Milk, Machines, and Mobility:
The Politics of Subsistence Economies in Europeanizing Lithuania

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Project Description

My research focuses on semi-subsistence farming and sustainable development politics. In my book, I explore how semi-subsistence farmers are negotiating their place in the post-industrial Europe. I ask: why is the kind of subsistence agriculture that is practiced at the margins of global economy irrelevant for our discussions about sustainable agriculture and sustainable food consumption? What are the conceptual connections between subsistence and sustainability? What does the fact that subsistence agriculture in the Third World has no place in the framework of sustainable development say about the assumptions and contradictions implicit in First World definitions of sustainability? More broadly, I examine subsistence and poverty as embodied experiences, material practices, subject-making sites, and political constructs.

The paper presented here is my first attempt to articulate the connections between semi-subsistence economies and political subjectivities in the new EU member states. It is a response to the growing tendency in the scholarly work to apply Foucauldian notions of power and governmentality outside of West European and North American contexts without considering the vast differences across social strata in the Global South where the body politics, social experiences of subsistence and the participation in the state institutions are poles apart. In this paper, I focus on two distinct raw milk economies—the informal raw milk network and the raw milk vending industry—to show how the boundaries between the two economic sectors are made and maintained. I argue that the current EU’s agro-food policies mis-recognize the economic risks that the participants in the informal dairy economies share with micro-biological risks associated with raw milk consumption. This mis-recognition leads to the policing, punishment and the dismantling of the informal markets that have emerged as risk sharing institutions for the semi-subsistence farmers and poor consumers. More broadly, I seek to make a theoretical argument that in post-socialism two models of state-building—the Foucauldian model where power is dispersed and reproduced in everyday life and the modernist state where more “raw” forms of coercion and maneuvering are exercised—co-exist next to each other occupying two different economic domains. This paper speaks to the audiences interested in post-socialism, agro-food economies, risk society, poverty reproduction, and the politics of semi-subsistence economies.
Introduction

My first day of fieldwork in Lithuania in the summer of 2003 started unexpectedly: I started off by buying raw milk from the trunk of an old German car parked on the curb of the Soviet-style district of Panevezys where I was staying. I was not alone in this endeavor; a fair number of my neighbors had brought empty jars to buy milk from the farmer and engage in lively conversations. As it turned out, the farmer—a woman from a village some twelve miles away—drove here three times a week and sold un-pasteurized milk she produced from her three cows along with some other dairy products such as farmers’ cheese, milk curd, and sour cream for almost half the price charged by the supermarkets. In addition, she often brought seasonal vegetables. I also learned that her case was not unique and that most of the living quarters in Lithuanian cities had their own local dairy suppliers. In every interview and conversation about dairy, urbanites living in the apartment complexes claimed to know exactly when, where, for how much, and the quality of the raw milk that flowed into their neighborhoods. In most of Lithuania, farmers distributing milk on the street curbs had become an inseparable part of the local urban fabric at least since the late 1990s. This illegal raw milk economy has played a central role in the lives of both producers—for whom milk was the main source of cash—and consumers—who found milk deliveries as sites for social learning and claiming place in the quickly decaying urban spaces.

Fast-forward six years later, to the summer of 2009, when I encountered a different type of raw milk economy that had materialized in a brightly colored raw milk vending machine standing in the lobby of local branch of Maxima, Lithuania’s largest supermarket chain. The line of customers was long, but it moved fast as plastic bottles were quickly filled with milk, a process accompanied with the sound of whistling and popping of plastic caps in the frosty, vacuum-tight chamber of the vending machine. As many interviewed consumers pointed out, the raw milk coming from the vending machine was the purest and safest in the sense that it did not have direct contact with air as it flowed from cows through tubes to containers to the vending machine. There was no time for conversations among the consumers in line, and no place for making personal contact. The owner of the successful agro-business that installed the vending machine showed up at the supermarket at his convenience to observe sales and evaluate business.
As it became clear through interviews, he had built his success on the major renovation of his farm following the advice of Danish experts including the import of new breeds, new milking machineries, new accounting and farm-process management software, and new facilities. The latest in the line of his machines was the Italian vending machine bought directly on the floor of the 2008 agro-business fair in Vilnius, Lithuania’s capital. The owner was proud of it and rightly so, as the success of raw milk vending was not a small feat in the context of the enormous competition in Lithuania’s industrial dairy giants—Rokiskio Suris, Zemaitijos Pienas, and Pieno Zvaigzdes.

The informal dairy market and the food vending machine economy embody two fundamentally different modes of production and consumption that have emerged in post-socialist Europe. On the one hand, the informal raw milk markets are extensions of semi-subsistence economies that proliferated with the restitution of land property rights in the early 1990s. In Lithuania, collectivized agriculture collapsed and the majority of state and collective farms crumbled into a multitude of small-scale holdings. The average size of (registered) land holdings of an individual farmer in 1998 was only 6.17 ha. Technologies on these farms were used scarcely, if at all. While major consolidation of agricultural production has swept through Lithuania in the mid-2000s, it is still not uncommon to see carriages being pulling by horses or cows milked by hand. As in other similar agricultural systems, most of the labor in these small-scale farms is supplied by the household, while cash comes from selling the surplus to processing companies and most often directly to consumers. In scholarship, these post-socialist changes in the land ownership and labor have been defined as involution (Burawoy et al 2000, Humphrey 2000: 164-174, Burawoy and Verdery 1999, Zbierski-Salameh 1999), primitivization (Clarke et al 2000, cf. Ries 2009), repeasantization (Creed 1995, Cartwright 2001, Leonard and Kaneff 2002), and even as a return of feudalism and the medieval existence (Shlapentokh 1996, 2000, see also Verdery 1999).

