

Scotland

Mossgiel Organic Farm



WORK PACKAGE 4
DAIRY SECTOR ANALYSIS

MOSSGIEL FARM

Mossgiel’s **approach** to dairying and the **innovations** they employ on farm **increases the price they receive for their milk** in comparison to milk produced in a conventional manner.

Innovations on farm include:

- A cow-with-calf system
- Organic
- Self-processing
- No single-use plastic on farm
- Non-standardised milk
- Self-bottling in glass bottles
- Sales through vending machines, local cafes/shops and doorstep deliveries
- Coffee shop selling Mossgiel and local artisan products

Mossgiel see their system as a **holistic approach with no one innovation being their USP.**



Mossgiel produces **bottled milk and double cream.**

The milk can be split into **Mossgiel Organic Gold Standard** milk, which comes only from the Mossgiel cow-with-calf system, and other organic milk, which comes from a combination of **Mossgiel and 5 local organic farms.**



NO SINGLE USE PLASTIC

There has been no single use plastic on farm since 2019. Milk is bottled in glass bottles and sold through vending machines, or in reusable containers to trade customers. This, plus the cow-with-calf and organic systems employed on farm, is looked favourably upon by environmentally conscious consumers, improving public perception.

Mossgiel 2015	Mossgiel 2020	Mossgiel Future?
<ul style="list-style-type: none"> • Conventional system • All year round (AYR) calving • 137 cows • 3 times daily milking • 9600L per lactation • Red Holstein and Ayrshire • Milk processed externally • Milk distributed and sold externally • Plastic use on farm 	<ul style="list-style-type: none"> • Cow with calf system • Spring block calving • 53 cows • Once daily milking • 2200L per lactation • Ayrshires • Self processing • Self distributing • Self vending/selling • No single use plastic 	<ul style="list-style-type: none"> • Cow with calf system • Block calving • 53 cows • Once daily milking • 2530L per lactation (+15%) • Ayrshires • Self processing • Self distributing • Self vending/selling • No plastic use

Mossgiel Farm was set up in 2016, after Bryce Cunningham returned to the family farm from a job outside agriculture. The global milk-price crash dropped their milk price to 9.6p/L, leading to losses of £10,000/month. This income loss led to a need to rethink the business, allowing them to keep the farm, get more money for their milk and farm in way which suits Bryce’s beliefs. The original business went into bankruptcy and many of the cows were sold, the funds created being used to change the farming system; going back to what Bryce viewed as a simpler, more environmentally friendly style of farming.

The farm moved from all year round to spring block calving, reducing cow numbers from 137 to 53 and moving from 3x daily milking to a cow-with-calf system with once daily milking. This reduction in milking and reliance on cows rearing their own calves reduced labour requirements and associated costs. Cow breeds were changed from a mix of Red Holstein and Ayrshire to all Ayrshire, taking advantage of their smaller, more traditional frame and ability to thrive in a grass-based system. Yields dropped from 9600L to 2200L/lactation with the introduction of the cow-with-calf system. This led to the farm buying in milk from other local farms and selling their cow-with-calf milk as a standalone product. The farm hope to increase yields by 10-15% through management over the next 2-3 years, reducing losses to the calves.

SWOT ANALYSIS DIAGRAM

What are the strengths, weaknesses, opportunities and threats of running a system like Mossgiel, with many different innovations employed in one holistic approach to dairying in a non-conventional manner?

01

STRENGTHS

- Unique – no other Scottish farm produces cow-with-calf milk on this scale or employs the same innovations on one farm.
- Strong marketing background and marketing opportunities
- Good vision
- Drive and ambition
- Resilient - bounced back from bankruptcy



02

WEAKNESSES

- Lack of ability to get finance due to bankruptcy
- Capital needed to start self-processing
- Old machinery – small scale bottling machines often very old
- Lack of support from conventional farms
- Young business with new staff



03

OPPORTUNITIES

- Change in diets – people more conscious of food production
- Environmental focus in media
- Environmental government policies
- Animal welfare - Change from consumption of conventional dairy products as public more informed on production



04

THREATS

- Companies using “vegan” as a brand to produce things cheaper at a higher price
- Veganism is “cool”
- Creditors and debt stopping farms moving forward
- Lack of investment capability
- Weather in Scotland



TESTIMONY



Bryce Cunningham
Owner
Mossgiel Organic Farm

Currently Mossgiel is a private approach, run by Bryce Cunningham, although the farm now buys in milk from 5 local organic farms. All milk is processed at Mossgiel and all farms involved are organic.

