



DAIRY 4 FUTURE FINALE CONFERENCE
« TACKLING THE CHALLENGES OF
THE ATLANTIC AREA DAIRY SECTOR »



Segmentation initiatives in the European dairy market

Rouyer Benoît (CNIEL)



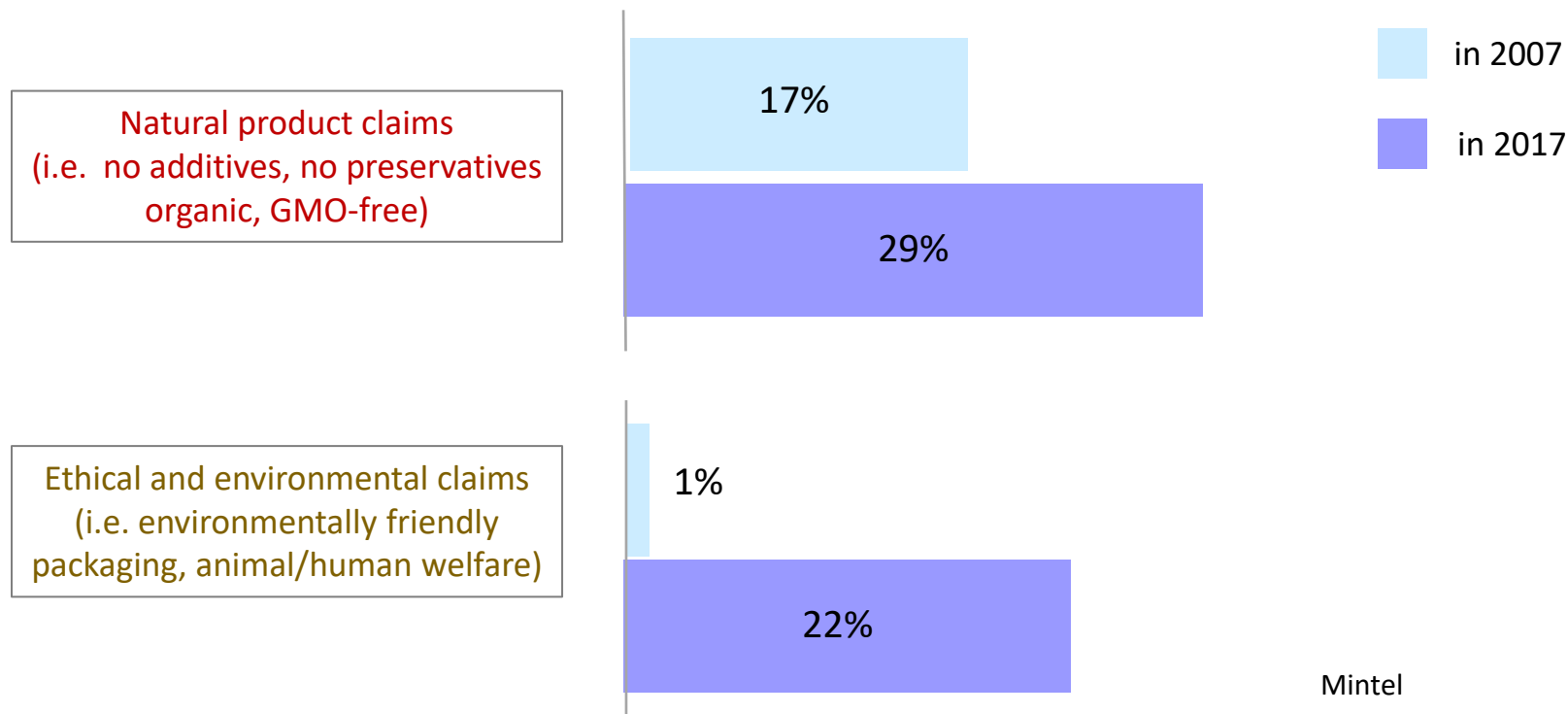
Saint-Malo, France

27th September 2022

Few years ago, food segmentation had the wind in its sails.



