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

THE DAIRY MARKET

WORLD

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

EUROPEAN UNION

10% UNITED KINGDOM

17% FRANCE

22% GERMANY

* % milk production

+2% increase in production between 2008 and 2013

-2% decrease in consumption between 2008 and 2013

- Strong exportations outside Europe

FRANCE

GLOBAL COW'S MILK PRODUCER	8th
POSITION OF DAIRY MARKET IN FRENCH FOOD INDUSTRY with 27,2 billion of turnover	2nd
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

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

THANKS TO EUROPEAN SUBSIDIES, A LOW INSOLVENCY RATE
0.38%

INSOLVENCIES WITHIN THE DAIRY SECTOR UP BY
+100%
(between 2006 and 2014)

WINNING STRATEGIES TO BE DEVELOPED?

CONQUER NEW MARKETS

- Export sales of dairy products growing more rapidly than exports as a whole
- 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

Production

Transformation

Distribution

BETTING ON QUALITY AND THE ORGANIC SECTOR

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

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