

Dairy needs the rewards to make vital investments worthwhile

Northern Irish vet David Mulligan attended the Dairy Forum. He spoke to **Chris Lyddon** about his view of the industry

As a vet working full-time in the practice, with a family farm, David Mulligan accepts that it's very hard to command your own price when you run a small business, but the dairy farming sector, he contends, is in a situation which has gone beyond that. "We need to secure the supply of food," he said. "When you are left completely high and dry, the Government ultimately has to make a decision. Do they want to have primary food production in the UK as a priority? If they do they have to find some way.

"We can hide behind CAP," he said. "We can hide behind supply and demand. We can hide behind the powers of the supermarket as to why we can't change the price.

"That is a different concept between are we fully supportive of the farm community and how can we safeguard those trying to make that investment and make sure that supply chain is not left high and dry six months later.

"They can hide behind all those global issues as the reason why we cannot change the price of milk overnight, but we have to find some way," he said.

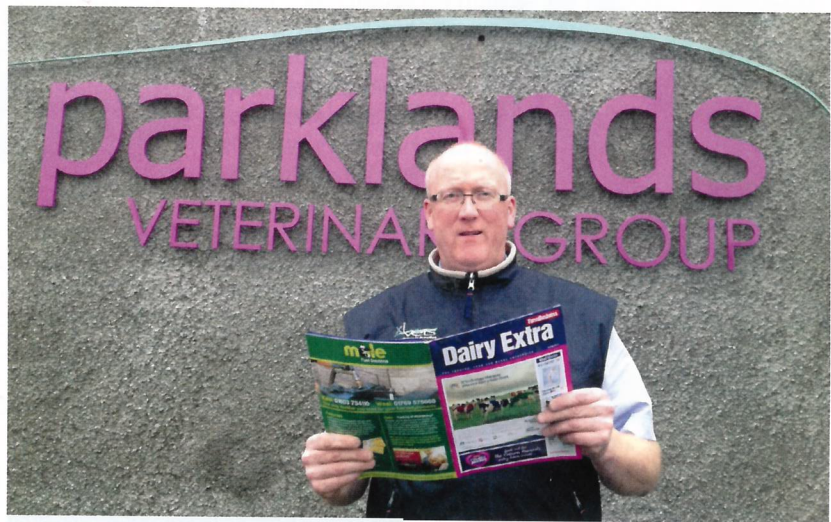
"If these guys are making their level of investment then if the milk processors don't want that milk why do they turn up week after week saying 'you produce 100,000 litres and I will keep taking it off you'?"

"Are they responsible because they have kept lifting the milk and encouraging people to produce more?"

Mr Mulligan has judged sheep in France. "You go into town centres and that town centre has been given over to a local show to set up a marquee in the square," he said. "Horses come in and there's manure left all over the cobbled square. The whole town just stops still to accommodate the farmers, and so what if they have to spend the next week getting the place washed and cleaned. It's great to have agriculture – it's the backbone of the country.

"It's difficult if people want to buy milk slightly cheaper and with the likes of retailers using milk as a loss leader to encourage that," he said. "When milk was being sold for less than the price of water, was that sensible? Ultimately I still think that the Government has to take the lead," he said. "They can showcase it coming up to an election when they need votes perhaps, but they need to say 'yes, if we want primary food production we have to safeguard the custodians of the farms who are making those massive investments with no guarantee of a return'.

"Is their business model sustainable?" he asked. "If it



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is, not why not come up front and say 'sorry boys we don't need any more. We will finish this current contract but we are not in a position to give you a new contract'."

In Northern Ireland the milk pool has doubled to two billion litres. "We have clients in the practice who bought quota in from England," he said. "Those guys have invested heavily and today the quota is worth

nothing. They have the same problem with the price they get for the milk, which is way below the cost of production.

"The veterinary profession, the feed mill, every small local town and village depends on agricultural households bringing their income in to keep the area going," he said. "Those guys are investing for the long term. They are not making short-term decisions.

"Northern Ireland can't survive without the sector," he said. "We can't survive without the farming community."

Mr Mulligan pointed out that other farming sectors have problems of the same type. "If you look at the normal cyclical nature of lamb prices, that price might drop 40% over the course of the season," he said.

"Every sector of agriculture can expect some volatility and swinging prices, but when you get to the level of investment that is now required to run a well-managed dairy unit to produce milk to the standards of quality and hygiene that those guys expect, you can't do that on a shoe-string budget.

"We see our average age of clients generally increasing across the practice and that's a trend that has to be reversed," he said. "But you will only encourage those younger, good generation guys to come through if they get a return on their investment and have some quality of life, having made that investment."