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Milk farmers spray fresh milk on riot police during a demonstration outside the European Council headquarters in Brussels on Monday. *Photo Reuters*

## Don't blame the milk farmers for world hunger

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**As 1 billion people in the world go hungry, European farmers filled up their manure tankers with milk and dumped it on their fields to protest the low price of milk. The milk protest illustrates a much bigger problem with food prices in the globalised world.**

By Hans van der Lugt

Farmers all over continental Europe joined in milk strikes over the past month because, they say, they are forced to sell their dairy at half the price it costs to make it and they are being put out of business. The protests have forced an emergency meeting of European agriculture ministers on Monday in which France and Germany are asking the others to support raising milk subsidies.

**Feature - Dairy farming has become an expensive hobby**

While there is sympathy for the farmer's position, many people are offended by the waste of perfectly good milk. "It is a sad picture at a time when a billion people are hungry," Dutch Labour member of parliament Harm Evert Waalkens says.

But the farmers say they are not to blame for this. "Hunger is a political problem," Sieta van Keimpema, the leader of the protesting Dutch Dairymen Board, said at a recent 'milk strike' rally in The Hague. "Policymakers have never lifted a finger to solve the problem of hunger," the dairy farmer said. She dismissed the suggestion that the millions of litres of milk should be made into butter and be shipped to Africa instead of dumped. "That would only disrupt the local markets and make their farmers obsolete."

### Overeating and biofuels

There is plenty of food in the world, so Van Keimpema is right when she says that dumping milk on European fields does not increase hunger in other parts of the world. For everyone who is undernourished there is a person who is obese. Obesity has become as big a problem in the world as malnutrition. And on top of over-eating, richer nations are also using food as fuel. Vegetable oils and alcohol pressed and distilled from agricultural crops, partly from developing countries, such as palm oil plantations in Southeast Asia, were responsible for the food crisis of two years ago.

The reason behind the 2007 food crisis was not a shortage of food on the planet, but the biofuel stimulants rich countries introduced. The high food prices of that year put an abrupt end to the steady decline in malnourished people in the world and boosted their number to over one billion. And while biofuel was long thought to be an environmentally-friendly alternative to fossil fuel that would help combat climate change, many now consider it to be at the root of the current food crisis because, in reality, it created a new, profitable market for crops.

As oil prices peaked as a result of economic growth in 2007, the US and EU decided to make the mixing in biofuels with petrol obligatory. In the US, corn-based ethanol is used for this, which meant the price of corn soared along with that of oil and the prices of other grains followed. These government policies that oblige this mixing artificially raised prices and effectively subsidised farmers, while the high food prices had their

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repercussions in other countries. Consumers in Mexico who immediately felt the pinch from the rising US corn prices took to the streets in what was dubbed the 'tortilla riots'.

### A flaw in the system

That scared governments; countries that rely on food imports became willing to pay insane prices and those were boosted further by the governments of exporting countries that came up with export restrictions because they were afraid of shortages themselves. That increased prices further and made an additional 150 million people go hungry.

"It is not the free market that is perverted, but the players in an imperfect free market," says Michiel Keyzer from the Centre for World Food Studies in Amsterdam. He points the finger at governments that created chaos by stimulating the use of biofuels and limiting trade by putting export barriers in place. "Institutions like the G20 don't pay enough attention to the problems that it, meaning the governments themselves, creates."

The food crisis has exposed a flaw in the regulation of international trade, Keyzer says. "The effects of the unlikely cases, such as export barriers, were not thought through."

"In international trade countries always want to increase their exports and limit their imports. But during the food crisis, the exact opposite happened," according to Keyzer. "There was no mechanism to counter this and that hole in regulations has to be filled. The WTO (World Trade Organisation) has to have the power to suspend export barriers."

Keyzer says the most important thing is for authorities and other organisations - from local governments and co-operations, up to national authorities and the WTO - have to facilitate developments, instead of throwing them into chaos.

The focus should be on investments in agriculture, not so much with high-tech genetically modified crops, but basic needs such as seeds and fertilisers as well as irrigation and infrastructure. "To increase the benefits in poor countries there are many 'simple' solutions that are, however, very difficult to realise on an administration level," says Keyzer.

### 'Forget about the world market'

Some developing nations have been successful at combating hunger in the past decades; Asian countries such as Vietnam, China and India especially. More than anything, that proves how a well-functioning government with the right priorities can make all the difference. It raises the question if Asian countries can help the Africans how to take on hunger.

Europeans, in the meantime, could reconsider the dramatic effects of the stimulants of biofuels, other experts have suggested. Grain reserves, for instance, could be used by the government to correct extreme prices in times of shortages or surpluses, rather than brewed up in power plants.

And in safeguarding its own food supply Europe has to make sure it doesn't jeopardise farmers in poorer nations, because the line between enough food and a surplus is thin and those surpluses are generally dumped on the world market. That is exactly what France and Germany are asking the other EU member states to do on Monday: to support higher export subsidies for surplus dairy products.

The protesting farmers, however, want another solution: let's forget about the world market and focus only on our own food supply. That way we won't spoil the market for defenceless farmers in poor countries and Europeans will no longer have to accept milk from hormones-stuffed

### Emergency meeting

Monday's extraordinary meeting to discuss the crisis in the milk sector was called at the request of France, which is pushing for measures to counter a slide in prices that prompted a **delivery boycott** by milk farmers.

The French proposal for **new dairy regulations** has won the support of a majority of the EU's 27 member countries, but EU agriculture Commissioner Mariann Fischer Boel has said many of their suggestions had already been implemented or discussed.

Over three hundred protesting dairy farmers from across Europe gathered outside the European Union headquarters ahead of the meeting.

Farmers suspended their delivery boycott last week to await the outcome of the meeting, but have warned that they would restart the strike and **harden their position** if their demands were not met.

The farmers' major demand - limiting production through **quotas to drive up prices** - met with no success. EU officials said they still intend to gradually create freer markets for European farm products.

The farmers want the Commission to remove excess milk from the market and cut milk quotas by 5 percent to boost prices. The EU said in 2003 that it planned to phase out the quota system by March 2015. (AP, Reuters)