



Teagasc Milk Quality Workshop

Rochestown Park Hotel- 23.01.24

Slieve Russell Hotel- 25.01.24

David Kennedy, Head of Dairy, Bord Bia Dublin

Agenda

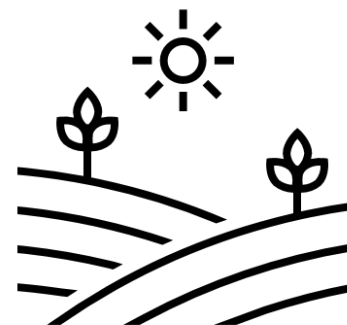
- The changing shape of Irish dairy exports
- Quality factors in priority markets
- Sustainable Assurance and Value Creation
- Final thoughts



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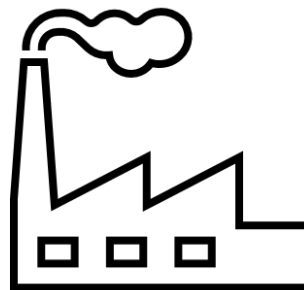


Farmers

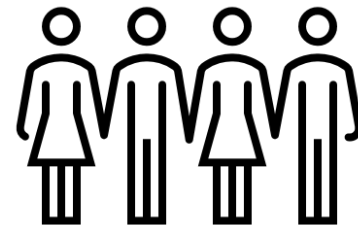


Environment

Our Stakeholders



Industry



Our Global Customers
and Consumers

Section 1:

The changing shape of Irish dairy exports

Farmer writes: Getting ready for 2014, the last full year of milk quota

Kilkenny dairy farmer Bill O' Keeffe reflects on the farming year of 2013 with an eye on 2014, the last full year with milk quota restrictions.



Preparation for the installation of topless cubicles on Bill O' Keeffe's farm in Kilkenny.

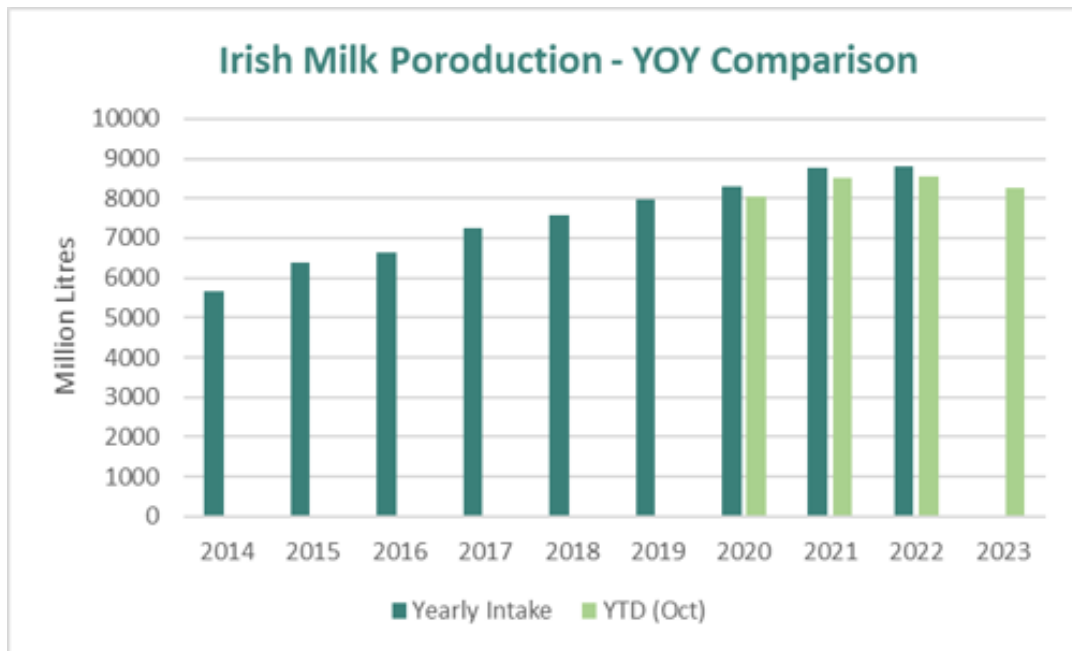
Ireland tops Euro dairy investment league

Investments worth a total of €5.5 billion are underway across Europe, with Ireland accounting for €580 million - the highest on a per tonne of milk basis.

