



**WHY WE NEED SPECIALIST LIQUID MILK PRODUCERS,
NOW QUOTAS HAVE GONE**



IFA

CELEBRATING 60 YEARS 1955-2015

Securing fresh milk post quota

Teddy Cashman
Chairman
National Liquid Milk Committee



IFA

CELEBRATING **60** YEARS 1955-2015

Milk and dairy = healthy*

- Milk is more effective than sports drinks in rehydration and recovery after exercise
- Milk has been proven to make an important nutritional contribution at every life stage
- Children over 5
 - Milk/dairy helps secure balance in diet and support bone health
- Adults
 - Milk/dairy contributes important nutrition, assists weight management with balance diet and active lifestyle
- Over 50's
 - Milk/dairy supports bone and muscle building, healthier teeth and gums, contributes to hydration



* Above based on NDC research



IFA

CELEBRATING **60** YEARS 1955-2015

Did you know?

- 1800 Irish dairy farmers have specialised to produce 480m litres of fresh milk year-round
- We drink over €500 million worth of milk each year
- The Irish are the biggest consumers of liquid milk in the world at around 138 litres per person
- Unlike much of the rest of Europe, the milk we drink is fresh pasteurised, not long-life (UHT)
- Liquid milk is only 8.5% of total Irish milk supplies, but over 13% of the dairy value added in Ireland



“Local” matters*

- 70% of Irish consumers consider buying local important when shopping for food
- “Local” is associated with quality, absence of preservatives, health benefits and traceability in consumers’ minds
- Top two reasons given for buying Irish brands: Supporting jobs and supporting the local economy
- Most of the main retailers source at least some of their private label milk from NDC mark registered suppliers



* Based on Bord Bia PERIScope 2013, and Bord Bia’s “Retaining loyalty to Irish Brands” 2013



IFA

CELEBRATING **60** YEARS 1955-2015

Market regulation necessary

- Market forces do not guarantee availability of fresh milk where seasonality, export dominance or economic sustainability are an issue
- In the UK, the US, New Zealand, Australia and indeed Ireland, regulation is in place to protect fresh supplies
- In all these markets, financial incentives to farmers are involved
- The regulation can originate from the private sector (UK, Australia) or be state run (US, NZ, Ireland)





IFA

CELEBRATING **60** YEARS 1955-2015

We will continue to need specialist milk producers to secure fresh, local supplies, now that quotas have gone



IFA

CELEBRATING **60** YEARS 1955-2015

So, what do we need to do?

- Value and nurture our domestic market for milk enough in its own right to include it in our export-heavy FoodWise 2025 strategy, and in the Dairy Forum discussions
- Give NMA the legal means to interact with retailers and food services in fulfilment of its mission to secure milk supplies by ensuring adequate farmer compensation
- Give NMA the power to assess and reject milk pricing systems as well as contracts where they do not give adequate compensation
- Create an Observatory for Input Costs to monitor and flag cost volatility in real time



RECOMMENDED



IFA

CELEBRATING **60** YEARS 1955-2015

Take home messages

- Our fresh, local liquid milk is exceptionally nutritious, valued by consumers, and worthy of nurturing and developing through investment and innovation
- We cannot allow it to be commoditised and reduced to a KVI driver of supermarket footfall
- Producers cannot be taken for granted in the context of expansion options
- They must receive sufficient remuneration to cover their intrinsically higher costs and justify their continued contractual commitment
- **Dairies, retailers, consumers, the media and regulators/legislators: take an interest in our realities, read our Handbook!**





IFA

CELEBRATING **60** YEARS 1955-2015

**Thank you for your
attention!**



**WHY WE NEED SPECIALIST LIQUID MILK PRODUCERS,
NOW QUOTAS HAVE GONE**