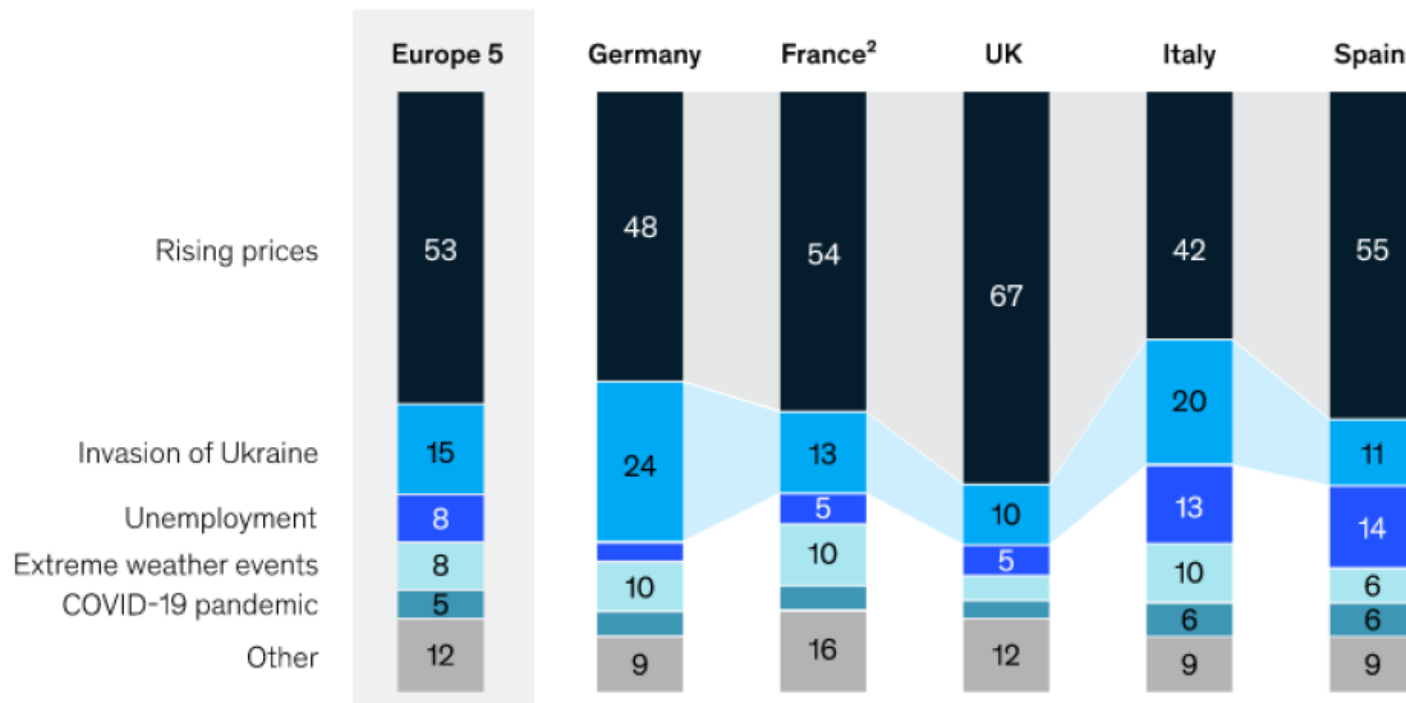
Proportion of new products launched with **natural** claims or **ethical** claims



Mintel

Today rising prices are the top concern of European consumers.