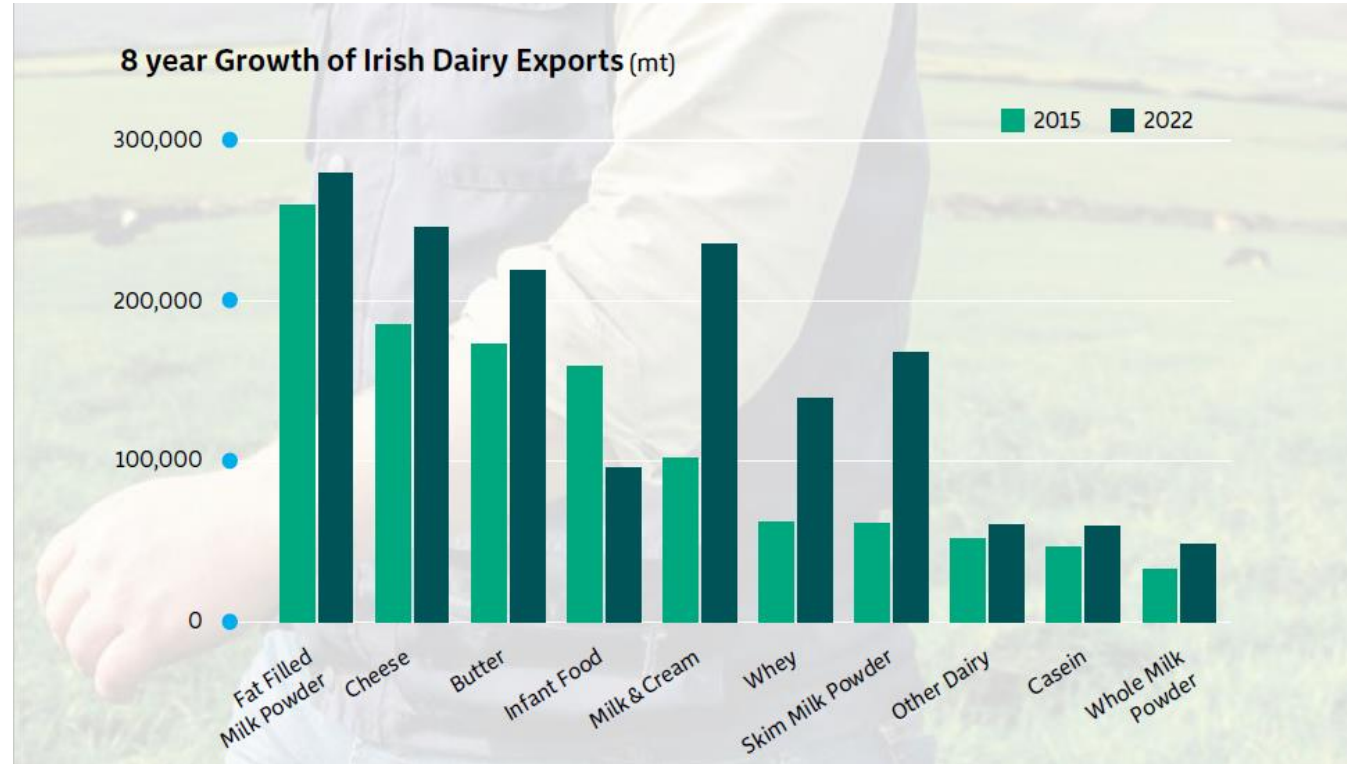


Glanbia's new facility at Belview pictured earlier this year.

