



Carhaix Milk Factory - Patrick Bischofberger

I'm at the gates of the largest building site in Brittany, the milk producing plant outside Carhaix. You can't miss it if you're coming into the town from the dual carriageway. This controversial factory has been two years in the making largely financed by the Chinese company Synutra and the milk powder produced will be exported to this largest Asian market. The Mayor of Carhaix, Christien Troadec has backed this project from the start as a number of jobs have been promised by Synutra, not only in the construction and the operation of the plant but among the farming community undergoing a crisis which everyone in Brittany is aware. But what exactly will be the impact on jobs and milk production of this enormous factory. I'm going to speak this morning with the Managing Director of Synutra, France to find out more.

Rob And I'm now in the offices of Mr Patrick Bischofberger, who is the managing director of Synutra International. Mr Bischofberger, can you tell us when will the factory begin production?

Patrick First of all, welcome, Mr Millar, welcome to Synutra. Yes, it's true, we are running a little late in beginning production, but it's only been two years since we began construction. Normally, we should begin producing milk at the beginning of May.

Rob And how many people have got jobs here? How many people will be working here, when production is in full swing?

Patrick Today we are 130 people working at Synutra. The numbers have grown; in October 2014, there were three of us, at present, we are 130, and at the beginning of 2017 we shall certainly be more than 200 in number.

Rob. And are these people, these 200 people, are they from this area, or have they come from other parts of France? Or even from China?

Patrick The aim of Mr Chong, our Chief Executive Director, is that the staff of Synutra France should be French. He doesn't believe in a mix of cultures. We have at present a group of engineers who are overseeing the construction of the factory; in June, when the building work shall be complete, the Chinese team will return to China. The running of the factory will be in the hands of a totally French group. Most of the staff, in effect, will come from a radius of 50 kilometres around Carhaix. The management, on the other hand, comes from further away; approximately 70% of the management comes from other parts of France.

Rob. Like you, for example.

Patrick Yes, my family comes from the east of France. I've come from Quimper, where I was Director of an Entremont factory for 6 years. I've been back in Carhaix for a little more than one year.

Rob. When the factory is in full production, how much milk will you need?

Patrick Today we have a contract for the supply of milk with the cooperative Sodiaal, for a yearly amount of 288 million litres of milk. That means that, on average, we will receive 700 to 900 thousand litres of milk every day. We also have a contract for the supply of 24 thousand tons of lacto-serum, also with Sodiaal. Our suppliers are only businesses, cooperatives or industrial suppliers; we are not going to collect the milk, or buy the milk, from the farmers themselves.

Rob. So the milk will come from Brittany? Is there enough milk in Brittany to supply, or will you have to take it from other countries in Europe?

Patrick You have to know that our collection, or rather, our reception of milk from Sodiaal, comes from an area of 50 kms around Carhaix. In fact, it's a transfer of collections; the Entremont factory in Carhaix will be closing down, their collection will therefore stop, and we will be taking their milk. In the same way, the milk concentrate, the lacto-serum will be coming here.

Rob. So, the milk which was going to the factory in Carhaix, in Entremont will now be coming this way, to Synutra?

Patrick Yes.

Rob. You will be buying a lot of milk; will this change the price of milk in the shops?

Patrick The total amount of milk powder produced in Carhaix will be sent to China. So, our presence here will mean the taking up of some of the over-production of milk here, and in Europe. I think it's a real opportunity for Brittany when it comes to the value of milk. And also, we would like our presence to be in harmony with the environment on all levels, social and economic. We have built a factory to last 40 or 50 years (you only have to see the thickness of the walls). So we're here for a long time, and we want the dairy industry around us to be long-lasting, and economically viable.

Rob. Why do you think the Chinese chose to invest in central Brittany?

Patrick The Chinese investment in Brittany is a win-win situation; China needs dairy products, the opportunity for expansion of its dairy industry is limited, as it's difficult for them to produce more cattle food. They need a lot of milk. They have a known crisis in their dairy industry; in 2008, for example, there was a poisoned milk powder scandal, and they need the reassurance of a traceability, of a top-quality product. It's for all of these reasons that they have chosen to invest in Brittany.

Rob. Because Brittany is a good producer of milk...

Patrick Yes, Brittany has produced milk for hundreds of years; there's a practical knowledge on all levels, from actually producing the milk to processing it. Another reason that the Chinese have chosen to invest here.

Rob. What differences do you think there are in the working practices of the Chinese people and the French people? Are there any differences?

Patrick Oh yes, there is a difference of cultures; one of the important differences is the "Yes" and "No". The Chinese today don't know how to say "No". They also don't accept to be told "No". This is one of the main difficulties

when it comes to communication. So today we've tried to learn how to inform them without being too negative. We have to show a certain diplomacy!

Rob. Do you think the Chinese investors have plans for other parts of France?

Patrick Do you mean Synutra? We do have other plans; we're going to produce powdered milk for children. We're also going to produce UHT, that is liquid milk for babies. You may also have heard about a plan for an investment in the Cotentin peninsular, with the cooperative Maîtres Laitiers de Cotentin, to produce liquid milk for the Chinese market. So we do have plans, other than at Carhaix.

Rob. But it must be successful here first? This is a test for Synutra in Carhaix?

Patrick Maybe! Perhaps!

Rob. What do you say to the critics, of which I have heard many, who say that the factory here is very ugly, it's very big and it's visible from many miles away. What's your reaction to these criticisms?

Patrick I, for one, feel that the factory is inserting itself more and more into the environment. The choice of grey for the buildings means that it's not too shocking to the eye. We've planted a large number of trees around the factory, which will also help to make the surroundings more pleasant. We going to try implanting ourselves into the environment, like we are in other sectors.

Rob. Because it *is* a factory; it's not a work of art.

Patrick Exactly, it's a factory, and we're going to try and make it blend in as much as possible with its surroundings.

Rob. What do you think of the struggles of the farmers at the moment, the crisis in agriculture? Do you think for example Synutra can have an impact on the situation of farming in Brittany?

Patrick As I said earlier, since our output is entirely due to go to China, it should bring a stimulus to the region, suffering from over-production. With an end to the quotas for milk production, there's a significant growth in production, in a market that's already saturated, and, naturally, prices are dropping. Of course, Synutra is providing only a partial answer, but it's still a significant effect on the region. It's true that the market is more and more an international one, and milk producers will have more and more need of cash flow to overcome these difficulties. But I am convinced that milk production is an action for the future, because all countries, and China in particular, are going to need more and more milk. I bet that tomorrow, or after tomorrow, milk will become a luxury item; it's certain, but we have to be patient.

Rob. Mr Patrick Bischofberger, Managing Director of Synutra France International, thank you very much indeed for your time.

Patrick You're welcome.

