

“Institutional Change in Germany’s Farmers Associations: Impacts of the Dairy Conflict”

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Abstract

The paper deals with the conflict between the German Farmers’ Association (DBV) and the Federal Dairy Farmers Association (BDM) based on the two milk delivery strikes as culmination points in the so called dairy conflict. The analysis focusses on the main causes of the conflict and the different stages of escalation in the dairy industry. The objectives are to outline the process of change in Germany’s farmers associations, and the opportunities and risks regarding a long-term institutional differentiation. The main data collection methods are in-depth interviews and qualitative document analysis.

Keywords: *Dairy conflict, Farmer Association, grounded theory, institutional change, milk delivery strike*

1 Introduction

The dairy sector has to meet the challenges of markets in the process of liberalization resulting in increasing fluctuation in prices. The competitive pressure in dairy farming in Europe has been growing due to the political decision to abolish the dairy milk quota. Many German farmers reacted with protests and demonstrations. The latter resulted in milk delivery strikes, blockades of streets and creameries, as well as public milk obliteration. Furthermore, while several farms are struggling with financial distress, emotionalized conflicts between farmers and within farm families ensued. In the course of these developments, a remarkable number of farmers lost confidence in the German Farmers’ Association, as well as in the European and Federal agricultural policy. The bond between farmers suffered and positions of individual farmer and groups have been further apart since. The farmer associations, and in particular, the German farmers association, are facing the problem to prepare for a possible long-term differentiation in the agricultural association structure. To take a deeper look into these developments, the study focuses on southern Germany with its small-scale dairy cattle regions, where the pressure for adaption is especially high. The aim is to analyze the conflict between the German Farmers’ Association (DBV) and the Federal Dairy Farmers Association (BDM), identifying the main causes of the conflict and different stages of escalation. Furthermore, the study seeks to outlining the process of change in Germany’s farmer associations and impacts regarding long-term institutional differentiation.

According to FEINDT (2010, p.255) the dairy conflict was one from the public above-average recognized agricultural conflict in the 21 century. Despite of the high attention, the literature is rare regarding this topic. But there is a large amount of literature related to general backgrounds, like the common agricultural policy reform (CAP), the development of the dairy market, and the structural change regarding farm numbers and sizes in Germany and Europe. In the following some relevant examples: HUETTEL and JONGENEEL (2008, p.1) outline that farm

numbers were declining drastically over the past decades and therefore on average has increased. From their point of view, the structural change is: “(...) a dynamic process over time and a result of adaptation process of farms to changing macroeconomic conditions” (HUETTEL and JONGENEEL, 2008, p.1). The intensity of the dairy conflict was especially high in southern Germany with its small-scale dairy cattle regions – where, despite the ongoing structural change, milk production is still comparatively small-scale (KLEINHANSS et al., 2010, p.3). The competitive pressure in European dairy farming is increasing because of the liberalization of the European milk market (LUTTER, 2009, p.98).

Regarding the CAP-Reform, LASSEN et al. (2008, p.155) concluded that the abolishment of the dairy milk quota will lead to a transformation of the dairy market in Europe. It will affect the milk prices, which could fluctuate more heavily and, depending on world market prices, could be lower than times of the milk quota regime. The contractual relationships between farmers and creameries are falling away. SPILLER and THEUVSEN (2009, p.227) draw the conclusion, that all model-driven projections of the future developments in the EU dairy market, under altered agricultural policy framework, are uncertain. This underlines the argument of many farmers regarding their insecurity about what will happen after the end of the milk quota regime.

Analyzing the communication process during the dairy conflict, SPILLER and THEUVSEN (2009, p. 225) were recognizing that BDM’s communication strategy has been campaign-oriented, with the aim of high media attention to gain public awareness for their position. Their analysis of BDM’s campaign-orientation during the dairy conflict, based on ZÜHLSDORF elaboration regarding the structure of PR-campaigns, produces the following pattern. They structured the milk strike as a spectacular event to frame a specific topic as a problem, in this case the low milk prices. This topic served as a basis for further subtopics like the hunger strike in 2009. The next step in the process is called priming. It is supposed to agglomerate the main topic to one central, well transportable term with a high level of recognition. As an example for this step, SPILLER and THEUVSEN (2009, p.225) identify that milk prices are a synonym for under-appreciation of food by the society. Overall, SPILLER and THEUVSEN (2009, p. 226) came to the interference that the current discussion with respect to the milk market and milk market policy is increasingly affected by the campaign-orientation of the Federal Dairy Farmers Association. A study from BÖHM and SCHULZE confirms the high media presence of BDM during that time. This conclusion is based on a media analysis with a full-text search in six German daily newspapers during the period of April, 15 2008 to July, 31 2008 (BÖHM and SCHULZE, 2012 p.195). Results showed that newspaper articles regarding the dairy conflict mentioned farmers or their association, BDM, in 36% of all cases, whereas, the DBV experienced only a 9% share in coverage. BÖHM and SCHULZE (2010, p.202) determine that this is extraordinary for non-political actors.

