The economic power of European dairy at a glance

- More than 12,000 production sites across Europe
- More than 300,000 direct jobs on milk processing sites
- World dairy leaders: 5 of the top 10 global dairy companies are European
- More than 45,000 jobs in dairies are directly linked to export
- Positive EU trade balance: The European milk processing industry brings more than 10 billion € to the overall EU trade balance
- Balanced & Successful: coexistence of cooperative model and private ownership
- Partnering: around 700,000 dairy farms across Europe
- A rich and tasty cultural heritage: of more than 300 registered cheeses and dairy products
- Around 50% of milk collected in Europe by coops
- Partnering: around 700,000 dairy farms across Europe
Our EU dairy industry is a pillar of the overall ambitions of the Union: jobs, growth and investment in Europe and a better trade landscape at global level.

The dairy industry is the most important part of our European agri-food sector, it is present in all the EU Member States – and we are on a sustainable growth path. The growth and innovation capacities of our industry are the economic backbone of rural Europe and beyond. The EU dairy sector, the dairy farmers and their private or cooperative milk processors, account for about 160 million tonnes of milk and hence for about 22% of the global milk production.

The big European share of the global milk production and the self-sufficiency rate of about 114% put the EU naturally in a position of one of the global players on the market: about 16 million tonnes in milk equivalent are exported from the EU to so-called third countries. This translates into 45,000 jobs in our industry across the Union that depend directly from EU dairy exports.

The EU is seen as the home of dairying all over the globe: we, the EU dairy sector, are the guardians of a unique culinary heritage and a cultural treasure: more than 300 cheeses and other dairy products are protected as Geographical Indications – in the consumer perception quality cheese is linked around the world to Europe.

5 out of the global top ten dairy companies are headquartered in Europe and this despite the quota restrictions over the last 31 years, which were a strong incentive to invest abroad.

We do have a strong basis for the future of the European dairy sector when facing the challenges ahead internally, but also at international level:

At European level, we see the Single Market concept undermined by attempts to re-nationalise parts of our food law, ‘acquis communautaire’ and we see that our Single Market might lose the force of 60 million people of the vibrant UK dairy industry;

At international level, we congratulate the EU Commission for the tremendous progress made in the implementation of the ‘Trade for All’ strategy. But still, huge market opportunities need to be uncorked by concentrating all available efforts on world regions with a real market access potential for European milk & dairy products.

Vive l’Europe et vive le lait

Michel Nalet
EDA president

Alexander Anton
EDA secretary general
Industrial backbone of rural areas: 12,000 milk processing sites

With more than 12,000 milk processing and production sites across Europe, the dairy sector contributes heavily to the industrial and economic basis of many rural and mountainous areas in Europe. In some countries, the number of dairy production sites located in rural areas levels up to a 100%. In the last 3 years, € 6 billion investment leads to...

Providing jobs: Direct employment: more than 300,000 people

Today the industry directly employs more than 300,000 people throughout Europe in high-value industrial jobs. This figure only includes employees active at a milk processing site. It does not take into account people working on farm level or in other industries or sectors along the dairy chain. Together with the top position in processing sites, the employment figure makes dairy a European societal power to be reckoned with.

Working together along the supply chain: Partnering with 700,000 dairy farms

The EU milk processing industry is proud to partner with dairy farms all over Europe. This intense and steady relationship shapes our European countryside. This good collaboration between dairy farmers and processors results in a contribution of about 14% to the overall EU agricultural income.

Pillar of both overall EU economy and global dairy markets: 5 out of 10 top global dairy companies are European and more than 80% of European dairy companies are SMEs. Half of the global top 10 dairy companies are European milk processors. The dairy industry in Europe is however characterised by a tissue of small and medium sized enterprises (SMEs), comprising more than 80% of the total number of dairy companies in most of the 28 Member States. This duality is clearly an illustration of both the innovative dynamism of the EU dairy sector and its competitiveness.

