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Dairy farmers driven out of the industry

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By Mark Casci Agricultural Correspondent

THE number of dairy farmers operating in Yorkshire has more than halved since 2000, sparking fears about the future of the industry.

Figures from the Department for Environment, Food and Rural Affairs (Defra) show that there are now just 960 dairy farmers in Yorkshire as comp-ared with 1,999 seven years ago.

Low prices, high input costs and increasing regulation have all contri ADVERTISEMENT

buted to driving hundreds of farmers out of the dairy business.

The decline is being felt nationally and is beginning to hit milk production with the country heading for a one billion litre shortfall this quota year.

Industry experts have raised concerns about the prospect of the country having to depend on unreliable foreign dairy imports, whose markets in most cases are not subject to the same stringent quality standards, and expressed fears of cases such as the Chinese milk scandal of earlier this month happening closer to UK shores.

And with the average age of a dairy farmer now 60 many in the sector fear this number could decline even further.

The prospect of Nitrate Vulnerable Zones (NVZ), where rules prevent the spreading of liquid slurry – animal waste – on land for the winter period each year, are also contributing significantly to their overheads.

The aim is to prevent effluent from the waste seeping into water courses and rivers, but it means that farmers need to provide storage facilities to keep waste until the spring.

Martin Burtt, dairy chairman of the National Farmers' Union, said that the high costs required in investments in labour-saving technology and the prospect of having to buy new storage facilities to comply with NVZ legislation were contributing to the malaise.

"The capital involved is quite prohibitive. To force people to not spread muck at certain times and to store it instead will cause problems. All of this is going through the 60-year-old farmer's mind. I have got a parlour that is going to last only a couple more years, NVZs will kick in in a few years. Do I really want to carry on with this?"

Nick Everington, chief executive of the Royal Association of British Dairy Farmers, attributed the decline to the low price levels paid to farmers.

He said: "Continual price cuts made by processors and retailers over the last seven years have led dairy farmers throughout the UK to quit the industry. For the majority of that period average cost of production, including family labour, has been higher than average farm gate price. Furthermore, the UK continues to remain in the bottom section of the EU milk league table.

"Twelve months ago producers experienced an unprecedented trend reversal as farm gate price increased by 38 per cent to the 25p per litre mark, enabling the average dairy farmer to virtually break even. Since then

input costs have soared; fertiliser by 200 per cent, fuel by 60 per cent and protein concentrates 10 per cent.

"The UK is heading for a one billion litre shortfall this quota year and processors are already importing 500,000 litres per day from Northern Ireland."

Mr Everington also pointed towards the Chinese baby milk scandal as an example of why domestic milk supplies should be maintained.

Chinese baby milk producers have been accused of adding melamine, an industrial chemical which fools laboratory equipment designed to find out if milk has been watered down, causing four babies to die and about 53,000 children to become ill. It can cause stomach pain and kidney stones.

"All domestic milk is produced to the highest quality under the National Dairy Scheme Requirements," Mr Everington said. "In return our farmers need the reassurance of a price increase, sufficient for reinvestment for the future and subsequent sustainability."

A spokesman for the Dairy Farmers of Britain co-operative, which has members from about 2,600 individual farms all over Britain and has a strong presence in Yorkshire, said that part of the decline was due to the natural consolidation of smaller farmers coming together.

Shadow Agriculture Minister Jim Paice said: "The numbers of farmers falling, along with falling production, is very worrying.

"With milk there is a limit to how much can be imported and sold but where we really need to be fighting is for other dairy products.

"We produce some wonderful cheeses and yoghurts in this country.

"But many farmers will be unwilling to fight back if there is a long-term question mark over the viability of the industry."

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