2 Research Methods

The basic methodology is a qualitative research approach, based on open-ended questions, allowing a better focus on the interviewees’ perspectives (FLICK, 1996), which, regarding this very emotionally charged topic, is a particularly essential attribute. Data collection included individual, in-depth interviews with farmers (12 interviews), policy makers (2 interviews), agricultural experts (5 interviews), dairy market experts (4 interviews), association experts (DBV: 5 interviews; BDM: 4 interviews), as well as experts, in conflict and change management (1 interview) and in organizational development (1 interview). Until now a total number of 34 interviews were conducted with an average interview length varying between 90-120 minutes.

The interview group of farmers, includes: male farmers, female farmers and junior farmers. The selection of farmers also involved members from different associations and with different farm sizes. The regional focus was on the German federal states of Bavaria and Baden-Württemberg. The interviews are structured in the following topics: general information referring the interviewee; evaluation of the dairy conflict; perception and developments in Germany's Farmers Associations; initiated changes due to this conflict and their potential impact on future developments. Within the research process the interviews were transcribed and afterwards imported and coded within Atlas.ti (software for professional qualitative data analysis) in an ongoing process. Within the software, the interview transcripts were marked and a code system enriched with memos was developed in a continuous process. In further steps, these codes were associated with each other and "Network-Views" (graphical cluster models of the code system) as theory formation developed. The purpose of Network-Views is to constitute the process of change process in the structure of Germany's farmers associations and the conflict-pattern of the dairy conflict based on these Network-Views.

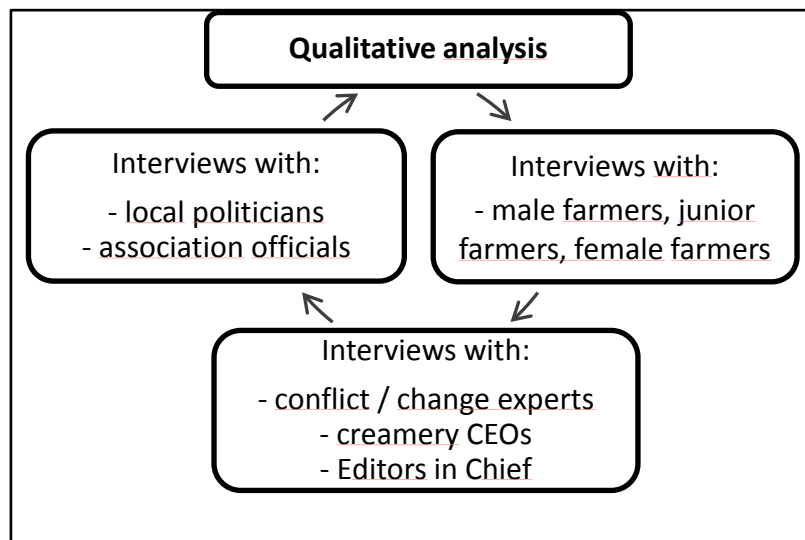


Figure 1. Qualitative Research Process

3 Dairy Conflict

One central aspect of the conflict is the conflict between the German Farmer's Association and the Federal Dairy Farmer's Association. The main BDM requests were a base price of 43 cents/kg; a rise of the conversion factor (liter to kilogram from 1.02 to 1.03) and a contribution from the creameries of 5 cents for every kg of milk delivered for marketing purposes (TOP AGRAR, 2008). The two parties of this conflict, are the BDM and the DBV. The BDM was founded in 1998 and, according to their homepage has around 30.000 members, equalling one third of the milk-producer in Germany (BDM, no date) however, the majority of the interviewees specified that this number is out-of-date, and membership is decreasing. There is a lack of reliable numbers at this point. The other involved party, the DBV, was founded in 1948 and represents the first single, free and self-determined professional interest group of farmers (LANDVOLK, no date) including 300.000 farmers and their families (DBV, no date).

3.1 Conflict Pattern

The following figure shows the development pattern of the dairy conflict. The first strong public evidence were protests and demonstrations of farmers in streets and in front of political institutions (FLZ, 2007, p.15). The main request from the BDM, a base price of 43 Cent/kg milk, was marked by memorable signs with the requirement regarding the minimum milk price on it. After an internal strike vote in April 2008 the BDM started a milk delivery strike lasting ten days from the May 27 (after public announcement on May 26 (FLZ, 2008)) to June 6, 2008 all over Germany and additionally, especially during that time, selective blockades of creameries.