In the future Bryce would like Mossgiel to become a collective; teaching people to produce milk the “Mossgiel” way and creating a supply of added value milk from farms which incorporate many of Mossgiel’s innovations. The aim would be for farms to follow one or several of the added value innovations which Mossgiel employ and in turn receive more money for their products.

* * *

In 2019, the farm saw a good turnover but ultimately made a loss, due to equipment costs. In 2020 the farm made a profit, but by upgrading the farm to allow them to process more litres, increased staffing and increased partnerships, the farm is set to increase this profit 10-fold in 2021.

In supporting other farms to move to incorporating one or many of the innovations in the Mossgiel system, Bryce is keen to point out that the background Mossgiel came from plays a big part in their profit/turnover.

Initially Mossgiel focused on processing a large number of litres per year, but bankruptcy constraints and lack of cash flow severely limited what they could do.

Someone looking to adopt their innovations and coming into it from a different financial background could get support from a bank, focus on marketing and focus on growing their processing capacity. Coming into this type of system without limitations of creditors means farms could expand in an easier, more natural way.



For more information

- <https://mossgiefarm.co.uk/>

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Northern Ireland

Production of naturally spreadable butter from grazing dairy cows



WORK PACKAGE 4
DAIRY SECTOR ANALYSIS

SPREADEASY BUTTER

Dromona Naturally Spreadable Butter (NSB) is a unique value added product manufactured by Dale Farm Cooperative in Northern Ireland that supplies the consumer with a **naturally churned butter but with softer and more easily spread characteristics**. The product is produced by a combination of spring grass in the dairy cow diet, supplemented by a special butter ration produced exclusively by United Feeds, the animal feed company owned by Dale Farm. This ration when fed to cows at turnout gives the necessary characteristics to the raw milk to allow the production of this unique product.

Dale Farm is Northern Ireland's leading dairy company owned by a cooperative of 1,300 dairy farmers and employing more than 1,000 people. Dale Farm has a proud heritage and an extensive range of products including milk, cream, cheese, ice cream, yogurt and spreads, available worldwide.

United Feeds is a manufacturer of blended and compound feeds for dairy, beef and sheep with production facilities in Belfast and Dungannon. As part of Dale Farm, the largest UK farmer-owned dairy cooperative, United Feeds has a unique ethos centered on the companies' commitment to provide innovative nutritional solutions and a comprehensive on-farm advisory service, which is wholly focused on securing optimal livestock performance and efficiency.

FARMER INVOLVEMENT



Key facts:

- 150 Dale Farm suppliers involved
- 95 cow average herd size
- 2,200 litres average daily milk supply
- 10 week supply period
- Concentrate feed level 4.0 or 7.0 kg/cow/day
- Milk quality assessment through milk fat iodine content measurement

Farmer milk price bonus (pence/litre)

Farmer milk price bonus (pence/litre)	
Payable from NSB ration received	1.70
Additional when Iodine Value >38.5	0.30
Additional when Iodine Value >41	0.30
Additional when Iodine Value >43	0.30
Additional when Iodine Value >45	0.40

SWOT ANALYSIS DIAGRAM

The SWOT analysis examines the sustainability of the production of Natural Spreadable Butter (NSB) production.

01

STRENGTHS

- NSB milk from dairy cows grazing 24 hours each day.
- NSB is made spreadable through natural feeding without using additives.
- Active participation of local dairy farmers.
- The NSB product is based on peer reviewed research.
- Rapeseed in the concentrate feed is 100% sourced within Ireland.



02

WEAKNESSES

- Production of NSB requires concentrate feeding.
- Feeding whole rapeseed depresses milk fat production.
- Reduced milk fat content reduces butter yield.



03

OPPORTUNITIES

- Recent increases in butter consumption could lead to increasing product demand.
- Substituting soyabean meal with rapeseed can potentially reduce concentrate production GHG emissions.



04

THREATS

- Increased promotion of the vegan diets.
- Consumer pressure to reduce the proportion of human edible ingredients in animal diets.
- Government targets to reduce GHG emissions.



TESTIMONY



**Henry Stewart
Pilot Farmer
Co. Tyrone
Northern Ireland**

“

The Stewart family supplied milk to the Dale Farm dairy co-operative for the production of Natural Spreadable Butter in 2020. During the summer the dairy cows are grazing in the fields day and night.

The grazed grass diet combined with the feeding of the United Feeds special butter ration naturally reduces the proportion of long chain saturated fats in the cows' milk.

