

## **END OF MILK QUOTAS: a new era** coface for the French dairy sector

## THE DAIRY MARKET





80% of the amount produced in 2013: cow's milk

+ 56% increase in production over the past 30 years

World's largest producer of cow's milk





····· 10% UNITED KINGDOM

17% FRANCE

22% GERMANY

\* % milk production

increase in production +2% lincrease in production between 2008 and 2013

**-2%** decrease in consumption between 2008 and 2013

Strong exportations outside Europe



GLOBAL COW'S MILK PRODUCER

POSITION OF DAIRY MARKET IN FRENCH FOOD INDUSTRY

2<sup>nd</sup>

8<sup>th</sup>

with 27,2 billion of turnover

NUMBER OF COWS PER FARM +57%

**EUROPEAN EXPORTER** butter, powdered skimmed milk, powdered milk

1st

**END OF MILK QUOTAS:** WHAT ARE THE NEGATIVE **EFFECTS FOR FRANCE?** 



**LIBERALISATION OF PRICES AND EXPOSURE** TO FLUCTUATIONS



**THANKS TO EUROPEAN** SUBSIDIES, A LOW **INSOLVENCY RATE** 0.38%



**MIXED CROP-**LIVESTOCK FARMS Higher fixed costs compared to specialised farms



**INSOLVENCIES** WITHIN THE DAIRY **SECTOR UP BY** +100%

(between 2006 and 2014)



Production



Transformation

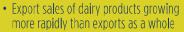


Distribution

**WINNING STRATEGIES** TO BE DEVELOPED?



## **CONQUER NEW MARKETS**



 France benefits from its strong worldwide image: quality, strict hygiene rules and expertise

> **VERTICAL INTEGRATION: PROFITABILITY** AND BARRIER TO PRICE FLUCTUATIONS



- Integration of transformation and distribution as a solution to control price fluctuations
- > Added value
- > Better margins



**BETTING ON QUALITY** AND THE ORGANIC SECTOR

• 30% of organic products consumed in France are imported: opportunities to be seized

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