

A Fair Deal for Dairy Farmers **NFWI Campaign Action Pack**

theWI
INSPIRING WOMEN

Dairy crisis

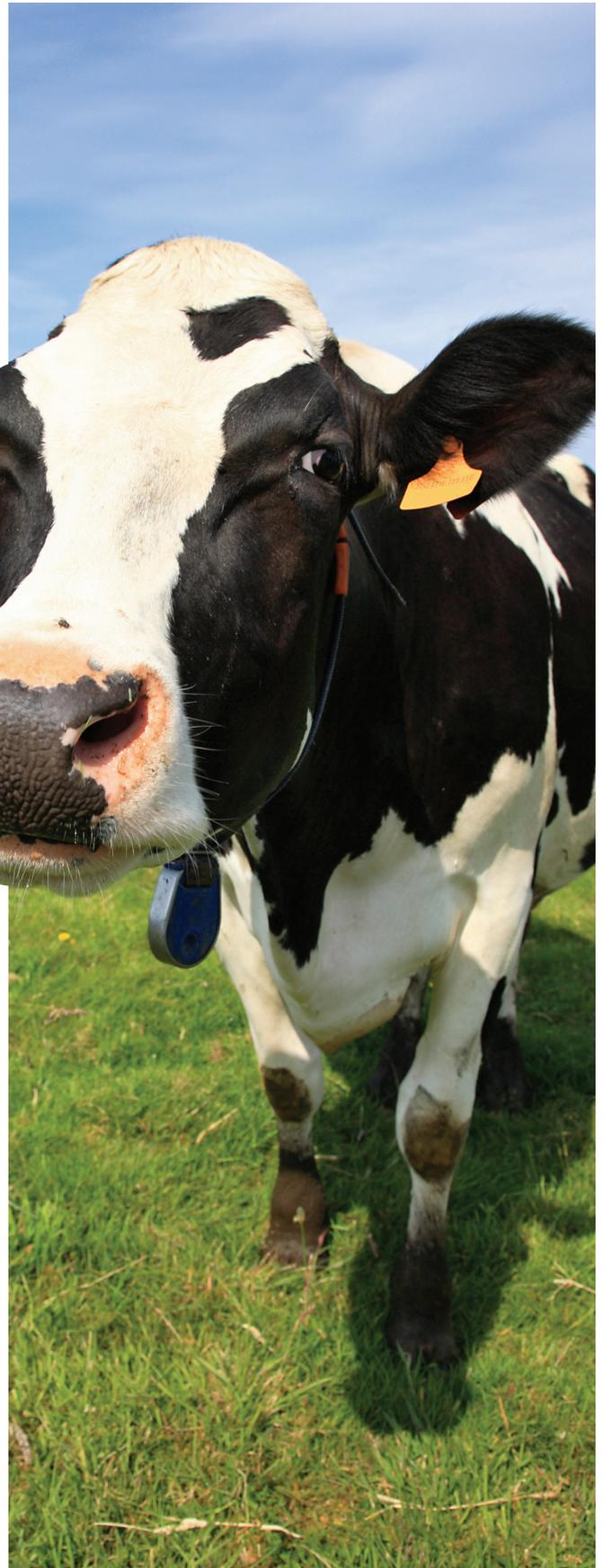
In July 2012 the price that farmers are paid for producing milk hit the news headlines because three of the main dairy processors responsible for supplying liquid milk into the UK market place announced plans to reduce the price paid to farmers from 1 August 2012.

The move led to widespread protests from farmers and consumer groups. The proposed price reductions have since been withdrawn and a number of major supermarkets and discount retailers have responded to dairy industry and consumer pressure to provide assurances that farmers are being paid a fair price for liquid milk.

The recent commitments from processors and those retailers that have responded are to be commended, yet the recent responses only offer part of the story. The dairy industry is complex and with many farmers still being paid less than the cost of production for their milk, the problem remains some way from being solved.

