Main drivers of the Outlook for the EU dairy sector

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Meat and dairy consumption pushed down by societal demands.

Go Vegan:
- Compassion
- Nonviolence
- For the animals
- For the planet

Lactose-free

Animal welfare

The flexitarian diet: Meat for only 2 to 3 days a week.
Meat and dairy consumption pushed down by the development of alternative products...

Nevertheless shares of alternative products remain small

• 4% of cow’s milk sales

Source: Euromonitor
But actual impact on total consumption still small

Higher EU domestic use of dairy products, except for drinking milk

- Smoothened decline in liquid milk consumption
- Use of cheese keeps growing
- Fat filled powders on the rise
- Increasing cracking of milk into technical ingredients
- + 0.9 million t of milk domestically used yearly
Global trade expansion but lower EU leading position on world dairy products market

- Average annual increase in dairy global import demand (million t)
  - 2006-2018: 1.4
  - 2018-2030: 1.1

- Share of EU on world exports in 2030 (%)
  - Cheese: 40
  - Butter: 23
  - SMP: 31
  - WMP: 13
  - Whey powder: 46

Value added products
Technical ingredients
Adoption of Western cuisine
Lower production growth expected

Mainly cheese and other dairy products

➔ modest increase in milk production
+ 16 Mt to 182 million t in 12 years

Dairy annual production growth 2018-2030
(million t of milk equivalent)
Big unknown: dairy fat and protein price relationship

EU SMP stocks empty in 2019

→ Building SMP stocks in 2016
→ Sales in 2018 and January 2019
→ No buying-in in 2018 although SMP prices < Intervention price
Big unknown: dairy fat and protein price relationship

Higher milk price to drive production increase

➔ Back to closer butter and SMP prices
➔ Higher milk price to drive production increase
➔ More value added products => higher milk price
Other challenges for the livestock sector

Sustainability requirements stimulate actions

- To mitigate GHG emissions
- To reduce ammonia emissions
- To reduce nitrogen leakage, phosphates

... and impact production (de)localisation

and stimulate efficiency increase

Cow’s milk yield (kg/cow)

- 2006
- 2018
- 2030
Challenges can become opportunities.

Focusing on differentiated products and value creation.

Organic production
- 10% of dairy production in 2030
- more complex in meat sector

GM-free products

Locally-produced

Pasture-based products
Thank you

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Facts and figures: https://ec.europa.eu/agriculture/statistics