Milk Pool Expansion: 2014- 2022

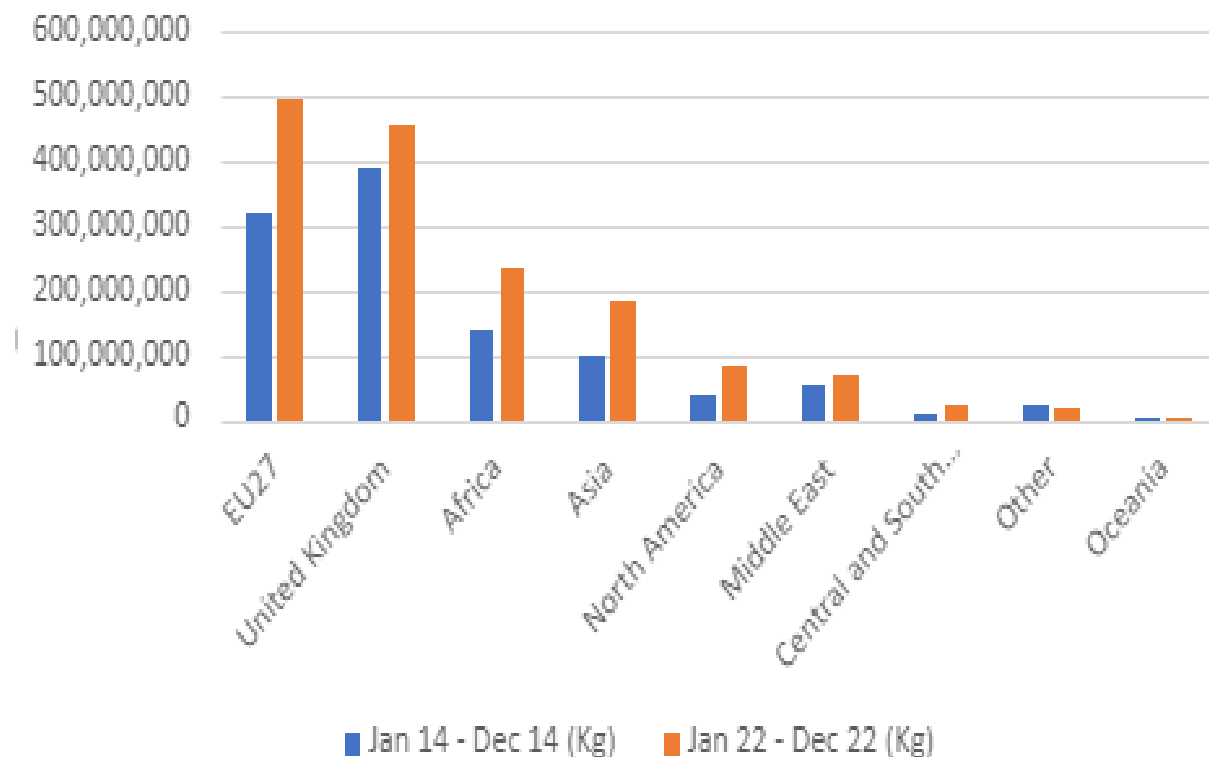


Side by Side 2014 v 2022 Export Volumes

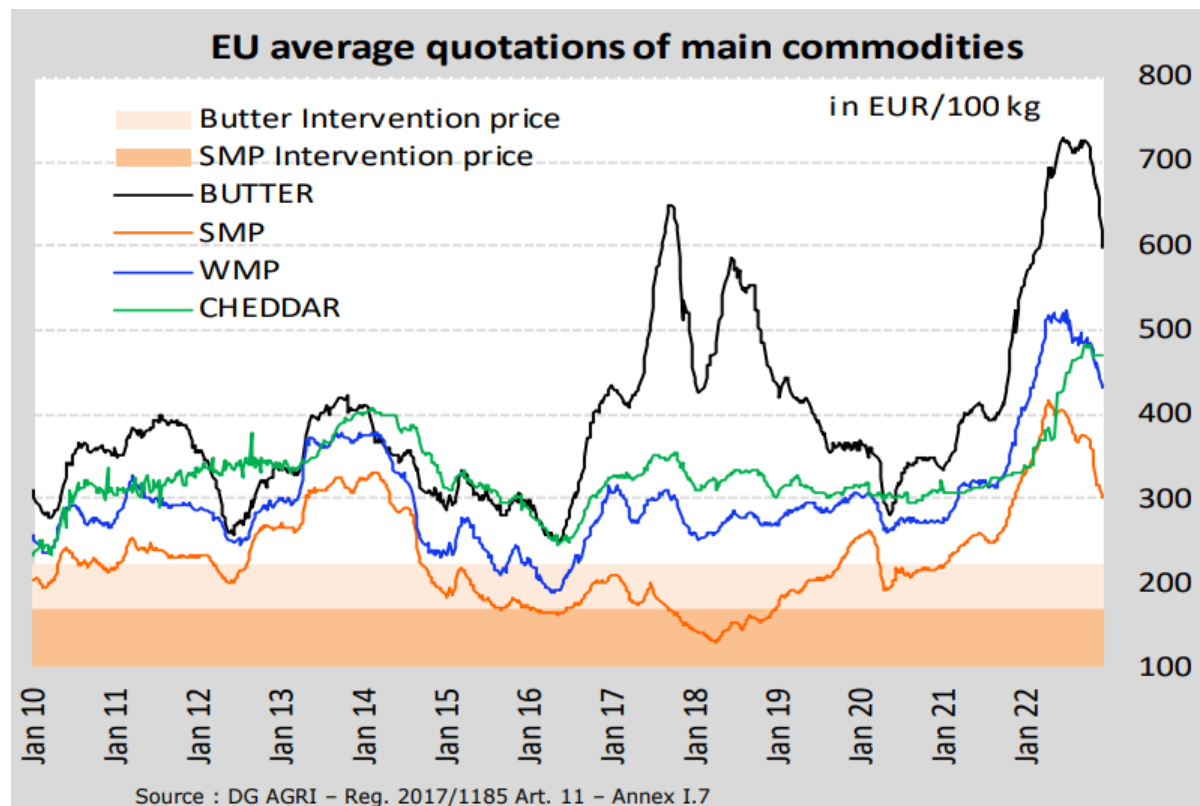


Side by Side 2014 v 2022 Export Volumes

Destination Export Growth 20142022



Long term EU Dairy Quotations



Product & Market Performance

- Doubled down on core categories of butter and cheese
- Resilient UK performance notwithstanding Brexit
- EU absorbing more than 50% of volume increase
- US butter and cheese leveraging grass-fed quality credentials
- Building reputation in Asia
- Infant formula peak has passed
- Irish sector has benefited from global price increases

Industry Today

8.8bn

Litre milk pool in Ireland*

60 cent

Average milk price per
litre in 2022

1.5m

Cows in Irish dairy
herd*



16,700

Farming families support Irish
milk pool

5,651

People employed by dairy
processing industry in Ireland

€5.2bn

Total milk
payments to
farmers



€7.0bn

Estimated Consolidated
Industry Revenue

90%+

Irish dairy output is
exported

120

Countries
exported to
across the globe



Total impact of the dairy
industry on the Irish economy
in 2022

**€17.6 billion in
total output**

The dairy industry plays a
critical role in Ireland's rural
economy

**53,930 jobs
supported in
Ireland**

Processors continue to invest
in their processing assets
over the next five years

