

## Dairy Farms: 'A War' For the Food Supply

*In 2009, farmers across Europe staged demonstrations against the policies of the European Commission and globalist food processors, which are financially ruining dairy farming throughout the European Union and beyond. One of the leaders of this protest movement is Pascal Cousté of Brittany, the leading dairy region of France. Cousté is affiliated with the Association of Independent Milk Producers (APLI), which in turn is part of the European Milk Board drive to achieve a Europe-wide fair milk price for farmers—a parity pricing policy, an end to the dumping of below-production-cost milk by the processor cartels, and supply of wholesome dairy foods at decent prices for consumers. Cousté was interviewed Jan. 16 by Marcia Merry Baker.*

**EIR:** We now have a worldwide degrading of agriculture capacity underway, destroying traditional, high-tech dairy farming in particular. What is your movement doing against this?

**Cousté:** In Europe today, the biggest organization, a union of the biggest trade union and the biggest cooperative in Europe, is fighting to get open markets, without any milk quota or mechanisms to stabilize prices for the farmer, and last year the milk price to the farmer fell by over 30%. So our organization, EMB, the European Milk Board, decided—after one year of meetings to inform farmers about all aspects of the dairy crisis—to organize a milk strike.

Farmers stopped delivering milk to the processing industry. We sprayed some milk onto the fields—you can see this on the Internet.

And now, we are trying to find the right way to organize ourselves to have power on the market and over industry. It's not so easy, but I think it's always possible.

Over 40% of the farmers will be in bankruptcy in a few months.

**EIR:** This is considered “success” by the globalizers.

**Cousté:** I think that if we continue to globalize, with dairy deregulation, we will have a big problem because we will lose any control, and we will get the same situation as two years ago, with what happened on Wall Street to the banks.

**EIR:** Meaning a total blowout?

**Cousté:** Yes. Everything will be falling in a period of only a few days, because if we lose all the control of all the products at the same time, it will be a total bankruptcy, but for the economy too, especially for food.

Today, the system in Europe with the milk markets, and with pork and with grains, confronts us against industry and politics—because they are responsible; we must say it: It's a war.

### American Dairy Farmers

**EIR:** In the United States, there are defensive actions by dairy farmers—not the strikes such as you have been leading over the past year, but demonstrations and lawsuits. For example, protest meetings in the capital of New York State [Albany], and elsewhere. In December, the Federal government gave out a little money to dairy farmers, towards the gap between the low prices they are getting and the high costs they have. But no solution.

And of course, the entire world monetarist market system itself is collapsing towards total breakdown.

What is your message to Americans, and farmers generally?

**Cousté:** I think now that we are trying to organize something in Europe, to get more power in the markets, I invite them to keep in contact with us, because we have information; we are thinking about many aspects of this. A “French solution” is not the solution. A European solution is a solution. But *a worldwide solution will be the solution.*

Today, 2% of our visitors on our website—between 200 and 500 visitors today on our French website—are visitors from the States. So that means American producers. I think it's really urgent that we be in contact to discuss and exchange, to find a solution.

**EIR:** We have the terrible situation in Haiti. Food relief, especially milk powder, is urgently required, while at the same time, there are many other points of need, given the decades of destruction of national economies and agriculture.

But world stocks of milk powder and other dairy



youtube videograb

French dairy farmer Pascal Cousté addresses a rally in Guingamp, Bretagne, Nov. 19, 2009, protesting the globalization of food production. The signs says, “Milk, Life, the fight continues!!” (EMB is the European Milk Board, the dairy farmers’ organization.)

supplies aren’t there. In fact, globalization disallowed building up reserves for emergencies, calling it “trade-distorting”!

**Cousté:** For example, on the question of milk stocks in storage, it was said some months ago, that in France, we had one cubic kilometer of butter in storage. It was said, that we had incredible amounts of powder in storage. Then, after the milk strike in September, we discovered that there was no storage!

The industry had said we have a big volume in storage. But they used fictitious storage to move the price down.

And today, if we need some milk powder—because we have powder needs for Africa and Haiti today—there’s just *private* storage. It’s totally incredible.

