Unequal milk production

A significant production increase at the global level

In the last few years, global milk production has kept on increasing and, in 2005, it reached 626 million tons[1]. The estimates for 2006 are 636 million tons. In the last 10 years, global milk production has increased by more than 20%. Such an exponential growth is particularly due to Asia (India and China), Oceania (New Zealand), South America (Brazil, Argentina...) and the USA[2].

One third of the 239 million dairy cows in the world lives in Asia, 20% in Africa and 10% in the European Union[3]. However, the number of cows and the size of herds do not at all match production, local milk consumption or even dairy products trade. Moreover, while in Europe people usually associate milk with cows, throughout the world people drink milk from asses, ewes, buffaloes, camels, goats, dromedaries, mares, llamas, reindeers, cows, yaks and zebras. In 2003, cow milk represented 85% of the global production, buffalo milk 12%, goat and ewe milk 3.3% and camel milk 0.2%. Africa produces 20% of small ruminants milk (goats and ewes)[4] although its milk production at global scale is insignificant.

In the 20th century, the development of prophylaxis and food supplements coupled with a more refined selection of the best performing species have considerably contributed to the progress of diary productivity both in industrialised and emerging countries. Incentives-based policies have also promoted the development of the dairy sector in some regions.

In 2004, the dairy yield reached 8599 kg per cow and per year in the USA, 7584 kg in Canada and 5874 kg in Europe. In Africa, a dairy cow produces an average of 461 kg per year with a strong variation depending on the season (dry and humid

Milk production per cow and per area

(in millions of tons)	1995	2000	2002	2003	2004	2005	2006 [7]
Africa [1]	5,3	5,2	4,7	4,7	4,7	4,7	—
North America [2]	86,0	93,7	95,1	95,4	95,8	98,3	100,0
South America [3]	38,8	36,6	46,0	46,5	46,7	48,0	50,0
Asia [4]	46,1	49,8	56,3	60,8	67,1	70,0	73,0
Asia-CIS	11,3	10,8	11,6	12,2	11,7	12,0	12,22
UE-15	121,8	121,2	122,0	122,3	120,5	121,0	120,8
UE-10	21,5	21,8	21,9	21,9	21,8	21,8	22,2
UE-25	143,4	143,0	143,9	144,2	142,3	142,8	143,0
Other PECO	10,6	10,1	10,2	10,8	10,9	11,0	11,2
USA-CIS	62,4	50,1	53,1	52,7	52,5	52,0	52,0
Other USA Occ. [5]	5,9	5,7	5,6	5,6	5,6	5,6	5,6
Oceania [6]	18,5	23,6	24,2	24,7	24,1	24,7	24,5
Total	417,0	417,8	439,1	445,4	449,7	457,1	459,3
Worldwide	465,2	489,8	506,2	512,5	519,0	527,0	535,0

1) Only South Africa, Kenya and Zimbabwe - 2) USA, Canada and Mexico - 3) Argentina, Brazil, Chile, Uruguay and Venezuela - 4) China, Japan, India et CIS Asiatic - 5) Switzerland, Norway and Island - 6) New Zeeland, Australia: end of may until June of next year - 7) Estimates — Source: ZMP

1) Confédération belge de l'industrie laitière, Annual Report 2006, p.14.
2) cc cit, p. 14-15.
3) CRET study, « Pour un commerce équitable des produits laitier » for Collectif AlimenTerre, 2006.
4) In Mali, half of the milk production is secured by small ruminants.

seasons) except when particular feeding techniques have been implemented[5].

Production techniques vary greatly from one country to another, hut in today's global context, the models favoured by some in the western countries, with their flaws; have a direct repercussion on production and consumption patterns in developing countries.

The present issue of Farming Dynamics focuses on the situation in Europe and in some African countries (Cameroon, Mali and Burkina Faso)[6]. The objective is not to offer a comprehensive analysis but rather to highlight some elements of the reality of the dairy sector in these countries.

Europe: a surplus production with fewer producers

There are every day fewer breeders in Europe...

In the North, the dairy sector performance comes with a heavy toll: a significant reduction of the number of stock breeders. As the productivity of dairy cows increases, more dairy farms close, particularly the small ones with few herds. This trend is even more drastic in the USA, Canada and Europe[7]. However, in China or in India, milk production takes place almost exclusively in small-scale farms with a reduced number of animals[8].

In the European Union (EU), we have to recognize that the agricultural production system – formally a major source of employment when the Common Agricultural Policy (CAP) was implemented - collapsed. Between 1995 and 2004, France lost more than 30% of its breeders and in the Walloon region of Belgium (Southern region), between 1984 and 2004, the number of dairy breeders decreased from 47,053 to 15,817. Such a reduction is due to the CAP, the real aim of which is to supply the dairy industry with low cost raw materials. To achieve this purpose, the CAP encourages intensive production and the concentration of production in factory-farms.

Doing this, the CAP did not manage to satisfy small-scale breeders even though one of its key objectives was to support farmers and their incomes through a supply management system, based on the implementation of tool such as quotas and fixed prices. The target price of milk was supposed to ensure to breeders that their milk quotas would be sold (see below) at a fixed price per litre, a price that should allow them cover work and production costs. It has been gradually[9] adjusted downwards and is destined to disappear as a consequence of the last CAP[10] reforms. For butter and milk powder, intervention prices were supposed to guarantee the offered price. These have also been adjusted downwards.[11]

5) Associations such as APESS, Association pour la promotion de l'élevage au Sahel et en Savane, implement projects aiming at building up food reserves for the transitional period in order to ensure milk production throughout the year (hay warehouse, ...).

6) The texts of these studies are available on the internet site of SOS Faim: http://www.sosfaim.org/pages_be/fr/campagnes/campagnes_leuropeestvache_plus.html

7) For example, in Europe, between 1995 and 2004, the volume of farm-collected milk increased from 113 to 114 million tons while the EU lost half of its dairy producers and the average herds size experimented a 55% increase (Oxfam 2002, «Milking the CAP, How Europe's dairy regime is devastating livelihoods in the developing world», http://www.oxfam.org/en/files/pp021210_Dairy.pdf)

8) India is currently the first world producer with 90 million tons and more than 85 million dairy farms (Martin Hofstetter, German Watch «Demands on a reform of the EC regulation from the perspective of peasant farmer organisation in North and South», 2005)

9) In 2002, the price was €30.98 /100 kg (0.31/l), whereas according to the Dutch estimates this price should be between €0.42 and 0.46/l, including €0.12 for the farmer's work (Vredes eilanden).

10) Simulations give the following target price for 2007, €0.24 /l: Annual Report of the CBL, page 31.

11) Milk powder decreased from €205.52 /100kg in 2004 to 174.69 in 2006 and butter from €328.20 in 2004 to 259.52 in 2006, with time and volume limitations.