1 Often referred to as the Big Bang reform (Hoff and Stiglitz 2002), the land property restitution laws returned the land to those who owned (or their descendants) the property on the eve of the first Soviet occupation in June 1940. Lithuania’s fast paced decollectivization was not unique. All three Baltic states introduced liberal land property restitution laws (Feldman 1999, Meyers and Kazlauskiene 1999, Lieven 1993, Tisenkopf 1999). For decollectivization in other East and Central European countries, see Csaki and Kislev (1993), Swain (1996), Wegren (1998), Abrahams (1996).
On the other end of economic spectrum, the emergence of the raw milk vending signals the consolidation of land ownership, industrialization of agricultural production, access to waged labor, and the relatively unobstructed flow of capital/credit, all features of the rolling of the “conventional” capitalism in the post-socialist region. The introduction of the milk vending machine itself reflects the drive towards higher profitability through investments in technology that are typical for the treadmill of production economies (Schnaiberg 1980, Gould et al 2004). One of the central forces behind these changes is the strengthening of the state institutions that protect and enforce contracts as well as ensure trust in anonymous economic transactions. Such a move was made possible with Lithuania’s accession to the EU in 2004, when its legislative, policing, and financial systems had to be harmonized with those of the “old” EU, not to speak of the influx of the EU’s capital via the Special Accession Program for Agriculture and Rural Development (SAPARD) and later the Common Agricultural Policy (CAP) financial instruments that poured money into the massive industrialization and modernization of agricultural production. As Andrew Barry (2000) pointedly argues, the European state governs its subjects by tying them into technological zones produced through shared legislation, accounting systems, quality grades, technological specifications, safety requirements, and production standards (also Busch 2000, 2004, Dunn 2005, 2008).

In this paper I reflect on how the boundaries between the two modes of agricultural production are constructed and maintained to explore the changing social, economic, political and material environments in the post-socialist societies in the context of the European agricultural reforms, globalization and liberalization of food markets, and industrialization of agriculture. Specifically, I ask: how are the two economic modes reproduced? What role does the state play in the drawing of the boundaries between them? How do people inhabiting these different universes construct and experience their place in the local and global social structures? Also, how do these two systems impact social mobility in the post-socialist societies? More broadly, what does this say about the relationship between the state and capitalism in Europe?

Using archival research, governmental reports, and ethnographic data I collected in three cities and three villages in Lithuania between 2003 and 2009, I make a case that
the boundaries between the two economies are reproduced through two rather different risk modalities. In a similar way as in the moral economy approach developed by James Scott (1976, more recently 2005) and E.P. Thompson (1971) (for a critique, see Mitchell 1990), the informal dairy markets are operating as risk sharing networks where lower profits of dairy sales are outweighed by the stability of social relations ensuring future incomes, however small they might be. Micro-biological risks associated with raw milk consumption seem insignificant when compared with the risks of living on the edge of subsistence, and they are usually “neutralized” when buyers pasteurize the acquired milk before consuming it. In relation to political subjectivities, the paper argues, the participants in the informal markets are constructing themselves not so much as the subjects of the state, but as subjects of their own labor.

Unlike in informal dairy markets where economic insecurity underscores social relations, agro-businesses rely on a different risk modality that is centered at managing micro-biological risks. In this approach, raw milk is seen as a potential biohazard and a public safety concern that requires reliable technological solutions and institutional supervision to mediate these risks. As a result, the milk from the vending machine is subject to intensive testing, monitoring and control not only by the farmer, but also by governmental institutions. The sign posted on the side of the vending machine confirming that the milk production and distribution has been approved by the National Food and Veterinary Service testifies precisely to the kind of risk management technique that seeks to control the processes and people involved in the production of the commodity. Such a modality reproduces subjects who are not only constantly supervised by the private business systems of accounting and by governmental institutions, but also emerge as self-disciplined and self-controlled persons. Michel Foucault’s concept of governmentality (Foucault 1991) captures the political subjectivities emerging through such socio-technological arrangements in that all aspects of one’s life seem to be woven into and support larger political systems.

This approach to the subject-making has far reaching implications and offers a critique of the EU’s agro-food policies that mis-recognize the economic risks as microbiological risks. In their efforts to protect public health and manage food risks, the EU has introduced a wide range of economic and administrative measures that are designed
to eliminate the raw milk markets. Following the EU accession directives, a new set of laws are being implemented that have defined selling uncertified food in the streets in Lithuania as punishable not only with a fine of up to approx. $1,200, but also with imprisonment and the confiscation of property. In the light of these new administrative measures, the police and the officials of Food and Veterinary Service have become more vigilant in their attempts to catch and punish the informal dairy producers. But when the powerful state actors—such as the government, police and public health institutions—move to eliminate informal markets, they are effectively undoing the socio-economic safety nets that the poorest citizens have built in their efforts to spread economic risks. In this sense, “clean” streets and “safe” food distribution for the middle- and upper- social echelons comes at the expense of the increased economic insecurities for the most vulnerable members of the society. The results of these political projects are devastating and resemble the processes of marginalization and structural pauperization that the neoliberalization of economies and identities is reproducing across the globe. Zygmunt Bauman’s concept of the new poor captures precisely the emergence of the social groups who are excluded not only from the economic, but also from the social domains. Bauman contends that:

[the new poor are not] the vehicle of personal repentance and salvation; they are not the hewers of wood and drawers of water, who feed and defend; they are not the “reserve army of labour,” nor the flesh and bones of military power either; and most certainly they are not the consumers who will provide the effective “market clearing” demand and startup recovery. The new poor are fully and truly useless and redundant, and thus become burdensome “others” who have outstayed their welcome (Bauman 1997: 5).