Top source of concern,¹ % of respondents



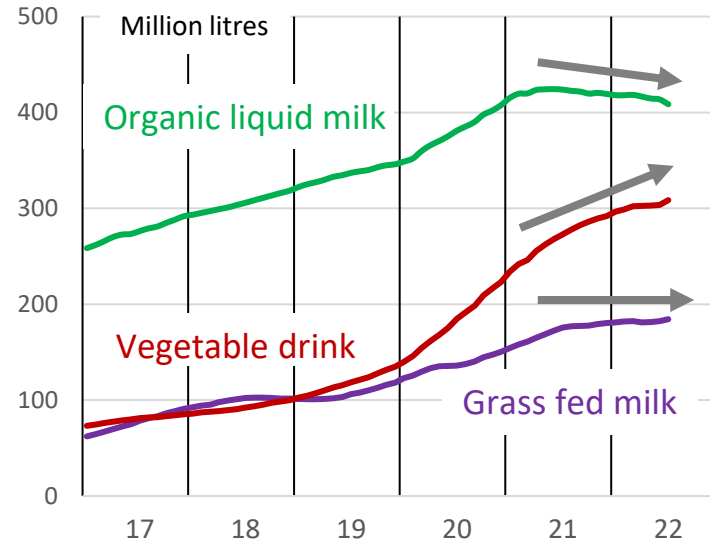
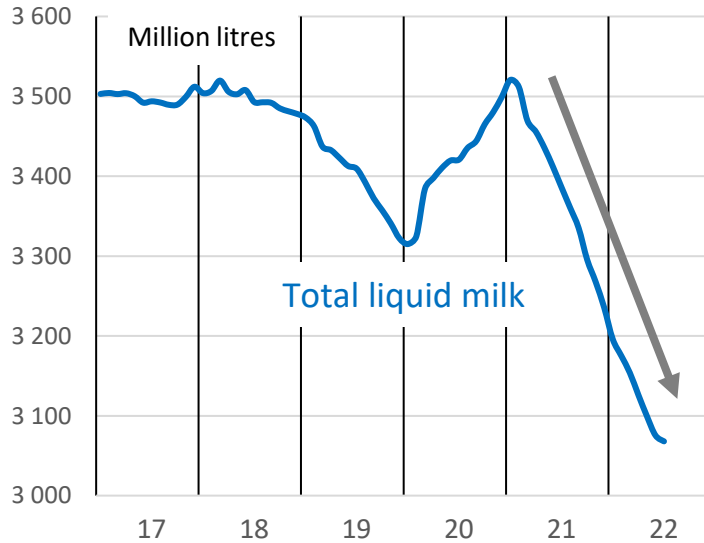
McKinsey & Company

Rising prices were the top concern for 53% of European consumers in June 2022. The proportion was only 44% in March 2022

Current trends towards diversification – The example of liquid milk sales on the German retail market



Retail sales on a 12 month rolling period

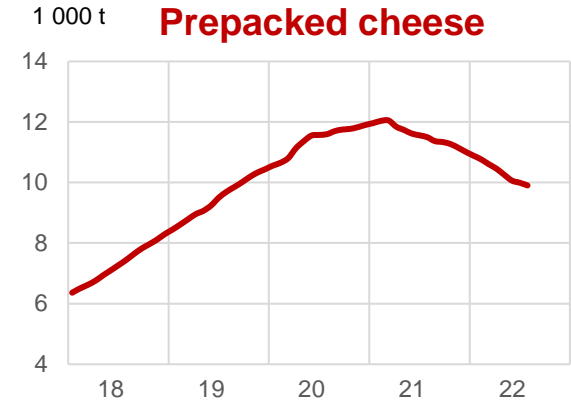
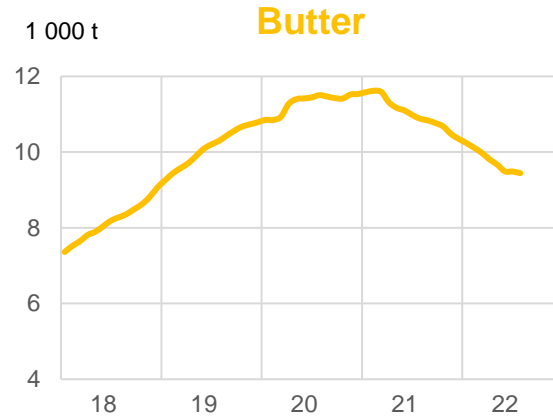
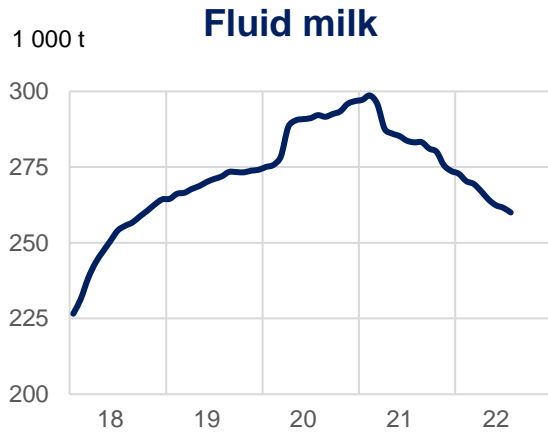


Nielsen

The current situation is critical for organic dairy products on the French retail market.