This natural reduction of saturated fats increased the spreadability of the butter churned from the milk. Dale Farm Natural Spreadable Butter production has been produced each spring for almost 20 years.



For more information

www.dalefarm.co.uk

The natural production process is supported by published local research carried out at the Queen's University of Belfast and the Agricultural Research Institute for N. Ireland.

Milk from the participating dairy farms is analysed using a laboratory iodine test in the Dale Farm milk testing laboratory. The iodine test value indicates if the milk is suitable for churning into Natural Spreadable Butter.

The milk iodine test results are made available to participating farmers, the Dale Farm Liaison Team and United Feeds Advisers who support farmers to produce milk suitable for churning into Natural Spreadable Butter. Approximately 1,000 tonnes of Natural Spreadable Butter is produced each year.

”

CONTACTS

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www.dairy4future.eu



Project funded by



**Interreg
Atlantic Area**
European Regional Development Fund



Wales, United Kingdom

Ty Tanglwyst Dairy



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DAIRY SECTOR ANALYSIS

THE BUSINESS

Ty Tanglwyst is a family-run business: across the farm, the processing plant and the deliveries, there are 27 people involved in the business (owners and employees).

Approximately 60% of milk goes direct to consumers with domestic deliveries. Milk and dairy products are delivered door-to-door to private customers.

Milk is also sold to commercial local businesses (pubs, coffees, ice cream manufacturers). Other important customers are schools, nurseries and care homes of the local council area.

The farm comprises 25 acres (10 ha) of ancient oak woodland under a conservation management scheme. The remaining 125 acres (50 ha) of lush green pastureland are largely divided into paddocks by ancient hedgerows. Another 150 acres (60 ha) are rented from neighbouring farms.

Over the years the farm has been involved in a wide variety of environmental schemes and has worked with many partner organisations including the [RSPB](#) (Royal Society for the Protection of Birds) and more recently the [Glamorgan Bird Group](#).



LOCAL PRODUCTS

The farm is located in Bridgend, South Wales. Deliveries are limited to a radius of 30' in all directions from the farm.

The farm currently produces 1.2 million litres per year, approximately the 0.1% of the total Welsh milk production.

The products sold are:

- milk (whole, semi-skimmed and skimmed), in 1 pint, 1 litre and 2 litre. Higher volumes' containers are available for commercial customers.
- Milk sales split is around 60% semi skimmed, 35% whole and 5% skim
- cream (double, single and whipping) in 2 litre bottles (also 250 ml for double cream)
- butter (artisan 200g roll).

The products have also won several awards, including success at The Royal Welsh Show, The Great Taste Awards and Wales True Taste

SWOT ANALYSIS DIAGRAM

01

STRENGTHS

- Locally produced and processed milk
- Less exposition to price volatility
- Own control
- Competent and professional staff
- Strong ties to the community
- Passion for the job



02

WEAKNESSES

- Sometimes difficult to achieve a good work-life balance
- High workloads
- High pressure to provide a consistently high-quality product
- Reliance on own brand and reputation
- High reliance on staff



03

OPPORTUNITIES

- Increasing number of consumers willing to shift towards more sustainable and local produce
- General increase focus on environment



04

THREATS

- Competition from the good big processors
- Loss of customers due to loss of their income



TESTIMONY



**Rhys Lougher,
Owner**

“

In 2003, I went on a study tour to Bavaria, Germany, with the Future Farmers of Wales.

There, we visited a small poultry farmer who, in times of bad prices for the poultry industry, had adopted a different business approach, focusing on the production of egg-based products (liqueurs, pasta,..) with a nice packaging and branding.

I realized this approach could be transferrable to the dairy sector as well and, after 2 years of accurate planning, in 2005 I started the first deliveries of milk.

Since then, the level of investment has been significant, but the business success has allowed for a good return and all investments are now paid off. The good and thorough original business plan that was prepared has also been essential to get a loan from the bank.

A key factor to our success has been having the right basics at the beginning of the activity. The farm started the journey with good soil quality, good herd genetics and management, good grassland management and good infrastructure. This allowed to focusing on the new developments and making a smooth and efficient start of the new business.

Our future plan is to consolidate the current status and strengthen the financial situation. Should specific demands arise, we are ready to explore further developments (i.e. new certifications in addition to our Red Tractor assurance ...)

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For more information

<https://tytanglwystdairy.com/wordpress/>

<https://www.facebook.com/Ty-Tanglwyst-Dairy-1187486534609217/>

In Republic of Ireland

Irish Organic Infant Formula



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DAIRY SECTOR ANALYSIS

ABOUT IRISH ORGANIC MILK PRODUCTION

There is growing demand internationally for organic products and particularly organic infant formula in China.

