Grass Fed Dairy

Mary Morrissey

Growing the success of Irish food & horticulture
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Agenda

• Grass Fed – a Consumer perspective
• In Market examples
• The opportunity for Ireland
We are more wary of what we consume than ever before.

Mintel Trend: *Factory Fear*

Consumers mistrust the food industry

They want foods that are more natural, less processed, made with familiar ingredients

The focus is on clean labels and greater transparency

Source: Mintel Trends
TRUST GROWS FROM AUTHENTICITY
High % of consumers now show interest in grass-fed

Two-thirds or more of consumers in key European markets now show interest in grass-fed dairy

“I would be interested in trying milk from cows that have only been fed grass/hay” (2017)

<table>
<thead>
<tr>
<th>Country</th>
<th>All %</th>
<th>Agree</th>
<th>Neither agree nor disagree</th>
<th>Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>65</td>
<td>26</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>68</td>
<td>25</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>Italy</td>
<td>74</td>
<td>21</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Spain</td>
<td>64</td>
<td>29</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Poland</td>
<td>70</td>
<td>24</td>
<td>6</td>
<td></td>
</tr>
</tbody>
</table>

Launches of “grass-fed” communications have grown quickly

Global grass-fed NPD year on year - #no. of launches

Source: Mintel CDC
USA dominates with recent rapid growth in Grass Fed NPD

Global grass-fed NPD year on year, by country - #no. of launches

Source: Mintel GNPD
Dairy accounts for half of all food NPD with grass-fed claim

- Grass-fed, due to the perception that the cows are living in a more natural environment for them, is often linked to the quality of milk produced. This has helped brands promote NPD within the dairy category.

Source: Mintel GNPD
Most Compelling Grass-fed Claim on Future Consideration:

Which is the most compelling claim in terms of making you more likely to consider buying a beef or dairy product in the future?

<table>
<thead>
<tr>
<th>Statement</th>
<th>USA</th>
<th>Germany</th>
<th>China</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cows eat only grass for up to 300 days per year</td>
<td>12%</td>
<td>17%</td>
<td>24%</td>
</tr>
<tr>
<td>85% of cows’ diet is grass</td>
<td>20%</td>
<td>13%</td>
<td>20%</td>
</tr>
<tr>
<td>Cows graze outdoors on grasslands all year round – weather permitting</td>
<td>39%</td>
<td>40%</td>
<td>42%</td>
</tr>
<tr>
<td>Cows graze outdoors on grass but move indoors in winter when weather becomes inclement</td>
<td>14%</td>
<td>20%</td>
<td>13%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>15%</td>
<td>10%</td>
<td>2%</td>
</tr>
</tbody>
</table>

Clear to see the most compelling message to drive consideration in each market is around grazing outdoors all year round weather permitting...

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## % of dairy cows grazing

### Summary of Experts Survey

<table>
<thead>
<tr>
<th>Country</th>
<th>Previous</th>
<th>Recent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denmark</td>
<td>84% in 2001</td>
<td>25 - 30% in 2014</td>
</tr>
<tr>
<td>Netherlands</td>
<td>90% in 2001</td>
<td>70% in 2013</td>
</tr>
<tr>
<td>Ireland</td>
<td>99% in 2010</td>
<td>98% in 2014</td>
</tr>
<tr>
<td>UK</td>
<td></td>
<td>92% in 2013</td>
</tr>
<tr>
<td>Belgium</td>
<td>85 – 95% in 2010</td>
<td>75 – 80% in 2014</td>
</tr>
<tr>
<td>Germany</td>
<td></td>
<td>42% in 2009</td>
</tr>
<tr>
<td>France</td>
<td>90 – 95% in 2011</td>
<td>90% in 2014</td>
</tr>
<tr>
<td>Austria</td>
<td></td>
<td>25% in 2011</td>
</tr>
</tbody>
</table>

Source: van den Pol-van Dasselaar (2014)

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Netherlands

- Drive to preserve the visibility of Dutch cows grazing in the countryside
- By 2013 the % of grass based dairy production had decreased from 90% in 2010 to 70% - Viewed as Societal issue
- The political goal is to achieve 80% of the herd producing meadow milk by 2020
- Stichting Weidegang (the Grazing Foundation)
- Weidemelk or Meadow Milk is widely known and listed in all retailers
Weidemelk /Meadow Milk Criteria

• Cows need to graze for a minimum of 6 hours per day for 120 days between spring and autumn

• The Meadow Milk Logo guarantees that the dairy products have been made from meadow milk. This milk is collected and processed separately into The Grazing Foundation warrants the production process, the transportation and the processing of the meadow milk. The logo is available to any producers who satisfy the relevant conditions.