Retail sales on a 12 month rolling period



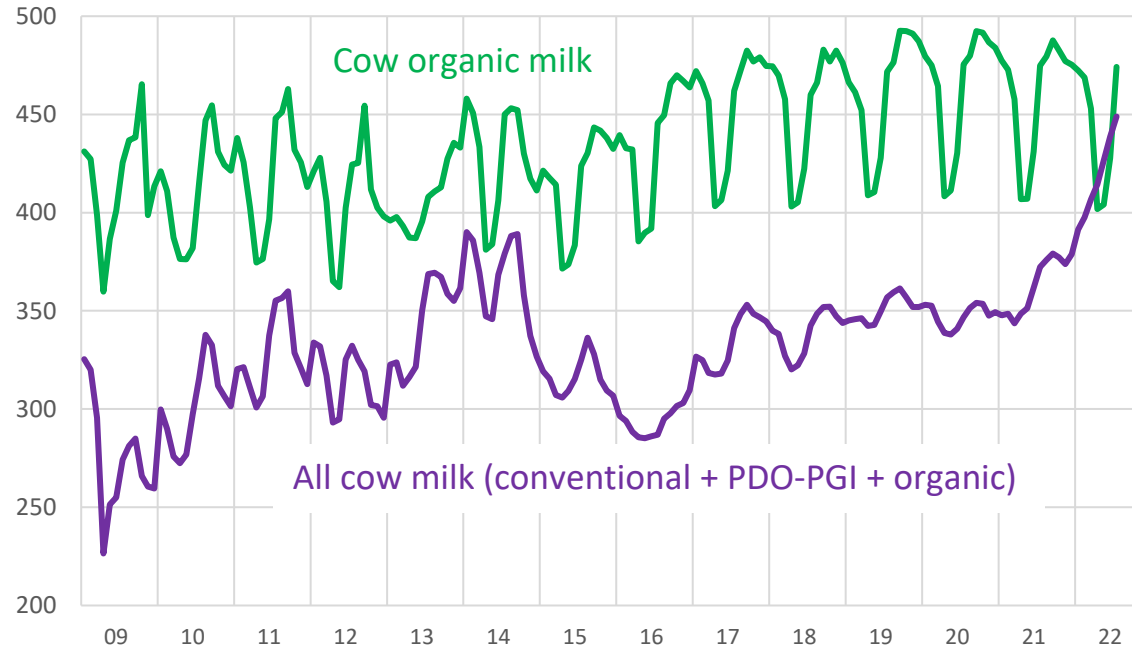
IRI

For the first time ever, organic milk price was below all cow milk average price in France at farm level in spring 2022.



Monthly milk price at farm level

€/ 1 000 litres with 38g of butterfat and 32g of protein per litre



FranceAgriMer

Two major types of segmentation

Public standards

Official labels of quality and origin



Reserved terms

'Mountain'
'Farmhouse'

Private standards

Individual trademark



Collective brand

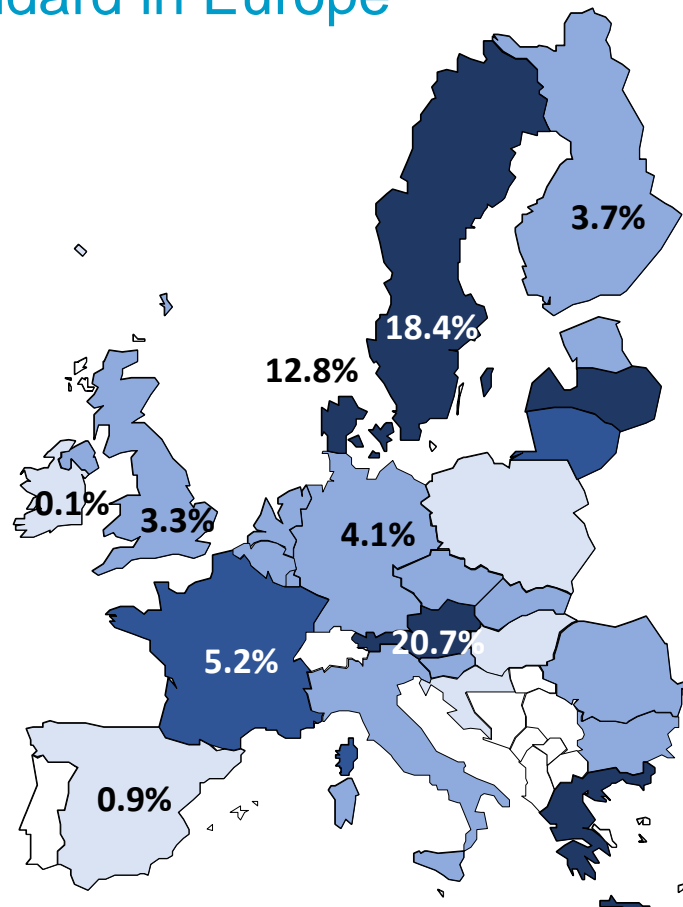
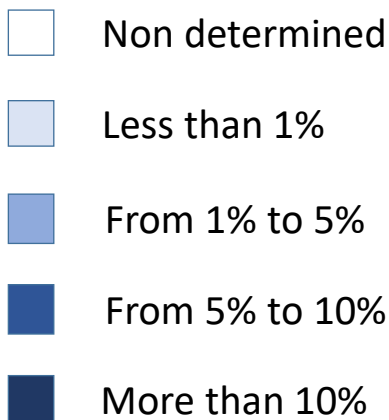