In Lithuania, the emergence of such groups is marked by the contradictory developmental policies of the EU that claim to support diverse landscapes, traditional lifestyles and “indigenous” social institutions, while undermining the very socio-economic systems that produce such social relations and material assemblages.

To develop these lines of argumentation, the rest of the paper is organized in five sections. The following section focuses on the risk society theory and delineates the contribution of this paper to the on-going debates at the intersection of risk management,
self-making and state-building. Next, I provide a short history of the raw milk economy in the Soviet Union and post-socialist Lithuania to demonstrate that the informal markets are not simply extensions of the Soviet subsidiary farming systems or blat informal markets mediated through social networks, but new economic systems that emerged in response to liberalization of agro-food policies and the tightening of competition after the 1998 Russian economic crisis. Following this section, I explain how informal markets are embedded in specific configurations of urban spaces and local experiences of time to show how the risk modalities are produced through lived experiences as much as through explicitly political projects. Finally, in the conclusions section, I reflect on the connections between the European state and capitalism, as they become apparent through the raw milk economies.

**Risks, Standards, and Political Subjects**

Of the theoretical approaches that seek to conceptualize the ways in which everyday risks connect to social relations and political projects, the risk society approach is the most comprehensive in that it deals with a wide range of environmental and health related issues such as air pollution, chemical run-offs, climate change and water contamination, as well as economic pressures, emotional uncertainties, and social insecurity that are endemic to modern societies and the capitalist mode of production (Beck 1998, Lupton 1999, Rinkevicius 2000, Lash 1993) and uncertainties in expert and trust regimes (Jasanoff 2000, Douglas and Wildavsky 1982).

One of the central premises of the risk society theory (Beck 1992, Giddens 1991) is that social relations, economic transactions and material assemblages are increasingly organized around experiences and perceptions of risk rather than classical sociological categories of class, race, gender, age, or ability. In agro-food systems risks are particularly visible because they constitute one of the central organizing principles that shape modern food handling and processing technologies, agricultural practices, consumer behavior and agro-food policies (Dunn 2008, Lien and Nerlich 2004, Heller 2004, Gille 2006). As Marion Nestle (2006) has pointedly argued, shopping for food at supermarkets in North America often feels like entering a minefield rather than being an enjoyable and fulfilling experience. This is primarily due to the changing nature of the
risks involved in the long-chains of food distribution as well as the shift from primarily national systems of risk management to globalized food markets (Buckley and Mol 2002, Busch 2004). With globalization, a paradigmatic shift in the production, consumption, and distribution of foodstuff has taken place. By the time packaged food actually reaches shelves at local supermarkets, it has passed through long chains of supply and retailing. It is precisely because today’s food is exposed to so many different environments and comes from so many different places that the risk of its susceptibility to microbes, viruses, and microorganisms has increased exponentially.

To manage these risks across the food chains extended across vast territories, various regulations and standards have been established. But as Lawrence Busch (2000, 2004) has powerfully argued, standards are not neutral in that they preferentially treat companies that can afford expensive tests and technologies needed for producing records of food control procedures. When exported outside of the Global North, these standards continue producing inequalities by “tilting” food markets in favor of the industrial producers and distributors. For example, writing on how food scares in West Europe impacted food production in post-colonial Africa, Susanne Friedberg, makes a case that the new food safety requirements “[have] introduced new forms of domination and vulnerability in postcolonial food commodity networks” (2004: 5).

In addition to the deepening of inequalities, the introduction of standards and other monitoring technologies leaves an impact on human subjectivities. Writing on meatpacking in Poland, Elizabeth Dunn (2005) shows how small-scale producers and meatpackers, unable to comply with the food processing standards, gave way to large mechanized farms and global corporations, such as Iowa’s Animex. Dunn argues that the implementation of standards in the transnational food processing industries requires a re-alignment of work practices with multi-layered auditing techniques (Miller 1994, Rose 1996). For the products to comply with the international food safety requirements in Animex, for example, all meat batches are continuously tested for consistency, safety and quality. Along with testing, workers leave paper trails where they record observations and, by so doing, they transform themselves from knowledgeable workers into subjects of administrative supervision, management, and control. Through their participation in these controlled work environments, the workers experience profound disempowerment. At its
core, EU standards are acting as agents of social engineering that are transforming Polish men and women into self-disciplined citizens, just like those developed in Foucault’s panopticon (see also Dunn 2004, 2003).

In short, Dunn’s case study highlights how biological risk management systems have barred small-scale producers from entering formal markets and explains how the expansion and consolidation of West Europe’s cultural and economic domination over new member countries emerged as key factors driving informal food networks outside of legally regulated economies. In this project I extend Dunn’s arguments to examine how the political subjectivities are produced across a different risk modality where risks are defined not only as micro-biological, but also as economic risks. In a different way than in Dunn’s article, I argue that informal food markets emerge not only as byproducts of the EU food policies or manifestations of subalternity based on the processes of standardization, but also as sites for exercising moral economies, or different forms of power exercise and state-building. By extension, such moral economies produce unique political subjectivities rooted not so much in self-disciplining, but in the experiences of labor and subsistence.

