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DAIRY UK WHITE PAPER REVEALS UK INDUSTRY EQUIPPED TO MEET FUTURE CHALLENGES

Dairy UK today published “The White Paper 2012” – a report on the UK dairy industry.

The report reveals:-

- 99% of people regularly consumed milk and dairy products (up from 96% in 2010).
- 96% regularly drank fresh milk (up from 94% in 2010)
- 95% regularly ate cheese (up from 90% in 2010).

Liquid milk, cheese and fresh product markets continue to grow. Kantar Worldpanel estimates the UK dairy market to be worth £10.12 billion annually, accounting for 12.4% of food and drink sales.

The UK is the third largest milk producer in the EU and the ninth largest in the world.

Milk production continues to rise and UK dairy companies more than match their EU competitors’ investment in product innovation. Annual capital expenditure by the UK’s major dairy companies has soared to £210 million.

Dairy UK Chairman Robert Wiseman said that the industry was on the threshold of major structural change, driven by the continuing deregulation of EU legislative regimes.

“All the evidence suggests that we are preparing for the future in the right way”, said Mr Wiseman. “We are investing in competitiveness, through rationalisation and the attainment of scale – right across the supply chain. We are securing stronger international links, and our product profile is changing to allow us to exploit the opportunities which, increasingly, the free market will provide for us.

“We anticipate new trading relationships emerging from developments, such as the EU Dairy Package, and we are working as an industry to see how these can be implemented in our best interests.”

Jim Begg, Director General Dairy UK, said: “Global oversupply led by strong southern hemisphere production has resulted in the inevitable cyclical reduction in commodity prices. Having reached an all time high, producer prices have recently fallen back, reflecting the decline in the commodity market. The long term prospects for the industry, driven by increasing demand and population growth, remain as good as ever, so it is to be hoped that the imbalance between supply and demand is quickly resolved.

“We’ve seen increased competitiveness generating rationalisation in the sector with Muller’s acquisition of Robert Wiseman Dairies and the recently announced proposed merger between Arla Foods Amba and Milk Link.

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About Dairy UK:

Dairy UK is a trade association that represents the interests of dairy farmers, producer co-ops, milk processors and doorstep deliverymen. For more information visit www.dairyUK.org.



Proud of Dairy is a Dairy UK campaign to raise the profile of the dairy industry. Are you Proud of Dairy too? If so, why not support the campaign by clicking onto www.proudofdairy.com where you can find more details.