

Dairy

Liquid Milk | Powdered Milk | Cheese | Butter | Whey
Yoghurt | Specialist Cheeses

>92% of our dairy exports (£) are to the EU

Top 5 Non-EU Export Markets

1. China – £83,569,319
2. USA – £62,924,742
3. United Arab Emirates – £22,419,105
4. Algeria – £21,999,645
5. Australia – £17,223,837

(Values 2019)

UK production:

Liquid milk: 6.7m tonnes

Butter: 167,000 tonnes

Cheese: 461,000 tonnes

Top exports:

Cheese - £700m

Butter - £256m

Whey - £90m

(AHDB and HMRC values 2019)



In the UK, we currently export the equivalent of 4 billion litres of milk a year in the form of milk, cheese, butter, yoghurt and other dairy products. With markets in 135 countries worldwide, UK dairy exports are worth around £1.6bn in total.

With the global population set to increase by 16%, it is estimated that a further 1.2 billion consumers around the world will demand dairy products resulting in a forecasted increase in global milk production by 35% by 2030.

As a leader in sustainable and nutritious milk production, British dairy industry has great opportunity to play its part to help meet global demand and the opportunities to export are ever increasing.

Opportunities

We have a strong dairy production base in the UK and is the world's 11th largest producer of cow's milk, producing nearly 15 billion litres a year. Whilst cow numbers have dropped over the years milk yields have increased, meaning in the future there is opportunity to increase export volumes and values.

In the UK, there has been a shift in demand away from liquid milk whilst

consumption of cheese and butter products have increased. This shift towards longer life products makes our dairy products even more suitable for exports. Over the last 10 years, the total value of UK dairy exports has gone from around £925m to £1,767m in 2019. Over the same time, cheese exports have nearly doubled in value to £700million in 2019.

The ever-increasing global population and increasing wealth in developing nations is driving the demand for dairy up significantly every year. Developing countries also offer opportunity with many unable to keep up with demand through their own domestic production, so will fall in to a deficit of dairy. The UK's dairy industry has identified emerging markets in Central and South America, Africa and Asia, including China and India. These countries are all predicted to be running large deficits of dairy products by 2027 and British dairy products are well placed to service this demand.

In recent years we have seen the industry invest in increase processing capacity for cheeses and butters. UK producers are developing and adapting to continuously engage consumers in different marketplaces and in recognition of different tastes and demands. New products have helped increase the diverse range of British dairy products, whilst niche, specialist products such as goat's cheese and buffalo milk cater to changing palettes and dietary requirements.

There are opportunities to grow UK exports of organic dairy. The global organic dairy market was worth €16bn in 2017 and this is expected to increase to €25bn by 2023. In particular, there are opportunities to continue the growth of UK organic dairy products to the US due in part to the mutual recognition of our organic standards but also the strong recognition of Brand Britain.



Dairy



Case Study

Longley Farm

Longley Farm is a dairy business which is based in Yorkshire and run by current owner Jimmy Dickinson, who started exporting almost 40 years ago, in 1983.

As a long-term innovator, with a range of products based on advanced dairy technology, Longley Farm and its affiliate, Richmond Dairies in Australia, export to destinations worldwide, including the EU.

The ability to sell to markets overseas has allowed Longley Farm to cope with periods of downward price pressure which has been a feature of the UK market. Exporting has been successful for the business, although it has not been without its challenges. Success has been based on a lot of effort and an eye for detail and is certainly not a simple matter of taking a product that sells at home and expecting foreign buyers to take it up.

To grow their exports, Longley Farm has continually invested in science and technology and has been very active in research and development, assisted by Jimmy's engineering degree from Cambridge University. From, marketing world-beating technology to deliver frozen cream to countries as diverse as Japan and Venezuela, to creating from scratch a now nationwide market for 'Le Cottage Cheese' in France, investment in innovation and their manufacturing ability has seen Longley Farm produce and export growing numbers of its dairy goods overseas.

Ideas to deliver innovative products for new markets are always in the works. Mr Dickinson discusses ideas to produce lactose-reduced yoghurt powder for the Taiwanese smoothie market and looks forward to the business capitalising on exciting export opportunities.