**€865m capex
investment**

Processors are forecasting a
5% uplift in milk volumes
between 2022 and 2030

**9.2bn litre milk
pool by 2030**



**Dairy
Industry
Ireland**
ibec

Section 2: Quality Factors in Priority Markets

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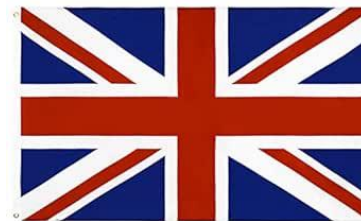
UK

- No.1 export market with business-maintained post Brexit
- 29% of all dairy exports by volume
- Heavy retail (cheese and butter) and foodservice reliant
- Irish seen as 'local,' and 'most trusted,' import source
- Additional safety and quality demands customer driven (BRC etc)



UK

One Brit dead in E-coli outbreak linked to artisan cheese sold at Waitrose and in Christmas hampers - with at least 30 people including children as young as seven ill



- Thirty people had been struck by the outbreak which causes severe diarrhoea
- **READ MORE:** [Now WAITROSE recalls artisan cheese feared to be contaminated](#)



Food Recall Alert

Precautionary recall - possible presence of listeria



Date: 30/04/2023

Cadbury Chocolate Desserts

As a precautionary measure, Müller is recalling some batches of its Cadbury branded products due to the possible presence of listeria. Müller produces these products under license from Mondelez International.



**Most
trusted
importer**

THE UK'S TRUST IN FOOD INDEX

YouGov



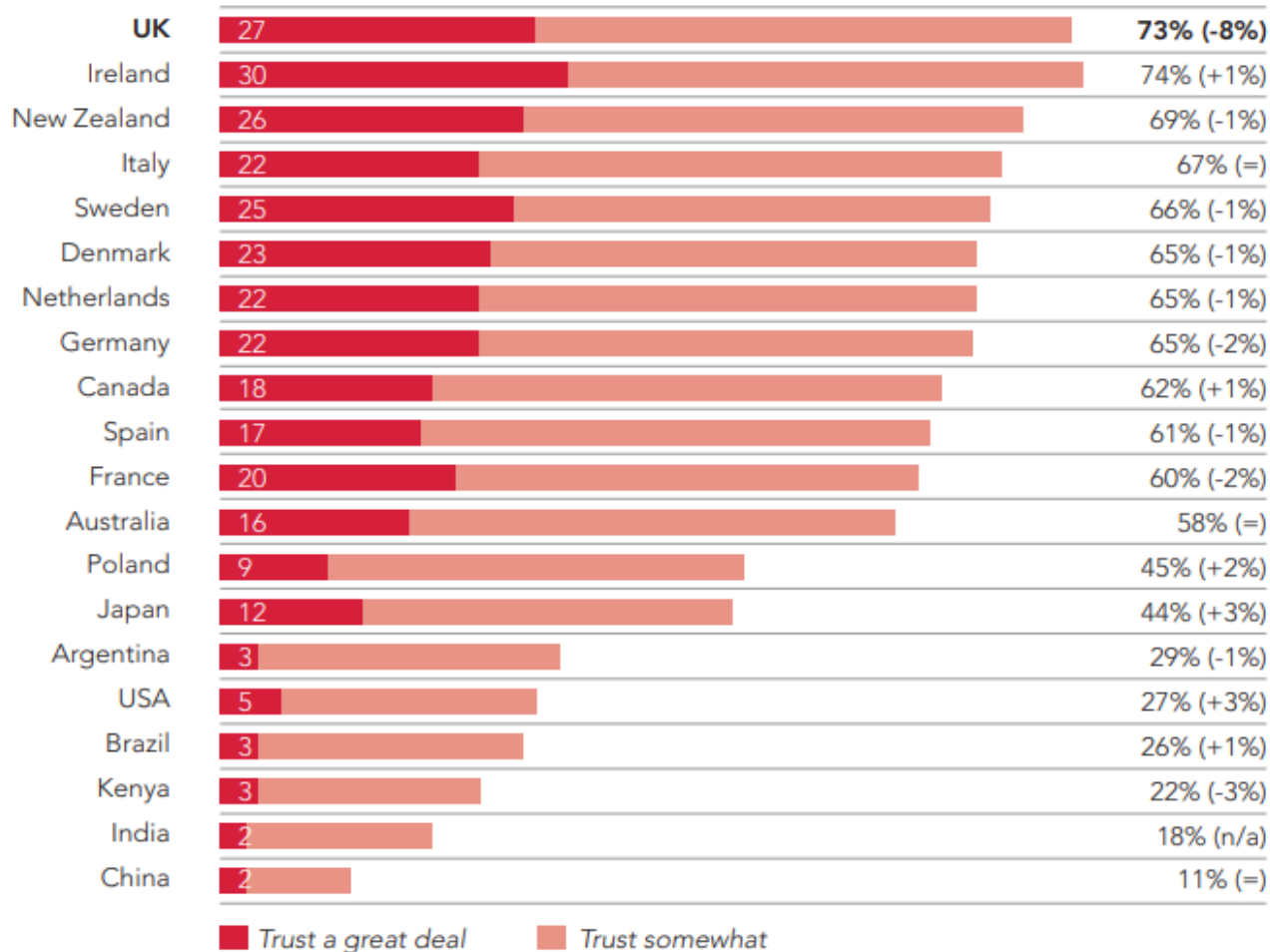
Research conducted by YouGov
and commissioned by Red Tractor