More than 45,000 direct jobs in dairies are linked with exports of EU dairy

With the growing success of European dairy products around the globe, the number of jobs in the processing industry in the Union directly linked to those exports is growing.

Among the top 3 European food exporters: Adding more than € 10 billion to the EU trade balance

The EU milk processing industry is a noncyclical and resilient pillar of the European economy, which contributes positively to the EU trade balance, bringing a total of more than € 10 billion surplus. More than 12% of the total cow milk produced in Europe is exported outside of the EU. The export of milk powder counts for a large part of this trade surplus, closely followed by the export of other added-value dairy products like cheese. The EU is a stable and high quality dairy supply partner for the world.

Cooperative model & private ownership: The cooperative model and private ownership coexist successfully

Around 50% of the milk is collected in Europe by coops. Not only do they bring an extremely important socio-economic dimension to the rural communities in Europe, this kind of ‘structural’ competition allows both of them to benchmark, challenge and improve.

Guardian of cultural heritage: More than 300 loved and registered cheeses and dairy products

The EU milk processing industry is innovative, dynamic and economically powerful. It is also the guardian of a rich cultural heritage. More than 300 cheeses and dairy products count millions of fans all over the world and are officially registered and protected as geographical indications or traditional specialties.
European dairies transform 160 million tonnes of raw milk produced per year in the Union by committed and well-trained farmers into a rich portfolio of high-quality dairy products.

**EU Production of main dairy products**

(in ‘000 tonnes)

<table>
<thead>
<tr>
<th>Product</th>
<th>‘000 tonnes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drinking Milk</td>
<td>31,400</td>
</tr>
<tr>
<td>Fermented products and dessert</td>
<td>9,750</td>
</tr>
<tr>
<td>Butter</td>
<td>2,230</td>
</tr>
<tr>
<td>Cheese</td>
<td>10,380</td>
</tr>
<tr>
<td>Skimmed milk powder</td>
<td>1,690</td>
</tr>
<tr>
<td>Whole milk powder</td>
<td>790</td>
</tr>
<tr>
<td>Condensed Powder</td>
<td>1,050</td>
</tr>
</tbody>
</table>

Milk and dairy are part of a healthy and balanced diet

Milk and dairy products are an affordable, enjoyable and a tasty way of achieving daily nutritional requirements in a healthy diet.

**Dairy’s health benefits**

Daily consumption of milk and dairy products is important in a healthy balanced diet, during all stages of life. Dairy contributes significantly to nutrient intakes.

**European recommendations of dairy consumption**

2-3 servings of dairy for adults
3-4 servings of dairy for children

**Average contribution (%) of dairy foods to nutrient intakes in adults in European countries** (Based on a survey of eight Member States)

- **Calcium**: 52%
- **Vitamin B2**: 36%
- **Vitamin B12**: 32%
- **Phosphorus**: 29%
- **Iodine**: 26%
- **Protein**: 20%
The European dairy industry has diversified their export activities. Today, consumers from all over the world enjoy EU dairy products.

In 2016, the top 10 importers of EU dairy products accounted for just under 50% of total EU exports (16,842,787 tonnes in milk equivalent) – the EU dairy has developed a true global and diversified export strategy making EU dairy available in all regions of the world.

**Top ten export destinations for EU dairy in milk equivalent** (2016, tonnes)

Milk equivalents (MEq) have been calculated by using the non-fat solids method. The following equivalent factors have been used:
- Butter & Butteroil: 1.0000
- Condensed milk: 2.1008
- WMP: 8.2644
- Cheese: 8.3333
- SMP: 10.8696.
The UK dairy sector is an interlinked part of our EU ‘lactosphère’.
It is vital for our sector to allow the dairy sector to continue to work on a single market/free trade basis both for UK and EU milk and dairy products. The stable figures of UK and EU-27 dairy products on each market underline the high level of Single Market integration for milk and dairy.