Events over the summer have shone a spotlight on an industry that has been compromised by opportunistic price cuts for too long. All parts of the supply chain, from farmer producers to suppliers and retailers, stand to benefit from a healthy and profitable dairy industry yet too few farmers are able to achieve sustainable prices for their milk. It is clear that we cannot keep returning to this crisis situation. An opportunity has opened up to finally create the reform that is needed to build a fair supply chain. We're calling on WI members and the public to get behind the UK's dairy farmers and make the case for change with consumers, politicians, processors and retailers.

All parts of the supply chain benefit from maintaining a profitable, productive and healthy dairy industry, yet as events this summer have again shown us, the balance is wrong.



The WI and milk

The WI has a long standing commitment to farming. We believe that the threats to the industry are not just a problem for the farming community but for every member of the public who uses dairy produce.

In 2005 a resolution on Farmgate Milk prices was passed at the NFWI AGM: “This meeting urges WI members to do all in their power to raise public awareness of the unfair difference between the retail price of milk and the price paid to the farmer.”

Follow up work saw the WI team up with the NFU on the ‘Why Farming Matters’ campaign and undertake a series of community ‘Great Milk Debates’ involving 15,000 people

across England and Wales. Revisiting this work in 2010, the Mission Milk campaign assessed progress and examined what more could be done to support the UK’s dairy industry.

Seven years on from the Farmgate Milk resolution, this issue remains high on the WI’s agenda. There has been undoubted progress since the organisation first started campaigning on farmgate milk prices with some major retailers investing in dedicated milk groups with transparent and fair pricing models and milk production and sales volumes increasing. Yet this progress is against a backdrop in which fundamental problems with the supply chain remain.

Why dairy farming matters

96 per cent of us regularly consume fresh milk but few of us recognise its real value.

Over the past few years we have seen more and more dairy farmers driven out of business. In the long term any further exodus will have damaging consequences for:

- Our landscape; shaped by dairy farmers
- The rural economy
- The availability of high quality, assured and locally produced, high welfare British dairy.



Did you know? The dairy industry now, a snapshot

13.6 billion

litres of milk are produced every year, making the UK the ninth largest milk producer, globally

- The number of dairy farms in England and Wales has literally halved since 2000 to 10,851.
- The Royal Association of British Dairy Farmers estimates that the average cost of milk production is 30 pence per litre yet price cuts have meant that many farmers receive around 5ppl less than average production costs. Had they gone ahead in August, the processor cuts would have impacted 27 per cent of British farmers, combining with cuts announced earlier this year to open up a huge disparity between those on dedicated supermarket contracts and the rest.
- In the UK the main processors (Dairy Crest; Muller Wiseman, Arla, First Milk and Milk Link) purchase the majority (87 per cent) of raw milk. The remaining 13 percent is purchased by the remaining 440 or so small and medium processors.
- Dairy farming accounts for 17 per cent of UK agricultural production by value

52% of milk sold to processors is used for liquid milk

&

48% is used for manufactured dairy products





Threats to the industry are not just a problem for the farming community but for every member of the public that uses dairy produce.

Get involved – how you can support British dairy farmers

- 1. Get the message out.** Keep this issue on the agenda with the WI's Fair Deal for Dairy Farmers poster. Pin it on notice boards in your community to help build public support for dairy farmers.
- 2. Use your purchasing power.** We're calling on WI members to shop with retailers that are doing the right thing by British dairy farmers and paying them above the cost of production. Use the template letter below to write to your local retailer to ask how they ensure that the dairy produce they stock returns a fair price to their farmer suppliers. Remember supermarkets aren't the only large customers of dairy – high street coffee chains and food outlets also play a role. If you don't like their
- environmental standards while being farmed, processed and packed in the UK. Look out for the red tractor on processed dairy products such as butter and cheese and think about the real value of the product you are buying.

Recent polling suggested one in five consumers would change the way they buy milk as a result of the dairy campaign so remember that consumers can play an important role in ensuring the long term survival of the dairy industry; the decisions we take when shopping help ensure farmers can invest in their farms, and ultimately, ensure that the high quality and local products that we all value remain widely available.
- policies, shop elsewhere.