Ireland's **low-cost pasture-based system** of milk production is economically competitive for the production of infant formula. However, organic dairy production is a relatively small but growing sector of the industry.

Currently there are **62** certified organic dairy farmers across the Republic of Ireland accounting for **0.11%** of the national milk pool. Consequently, this domestic deficit in supply necessitates greater importation of product to meet demand.

This poses a significant **market opportunity** for the organic dairy sector in Ireland with a growing and increasingly mainstream market.

To satisfy this growing demand **research** into the feasibility of an organic infant milk formula supply chain must be conducted.



OPPORTUNITY FOR FARMERS

Policy

- The Farm to Fork Strategy aims to promote a global transition to sustainable food systems
- This strategy targets 25% of agricultural land to be "under organic farming" by 2030
- Currently land farmed organically accounts for 2% of the total agricultural land in Ireland

Market growth

- Organic raw milk and dairy cow numbers increased by approximately 50% on Irish organic dairy farms from 2017 to 2018
- Organic agriculture has attracted greater attention in recent decades due to growing consumer preference internationally
- Consumers are willing to pay premium price
- Infant formula is a non perishable product; long shelf with ease of transportation



SWOT ANALYSIS DIAGRAM

If Ireland were to establish an organic infant formula supply chain, this SWOT analysis points out some questions and concerns.

01

STRENGTHS

- Low cost grass-legume based production system
- Existing excellent reputation as a country to produce milk
- Well established supply chains to China for conventional infant formula
- Farm level profitability relatively high vs other organic sectors
- Profitability on a per litre of milk basis is potentially competitive vs conventional
- Growing number of markets
- Low carbon footprint of milk production



02

WEAKNESSES

- Niche market
- Very low production base and spatially dispersed location of producers
- Relatively high profitability levels of conventional dairying – no incentive to switch to organic milk production
- Lack of farmer knowledge and experience to meet technical requirements (growing high yield and quality forages without artificial fertilisers)
- High cost of purchased organic feeds
- Land availability - organics needs more vs conventional



03

OPPORTUNITIES

- Growing demand for organic milk internationally
- Growing demand for organic infant formula would suit seasonal milk production system prevalent in Ireland
- Clover-grass swards and combi-crops for increased production/financial performance



04

THREATS

- Competition from other premium products e.g. "GMO free butter" and "antibiotic free" etc.
- Extreme weather, supply interruption



TESTIMONY



Elaine Leavy
Organic Specialist
Teagasc

Organic dairying is a relatively small but growing sector within the dairy industry in Ireland. Organic dairy farmers are extensively located across Ireland. Farmers are involved in both winter and spring milk production. The market for organic milk looks positive and is growing globally. Presently in Ireland, most organic milk is supplied domestically with a number of established commercial dairies handling most of the organic milk.

While organic dairying has been identified as one of the organic categories with the greatest potential for growth the increased uptake of conventional dairying since the removal

of the milk quota with the cost of imported organic feedstuffs are challenges for growth in the organic dairy sector.

Organic dairy farming offers an excellent opportunity as a profitable enterprise option but success is dependent on the farmer having a good interest in organic methods and having a market price secured for their milk.



For more information

- <https://www.teagasc.ie/rural-economy/organics/>

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www.dairy4future.eu



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In Normandy

Isigny Protected Denomination of Origin (PDO) Butter and Cream



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DAIRY SECTOR ANALYSIS

ABOUT ISIGNY PDO

Isigny butter and cream are recognized at the EU level as **Protected Denomination of Origin (PDO) products** since 1986, a relatively well-known certification label now. It is one of the 3 butters and 2 creams under PDO in France.



The milk comes from a **1,600 km² area between land and sea**, located 30 km around the town of Isigny-sur-Mer in Cotentin and Bessin wetlands.



Around 700 dairy farms (>90% of the dairy farms from the area) are under certification. **Two local cooperative dairies** collect and transform certified milk in butter and cream under PDO: Maitres Laitiers du Cotentin and Coopérative d'Isigny Sainte-Mère.

More than **6,000 tons of butter** and **6,000 tons of cream** are sold a year.

Actors are structured in a **Defence & Management Organisation** composed of 2 colleges: farmers (from 5 dairies operating on the territory) and dairies (the 2 involved directly) with a dedicated budget of 18000 € based on specific fees.