More broadly, I make a case that in post-socialism, the Foucauldian forms of power and state-making projects that undergrid states of the post-industrial Global North co-exist side-by-side with the modernist model of governance where the lines between state projects and society are more clearly drawn, leaving spaces for both direct coercion and maneuvering around the state projects (Scott 1998, on state and power under socialism see Fitzpatrick 1994, 1999, Gal 1995, Kotkin 1995). While the majority of the populations living in the urban environments and far above subsistence level—the primary subjects of Foucault’s research—experience their daily practices as a part of state building projects, such a model of social power does not quite capture the lifeworld of those who encounter daily the questions of food procurement and shelter. This does not amount to saying that the poorest groups are not part of the state building projects. Quite the opposite, the poor consumers and producers are immediate subjects of the state in the sense that they are the primary subjects of the population management technologies and because in most cases they maintain the social order by following the accepted social norms in their daily lives, but their preoccupation with sustenance—a state that echoes
Agamben’s notion of bare life—suggests they are dealing with more “raw” forms of power and coercion than those who live in the more sheltered circumstances and who are more deeply embedded in the state institutions. In other words, even though it is correct to argue that “[t]here is… no spatial beyond of the state, and there are no subjects beyond power” (Li 2005: 384), the technologies of power and domination vary significantly across different social domains.

“Moonshine” Milk: Raw Milk Production and Consumption in Soviet and Post-Soviet Region

Under socialism, there were three major dairy economies—“industrialized” milk, raw milk consumed by farmers and their families, and raw milk sold in unofficial markets. From the mid-1960s onward, a vast majority of urbanites in Soviet Lithuania consumed what from today’s perspective is understood as industrialized milk. Milk came from consolidated collective farms where animals fed on processed fodder, and the milk was channeled through scientific-industrial planning and accounting apparatuses before it reached the stores. Issues of safety seem to have surfaced in the early 1980s when the media discussed several cases of improper handling of milk by the milkmaids and at the processing plants, but for urban consumers alternatives were unavailable.

In the socialist countryside, however, the situation was radically different, and raw milk was available in abundance. This situation was due to the fact that the collective and state farm employees were allowed (and oftentimes required) to own cows privately and this feature of agricultural life served as an unsanctioned source of unindustrialized milk in Lithuania. The milk from these “private” cows also reached kin, friends, and acquaintances from the cities when they came to visit or to help the farmers. In a very similar way as in Eleanor Smollett’s (1989) analysis of the economy of jars in Bulgaria where jars with homemade jams moved in one direction and empty jars traveled the other way along the lines of kindred networks, fresh un-pasteurized milk from the countryside occupied a special place on the table and in the family relations of urban households in Lithuania. It should be noted, however, that because milk is much more perishable than jams, it never developed to the proportions of the Bulgarian “economy” of jams.
Importantly, the value of raw milk was never expressed in monetary terms; it rested on exchanges based on family and kinship relationships.

In addition to the contrast between city dwellers who primarily drank industrialized milk and collective and state-farm employees who only drank raw milk, there was the third category of raw milk consumers. It consisted of inhabitants of small-to medium-sized towns where a large proportion of inhabitants either owned cows themselves (because they officially worked on Soviet farms) or had very close ties to the farmers (from whom they were able to procure milk). In both cases, they not only consumed “private” milk at home, but also regularly sold it to their neighbors and close acquaintances for a fixed fee. This category of the raw milk network resembles the unofficial economy known as *blat* networks that were widely used to unofficially distribute rare food items, commodities, and knowledge under socialism (Ledeneva, 1998). Although raw milk was not as scarce or as highly valued as foreign clothing or technology items, selling milk directly to consumers was illegal, so it reached urban homes only through personalized trust-based networks, just like those of the *blat*. Interestingly, this particular model of the raw milk economy seems to have changed little during the 1990s: most small town consumers who were unable to keep cows of their own continued to buy milk from their neighbors.

With the restitution of land-ownership rights and the gradual disintegration of collective farms in the early 1990s, dairy farms in Lithuania were subject to processes of drastic change. Most of the industrialized dairy farms disappeared and animals were distributed to individual farmers along with pasture lots through a long, painstaking, and confusing process (Verdery 1994, 2003, Wegren 2000, Cartwright 2001, Kideckel 1993, Creed 1998). Lithuanian farmers, like their counterparts throughout Eastern Europe, turned to subsistence farming as the only stable means of survival (Harcza, Kovach and Szelenyi 1998; Humphrey 2000, Kovach 1994; Nagengast 1991; Zbierski-Salameh 1999).

While dairy farming underwent fundamental reorganization, the milk-processing industry remained relatively stable. In contrast to many other food items, industrialized

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2 This form of milk distribution has been noted as fast disappearing in the early 1970s due to the low price and easy access to industrialized milk (Shmelev 1971, Wadekin 1973).
milk did not totally disappear from the shelves of urban stores, as newly privatized milk-processing companies continued to collect surplus supplies from farmers and sold the milk in stores. Milk-collection prices were, however, meager and many farmers were looking for ways to eliminate the middleman—the processing industry—to sell milk for higher prices directly to consumers. Farmers who lived close to cities found themselves in an advantageous position and began delivering milk themselves to urban centers.