3. Write to your MP. Legislation is currently making its way through Parliament to establish a new Groceries Code Adjudicator following an inquiry from the Competition Commission that found supermarkets were using their market power to 'transfer excessive risk and unexpected costs' to suppliers. The Groceries Code Adjudicator Bill will create a new regulator to ensure fair practice. Call on your MP to ask the Government to ensure that this Bill moves into legislation quickly.

4. Buy British dairy. The red tractor logo provides a guarantee you are buying high quality food that meets safety, welfare and

Template letters

Please use these template letters as a guide but remember personalised letters will be more effective.

LETTER FOR MPs

[Insert your address]

[Insert MP's address]

[Insert date]

Dear

I am writing to you as a constituent and WI member to ask you to urge the UK's key milk and dairy purchasers to commit to fair and transparent pricing models, and to urge the Government to do more to prevent the abuses of power by certain retailers.

[INSERT] WI has a long-standing commitment to our farming community. In 2007, the WI ran a nationwide series of public debates highlighting the unfair prices that farmers were receiving for their milk and labour. Five years later, it appears that progress is again starting to stall.

The price cuts that have been announced by some processors in recent months undermine the sustainability of the industry and risk destroying the livelihoods of even more farmers. The dairy sector provides skilled jobs, puts high quality produce on our tables and shapes our rural landscape. The price pressures that risk putting farmers out of business have a knock on effect that challenge the viability of local economies and risk leaving us with less choice of quality and assured dairy products available on shop and supermarket shelves.

The WI has welcomed steps to introduce an adjudicator to ensure that the Grocery Supply Code of Practice is properly adhered to and guarantee fair dealings between large retailers and their suppliers.

We would like to see the Groceries Code Adjudicator Bill move into legislation quickly and would welcome a commitment to regulation that will allow for the investigation of contracts and ensure that the values of fair trade are upheld throughout the supply chain.

Furthermore, while we recognise that pricing is the responsibility of the industry, we would welcome any pressure that you can place on purchasers of milk and dairy products to commit to fair and transparent pricing models that will provide the long-term sustainability that is required to ensure the survival of this important industry.

I look forward to your response.

Yours sincerely

[NAME]

[WI]

LETTER FOR
RETAILERS OR
HIGH STREET
COFFEE SHOP
CHAINS

[Insert your address]

[Insert retailer address]

[Insert date]

Dear retail manager

Following the dairy crisis summit that took place in London, earlier this summer, I am writing on behalf of [INSERT] WI to express concern that too many farmers are making a loss on the milk they produce. Many of our members are frequent [SHOPPERS WITH/ CUSTOMERS OF INSERT RETAILER'S NAME] and would be grateful if you would outline the steps that your [SUPERMARKET/ SHOP] has taken to ensure that British dairy farmers receive a fair deal that allows them to meet production costs.

The WI is the largest women's organisation in the UK with some 210,000 members in 6,500 WIs across England, Wales and the Islands. The organisation has a long-standing commitment to our farming community and in 2007 we ran a nationwide series of public debates highlighting the unfair prices that farmers were receiving for their milk and labour. Five years later, we are concerned that progress is again starting to stall.

The dairy sector provides skilled jobs, puts high quality produce on our tables and shapes our rural landscape. The price pressures that risk putting farmers out of business have a knock on effect which challenge the viability of local economies and could leave us with less product choice on supermarket shelves. As consumers, we value the quality, assured and traceable British dairy that is available in your store and recognize that we can all play a role in ensuring the viability of the industry.

We realise that [SUPERMARKET/ COFFEE SHOP NAME - INSERT AS APPROPRIATE] is just one part of the supply chain, yet your sector plays a key role. Given the significant variations in the pricing models used by different [RETAILERS/ LARGE SCALE CUSTOMERS OF MILK] we would be grateful if you would let us know what measures [INSERT RETAILER/ BRANCH NAME] has taken to ensure that your dairy farmer suppliers receive a fair price for milk and dairy produce.

We look forward to hearing from you.

Yours sincerely

[NAME]

[WI]



Make sure
it's a fair deal!

Only support retailers
that are doing the right
thing by British dairy farmers

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