

CALIFORNIA PRODUCERS RESPOND TO CHANGING CONSUMER DEFINITION OF HEALTH

Consumer attitudes can make or break any business, especially a commodity business. Fortunately, the dairy industry has a long history of promoting the nutritional, functional, psychological and social benefits associated with consuming dairy products. The California Milk Advisory Board (CMAB), created in 1969 and funded by dairy producers, keeps a sharp eye on the trends in consumer attitudes and reacts to support the industry. This typically means positioning the industry to be responsive to changing consumer attitudes and needs. At the end of the day, we, and that collective we means everyone associated with the dairy industry, are all dependent on the consumer purchasing our product.



What's happening with the consumer today is very different than what was happening 20, 10 or even five years ago. While previously consumers focused on product attributes – the desire for lower fat products, longer shelf life, new flavor profiles, etc. – today that view has expanded to include social, environmental and political issues involved with the foods they eat, even dairy. The environment has never been more on the mind of the collective population – from global warming to regional environmental disasters, it's on the front pages every day and therefore weighing heavily on consumer minds. Here in California, the most populous state in the U.S., we have the most productive agriculture industry in the world. With the increased microscope on protecting the environment that means consumers want to be able to eat the foods they love while still caring for the land they live on. It gets complicated when we try to sort out how to do both. The data are lacking or inconclusive, creating a political football with food producers like the dairy industry on

one side and fee producers like litigious special interest groups on the other. The consumer, as always, is stuck in the middle.

Regulators will respond to litigious pressure by writing new rules and regulations based on what little, if any, data may exist. The dairy industry does what it can to support the generation of new data but research takes time and there's never enough to keep up with the arguments. A perfect example is the Waste Discharge Requirement (WDR) recently issued by California's District 5 Water Board. If you're a dairyman in the Central Valley of California, you know all about this regulation. What needs to be kept in mind is where it originated – with the consumer. While special interest groups can manipulate consumer attitudes to an extent, you have to acknowledge the power consumers themselves have over our business. In other words, regulators are responding to consumer demands, they might not get it right every time, but the driving force is the consumer.

The California Dairy Quality Assurance Program (CDQAP) was specifically created to bridge the gap between regulators and dairy producers to respond to consumer needs while maintaining the state's thriving dairy industry. The CDQAP provides real, tangible resources like workshops that walk producers through those thick regulatory documents, funding or discounts for participating in education programs and an information resource to regulators as they go about their business. Beyond "compliance through education" – the driving goal of the program, the CDQAP gives the industry an opportunity to show consumers that they are as concerned about protecting the environment as they are. After all, farmers were the first conservationists. They depend

FYI

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on the land for their livelihood.

The CDQAP program is recognized as a model for the partnership between industry, academia and regulatory agencies. And it's completely voluntary and supported by not only the industry but also government grants. In November, the program

was presented with California's highest and most prestigious environmental honor, the Governor's Environmental and Economic Leadership Award (GEELA). The CDQAP received the award in the category for "Environmental and Economic Partnerships", having demonstrated exceptional leadership in building public-private collaborations helping conserve California's resources and protecting and enhancing the environment. This does not go unnoticed by consumers.

When dairies are in compliance with environmental regulations, a very strong message can be sent to consumers who are concerned about environmental issues. This translates into sales. The CDQAP is the only example I've seen that satisfies a consumer need by directly advising producers on how they produce their product, milk. The focus is on the product but today consumers want more than nutrition or flavor, they also want to rest assured that in the production of milk the environment was not compromised.

Bottom line – it's all about health. It always has been. The only difference is how health is defined. Now that definition includes health attributes for the consumer and the environment. Nutrition, clean water, clean air...milk has always been a model of health. California milk is taking it to another level. Producers can be commended for their leadership in responding to the changing needs of consumers. □