The case of Ona—the milk supplier for a community in Panevezys—is emblematic of the evolution of this raw milk economy in Lithuania. The history of Ona’s attempts to outmaneuver milk-collection monopolies reaches back to the early-1990s when she helped her relatives living in cities by supplying them with milk. The family members, of course, used to work on her farm and it was in exchange for their help that she shared her milk and dairy products with them. During the 1990s, Ona’s milk circulated approximately along the same lines of kindred relations as it had under socialism, but the social value of the milk had changed as it became partial payment for labor on the farm. This network-centered pattern began to change during the mid-1990s and was abruptly reorganized at the end of the decade when the rippling effects of the Russian economic crisis of 1998 dramatically decreased cash incomes from dairy as well as from other commodity exports to the Russian market, the major trading partner for Lithuania. Unable to sell their milk to the processing companies who lost Russian markets and facing a surge in energy prices, most small-scale farmers like Ona were struggling to keep themselves afloat.

As a response to these growing economic difficulties, Ona’s relatives recruited their neighbors to buy Ona’s milk. This expanding circle of sales increased Ona’s income and helped her relatives’ neighbors to gain access to cheaper dairy products. Since then, Ona’s customers have no longer been limited to relatives or their acquaintances dispersed across the city, but have become clustered around these “nodes” of the previous networks. Today, her milk deliveries reach six such enclaves comprised of about fifteen persons each. She travels two different routes on alternate days, each consisting of three stops. In effect, Ona is supplying milk to up to ninety urban households.

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3 Names and any other identifying information about informants quoted/described in this paper have been changed.
To ensure consistency of milk supply, especially during lean winter months, Ona started buying milk from her two neighbors in the village. She now stops by their homes every morning and picks up the milk before heading to the city. Such arrangements enable Ona and her neighbors to cooperate and secure small, but relatively stable cash incomes.

Since raw milk flowing in these informal markets is not monitored by the National Food and Veterinary Service, it is difficult to calculate its actual market share in Lithuania. As Lithuania was preparing to join the EU, several statistical reports gave a glimpse into the proportion of milk that flowed outside of the processing industry in the mid-2000s. In 2004, 45.6% of all the milk produced in Lithuania was claimed to be delivered to consumers; the rest was reported as sold to processors. The EU-15 (Western Europe) average was 4.8% and for EU-25 (the enlarged Europe), the proportion was 8%. The only EU country whose milk deliveries were comparable to those of Lithuania was neighboring Latvia where the reported proportion of milk delivered outside of dairies in 2004 was 39%. It should also be noted that even with almost half of the milk circulating outside of the industry, dairy processing was still the largest food processing industry in Lithuania with $472 million sales in 2004.4 Even though it is difficult to extrapolate what profits are reaped in informal markets, the fact that a little over a half of all the milk deliveries fed the largest and the most profitable food processing industry implies that informal dairy, too, constituted an important economy in Lithuania’s globalizing markets.

Starting with 2008, the situation in the raw milk markets changed significantly when the National Food and Veterinary Service issued a set of regulations making it easier for the medium size and large producers to enter raw milk markets that until then were dominated by informal networks. These regulations streamlined the process of application for permits and delineated requirements for milk production (Regulation B1-251: Nr.56-2138 and Nr.145-5860, April 28, 2008). The regulation included 1) livestock health requirements, 2) milk storage and transportation conditions, 3) micro-biological contamination limits and fat contents, 4) hygienic requirements for dairy processing

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4 To compare, fruit and vegetable processing industry’s sales was only $11.23 million, while the second largest industry—meat processing—was lagging below the dairy industry with sales of $223.4 million in 2004. All the percentages were calculated from Euros into constant US $2005 (Department of Statistics, 2005).
facilities, 5) staff health requirements, 6) accounting and record keeping rules, and 6) laboratory testing schedules. It was also established that labels on the milk containers had to indicate the permit number, name and address of the farmer, date of production, and that it should be clearly marked on the bottle that raw milk had to be pasteurized before consumption.

With the introduction of raw milk regulations, it became easier for the Food and Veterinary Service to not only police informal dairy producers better, but also to punish them for the violation of food safety requirements on multiple counts. Most importantly, regulations enabled the development of qualitatively new raw milk distribution system that sold raw milk in supermarkets, shopping centers and organic food farmers markets alongside with gourmet and local products. Many consumers who had never before entertained ideas of buying raw milk on the street quickly responded to the “new” product and praised it as one of the most healthy and natural products available in Lithuania’s supermarkets (Sakalauskas 2009: 3).

The vending machine that appeared in the Panevezys supermarket at the beginning of the summer of 2009 belongs to Jonas, a medium-size dairy farmer-entrepreneur, who took over his parents’ farm in the early 2000s and transformed it into a local marvel with 80 pure bred cows and newly built facilities wired with multiple process-control systems. While Jonas’ family applied for EU funding and received a compensation easing his parents transition to retirement, his case is unique in that he funded his renovation projects through bank loans, not with the support of the EU farm restructuring programs or by applying for loans from the dairy processors. The main reason for why Jonas sought bank loans is that it imposed considerably fewer restrictions on how he managed his farm. When obtaining loans directly from one of the three main dairy processors in Lithuania, farmers commit to selling milk to the processor for cheap. “It’s brilliant strategy” argues Jonas, “for ensuring a secure and continuous supply of cheap milk for the largest processors,” a strategy that leaves medium-size farmers fully dependent on their lenders and unable to increase the profit margins that they were expecting after modernizing their farms.