• The meadow milk logo guarantees that the product is made from meadow milk. When the entire dairy product supply chain has been certified, the end product may be sold to the consumer with the Meadow Milk Logo on the packaging, once the brand owner has received a Licence from the Grazing Foundation.
• Member farmers in Belgium, Netherland & Germany dairy cows are allowed to graze in the pasture for a minimum of six hours a day on at least 120 days per year.

• The dairy farmer is entitled to a meadow milk premium of gross 1.50 euro per 100 kilos of milk.

• FrieslandCampina also allows the option of partial pasture grazing with a 0.46 euro mark-up per 100 kilos of milk. To qualify, dairy farmers must allow a minimum of 25 percent of the cattle present on their dairy farm to graze in the pasture for a minimum of six hours a day on at least 120 per year.
France – Meadow Milk

- Farmer brand – Brittany based
- Guarantees minimum 150 days @ grass
- Ranges from 90 – 300 days.
- Independently audited by Certis
Animals kept according to Pasture for Life standards are not fed any form of grain or manufactured feeds.
Contracted Dairy Farms shall ensure that all dairy cows shall live and graze in a free-range manner all-year round and have daily access to pastures and associated feed 365 days of the year except when it is necessary to temporarily remove cows from pasture due to:

- Milking up to a maximum of two times per 24 hour period, or
- Environmental conditions, or
- Regulatory compliance (e.g. compliance with resource consent), or
- Veterinary advice, or
- Transportation

OUR 100% GRASS FED STANDARD IS INDEPENDENTLY CERTIFIED BY:

- AsureQuality
- ISO
- JAS-ANZ
- G
US – Standards

- American Grassfed Association
- A Greener World - Animal Welfare Approved/Certified Grassfed
- PCO’s Grassfed Certification Program (USDA accredited certifier)
- Northeast Organic Farming Association of New York
The absence of national programmes or certification schemes may represent an opportunity for Ireland?
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Grass fed from Ireland
A Natural Advantage
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Healthy
our grass based beef/dairy is a healthier alternative to grain fed beef from mass factory farms (seafood from our pure clean waters are a natural source of healthy nutrition)

Treating animals well
our beef/dairy comes from farms where animal health and welfare is our number one priority

Quality
our beef/milk and dairy quality is assured through a rigorously enforced independent audit of farms throughout the year

Safety
through a vigorous system of independent food safety checks and balances our beef/dairy is the best in the world

Global TOP 5 Proof Points*
“Grass fed” marks the top, directly followed by the topic of animal health and welfare

<table>
<thead>
<tr>
<th></th>
<th>Grass fed</th>
<th>Healthy</th>
<th>Treating animals well</th>
<th>Quality</th>
<th>Safety</th>
</tr>
</thead>
</table>
| 1 | - our grass based beef is an excellent source of protein, iron and vitamins essential for a healthy life  
- our beef raised outdoors on grasslands is beef the way nature intended | - our grass based beef/dairy is a healthier alternative to grain fed beef from mass factory farms (seafood from our pure clean waters are a natural source of healthy nutrition) | - our beef/dairy comes from farms where animal health and welfare is our number one priority | - our beef/milk and dairy quality is assured through a rigorously enforced independent audit of farms throughout the year | - through a vigorous system of independent food safety checks and balances our beef/dairy is the best in the world |

Quality = not only quality checks, but also diet of cows, taste & texture, health factor, small scale (not factory farmed)

Safety = not only safety checks, but also traceability, government standards (EU), clean environment

*Based on the proof points for Beef, Dairy, Seafood

Notabene:
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Grass-fed rivals

Australia, New Zealand, Uruguay, and Brazil in US
Grass is our space.... A key differentiator

Grass-fed a strong platform for Ireland in the context of Ireland’s global perception as a “green” island on the fringes of Europe: Land, Sea and Air (Point Blank Research, 2018)

In Germany....

In US....

In China....

Ireland is most strongly associated with grass and pasture ahead of any other attribute in Germany

... And in the US, but we share the space with Argentina (perceptually) and Australia/NZ

... And in China where we are less well known, but share space here with NZ and Australia.

47% assoc. IRL with Grass-fed dairy; 37% with GF beef

Why?

Lots of open land, farming tradition, quality & climate
A cornerstone of Food Brand Ireland
Thank You