Certification mark



Scope of application of organic standard in Europe

(in % total milk deliveries)



CNIEL / Eurostat (data 2020), FAM (2021), Natural Resources Institute Finland (2021), AHDB (2021), ZMB (2021)

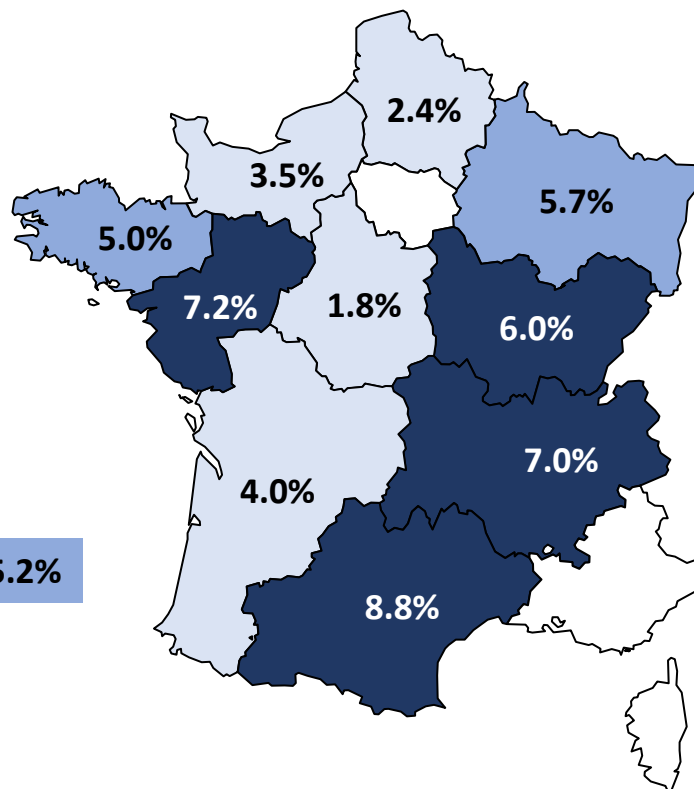
Scope of application of organic standard in France

(in % total milk deliveries in 2021)