Since Jonas finished construction and installation of the systems, his work as a farmer has shifted from looking after cows to analyzing graphs and numbers representing
changes in dairy production, animal health, fodder supplies, milk quality, and workers’ performance. Jonas is ambivalent about such a transformation. On the one hand, he welcomes the opportunity to use his training in agriculture and veterinary science and to continue the family tradition by moving it to a qualitatively new level. On the other hand, the mechanization of dairy farming put new burdens on his shoulders and he is now forced to become an expert and make decisions in dealing with loans and banks, environmental regulations, land use laws, septic systems design, underground water pollution limits, employment and labor safety laws as well as the issues that the introduction of computers into the micro-management of milk production have made visible. As Jonas moved upwards in the scales of production, the industrialization of dairy production on his farm brought new challenges and uncertainties that small-scale farming never had. But unlike the risks of falling to the edge of subsistence that the small-scale farming poses, the uncertainties that Jonas is dealing with call for technological solutions and expert knowledge. In just a few years, as his farm grew and incomes rose, Jonas has quickly moved upwards not only in terms of production and social class, but also as an economic agent involved in expert systems.

In short, the history of raw milk production and consumption in Lithuania demonstrates that unofficial raw milk markets grew in response to the liberalization and globalization of Lithuania’s markets as well as the increasing marginalization and poverty in rural and urban areas. These informal economies are markedly different from the new raw milk delivery systems that emerged with the industrialization and consolidation of agriculture and that are fueled by the upward mobility of both its producers and consumers. The boundaries between the two systems are produced and strengthened by the state regulations that raise the bar of entry into formal economy, but also by the deepening stratification of society in which poor producers and consumers deal primarily with risks of dropping below subsistence, while the middle and affluent groups are pre-occupied with technological uncertainties and biological risks.

**Space and Social Mobility in a Lithuanian City**

In this section, I suggest that the spatial marginalization plays a central role in the organization of the raw milk economies in Lithuania today. This is primarily due to the
The fact that most of the dairy delivery points are situated in the districts with the highest concentration of the older population—the primary consumers of the products delivered by the farmer.

The concentration of older and poorer people in the same districts of Panevezys is not accidental. In the specific community in which I conducted research, the living quarters were built in the late 1960s as an extension of Nikita Khrushchev’s plans of industrialization and urban development in the Soviet Union. In the early 1960s, Panevezys experienced unprecedented growth: five major factories—Lietkabelis, Autokompresoriai, Ekranas, Metalistas, and Stiklo Fabrikas—mushroomed in the city. In just four years, from 1966 to 1970, the built-up area of the city increased by 25% and the population grew by 30%. Located within walking distance to the industrial zone, the so-called “sleeping” districts housed the new members of the city’s working class. Most of the workers in Panevezys—the young, able-bodied, and healthy—had just moved from the surrounding villages.

Today, after the rapid de-industrialization and privatization of the 1990s, the living districts of Panevezys are still home to residents who lived through the birth, growth, and collapse of Soviet Lithuania’s industry. These communities have become marginal to Lithuania’s current trajectory of development. As one informant put it:

[wh]en our district was built, we had two post offices, bus routes were readjusted to fit our needs, and a policlinic was built. Now we have to walk to downtown just to mail a letter. Our district is that of pensioners. Who cares about us any more?”

(Interview conducted on June 30, 2004)

Another respondent suggests that the district is becoming a trash dumping zone:

Just look at our streets! They are so dirty. The [trash] containers are overflowing with trash. The other day I saw a furniture company truck unloading its waste into our containers. And now there is a pile of garbage that doesn’t fit into the container just sitting on the street… What a horrible smell and view to live with every day… (Interview conducted on July 2, 2006)

With quickly deteriorating city services and environments, the sites where the raw milk thrives seem to belong to the past of Panevezys’ development, not its future.
In addition to the experience of marginalization through the loss of urban infrastructures, the inhabitants of these older and deteriorating districts also constitute economically and socially vulnerable populations. In a very different way than under socialism and during the early years of post-socialism, when multiple generations of families often shared the same roof, the family habitats are now splitting along generational lines. This change means that the elderly members of urban families are losing their roles as productive members of society—as babysitters, homemakers, or cooks. They are also struggling to support themselves: a vast majority of raw milk consumers live on fixed incomes and are finding themselves—socially disconnected and immobilized—at the lower economic stratum of society. In the urban community of Panevezys, some of the neighbors are widowed women, others live alone or with their spouses, and an overwhelming number of them have very limited incomes and poor health.

The situation is markedly different in other districts. In the suburbs, where those from the highest social echelons live, the public social events are rare, most of the raw milk comes from the supermarkets, and the risks are mediated more through individual networking rather than collective risk sharing economies. In the newer urban districts, inhabitants are coming from more diverse socio-economic backgrounds and they tend to be more mobile. A material testament for higher incomes and upwards mobility is the mushrooming of the supermarkets and shopping centers that have been consistently posting record high profits (Ministry of Economics 2008). In just about three years, since 2006, 11 major supermarkets were built in the district with about 10,000 inhabitants, in some cases across the street from each other (Ramanauskas 2008, 2).