**EU-27 dairy products on the UK market**

**UK dairy products on the EU-27 market**
Methodology
All figures and numbers of the report are based on a survey that the European Dairy Association (EDA) carried out amongst its members in 2017. These findings have been backed up with external sources listed below.

Sources
EDA Membership Survey 2017
ZMB
EU Commission
FADN
Eurostat
International Dairy Federation (IDF)
IFCN
Definition of Whey

What is whey?
Whey is the liquid remaining after the production of cheese or the removal of fat and casein from milk. Whey is one of the two proteins contained in cow’s milk. It is a rich source of the essential amino acids needed by the body on a daily basis. In its purest form, it contains little to no fat, or lactose.

Initially considered as a by-product
Fifty years ago, whey was considered as a waste material from the processing of cheese. It was then disposed in fields and considered harmful to the environment due to its high concentration in proteins or given as feed, unprocessed. Thanks to modern developments and technologies, whey is now part of the human diet.

Thanks to its beneficial properties, whey is used in many high quality foods
Food manufacturers now use whey as a functional ingredient in food and pharmaceutical applications, and as nutrient in dietetic and health foods.

Applications of whey in the industry sectors

- **Food & Dairy Industry**
  - Ice cream, Cookies, Yoghurts, Beverages

- **Sports Nutrition**
  - Protein Waters, Protein Bars, Shakes

- **Specialised Nutrition**
  - Elderly Foods, Slimming Foods

- **Medical Nutrition**
  - Hospital Feeding

- **Pharmaceuticals**
  - Medicines, Inhalers, Tablets

Whey in different EU languages
Whey / Сывога ватка / Syrovátka / Valle / Molke / τυρόγαλα / Lactosuero / Vadak / Lactosérüm / Meadhg / Surutka / Siero di latte / Išrūgos / Xorrox / Wei / Soro de leite / Srvtáka / Vassla / Hera / Erwatki / Zer / Savó / Sirotke / Sūkalu / Serwatka

And many more...
Production

Liquid Whey is processed from the production of cheese (about 85%) and caseinates (about 15%). Basically, we can consider that:

- 1kg of (semi) hard cheese and soft cheese yields 0.495 of whey solids
- 1kg of fresh cheese yields 0.33 kg of whey solids.

The EU is number one in the production of cheese worldwide, as such EU is the largest producer of whey globally.

Applying different yield rates to the different types of cheese produced yields a total implicit whey solids availability of **4.03 million tonnes** in **2016** in the EU.

Trade

Whey is exported to many countries, especially Asian countries.

EU exported more than 557 thousand tonnes of Whey globally. China is the first importer of EU Whey (Combined Nomenclature 0404 10) with 158,212 tonnes imported in 2016.
**Whey health benefits appreciated by consumers**

The diversity of whey proteins makes it easy to develop great tasting products while also providing the beneficial properties of whey protein to many consumers groups.

EWPA has commissioned a survey on whey consumption. The full report will be published on EWPA’s website.

The initial findings are:

**Among the top 3 drivers of whey protein consumption, whey protein consumers indicated**
- staying active as we age (64%),
- good for me/health benefits (63%)
- keeps muscles healthy (63%).

**Among the top 3 benefits that whey protein can provide, whey protein consumers indicated that whey protein can**
- help build and maintain muscle (32%),
- maintain healthy bones and joints (32%)
- help muscle recovery (28%)

*Disclaimer:
Research conducted by YouGov on behalf of EWPA (European Whey Processors Association). All data collected in the survey belong only to EWPA. The survey was undertaken online in the following 8 countries between 22 February and 5 March 2017: UK, France, Germany, Sweden, Spain, Ireland, the Netherlands and Poland. Sample: N=1000 respondents per country*, except N= 200 respondents in Ireland that meet the following conditions: interested in food and nutrition and/or do physical exercise at least once a month. Total sample size was 7396 adults. *National representative quotas were used to pre-sample respondents.