A report on the nation's trust in the food it consumes

July 2022



Most trusted importer



US

- Doubled imports from Ireland since 2014
- Premium branded offering
- Grass-fed reputation powering growth
- Highly informed consumer base
- Additional safety and quality demands customer driven
- Challenge of state versus national requirements
- Independent credible proof points key to supporting and defending Irish position



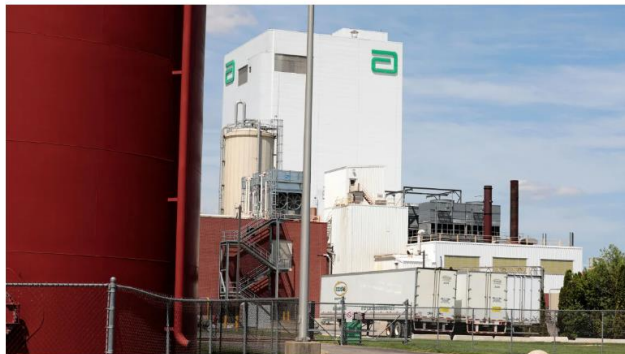
US



CNN health Life, But Better Fitness Food Sleep Mindfulness Relationships

DOJ investigating Abbott over baby formula plant in Michigan

By John Bonifield, CNN
2 minute read · Published 7:46 PM EST, Fri January 20, 2023



The Abbott manufacturing facility in Sturgis, Michigan, on May 13, 2022.

Jeff Krawnsky/AP/Getty Images

(CNN) — The US Department of Justice is investigating Abbott Laboratories infant formula plant in Sturgis, Michigan, a spokesperson for the company confirmed to CNN.

U.S. >

Thousands of baby formula cans recalled after contamination found, FDA says

By Aliza Chasan, Alexander Tin
Updated on: January 2, 2024 / 5:28 PM EST / CBS News



Thousands of cans of Reckitt/Mead Johnson Nutrition's infant formula sold in the U.S. are being recalled, the Food and Drug Administration announced Sunday. The recall comes after Israeli health authorities confirmed a type of bacteria called *Cronobacter sakazakii* was found in

klaviyo

US

You searched for:

Infant Food exported to North America from January 2023 to November 2023 & included a comparison with results from the last 4 years

Download Report as [Excel](#) or [CSV](#)

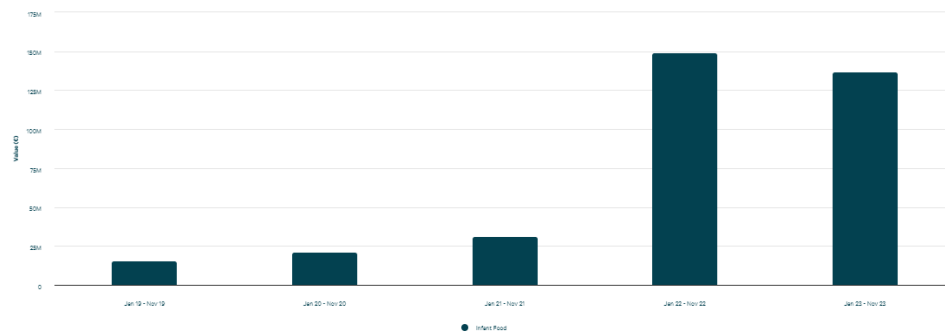
[Search Again](#)



Value

Volume

January 2023 to November 2023



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Export Performance & Prospects
Irish Food, Drink & Horticulture

US

DAIRY

Kerrygold butter sales in US boosted by grass-fed factor

By [Kevin White](#) | 17 September 2015

Strong growth in the butter and cheese categories has put the US division of Irish dairy co-op Ornua on target

DAIRY

Kerrygold faces lawsuit over claims its cows are grass-fed

By [Rachel Graham](#) | 3 August 2018

Californian Dyami Myers-Taylor has filed a suit alleging its cows are also fed corn, soya and GM feeds

**The
Grocer**



China

- Population of 1.4bn
- World's largest dairy importer
- Highly sensitive to food safety
- Government sentiment hugely influential on regulatory framework for imports
- Recent moves to self-sufficiency
- Importance of national certification in endorsing product quality



China

China executes two for tainted milk scandal



Official news agency says death sentences carried out on pair who added industrial chemical to infant formula



**The
Guardian**

China

Financial Times Retail & Consumer industry

+ Add to myFT

Fonterra dairy recall shakes China consumer confidence



Section 3: Linking quality & sustainability

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Global Food Sustainability Outlook 2021

BORD BIA 
**Thinking
House**



Context of research

The research set out to uncover the Sustainability Outlook from the perspective of three core groups:

1: MATERIALITY ASSESSMENT : THOUGHT LEADERS / STAKEHOLDERS

Including NGO's, opinion leaders,
Policy groups, Clients and Bord Bia
experts

AUDIT OF
60+

PUBLISHED RESEARCH PIECES
& 14 INTERVIEWS

2: CUSTOMERS

A: Buyer Barometer - multi-market
quant barometer exploring views of
buyers.