In such a manner, social immobility in the poor districts in Lithuania’s cities intersects with spatial isolation. It is in this socio-geographic context that the raw milk networks operate as a moral economy or a method for spreading the risk of losing access to food or social support. Additionally, because the economic transactions take place in public spaces and because they require public performances in rapidly dilapidating districts, informal raw milk networks also emerge as sites for claiming public spaces by the marginalized groups.
Social Experiences of Time

Although Ona tries to be on time, her arrivals fluctuate in the range of about 30 minutes. Most of her consumers however, never complain about the wait. On the contrary, it is the waiting for the milk that gives them an excuse to leave their small apartments, to socialize, and to learn the local news. Many neighbors gather outside at least half an hour before the expected milk-delivery time to catch up, to engage in political discussions, and to talk about new stores, new foodstuffs, new medicines, new banking rules, new taxes, as well as new ways of insulating windows, new detergents, and new washing machines—everything that is flooding Lithuanian markets from Europe, Asia, and the Americas. In the context of shrinking public sociality, weakening common rituals, and ever-increasing social isolation (atomization) in post-socialist states (Creed 2002), the milk-delivery space has emerged as a limited, but important public arena in which the poor are dealing with their marginalization and figuring out the ways of maneuvering within the new socio-economic landscapes.

In terms of the social theory of time, Katherine Verdery’s (1996) classic article on the *etatization* of time sheds light on experiences pertaining to the flow of time under socialism. Verdery demonstrated that by suspending its citizens’ bodies in queues for a long time, the socialist state got a better grip on its citizens. In other words, time spent in lines was literally stolen from the “private” lives of people. Ivaylo Ditchev (2004) contradicts Verdery by arguing that, under socialism, time spent waiting actually opened spaces for socializing. It is through standing in lines for services, food, or consumer goods, waiting for buses, or lining up at doctors’ offices that socialist citizens created intimate encounters, shared jokes, told stories, and more broadly learned how others operated in the regime.

The case of informal milk consumers seems to be similar to that described by Ditchev: waiting for the milk provides urban Lithuanians with an occasion for social interactions, but also for claiming urban spaces and learning to maneuver in the system. Engaged in these space-making events, the participants in the raw milk economy are

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5 This is because Ona has no help from her family when feeding and milking cows in the morning. She also has to filter milk, to weigh cheeses, and to pour sour cream into separate containers. On different days, these activities take up varying amounts of time. Additionally, Ona delivers milk to two more locations before arriving to the one I studied. Since she not only sells milk, but also converses with her consumers, it makes her delivery schedule rather irregular.
domesticating global flows of time by connecting these global processes with their own experiences.

In the post-socialist context, however, these more slowly paced lifestyles and processes of domestication can be understood only in juxtaposition to the increasing mobility and flexibility of the younger generations and better-off peers—the consumers of the milk vending economy. As active participants in the new socio-economic system, the more dynamic members of Lithuanian society are often stretched to the limits when trying to squeeze in work, deal-making, investments, banking, reading the news, and shopping. In a broader sense, these new lifestyles resemble the practices that are prevalent in fast-paced global cities often defined by hypermobile flows of capital, commodities, information, and humans (Sassen 1995). These consumers are upwardly mobile and constantly seeking to reinvent themselves as members of the elusive consumer society (Patico and Caldwell 2002, Shevchenko 2008). Not surprisingly, informal raw milk distribution in the wealthier districts as well as in more expensive parts of Vilnius—Lithuania’s largest city—has been negligible.

The mechanization of milk distribution produces different experiences of social space and time. Rather than spaces of socialization as Ditchev describes, buying milk at the vending machine re-produces the fast-paced global time and a target-oriented consumer. Instead of actively localizing the global flows of information, commodities, ideas, and capital, the vending machine connects consumers to larger markets and social structures. But what is at stake here is not simply the divergence of global and local flows of time as manifested through participation in a time-consuming local dairy economy vs the experiences of fast-paced global time, but the inequalities that these different flows of time and space-making projects reveal.

**Seeing Like the EU: The Politics of State and Raw Milk in Europe**

In previous sections I investigated the social and material processes through which the two modes of production have been constituted and reproduced. This final section takes a more global perspective to explore how these agro-food networks fit in the EU’s economy and state building projects. In his analysis of weak states in Africa, James Ferguson (2005) argues that acting as agents of global capitalism many large corporations
lost interest in governing entire populations and are now focused on controlling strategic locales where they extract local labor and resources. This is especially true, as Jameson points out, for oil industries in the Middle East where the projects of state building map almost perfectly onto the oil industries. Ferguson’s analysis directs us to considering an important question—what kind of state does global capitalism need? Unlike weak or small states that Ferguson discusses, however, the EU operates as a strong regulatory body and a global actor, who, in the case of the new EU member states, is explicitly concerned with governing its subjects and making them into European citizens (Gille 2006, Todorova 2006, Shore 2000). In light of this, I subvert Ferguson and I ask—what kind of capitalism does the EU need for its state-building project and how do the raw milk economies fit in these Europeanization processes?

The EU’s dairy policies have always been protectionist in nature and regulatory in their method of governance. Starting in 1964 when the European Economic Community (EEC), the predecessor of the EU, signed a 13/64/EEB directive regulating milk collection prices across its member states and increasing tariffs on imports, it made a commitment to not only protect European dairy producers with intervention purchases, but also support them directly with subsidies. Such policies quickly led to overproduction and ever-growing expenditures on intervention buyouts. Despite numerous attempts to limit intervention purchases in the 1970s and early 1980s, the costs of these policies continued to hover at more than 30% of the total Common Agricultural Policy budget (Coleman 2004). In 1984-1985, the European Community curbed milk production by introducing a strict quota, but it maintained the intervention and subsidy instruments. The newly introduced quota system left milk price protection system in place sheltering the European dairy producers from global markets.

