

PRESS RELEASE

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Promising outlook announced by OMSCO

The Organic Milk Suppliers Cooperative (OMSCO), reported a successful year-end at their annual members conference, with an average increase of 1.65ppl in member returns for the financial year ending 31st March 2018.

At the 'OMSCO Together' event, which achieved record attendance from members, chairman, Nicholas Saphir, announced that the current financial year is also progressing well.



“Although we anticipate considerably more organic milk becoming available in continental Europe over the coming months, and have witnessed oversupply in the USA, UK demand has recovered and we’re successfully balancing demand with supply,” he says. “We’re continuing to manage the challenges of the global dairy market with the potential impact of an impending Brexit.”

OMSCO’s strategy to spread risk through international market and product diversification remains key to their success. Over the past five years the cooperative has secured global alliances with Organic Valley and Eko Holland, and partnerships with UK and European processors including Wyke and Alpavit, all of whom were featured at the conference.

“We also believe there are growing opportunities for OMSCO’s award-winning, USDA-certified cheese brand, Organic Kingdom, and organic butter in the USA.”

With 25% of the milk produced by OMSCO approved by the USDA for export to the USA, Nicholas is confident this will be an increasing part of the long-term business strategy. However, he acknowledges the risk that may arise should the government be unable to secure ongoing recognition of UK standards and a mutually acceptable future trade agreement.

“Dairy farming exports to Europe and the continuing use of toll processing, will solely depend on whether there is a hard, soft, or transitional Brexit,” he says.

“However, we continue to make progress through government lobbying, to ensure the mutual recognition of standards with the USDA once we leave the EU. The big challenge will be to see this recognition with Europe by 30th March 2019.”

Nicholas’ speech was followed by comments from Mark Garnier MP - previously minister of the Department of International Trade and recently appointed to be the UK’s regional trade envoy to the US - who says the UK needs to think ‘more globally’, to capitalise on the ‘brave new world’ post-Brexit.

“There is strong demand for high-quality agricultural produce from UK farms, but we need to change our culture to one that seeks out global opportunities,” he says.

“With UK exports currently equating to around 27% of GDP - much lower than comparable economies such as Germany - we need to improve our export performance. Through the Trade Department, the government provides 186 offices in 107 countries around the world, to specifically help British exporters do just that,” he adds.

With aspirations for over 40% of OMSCO’s future sales to come from exports and added-value dairy products, and 2019 marking the cooperative’s 25th year, Nicholas is positive about the future.

“As we focus on maintaining strategic relationships and existing trade agreements in Europe, we will also continue to drive opportunities for organic dairy on a global level.”