World dairy production
(all categories included)

Geographic breakdown of world milk production in 2013 (millions of tonnes)

- **Europe**: 215 (27%)
  - EU-27: 156
  - Russia: 31
  - Ukraine: 12
  - Belarus: 6

- **Asia**: 303 (39%)
  - India: 141
  - China: 48
  - Pakistan: 39
  - Turkey: 18

- **Africa**: 46 (6%)
  - Sudan: 8
  - Egypt: 6
  - Kenya: 4

- **N. America**: 100 (13%)
  - United States: 92
  - Canada: 9

- **S. America**: 70 (9%)
  - Brazil: 35
  - Argentina: 11
  - Colombia: 6

- **Central America**: 17 (2%)
  - Mexico: 11

- **Oceania**: 29 (4%)
  - New Zealand: 20
  - Australia: 9

**World total**: 782 million tonnes
Regional dynamics

Evolution of dairy production (all categories included) 2008 to 2013

North & Central America + 7 Mt
Europe + 0 Mt
Asia + 55 Mt
Africa + 10 Mt
Oceania + 4 Mt
World total: + 89 million tonnes

Recent production trends by the major suppliers in 2013

Recent production tendencies among major suppliers of the world market

United States
Production
12 months 2013: +0.7%
3 months 2014: +1.0%

EU - 27
Deliveries
12 months 2013: +1.1%
2 months 2014: +4.7%

Argentina
Deliveries
12 months 2013: -5.7%
3 months 2014: +1.6%

Australia
Production
12 months 2013: -4.7%
2 months 2014: +2.5%

New Zealand
Deliveries
12 months 2013: -1.8%
2 months 2014: +9.3%
## World Dairy Leaders

Ranking based on 2012 turnover (USD)

<table>
<thead>
<tr>
<th>Country</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2011-12 Annual growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lactalis FR</td>
<td>12,5</td>
<td>17,5</td>
<td>20,2</td>
<td>+ 15%</td>
</tr>
<tr>
<td>Nestlé CH</td>
<td>19,6</td>
<td>18,6</td>
<td>19,8</td>
<td>+ 7%</td>
</tr>
<tr>
<td>Fonterra NZ</td>
<td>11,9</td>
<td>15,3</td>
<td>15,8</td>
<td>+ 4%</td>
</tr>
<tr>
<td>Danone FR</td>
<td>12,9</td>
<td>15,6</td>
<td>15,0</td>
<td>- 4%</td>
</tr>
<tr>
<td>FrieslandCampina NL</td>
<td>11,9</td>
<td>13,4</td>
<td>13,2</td>
<td>- 1%</td>
</tr>
<tr>
<td>DFA US</td>
<td>9,8</td>
<td>13,0</td>
<td>12,1</td>
<td>- 7%</td>
</tr>
<tr>
<td>Dean Foods US</td>
<td>12,1</td>
<td>13,1</td>
<td>11,5</td>
<td>- 12%</td>
</tr>
<tr>
<td>Arla Foods DK</td>
<td>8,7</td>
<td>10,3</td>
<td>10,9</td>
<td>+ 6%</td>
</tr>
<tr>
<td>Meij Dairies JP</td>
<td>7,0</td>
<td>7,4</td>
<td>7,5</td>
<td>+ 1%</td>
</tr>
<tr>
<td>Morinaga Milk Industry JP</td>
<td>6,8</td>
<td>7,4</td>
<td>7,2</td>
<td>- 3%</td>
</tr>
<tr>
<td>Saputo CA</td>
<td>5,8</td>
<td>6,8</td>
<td>7,2</td>
<td>+ 4%</td>
</tr>
<tr>
<td>伊利 CN</td>
<td>4,4</td>
<td>5,8</td>
<td>6,7</td>
<td>+ 15%</td>
</tr>
<tr>
<td>Müller DE</td>
<td>na</td>
<td>na</td>
<td>6,0</td>
<td></td>
</tr>
<tr>
<td>Fattor MX</td>
<td>na</td>
<td>na</td>
<td>6,0</td>
<td></td>
</tr>
<tr>
<td>Mengniu CN</td>
<td>4,5</td>
<td>5,8</td>
<td>5,7</td>
<td>- 1%</td>
</tr>
<tr>
<td>DMYK DE</td>
<td>5,3</td>
<td>6,4</td>
<td>5,7</td>
<td>- 11%</td>
</tr>
<tr>
<td>Sodiaal FR</td>
<td>5,3</td>
<td>6,1</td>
<td>5,6</td>
<td>- 9%</td>
</tr>
<tr>
<td>Bongrain FR</td>
<td>4,7</td>
<td>5,5</td>
<td>5,2</td>
<td>- 5%</td>
</tr>
<tr>
<td>Land O'Lakes US</td>
<td>3,5</td>
<td>4,3</td>
<td>4,2</td>
<td>- 4%</td>
</tr>
<tr>
<td>Stanbar IE</td>
<td>3,4</td>
<td>4,4</td>
<td>3,9</td>
<td>- 12%</td>
</tr>
<tr>
<td>Kraft Foods US</td>
<td>7,0</td>
<td>7,7</td>
<td>3,8</td>
<td>- 50%</td>
</tr>
<tr>
<td>Agropur CA</td>
<td>3,2</td>
<td>3,7</td>
<td>3,7</td>
<td>- 1%</td>
</tr>
<tr>
<td>Schreiber US</td>
<td>na</td>
<td>na</td>
<td>3,5</td>
<td></td>
</tr>
<tr>
<td>Bel FR</td>
<td>3,2</td>
<td>3,5</td>
<td>3,4</td>
<td>- 3%</td>
</tr>
<tr>
<td>Tine NO</td>
<td>3,1</td>
<td>3,5</td>
<td>3,4</td>
<td>- 2%</td>
</tr>
</tbody>
</table>