OPPORTUNITY FOR FARMERS

For more than 20 years, the geographical requirement was nearly the only obligation for farmers. In 2017, differentiation at the farm became a reality, with suitable retribution on the milk price for farmers following specifications.

BEFORE 2020

Requirements were concerning the product mainly:

- milk has to come from farms located in the defined area;
- milk has to be collected every 48 hours maximum;
- After skimming of the milk, cream has to be pasteurized and then mature for at least 12 hours.

SINCE 2020

Specific requirements have to be met on farms too:

- 80% of animal food has to come from the defined area;
- at least **30% of Normande breed at the dairy scale**;
- **grassland** has to represent at least 50% of forage area;
- cows have to **graze** at least 210 days, with 3500 m²/cow and an available access to at least 200 m².

BONUS FOR PRODUCERS



until +2,5%
on milk price
according the share
of Normande breed



+2,5%
on milk price
for grazing

SWOT ANALYSIS DIAGRAM

If Isigny PDO products rely on a good notoriety in France and abroad, with a specific know-how recognized by PDO label for more than 30 years, some questions and concerns come up. This SWOT analysis point out some of them.

01

STRENGTHS

- Notoriety of the products
- Identified landscapes linked with dairy production
- Recently reviewed specifications highlighting grazing
- Good prices for dairy producers → attractivity
- Sales dynamics over the past years



02

WEAKNESSES

- Share of Normande breed on the farms is still weak
- Increase in farm size making difficult to graze
- Unbalance in the use of dairy raw material (only fat is used)
- A highly competitive market on butter on which PDO label is not always a sufficient argument



03

OPPORTUNITIES

- A favourable evolution of the perception of animal fats benefits in the past years
- Links to create with the Natural Regional Park of Cotentin and Bessin
- Payments for Environmental Services (PES) ?



04

THREATS

- Specifications can be judged as relatively small in comparison with other products under PDO
- Share of export is high for PDO butter and cream
- Evolution of animal products perception



TESTIMONY



Philippe LEGRAIN
Economic and prospective advisor
CRA Normandie

“ Isigny butter and cream were recognized as PDO in 1986. Thus, they became part of the dairy regional landscape, also famous for its cheeses such as Camembert, Pont-L'Evêque or Livarot. By the way, Isigny PDO area is overlapped by Camembert and Pont-L'Evêque areas. Two local dairy cooperatives took advantage of that recognition of know-how as PDO, but the image of Normandy is also used by other dairy operators established in the region. Indeed, landscapes made of marshland areas contrasting with the small fields separated by hedges and ditches are considered as very positive.

The products reached a strong notoriety through the years, being sold all around the world.

Retrospectively, we could consider Isigny PDO products as an ingenious use of historical reference with few obligation for farmers.

However, at the beginning of the 2010's, the Defense and Management Organisation of Isigny PDO butter and cream initiated reflections in order to update its specific requirements with the one from society. It has led to new demands in contractual requirements for the farms involved in the value chain such as the reinforcement of grazing for the cows, a minimal share of grassland in the forage area and the emphasis of the local dairy breed (Normand cow).



For more information

- <http://isigny-aop.com/>
- <http://www.isigny-ste-mere.com/>
- maitres-laitiers.fr/fr

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In Brittany

Les Laitiers Responsables (LLR) sector, a Sodiaal cooperative's initiative



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DAIRY SECTOR ANALYSIS

ABOUT LLR - SODIAAL

Sodiaal is the first dairy co-operative in France with 4.7 billions liters of milk collected per year (20 % of the milk produced in France).



LLR (*Les Laitiers Responsables*, Responsible Milkmen) has been launched in 2018 to **adapt to the evolving societal expectations** : animal welfare, environmental impacts of products, their origin and also remuneration of the farmers... The objective of this new sector was also to generate substantial added value (27 % of the French volume in fluid milk market) and **create a new segment**, middle step between conventional and quality sign milk.

In 2019, **300 farms** are involved in LLR for a production of **100 million liters of milk**.

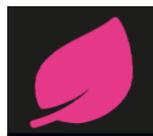
The milk is sold in all France by the way of the main distributors' supermarket. At the beginning, LLR milk was only sold in fluid milk but they diversified their range of products with yoghurts, butter, cream and Emmental in order to optimize the added value.