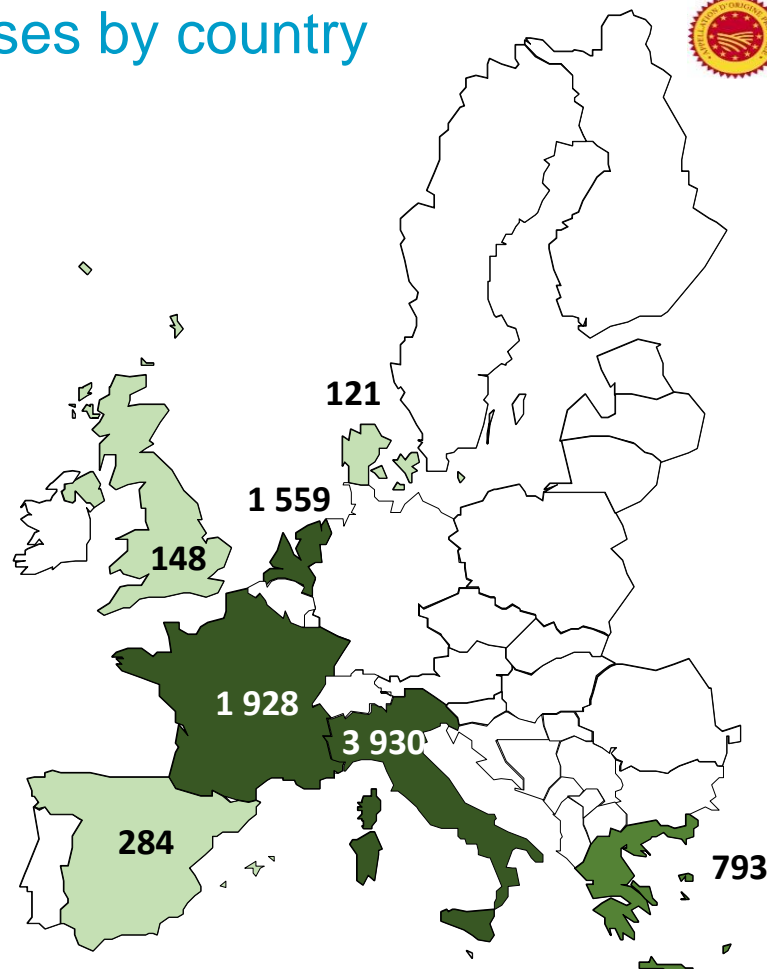
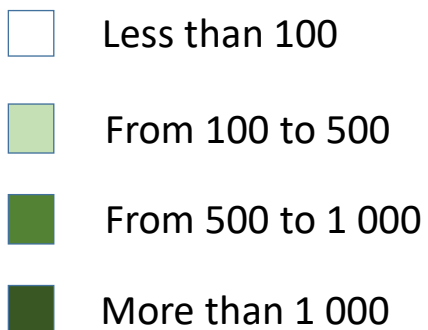
- Non determined
- Less than 4%
- From 4% to 6%
- More than 6%

National average: 5.2%



FranceAgriMer

Sales value of PDO and PGI cheeses by country (in EUR million in 2017)

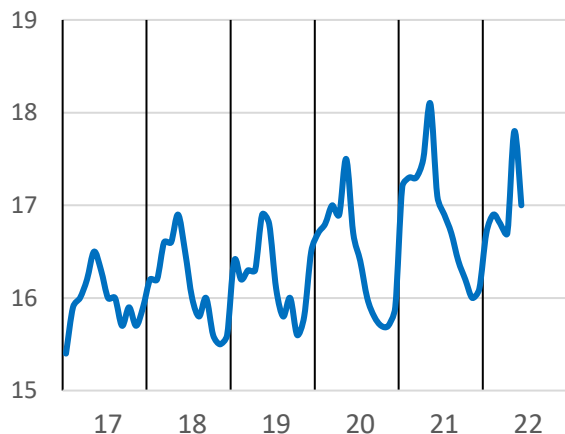


AND – International study for DG AGRI

Scope of application of PDO-PGI standard in France



% of cow milk produced according PDO-PGI specifications

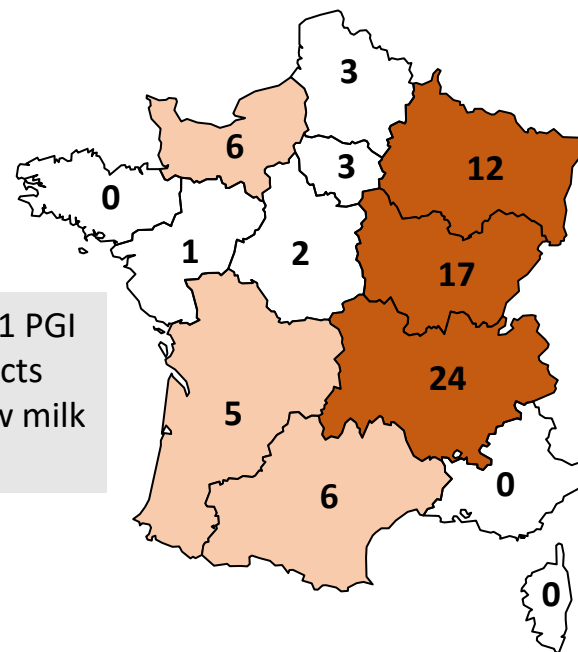


% of cow milk processed and sold as a PDO-PGI dairy products

12.5% in 2020

Number of PDO-PGI dairy products made with cow milk per region

33 PDO and 11 PGI dairy products made with cow milk in France



CNIEL / FranceAgriMer and CNAOL

A wide range of private standards for milk and dairy product differentiation

Primary lines of market segmentation

Support of dairy farmers and regional production

Grazing and animal welfare

GMO free cattle feed

Low-carbon footprint

Health / Nutrition

Proximity to the consumer

Societal and humanitarian causes



A same concept can refer to many different specifications

Grass fed cow milk



Dairygold : grazing on average 250 days per year ; 95% pasture based diet (natural pasture and silage)