## Geographical variations of dairy product consumption

### Apparent dairy product consumption levels in 2013 (kg per capita)

- **World average:** 109 kg/capita

<table>
<thead>
<tr>
<th>Country</th>
<th>Consumption Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>41</td>
</tr>
<tr>
<td>India</td>
<td>109</td>
</tr>
<tr>
<td>Indonesia</td>
<td>109</td>
</tr>
<tr>
<td>Japan</td>
<td>70</td>
</tr>
<tr>
<td>USA</td>
<td>178</td>
</tr>
<tr>
<td>Canada</td>
<td>243</td>
</tr>
<tr>
<td>EU</td>
<td>288</td>
</tr>
<tr>
<td>Russia</td>
<td>243</td>
</tr>
<tr>
<td>Australia</td>
<td>309</td>
</tr>
<tr>
<td>Argentina</td>
<td>232</td>
</tr>
<tr>
<td>Sudan</td>
<td>229</td>
</tr>
</tbody>
</table>

**Legend:**
- Less than 50 kg
- 100 to 200 kg
- 50 to 100 kg
- More than 200 kg
Dairy consumption: fast growing regions

Development per capita consumption in fast-growing countries per region (2012 compared to 2005)

South America

Asia

Africa

World Trade

World trade: key exporters, export share (%) (6)

World trade: top-5 exporters

World trade: dairy products

(IDF, FAO Food Outlook)

(6) Based on milk equivalents.

(IDF, FAO Food Outlook)
Demand is sustained on main markets

Recent import tendencies on substantial markets

- **Russia**
  - Imports 12 months 2013
  - Butter: +20%
  - Cheese: +3%

- **Japan**
  - Imports 12 months 2013
  - Cheese: +1%

- **United States**
  - Imports 12 months 2013
  - Cheese: -4%
  - Caseins: -4%

- **Brazil**
  - Imports 12 months 2013
  - WMP: -23%
  - Cheese: +14%

- **China**
  - Imports 12 months 2013
  - SMP: +40%
  - WMP: +53%
  - Whey: +15%

- **Algeria**
  - Import 12 months 2013
  - SMP: +6%
  - WMP: -25%

*Russian imports do not account for volumes originating from Belarus

NB: Evolution of imports based on volume

CNIEL / Ubifrance, national customs

Presence on the world market

Recent export tendencies among major suppliers of the world market

- **U.S.**
  - Exports 12 months in 2013
  - Skim milk powder: +25%
  - Cheese: +32%

- **Argentina**
  - Exports 12 months 2013
  - Whole milk powder: -15%
  - Cheese: +32%

- **Australia**
  - Exports 12 months 2013
  - Skim milk powder: -29%
  - Whole milk powder: +11%
  - Cheese: -10%

- **New Zealand**
  - Exports 12 months in 2013
  - Skim milk powder: +0%
  - Whole milk powder: -2%
  - Butter oil: +2%
  - Cheese: -10%

- **EU-27**
  - Exports 12 months in 2013
  - SMP: +0%
  - WMP: -3%
  - Butter: +0%
  - Cheese: +3%
  - Whey: +5%

NB: Evolution of exports on a volume basis

CNIEL / USDA, Dairy Australia, Commission, ZMB, Ubifrance, national customs
World market prices still at high levels

FOB price in Oceania US$ 1,000 / tonne up until April 2014

CNIEL / USDA

Farmgate milk prices throughout the World

NB: fat and protein content references differ from one country to another.

CNIEL, ZMB, USDA, CLAL
SUMMARY

- Bad weather + High input prices had led to a low start in 2013
- But global dairy production is now rapidly rebounding
- Dairy demand remains strong, esp. from emerging markets
- Markets put under pressure and reached record levels
- Next?
  - Seasonal peak in Northern hemisphere
  - End of quotas in Europe
  - Weather & sanitary issues
  - ...

Q & A