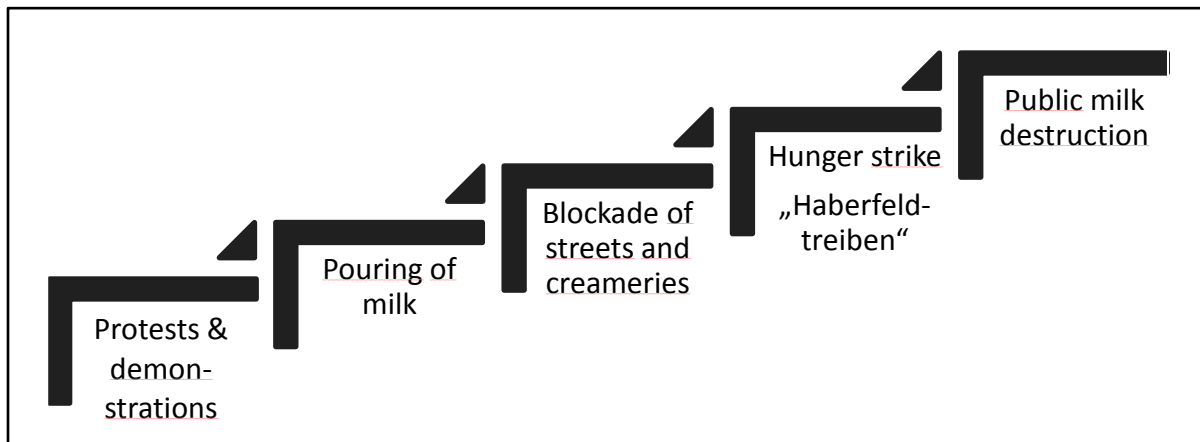


Figure 2. Levels of escalation

At this point two aspects are particularly striking. First, the price-level was not dramatically low time with 33 Cent/kg (3,7% fat- and 3,4% protein content, without vat – source: LFL) in May 2008, therefore several experts, as well as farmers, were astonished about the timing of the milk delivery strike. Second, the fact that a multitude of farmers from cooperative creameries were participating at the milk delivery strike, and actively blocked their own creameries (ERNÄHRUNGSDIENST, 2008). This was the first climax of the conflict, which media announcements caused quitting of DBV-memberships by groups of farmers (BLW, 2008), who were complaining that the German Farmer's Association was not supporting the BDM campaign or the dairy farmers in their entirety. Due to the media attention, the BDM accomplished an increasing public and political discussion regarding its suggestions. Furthermore, a small group of female farmers were going on a hunger strike, in front of the chancellery (SPILLER and THEUVSEN, 2009, p.225) to garner attention for their situation. A further relevant development happened in November 2008, when a larger group of BDM supporters were burning a corn dolly in the so called "Haberfeldtreiben" not far from the house of the DBV president at that time (SÜDDEUTSCHE, 2008, p.45). In May 2009, the emotional level of this conflict was rising again. Protests in front of the chancellery started again (FLZ, 2009A) and the streets around the house of the DBV-President were covered with written threats. In September 2009, another milk delivery strike took place (FLZ, 2009B), but this time with a significantly lower participation level according to the statements of the majority interviewed persons. With the public milk destruction with manure barrels on fields, the BDM claimed a strong media response, which incited the debate of fair milk prices and caused diverse confrontations.

3.2 Key drivers of the dairy conflict

The multiple factors responsible for these developments were quite diverse and can be divided into two areas (as shown in the Figure 3). Referring to the economic background, most respondents regarded the market liberalization and, especially the abolishment of the milk quota regime as the main drivers of the conflict; particularly in combination with the fear of change many farmers displayed. These developments were characteristic for the further conflict pattern. Several farmers were blaming the DBV for supporting the abolishment of the dairy milk quotas. They are worried about increasing peer-pressure, especially in Bavaria with its small-scale dairy cattle regions, where the conflict was extraordinarily intense. Emotional issues include conflicts within farm families, between younger and older generations, as well as between farmers, with respect to their decision to participate at the milk delivery strike or not. Furthermore, developments such as peer effects during the milk delivery strike and, in this context, increasing pressure on opinion formation were playing an important role. Interviewed non-striking farmers complained about other farmers trying to influence their decision to participate in the milk delivery strike. As a result of this group dynamic, many farmers participated in the last days of the milk delivery strike, due to revisits from striking farmers and BDM supporters. A decreasing feeling of community after the delivery strike was a consequence of these pressures. In many villages lasting conflicts ensued. A broader emotional influencing factor in this conflict were the fear of change by many farmers. From experts' perspective, the farmers' insecurity led to the strong interest into BDMs approach.

