In England, the consumption of fluid milk has fallen by almost a percentage point in less than a year. Dairy farmers in England and Wales face at minimum a 12% net income reduction. Within only months of the introduction of the quota system, the market value of a dairy cow went from £550 to £320.

In France and Holland, regions of relatively large surplus production, milk shortages are reported for even the processing of milk powder and cheese.

Ireland is a disaster. There, 45% of the workforce is involved in agriculture. The milk sector is relatively five times larger in Ireland than in the rest of the EC.

The daily diet in Europe relies heavily on dairy products for necessary animal-protein supplies. Compared to the average U.S. per capita annual consumption of 20.6 pounds of cheese, in France the average is 41.8 pounds per person, and in Greece the average is 42.9 pounds. In the United States, the average butter consumption is 5.0 pounds per capita a year; in West Germany the average is 31.6 pounds, and Ireland 29.2 pounds. Dairy shortages and consumer price rises will undercut the European nutrition level overnight.