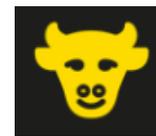

+ 15 €/1000 L for the farmers in LLR sector and 40 € per liter of LLR milk sold shared out to all the Sodiaal's adherents



150 days of grazing per year. A day of grazing = at least 6 hours in a minimum area per animal of 0,1 are



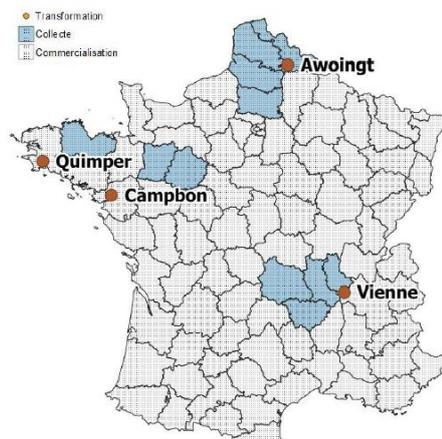
Milk produced from GMO-free (< 0.9%) fed animals with a supply of feed from STNO-certified suppliers



Respect for animal welfare. Farmers take part in "Cows Signs training modules"

4 PLANTS TO PROCESS THE LLR MILK

The idea was to target territories with an industrial site and with farms having good conditions for grazing in order to reduce extra charge.



SWOT ANALYSIS DIAGRAM

A lot of new dairy segmented products have been recently launched in order to match new societal expectations but it questions their resilience in the future. The SWOT analysis of LLR sector pointed out some opportunities to take and some threats to face with.

01

STRENGTHS

- Commitment and involvement of members in LLR sector
- Targeting of territories (climate, dairy, industries) to limit additional production costs
- Marketing carried out to differentiate the product to consumers



02

WEAKNESSES

- Evolution of volumes sold below initial forecasts
- Rather cumbersome upstream and downstream certification process.
- Adaptation of the industrial sites carried out at the cost of a relative loss of industrial performance (loss of yield ...)



03

OPPORTUNITIES

- Development of the range of products promoted under the LLR brand name
- Increasing demand for segmented milk (more potential farmers in the process)
- Reduction in the number of segmented dairy product approaches



04

THREATS

- Changes in consumption patterns (vegan...) and reduction in the consumption
- Strong competition in the market for segmented dairy products
- Risk of inflation of specifications to differentiate segmentation approaches



TESTIMONY

//



Jean-Michel PICQUENDAR
Director of the Segmented Milking Sodiaal Dairy Cooperative

The project to set up a segmented sector started in 2016. In order to respond in a striking way to societal expectations, Sodiaal organized a **consumer study** to identify the milk production criteria on which consumers would be willing to pay more.

Through this approach, the objective was to find a compromise between consumers and farmers expectations. Few meetings have been organized in order to inform the dairy farmers. At one meeting, there were 420 farmers and a big proportion were interested to join the new sector.

« Les Laitiers Responsables » officially started in March 2018 with milk produced under the Candia brand in the south of Isère (Alps). For Breton producers, the first deliveries were made in October 2018.

The Sodiaal wishes are to strengthen the brand "Les Laitiers Responsables" to allow the greatest number of dairy farmers to participate in the process. On the future of segmented sectors in general, I think that a certain number of brands and products will disappear, due to a plethoric offer. The next segmentation step for Sodiaal could be the evolution towards "local" milk in order to limit the product's carbon footprint. //



For more information

- <https://les-laitiers-responsables.coop/nos-engagements/>

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Basque Country

Behieko Brand: a collective brand hold by 3 organic dairy farms



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DAIRY SECTOR ANALYSIS

ABOUT BEHIEKO



Behieko is a **brand shared by three dairy cattle farms** from three municipalities of the **Basque Country** (Anoeta, Altzo and Olaberria). They produce and market organic milk and a wide range of dairy products. It was established as a brand more than 10 years ago, as a result of a way of life that adapts its traditional knowledge to the needs of the market; respecting the environment, sustainable development and artisanal production. Its philosophy is based on reaching the local market with a quality product.

The 3 dairy farms that hold Behieko are inherited from generation to generation. The distance between the 3 farms is around 15 km, with an urban population of 90,000 people in the immediate vicinity.

The beginnings were not easy since, like any new project, doubts about technical and economic feasibility arose. However, its great motivation and the market's recognition for its work allowed the brand to be successfully implemented. Currently, Behieko sells all its dairy milk production and derivatives locally. In addition, the purchase system for organic feed and raw materials is well developed, considering future challenges for the continuous improvement of the value chain.