In 1994, under strong pressure from global competitors—led by the US, Canada, and New Zealand—the reformed European Union signed the GATT Uruguay round agreement on agriculture going along with liberalization of agricultural markets. Following the GATT agreement, the EU has been significantly restructuring dairy

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6 For an excellent overview of the global pressures placed on the EU agricultural policies, see Rieger 2000.
7 To be precise, major CAP restructuring started before GATT agricultural agreement, with the implementation of the MacSharry reform of 1992. What makes the post-GATT reforms differ from the earlier attempts to restructure CAP is that the new reforms are focus less on setting the limits of production than driving toward “free” agricultural market.
policies. First, the EU developed a policy package—Agenda 2000—that curtailed intervention policies and reduced intervention prices. According to Agenda 2000, dairy product support prices were lowered by 15% starting from 2005. Second, the June 2003 CAP reform significantly changed the dairy sector by reducing intervention prices by 25% for butter and 15% for skim milk powder and by setting limits on intervention purchases of butter (Kelch and Normile 2004).

The centerpiece of the June 2003 CAP reform is the introduction of a single farm payment (SFP). The SFP works as a measure decoupling production from the EU’s support by distributing support to the EU farmers based on historical payments that are unrelated to their current production. In dairy farms, the EU farmers are receiving payments based on the historical record of their farming rather than on how much milk they produce or sell. This system continues to support the producers, but creates financial incentives to make EU’s agricultural production “market oriented.” It is also important to note that the introduction of SFP system significantly improves the EU’s ability to supervise and control agricultural practices because the payments are contingent on the farmers’ compliance with 18 major requirements. In the EU candidate states, the Special Accession Program for Agriculture and Rural Development (SAPARD) introduced a set of financial instruments that supported the consolidation and modernization of agricultural production in the region, but these funding opportunities, too, came with strong oversight and supervision that limited what farmers could grow and how they could farm.

In short, pushed by the GATT, the EU’s ability to directly intervene into markets was significantly undermined, but, simultaneously, the EU gained new leverage for

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8 For the new EU members, the implementation of SFP differs from that of the Western EU members. Direct payments are being phased in over a 10-year period beginning in 2004, but they are converted to SFPs in 2005 at 30% of the EU-15 level. Because the new members have “no history” of direct payments, their SFPs will be based on their average area and yield between 1995 and 1999. During this period, yields in the post-socialist member countries dropped significantly due to the on-going agricultural reforms and were only about half the level for the EU-15. Consequently, SFPs for the incoming members will be significantly lower than for EU-15 members until their payments are fully phased in by 2013.

While significantly lower SFPs and direct payments place the new member countries on unequal grounds when competing in the EU food markets, they are still subject to strict environmental, food safety, animal welfare and agricultural production requirements that the rest of the EU have adopted. Farmers in the new EU member countries are forced to invest in the new technologies and facilities and to restructure their farms in accordance with the EU regulations even though they do not have access to the kinds of resources that are made available in the old EU.
monitoring and controlling agricultural practices and actors. Instead of governing food markets, the EU has a tighter grip over agricultural production. Through an intricate system of farmers’ registration, audits, regulations, and standards, the EU can effectively use its instrument—financial support—to steer agricultural development. In effect, the EU has emerged as a “state capitalism” with protectionist agendas that are leveraged against global markets and a strong regulatory program (Gille 2006).

In the case of the raw milk producers, this economic and political system can function only if the producers are registered, if they are using uniform accounting systems, if their reports are accurate, and, if they rely on the EU’s money for survival. In other words, the farmers have to be dependent subjects of the EU’s regulatory regime for the EU to continue exerting control over its agriculture.

In Lithuania, the small-scale producers and poor consumers are anything but dependent subjects. During post-socialist period, building socio-economic networks that mediated the economic risks has been the key to their survival. Today, the small-scale farmers and poor consumers continue maneuvering around the state institutions. They do not use, and do not intend to use accounting books that expose their production; they hide their actual incomes, animals, technologies, and milk in the reports; they rely on social networks to get away from the auditors. And they are seeking to sustain themselves—they know how to grow food and how to sell produce in informal markets for cash. Not surprisingly, as I have argued elsewhere (Mincyte 2009), publicly and in private many farmers refer to themselves as “their own government,” a concept that conjures up a powerful image of a semi-subsistence farmer as a sovereign ruling over their dominion. In this context, the informal dairy markets are not simply positioned outside of the economy, but they also emerge as alternative networks undermining the EU’s regulatory bodies.

But by the same token, Jonas, who has escaped the EU funding instruments and has actively removed himself from the EU’s direct supervision by obtaining private funding is, too, an outsider to the EU’s economic systems. His decision to maintain more control over his farm and production processes by obtaining a private loan and his choice to not participate in any of the EU’s assistance programs makes him an inconvenient subject in the eyes of the EU’s institutions. The fact that there is only a handful of
middle-size farmers like Jonas in Lithuania who remain independent both from the larger dairy processors and the EU’s direct supervision institutions, suggests that raw milk is inherently tied to “rogue” actors-entrepreneurs, be it semi-subsistence farmers or middle-size agro-business owners. In this respect, the project of Europeanization is operating as a process of pasteurization during which certain elements in the milk—microbes, viruses, and bacteria— as well as social groups and individual actors are targeted as risky and needing to be contained.

Bibliography