Today, in France, we are buying butter from Poland, at prices 25% over the French market price! In September, it was said that we had one cubic kilometer of butter in storage. But then, in October, the industry said that they must go to Poland to obtain butter for France, because we hadn’t any butter in storage in France.

**EIR:** These lies are typical of the manipulation

and speculation in the cartelized world food system. Especially in view of the emergency needs in Haiti and Africa, these practices are vile.

**Cousté:** We must stop it. When I tell you that we are in a war situation, we are in a war situation. Because people are playing with the lives of other people. It’s not normal.

### Below the Cost of Production

**EIR:** For the United States dairy farmers, the price they are receiving is far below the costs they must pay to keep up their herds and continue milking.

**Cousté:** Yes. The situation we have today is that 83% of the farmers deliver

their milk at prices below their cost-of-production expenses. In France, the milk price is EU29 cents to the farmers per kilo, which is EU290 per metric ton. But the industry sells the same milk to supermarkets or others at a price of EU2,030 per ton!

**EIR:** What about the farmer’s expenses for keeping up the milking herds?

**Cousté:** The costs are all higher. The cost price for energy is higher, and it is difficult to change this. Fertilizer is the same. But now in France, we are in a bad situation, because we have a limit of 140 kilograms of nitrogen per hectare, which means it’s nothing. We cannot spray more nitrogen per hectare. This includes organic nitrogen, from animals, and chemical nitrogen. So it’s really difficult to get good vegetables, and corn, for example. Now we really have poor corn. So we must grow more and more soy and colza [rape oilseed] in place of corn. And their cost-prices to produce are also high.

**EIR:** When did the nitrogen restriction come about?

**Cousté:** It was an environmental, ecological deci-

sion, taken over one year ago. I think that in the future, it will be like this in over 50% of Europe.

But now, the biggest problem is that the European Commission decided to stop the milk quota. Last year, Brussels set 2015 as the date for when all quotas are to be phased out.<sup>1</sup>

At present, in France, each farmer must pay a tax for each liter of milk he delivers over his quota. In Germany, it's totally different. They just pay taxes if they produce over quota. If Germany is producing more than its quota, farmers just pay EU100 per ton, on 10% of the over-production.

The way it works, in effect, is that, in Germany, there isn't any quota anymore. And in eastern Germany, from the ex-Socialist system, there is a farm with over 1,000 cows. They are producing below the cost-of-production price, but nothing matters, because they get money from the processing industry and the investors, which is the problem. So they produce this way, and they drop the price for all other farmers.

In France today, there are 83,000 dairy farms. We know exactly, that if we continue like this, by 2020, it will be down to 20,000 dairy farms.

### **Mega-Herds, Mega-Processors**

**EIR:** What you describe is the imposition of factory-milk farming, in order to serve the purposes of the world dairy cartel companies—Nestlé, Fonterra, Kraft, and the others. They have become gigantic. They are even cross-hauling fluid milk all over.

**Cousté:** Today, in France and in Europe, the biggest company is Lactalis. For example, Lactalis has built a manufacturing plant in eastern Poland, that processes milk from Ukraine. It's not EEC milk, but it's brought in. Then, afterward, they import cheese into France from Poland!

And in Poland, remember, there are just 4.3 cows per farm, on average. Can you imagine the difference? The biggest investment that the Lactalis group is making today is in Poland. There they process Ukrainian milk.

**EIR:** Besides this pattern of undercutting farmers, there is also the global practice of de-constituting raw

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1. The milk production quota system was introduced in 1984 in the EU, nominally to keep milk output in line with usage, for stable prices for farmers and consumers, with limited public-funding of stored product. This was a comedown from prior Common Agriculture Program policies to build up milk capacity to meet national and international needs. Under globalization, even the quota system is to be abolished.—ed.

milk into constituent parts—whole and non-fat milk powder, anhydrous milk fat, casein (milk protein) and so on—not for storage for national security, but to serve the cartel purposes of control and profiteering.

**Cousté:** The normal way to regulate the market is to produce powder and butter. The problem today is that, after a percentage of milk is transformed into powder, normally, if we respect everything involved—the farmers, the market, and ecological considerations—we mustn't [over-]produce and we must tax powder production. Because if we produce too much powder, we deregulate the market. We know that if we just produce 0.5% of milk, over our needs, it drops the milk price all over the planet by 30% minimum.

