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
- Positive EU trade balance: The European milk processing industry brings more than 10 billion € to the overall EU trade balance.
- World dairy leaders: 5 of the top 10 global dairy companies are European.
- Balanced & Successful: Coexistence of cooperative model and private ownership. Around 50% of milk collected in Europe by coops.
- Partnering: Around 700,000 dairy farms across Europe.
- A rich and tasty cultural heritage: of more than 300 registered cheeses and dairy products.
- European recommendations of dairy consumption is 3 servings (for adults): 1 serving: 200 ml of milk, 125 grams of yoghurt, 20-30 grams of cheese.
- Partnering around 700,000 dairy farms across Europe.
“2016 – European Dairy Ambition” - we are facing harsh and difficult times on the dairy markets. These market conditions affect the whole dairy sector, the dairy farmers and their milk processors.

Nevertheless, we stay convinced of the sound favorable market prospectives for the EU “lactosphère” in the post-quota era, both within the EU single market and at global level.

Within the three last years only, dairy cooperatives and private milk processors invested more than € 6 billion into processing capacities in Europe. Half of these investments went to processing capacities for dry products and about 20% to cheese facilities.

We are setting up more and more production sites in Europe specifically intended for the supply of the world markets. And these investment figures highlight one main message: the strong belief in and the very good basis for the future of our dairy sector in Europe despite today’s difficult market situation.

It is part of our European Dairy Ambition 2016 to further increase our dairy exports to the world in terms of volumes and of value.

Another part of our European Dairy Ambition 2016 is to make most out of the potential of the EU single market. More than 85% of our products are consumed within the European Union.

The EU provides a stable internal EU market with 500 million citizens that ask for the highest quality production and for the strictest environmental standards, with a work force of about 300,000 employees, many, if not all of them, true dairy-“aficionados” with a unique savoir-faire and with about 700,000 well trained and committed dairy farmers.

All over Europe, our industry has the tradition of the past, the skills of today and the passion for the future of milk production and processing – and this is the basis to overcome today’s challenges and live up to our European Dairy Ambition 2016.

Connect to the world of dairy

Michel Nalet
EDA President

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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 more than a million of 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.

Cooperative model & private ownership: The cooperative model and private ownership coexist successfully.
Around 50% of the milk 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.

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.

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.

The importance of daily dairy consumption: Benefits of dairy in your healthy diet.
A glass of milk is an essential source of: High-quality protein, Calcium, Vitamins B2 and B12, Iodine and Phosphorus.
Investment in powders (milk powders, whey, infant formula) of more than €20 million between 2012 & 2014:

- Milk & drinking milks: 18%
- Cheeses: 18%
- Yoghurts & Fermented milks: 6%
- Other dairy products: 15%
- Dry ingredients: 50%
- Butter: 2%

Share of announced finalised investments 2012-14:

- > 100M€
- > 50M€
- 20 to 50M€
- < 0%
- 0 to +5% inclusive
- +6% to +10% inclusive
- +10% to +20%
- +20%
- > 100M€
Dairy products: EU28 intra and extra Trade in value and volume

2014 EU Exports to 3rd Countries

**Value**
- Cheese & Curd: 33%
- Lactose: 2%
- Casein & Caseinates: 5%
- Milk & Creams: 36%
- Milk Powders: 17%
- Butter: 6%
- Whey: 9%
- Yogurts & Buttermilk: 3%

**Volume**
- Cheese & Curd: 19%
- Lactose: 4%
- Casein & Caseinates: 2%
- Milk & Creams: 18%
- Milk Powders: 34%
- Butter: 4%
- Whey: 15%
- Yogurts & Buttermilk: 4%

2014 EU Exports intra Trade

**Value**
- Lactose: 1%
- Casein & Caseinates: 2%
- Milk & Creams: 17%
- Milk Powders: 10%
- Butter: 10%
- Whey: 10%

**Volume**
- Cheese & Curd: 48%
- Lactose: 1%
- Casein & Caseinates: 1%
- Milk & Creams: 48%
- Milk Powders: 8%
- Yogurts & Buttermilk: 9%
- Butter: 4%
- Whey: 11%
Milk and dairy are a part of a healthy and balanced diet
Milk and dairy products are an affordable, enjoyable and a tasty way of achieving daily nutritional requirements.

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
For example, 1 serving:

- Milk: 200ml
- Yoghurt: 125g
- Cheese: 20-30g

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%
- Vitamine B12: 32%
- Phosphorus: 29%
- Iodine: 26%
- Protein: 20%
Methodology
All figures and numbers of the report are based on a survey that the European Dairy Association (EDA) carried out amongst its members between November 2015 and February 2016. These findings have been backed up with external sources listed below.

Sources

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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.

Whey amount for 20% of milk protein

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 use now whey as a functional ingredient in food and pharmaceutical applications, and as nutrient in dietetic and health foods.

Whey in different EU languages

Whey / Сиро́ватка / Syrovátka / Valle / Molke / πυρόγαλα / Lactosuero / Vadak / Lactosérum / Meadhg / Surutka / Siero di latte / Ισρούγος / Xorro / Wei / Soro de leite / Srvátka / Vassla / Hera / Erwatki / Zer / Savó / Sirotke / Sűkalu
Production

Liquid Whey is processed from the production of cheese (about 85%) and caseinates (about 15%). As a rule of thumb, we consider that 1 kg of cheese is equal to 560 grams of whey in dry matter.

1 kg Cheese = 0.56 kg Whey

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

It is estimated that 6 million tonnes of whey is processed in EU from cheese and caseinates production in 2015.

Trade

Whey is exported to many countries, especially Asian countries.

EU exported more than 540 thousand tonnes of Whey globally. China is the first importer of EU Whey (Combined Nomenclature 0404 10) with 162,236 tonnes imported in 2015.

Main importers of EU Whey
(CN 0404 10 - tonnes, 2015)

- China: 162,236
- Indonesia: 76,697
- Malaysia: 56,789
- Thailand: 41,417
- Vietnam: 20,648
- Rest of the World: 182,396
- Total: 540,181

EU Cheese Production
& Calculated resulting Whey Production
(in ‘000 tonnes/dry matter - 2015)

- Cheese Production: 5,065
- Calculated resulting Whey Production from cheese production only: 9,044
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.

Applications of whey in the industry sectors

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

- **Infant Formula**
  - Powdered and liquid formula

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

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

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

- **Medical Nutrition**
  - Hospital Feeding

- **And many more...**

Health benefits associated to whey

- **Weight management & Body composition**

- **Satiety**

- **Muscle recovery & Performance**

- **Bone health**

- **Reversing muscle loss in elderly**

- **And many more...**