



On target :

Milk

NFU Scotland – fighting for your interests

NFU Scotland's Milk policy is to develop solutions to improve returns to Scottish Dairy farmers from the market. NFU Scotland has demonstrated that the Scottish dairy sector must grow and add value and that there must be fairer distribution of margins. Our recent work has developed potential solutions as well identifying the issues more clearly than ever before.

We are clear that if Scottish dairy farming is to be sustainable, the market must deliver, but are well aware of the significance of Single Farm Payment. The Committee remains engaged with the ongoing debate on CAP reform from the perspective of milk producers, but without losing sight of the overall Scottish picture.

- **NFU Scotland's Pricing Formula**

- NFU Scotland has developed a Pricing Formula. The formula demonstrates the huge amount of value Scottish producers have lost and continue to be denied. It demonstrates that there is a fair, transparent, objective pricing mechanism.
- The formula has been promoted widely and diligently, speaking to 500 producers across Scotland, the great dairy debate at Stoneleigh, and we met with processors, retailers and politicians to promote the formula and our belief that paying producers a market related price was essential to a healthy ambitious dairy sector.
- The exposure the pricing formula campaign has raised NFU Scotland's credibility significantly. Our campaign has been widely recognised by many well-informed and influential people in the sector and government as the most significant and well considered as any initiative in many years.

- **Code of Practice**

- NFU Scotland's immediate priority is to take a leading role in developing a Dairy Supply Chain Code of Practice. This Defra initiative has been left with the 'Industry' to develop and agree.
- NFU Scotland's current credibility in the dairy sector is good. Earned particularly in the work over the last 12 months, along with the increased range of respected contacts, in government and the supply chain. NFU Scotland is well placed to influence this process.
- NFU Scotland and NFU have recently agreed on policy on CoP and will meet together with Dairy UK to develop a contract, and negotiation terms and conditions. NFUS and NFU are clear that there must be understanding of the needs of milk purchasers, but are adamant that there must be significant and meaningful change.

- **EU Dairy Package**

- The EU commissioned a High Level experts Group has developed proposals on the dairy sector, which are the most significant for many years. NFU Scotland influenced the developments from the beginning, directly, via the Scottish Government, Defra, Copa-Cogeca and MEP's.
- Our involvement has been well informed and meaningful. Our increased exposure to senior Defra officials and our close understanding with Scottish Officials resulted in a significant meeting between Defra and all the devolved administrations and farming unions to challenge Defra's negative policy as lead UK organisation.
- This has resulted in Defra reviewing policy to accommodate the devolved opinion, requesting the OFT to review and explain the potential flexibility in competition law which could be used. NFU S were the first body consulted by the OFT.
- The 'Dairy Package' is now at a critical stage, with the Commission, the EU Parliament and the Council of Ministers attempting to agree the final conclusions. NFU Scotland continues to influence the debate in Europe and with Defra and Scottish officials and politicians.

- **Promoting growth in the dairy sector.**

- NFU Scotland has actively promoted the potential to grow Scotland's milk field, attract investment in processing in Scotland and encourage innovation to add value.
- We have worked with Scottish Government, Co-ops and others to promote Scotland as a good place to produce and process milk. We have 'encouraged' initiatives such as the First Milk export initiative, the partnership with Fonterra and Milk Link's investment in Lockerbie.
- We attended the international dairy summit in Parma to explore the opportunities to add value and grow markets. In Parma we increased our knowledge of the global dairy sector and met with many influential people, who will be helpful as we develop Scottish dairy

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