Now, in France, we have the richest country for milk, because we produce over 500 different cheeses, and we are known for this, and we produce a lot of powder. We want to utilize this powder in different ways, but we have no market, because we import powder and butter from New Zealand!

The other problem is relative currency values. The euro is too high, next to the dollar, and it is really difficult to manage the market.

What we must do is to take care of our needs, and not totally deregulate the market in this way.

**EIR:** Now currencies and the whole monetarist system are blowing out. What do you see with the cartel shift to non-dairy “dairy” products, from canola or palm oil or other fats.

**Cousté:** Today, first, 100% of the milk drunk by the consumer is not natural milk, because this milk has been transformed. They take some fat out; they take some protein out. Now we can see, in butter and cheese, they add in some vegetable fat. They add some protein from vegetables too. It's dangerous, because more and more consumers can't drink milk, because they have an allergy. And it's really a big problem, because we destroy our own markets. We don't take care about consumer health. It's totally abnormal, because to get the vegetable fat, we destroy forests in poor countries, and we destroy the economy as a whole.

It's totally crazy.

### **LaRouche Proposal: A New World Credit System**

**EIR:** Lyndon LaRouche, and associates on all continents, are pushing for a new world credit system to serve the economic rebuilding of nations, in agricul-



European Milk Board

*European-wide dairy farmers demonstrate in front of the European Commission headquarters in Brussels, dumping milk to protest the cut-rate prices that are driving them out of business. (The cow is “dressed” in the colors of the German flag.)*

ture and industry. How would you see, under this kind of positive direction, instead of the mess we have today, the role of France, the role of the dairy sector, new technologies, new cattle breeds, new methods?

**Coûté:** For me, some things are clear. The way that productive farming is managed, is the nicest example to analyze the economic system all over the world. Because if you can see and analyze the milk market, for example, with the milk production inputs, by-products, co-products, it’s the same with the economy. Because you have the different kind of markets, and now we know that the key to speculation is food and land. *If we let speculators play with the farming system, we will destroy the planet for sure.*

**EIR:** Since milk is perishable, speculation on it is exceptionally crazy. At the same time, dairying is the highest-technology end of the farming spectrum, because it takes such expert husbandry, capital investment, and a long time to develop a good herd.

**Coûté:** Yes, but the biggest firms have analyzed that, to be a milk producer, *you must be passionate*, because all the world over, I don’t know any people who are so crazy as to work so hard, to get so poor an income!

Instead, care should be taken about dairy farming,

because we know it’s not suitable for big-scale production. The limit for a dairy farmer, is a maximum of 50 cows. Over that, and you have technical problems. It’s really difficult to have more and more big farms. You know exactly how it is in the States.

In Europe, if we want to have some workers, for low costs, it’s totally impossible. In the States, you know exactly how the situation is, with the Mexican workers.

We must take care about everything, or for sure, we will have a big crisis around the world, and *the next crisis will be a food crisis*, not an “economic” crisis, but a food crisis. Because farmers will not continue to work like this without any future.

### The Canadian Milk System

**EIR:** In the United States, international investors—especially London- and Dutch-centered money—have backed gigantic dairy herds in Idaho, Colorado, and Indiana, not just California and Texas. Meantime, traditional dairy farms are going under in Wisconsin, Pennsylvania, New England, New York, Minnesota, and elsewhere.

**Coûté:** Yes. And look at how the Canadian system works. That is instructive. In Canada, there is an association between farmers, industry, and consumers. Each year, they study the market and they produce 94% of that, with a price specified. And they decide a seasonal quota, so they don’t produce too much powder. So today, in Canada, we have a higher milk price for the farmers, and a lower price for the consumers. It works. And it’s next door to the States. It’s incredible.

**EIR:** Of course, it was in the United States, under Franklin Delano Roosevelt in the 1930s, and his Agriculture Secretary, Henry Wallace, who was from Iowa, that they began the parity price system for matching up the costs for any farmer’s expenses to produce a commodity, and the prices the farmer should receive for anything, especially milk, but also grain and other crops.

So the United States rejected its own model when deregulation came in with globalization.