Tirlán : 95% grass fed diet

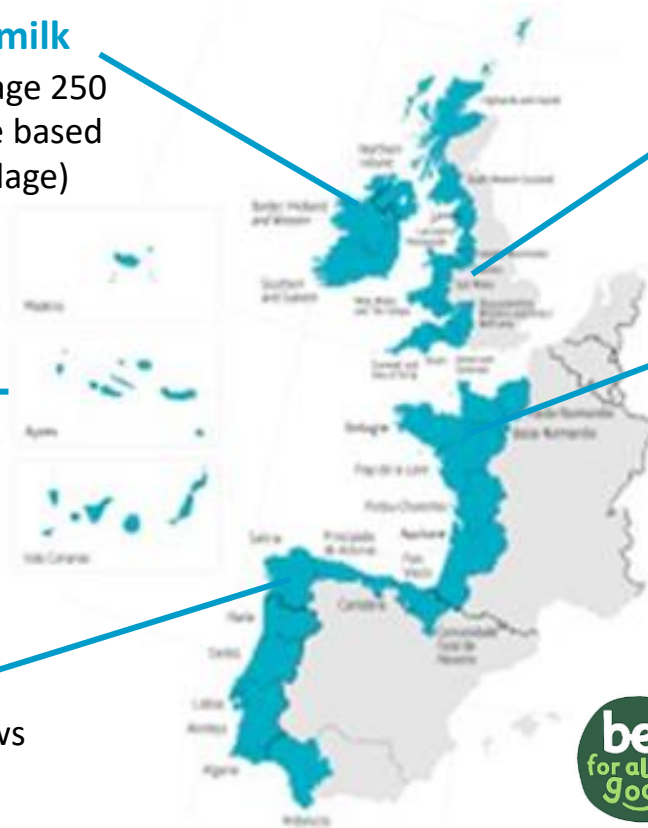
Leite de pastagem

365 days of grazing / year



Leche de pastoreo

1 hectare of pasture per 2.5 cows



Free Range Milk

At least 180 days of grazing / year



Lait de pâturage

Lactalis & Olga : > 200 days / year
 Bel & Laiterie Saint Père &
 Terres de l'Ouest : > 150 days / y
 Sodiaal : 150 days / y on average
 MLC & Laïta : > 120 days / y



What is the bonus for segmentation if conventional milk does not exist anymore?



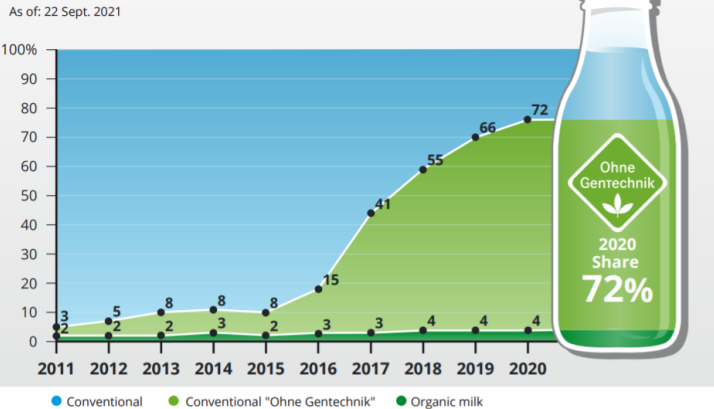
1 / Milk from cows fed with non GMO feedstuff is the new standard

2 / Every liquid milk sold on the retail market has an allegation of sustainability

Liquid milk available in Aldi stores in September 2022



"Ohne Gentechnik" milk ratios*
Development in Germany



Source: AMI, AMI-informiert.de
* Rounded up to full percent © 2021, Verband Lebensmittel ohne Gentechnik e.V. (VLOG)



Organic milk



Free range milk with high standard of animal welfare



German milk with high standard of animal welfare



Branded milk





Dairy
4 future

Thank you for your attention



Segmentation initiative in the European dairy market

27th September 2022