FEEDING INPUTS

- Proximity feed
- Organic forage (hay, grass silage, and lucerne)
- Grazing all year round



ORGANIC PRODUCTS

- Whole / skimmed milk
- Whole / skimmed/ smoothy yogurt
- Cheeses
- Cottage cream
- Meat



STAFF

- 11 employees
- Rotation of non-working days
- Social compromise
- Guided tours



KEYPOINTS

MARKET

- Proximity to sale points
- Diversification:
 - Vending machines
 - Consumer groups
 - Restaurants
 - Small shops
 - Internet platform



VALUES

- Product quality
- Animal welfare
- Financial autonomy
- Continuous improvement philosophy



CHALLENGE

- Attract young talent
- Energy efficiency improvement
- Diversification of dairy products



SWOT ANALYSIS DIAGRAM

01

STRENGTHS

- Product quality
- Land availability
- Proximity to sale points
- Financial autonomy
- Consumer loyalty
- Recognition of the added value of the product by the consumer



02

WEAKNESSES

- Small and Medium Enterprises' own resilience capacity to face adverse situations



03

OPPORTUNITIES

- Energy autonomy through the installation of solar panels



04

THREATS

- External dependence on feed
- Saturation of the offer
- Different (Less strict) regulations for organic production in nearby regions



TESTIMONY



Dairy products and derivatives currently on sale under the Behieko brand are very diverse; whole milk, skimmed milk, whole yogurt, skimmed yogurt, yogurt smoothie, lactic cheese, blue cheese, semi-cured cheese, soft cheese, cheese cream and cottage cheese. Behieko provides products to a range of customers such as: restaurants, small local businesses, local consumer groups and a vending machine located in a nearby town. Each farm has its own customer network and satisfies customer demands with the brand's products. This ensures the continuous supply of the market. In addition, the meat from old cows is sold to restaurants that demand the product and the young calves are sold in meat batches to private customers.

The most important challenge currently we are facing is the difficulty in attracting young talent to the business in an industrial environment. This is an intense work that requires dedication. One of the most immediate challenges we will face at Behieko is the improvement of life quality. The creation of a work calendar including rotation of non-working days will help this action. Furthermore, our philosophy is the continuous improvement. Therefore, animal welfare aspects, new lines of business, product quality maintenance, energy efficiency improvement and the adoption of renewable sources are present challenges that will be strengthened in the future to reach the high-quality standards demanded by society.



For more information

- https://www.behiekogaztak.eus/index_es.html

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North Portugal

MILK IS LIFE! – A COMMUNICATION PROJECT



WORK PACKAGE 4
DAIRY SECTOR ANALYSIS

ABOUT THE PROJECT

The project “Leite é Vida!” (Milk is Life!) was launched in April 2016, one year after the milk quota in UE no longer being in place. With a dairy sector under pressure, a small group of women dairy farmers, proactively took the initiative to promote national milk consumption. This independent project was integrated and supported by the Portuguese Association of Dairy Farmers.

The project intends to bring the school community and, in some way, consumers, students and teachers, closer to the rural context and the farmer’s daily life and agricultural dynamics. The project considers that the farmer is the most appropriate agent to explain to children all aspects related to milk production.

In summary, “Milk is Life” aims at promoting the image and consumption of Portuguese milk and dairy products through a communication project toward children, considering that information for children will have an effect until their adult life, and at present, they can also spread a positive message to adults.

TASKS



Children visits to farms - Learning and free-time activities centres and schools are invited to promote visits to dairy farms in their programmes. allowing children and teachers interaction in real context with the cows and farmers.



The farms go to schools - Actions at school level, to tackle with the theme of milk production. The children learn and participate in fresh cheese’ making workshops. Videos also show the work of hygiene, food and animal well-being that are inherent to the activity.



Communication through the Facebook - The page is fed with videos sharing positive information and publicizing events related to the sector. The main concern is improving the consumer's perception of modern dairy farms and dairy supply chain.

TARGETS

In 2019, the project reached 1227 children, their teachers and assistants, who learned about the daily production of milk through the visits to dairy farms and workshops in schools.

The project has been disseminated in various media



Television

Internet

Technical events

SWOT ANALYSIS DIAGRAM

Informing children and young people will have an effect until their adult life and communication is essential to demystify some ideas and combat misinformation related to agriculture and animal production.