B: Depth interviews - multi-market
qualitative interviews focusing more on
more senior roles with a connection to
the sustainability interview to give depth
and context to sustainability within the
customer organization.

189
FOOD BUSINESS
BAROMETER ACROSS
9 MARKETS

25
GLOBAL DEPTH
INTERVIEWS WITH
SENIOR FOOD
BUSINESS LEADERS

3: CONSUMER

Multi-market quant survey testing
attitudes and opinions of consumers
aged 18-65 around sustainability

11,000+
ONLINE CONSUMER SURVEYS
ACROSS 13 MARKETS

2(a): CUSTOMERS - DEPTHS

25+ Senior Leader Global depth interviews
Europe (Irl, UK, Holland, Germany, Italy,
France)
US, UAE, China

Sustainability Leaders

- Director of Sustainability and Public Affairs.
- Global Director, Sourcing and Operations Sustainability
- Sustainability Head

Purchasing / Supply

- VP of International Market Merchandise
- Head of Global Procurement
- Supply Chain Manager

General Leadership

- COO - Global Operations Director
- Chief Executive Officer



vermaat



2(a): CUSTOMERS - BAROMETER

N=189 interviews conducted in total amongst those responsible for purchasing/sourcing food and beverage items and/or responsible for sustainability and CSR policies in relation to food and beverage within their organisation.

All businesses are currently importing food and drinks products and have an annual turnover in excess of €50m

Mix of channels across manufacturing, food service and retail with importation of goods in key sectors such as beef, lamb, seafood, dairy, poultry and other consumer goods.

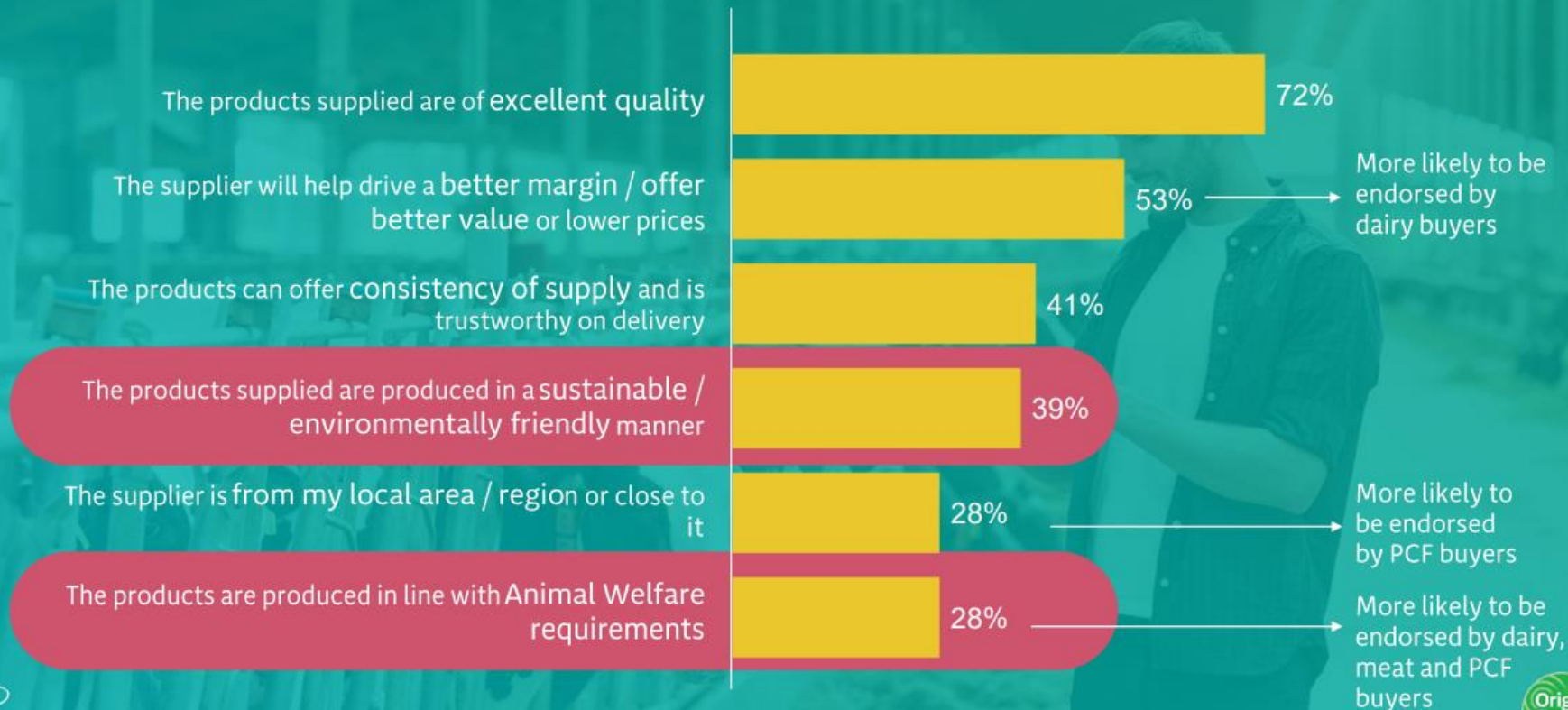
Mix of roles across the organisation including:

- Purchasing Directors
- Operational Directors
- Head Buyers
- CSR Directors
- Category Managers/Directors

Interviews conducted across
9 priority markets:

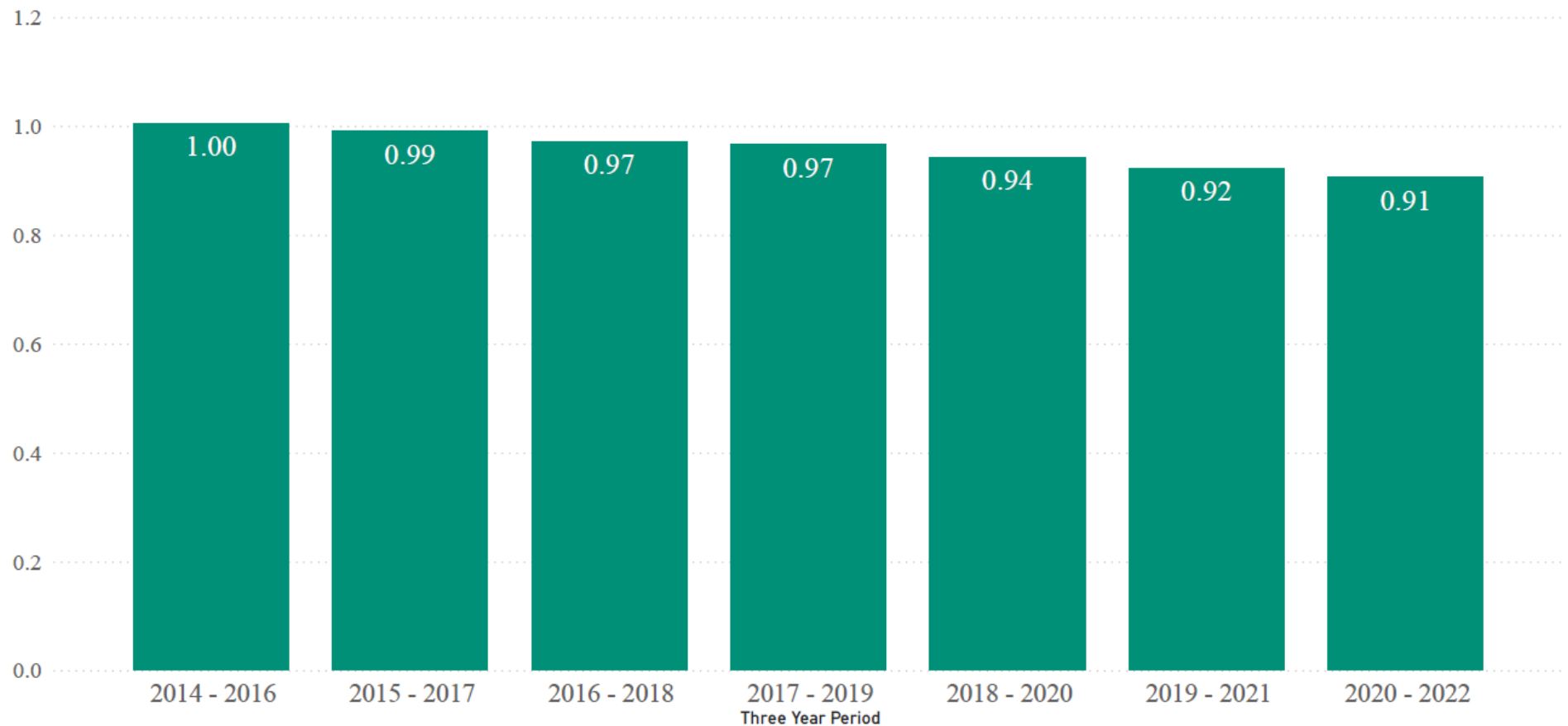


2 in 5 say sustainability is one of the most important factors when choosing a supplier



(Base: Lot 2 Barometer Survey n=189)