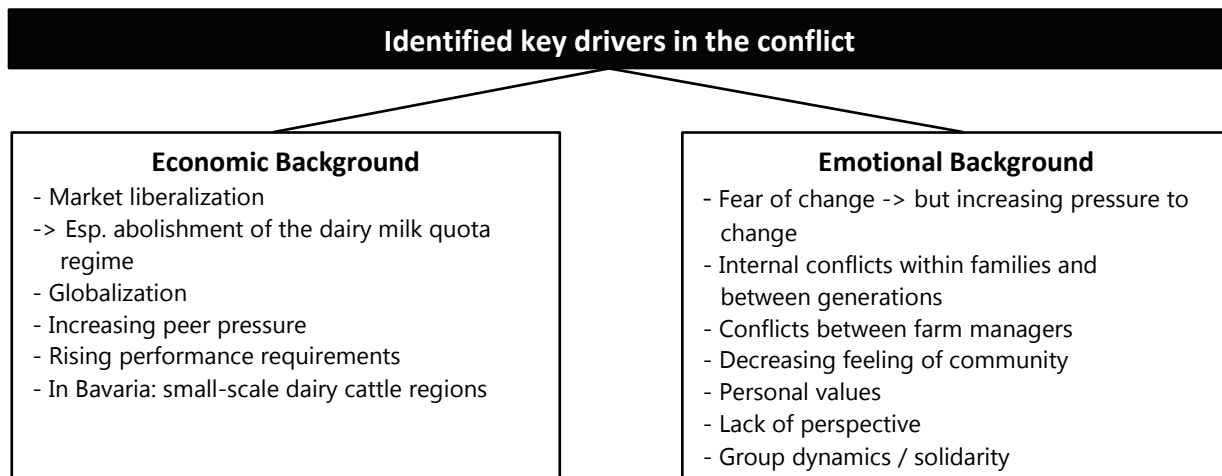


Figure 3. Identified key drivers

The figure 4 shows the associations and dependence of the identified key drivers. Especially the emotional factors show a high crosslinking among each other, as well as, with economic factors, representing the emotionally charged conflict. The fear of change, as one fundamental key driver, is connected with the majority of the economic issues. The factor "group dynamic" is an important element of the rising BDM influence during the dairy conflict and closely linked to the influence on opinion formation and is therefore an important influencing factor for the share of striking farmers and the conflict-level overall.

political networks and lobbying. But, these activities are not visibly geared towards the media and their members. Moreover, because of assessed decreasing or at least stagnating changes in the numbers of members, respondents estimate a stronger connection to the BUND, AbL and others as a strategic scheme of the BDM to preserve influence. But especially this development is perceived by the majority of the farmers very critically. They are afraid that the BDM, because of its comparatively low membership numbers and the diverse attitude regarding environmental protection issues, will play a minor role compared to other members of the consortium. And therefore, the claims of the dairy farmers could be underrepresented because of the weak BDM-position within this group.

5 Discussion and Conclusions

The dairy conflict was emotionally charged, with the two milk delivery strikes in 2008 and 2009 as heights during this conflict. Some conflicts are still enduring and make the cooperation among farmers in villages and between the involved associations difficult. Identified key drivers show a high crosslinking among each other, especially between economic and emotional factors. Important components are the fear of change and lack of perspective from many farmers, as well as the energetic group's dynamic, especially during the milk delivery strike in 2008. Regarding economic issues, the abolishment of the dairy milk quota was one of the key aspects closely linked with the above mentioned emotional drivers. Most of the interviewed persons determined that particularly the strong group dynamics are an important reason for the BDM's strong membership growth during that time and a key factor for the number of striking farmers.

Structural consequences of this conflict can be seen in the differentiations regarding the structure of Germany's Farmer's Associations. The majority of the interviewees hold the opinion that the DBV is losing its influence and, therefore, its role as opinion leader, particular in milk and environmental issues. The role of the BDM as a major of milk issues can only be imagined by few; whereas, the majority find the evolution of the alliance an important development, and relevant for further changes in representation of agriculture interests. A functional collaboration between BDM and the DBV is considered unrealistic; the aftermath of the conflict is still relevant. Many of the farmers interviewed observe the development in the farmer's association, especially concerning the increasing interference from other organizations like churchly or environmental consortia, very skeptical. They are worried about the impact regarding the presentation and perception of the agriculture sector in public and politics. From an expert view the agricultural political discussion tends to a more pluralistic opinion formation, where more parties will gain impact on public discussions.

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