01

STRENGTHS

- Active, young, dynamic and trained team members, with great know-how about the dairy sector (DS)
- Project relevance recognized by DS and target Audience
- Combining the strength of communication networks with practical reality
- Be a new and real-life experience for the target audience



02

WEAKNESSES

- Limited human and material resources
- Action limited to the number of volunteers in the area of action and the children and young people connected
- Project with a geographically restricted impact
- Difficulty in coordinating with other initiatives



03

OPPORTUNITIES

- Changes in consumer habits
- The interest of schools and study centers
- Growing interest in knowledge of agricultural activities
- Open the barn door, show that the production has nothing to hide
- Contribute to showing young people the origin of food



04

THREATS

- Lack of a joint strategy by organizations to communicate clearly and continuously
- Biased and negative information about agriculture & livestock in school textbooks
- Positive ideas on milk are more challenging to get across than a negative message
- Some ethically less responsible farmers give a negative image of the dairy sector



TESTIMONY



Marisa Costa
Project Leader
APROLEP

Leading the "milk is life" team is an enormous privilege and a great responsibility. Communicating transparently and continuously to make known what is behind a glass of milk is the main objective of this project, and I believe that no one better than the farmer to explain what he does and why he does it. Today, consumers do not know how we produce food, and much of the information they obtain is biased and comes from social networks. It is urgent to communicate. Every day we are confronted with false information in the media, social networks, school textbooks, and even classes.

Almost five years after the beginning of this project, we are sure that investing in children and young people's education and communication is essential to demystify myths and combat misinformation related to agriculture. The workshops are a dynamic strategy to involve children, parents and teachers by assigning them an active role in building knowledge. The path is long and increasingly challenging. For our part, we will continue to do what we can to make known the current agriculture: modern, sustainable, based on science, and that has the animal and its welfare as a priority.



For more information

- https://www.facebook.com/Leite-%C3%A9-vida-510846829110102/?ref=page_internal

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AZORES

Organic grass-fed milk
MILHAFREWORK PACKAGE 4
DAIRY SECTOR ANALYSIS

ABOUT THIS MILK

Milhafre (goshawk) is a well known dairy brand from the Azores Islands in the central North Atlantic, approximately 2,500 km west of Lisbon, Portugal. The brand has a long history in dairy production.

The brand decided to produce *Leite de Pastagem Biológico* (Pasture-based organic Milk) in 2017 and since then it has been mobilizing their associate dairy farmers in the Terceira island to move towards this product aiming to improve the quality of the produced milk and at the same time increase the sustainability of dairy production.

The program started with an incentive of 12 Euro cents per litre of milk produced to farmers that would join. However, the production system implies several changes regarding the more common production systems.

Changes (conversion) included a decrease animal numbers per ha and natural pastures as the only source of feed. It forbids herbicides and fertilizers. For farmers in conversion milk is paid at 10 Euro cents per liter.

By 2019, eight farmers joined the production system and six others had applied and were already in the different phases of authorization process. The brand produces UHT milk. In the future they will produce butter and cheese. Markets are in Continental Portugal.

OPPORTUNITY
FOR THE
FARMERS AND
THE INDUSTRY

Leite Biológico Milhafre is very interesting for farmers. Not only because the price paid to producers is considerably higher but also because it promotes land regeneration, increases services provided and contribute to a better image of dairy production, particularly regarding higher sustainability.

- 1.5 million liters produced
- Additional 12€ cents per liter produced
- Higher sustainability
- Respect for animal welfare
- Overall visibility and product recognition

SWOT ANALYSIS DIAGRAM

Leite Biológico Milhafre was launched four years ago. The future success of the product is dependent on several factors. This SWOT analysis points out to the most decisive of them.

01

STRENGTHS

- Azores dairy products have strong reputation for excellence,
- Milk produced solely on pasture are perceived as sustainable and animal welfare friendly
- Good prices for dairy farmers → interest



02

WEAKNESSES

- Milk is sold at higher prices than standard milk
- Possible confusion with other brands of milk from the Azores
- Requires slow conversion of farms to organic production mode



03

OPPORTUNITIES

- Growing market and interest for organic products
- Possible financial incentives due to the ultra-periphery status of the islands
- Global positive image of pasture-based milk production



04

THREATS

- Relatively small market located away from the islands (continental Portugal),
- High transport costs
- Economic crisis and loss of income → lower availability to spend more on organic dairy products



TESTIMONY



Anselmo Pires
President
Associação de Jovens Agricultores da Terceira

“ In the Azores, the production of pasture-based milk (in a rotation scheme) and with mobile milking predominates. Currently on Terceira Island, there are eight farms in biological mode with yields of 7000kg per cow. This production system pays more and saves on facilities, equipment, genetics and fuel.

The milk produced organically in Terceira Island meets the request demands of more informed consumers with concerns for animal welfare and sustainability.

”



For more information

- <https://www.milhafredosacores.pt/>

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