Three Year Average Carbon Footprint by Three Year Audit Periods



SDAS Productivity Metrics by Audit Year

Year of Audit	Year of Production	CF	Area	Milking Cows	Stocking Rate	FPCM	GHG Emissions	GHG/Ha	kg Milk/Cow	MS/Cow	Grazing Days	kg Conc/Day	Concentrate /Cow	Chemical N/Ha	% Protected Urea
2014	2013	1.02	66	80	1.96	420,524	430,969	6,508	5015	369	252	1.88	686	144	
2015	2014	1.02	64	80	2.00	405,112	412,600	6,437	4768	362	253	1.82	663	140	
2016	2015	0.97	62	83	2.02	441,686	427,496	6,850	4983	388	247	1.88	687	135	
2017	2016	0.98	63	86	2.07	458,868	451,678	7,131	4952	383	250	2.05	750	144	
2018	2017	0.96	64	88	2.07	485,356	467,674	7,264	5151	404	244	2.52	921	143	
2019	2018	0.95	66	93	2.10	521,929	496,333	7,474	5222	411	249	3.14	1,145	142	
2020	2019	0.92	68	94	2.09	559,977	512,590	7,567	5558	425	248	2.74	1,000	138	0.01%
2021	2020	0.90	68	95	2.07	564,217	510,268	7,531	5520	429	249	2.72	992	139	10.04%
2022	2021	0.90	69	97	2.08	608,799	547,504	7,890	5843	443	255	2.82	1,028	145	17.74%

Protected Urea recording began in audit year 2020.

Fertiliser recording expanded to 23 options in audit year 2022 therefore more fertiliser use recorded.

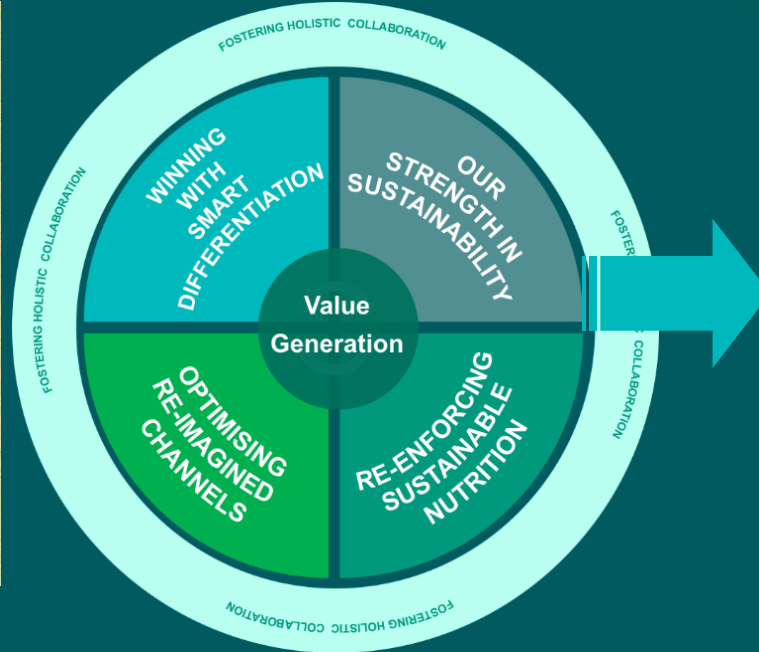
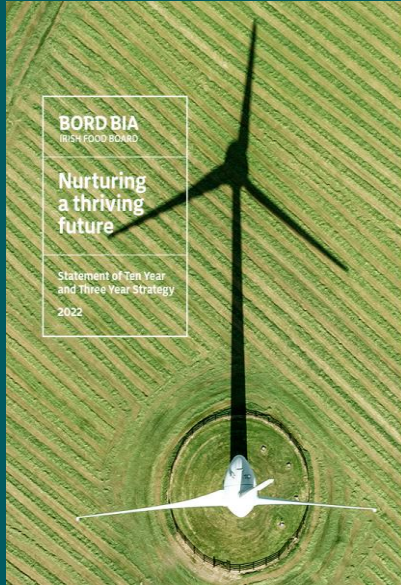
Each audit year display the average of each metric based on the herds audited in that year

Conclusions: Looking Forward

Value Generation for Dairy

10 Year Strategy

3 Year Strategy



Dairy

To help grow Irish dairy's value share of the Irish market by 2025 and help grow the value of Irish dairy exports by 10.5% or €508 million to a value of €5.6 billion through investment in market development in Africa, Asia, Europe, Middle East, North America and the UK.



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“Nurturing A Thriving Future”


Robust national systems




Rialtas na hÉireann
Government of Ireland

Food Vision 2030



A World Leader in
Sustainable Food Systems



Working
with nature



**Sustainable Dairy
Assurance Scheme**
Producer Standard



Bord Bia
Irish Food Board

www.origingreen.ie

Support Farmers



ASSAP Factsheets on Farming for Water Quality

Incentivize Best Practice



€50m +

World Leading Sustainability



Unlocking Sustainable Returns for Irish Dairy

On Farm

- Fix water
- Welfare reassurance
- Protect grass fed family farm model
- Adopt MACC 2.0
- Protect the future

In Industry

- Incentivise
- Best customer and best markets
- Invest in innovation
- Command a premium

Government

- Provide leadership
- Build national reputation
- Protect what exists
- Drive innovation agenda
- Drive sustainability agenda

UNDERPINNED BY '**NON-NEGOTIABLE**,' FOCUS ON QUALITY, ON FARM AND IN FACTORY

Questions

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