

Background to the milk industry

Buckinghamshire is a county in SE England and is close to London. Traditionally, there was a demand for milk both from the local **commuter** towns and from London. Dairy farmers had a reliable market for their product and they farmed the land in an efficient and productive way. However in the last 25 years, dairy farming has undergone many changes. **Milk quotas** were introduced in 1984. They are a production mechanism which was introduced as a means of stabilising production across the **European Union** (EU). Each country was given a certain amount of quota and farmers were allocated an amount on the basis of their previous level of production. The UK milk production was restricted by the quota system so that today we are no longer able to be self sufficient in milk production going from about 110% to about 86% self sufficient.

Quotas can be leased or sold. Some farmers who did not get the amount of quota they wanted, or who could not buy more to make their businesses larger and more viable, decided to leave milk production altogether. The main tensions in the milk industry are a result of farmers having little control over the **food chain** at both processing and retail level. After the Milk Marketing Board was wound up in the early 1990s, the co-operative Milk Marque was set up in 1994/5. However it was disbanded, reluctantly, by the farmers involved, when the Monopolies and Mergers Commission declared it was an illegal monopoly and became a series of regional co-operatives which do not have the same status or power as the old systems.