Annual National Workshop for Dairy Economists and Policy Analysts

Session IV: Status and Opportunities for Dairy Sectors Around the World

The World Dairy Situation

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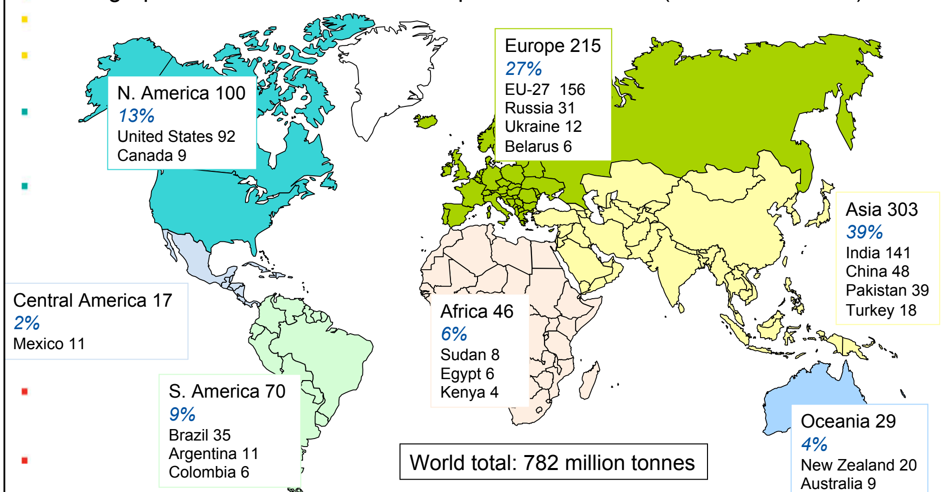
Milwaukee, May 1, 2014

World dairy production
(all categories included)

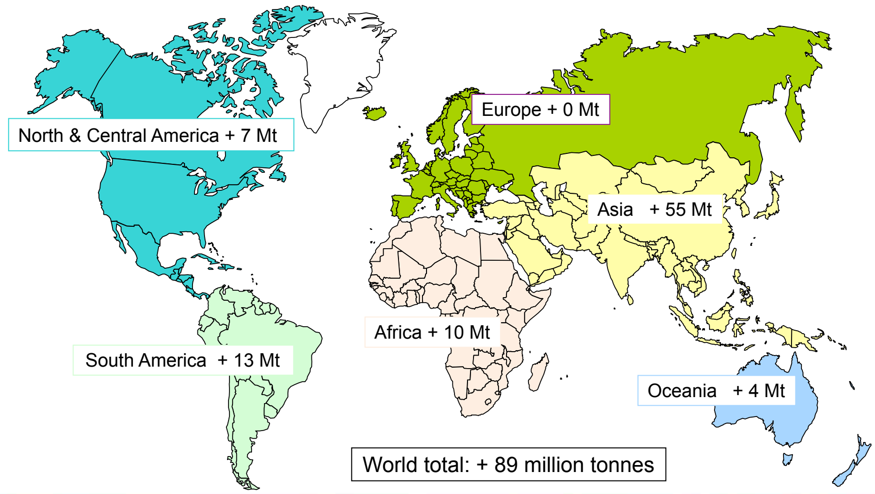
Geographic breakdown of world milk production in 2013 (millions of tonnes)



FAO Food Outlook November 2013, IDF, DCANZ for NZ

Regional dynamics

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

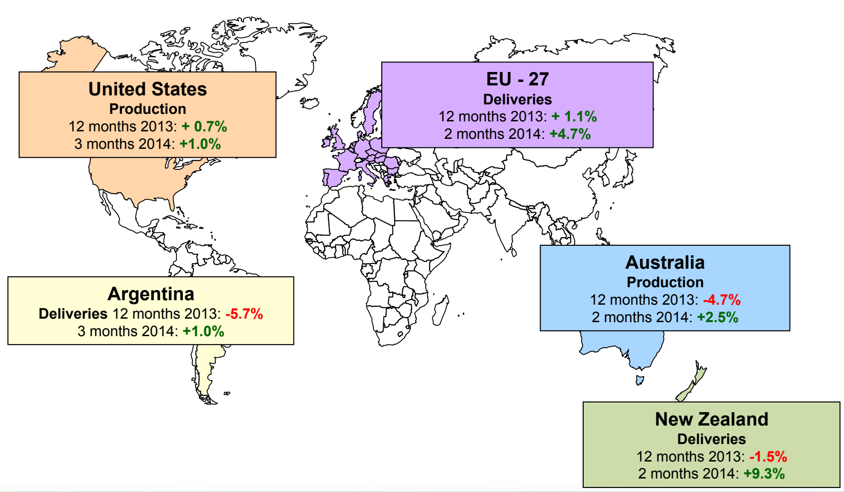


CNIEL / IDF, FAO Food Outlook

Mt: million tonnes

Recent production trends by the major suppliers in 2013

Recent production tendencies among major suppliers of the world market



CNIEL / USDA, Dairy Australia, EU Commission, CLAL, ZMB

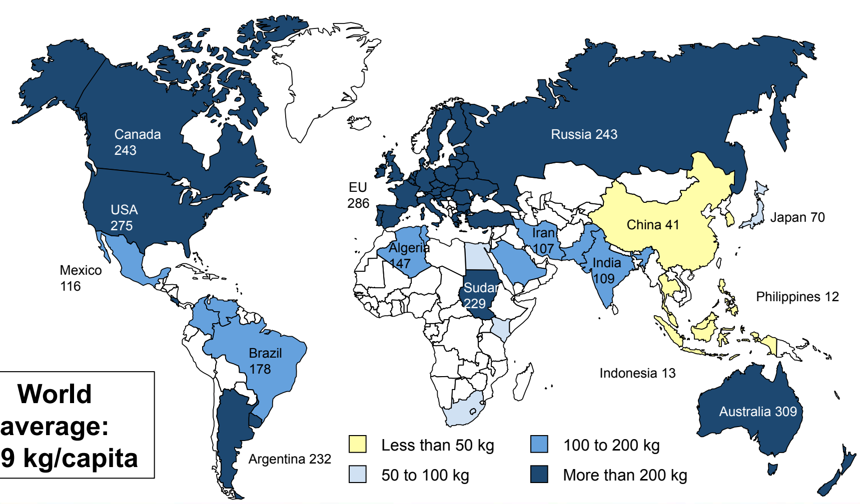
World Dairy Leaders

Ranking based on 2012 turnover (USD)

		Country	2010	2011	2012	Annual growth '11-12	
1	Lactalis	FR	12,5	17,5	20,2	+	15%
2	Nestlé	CH	19,6	18,6	19,8	+	7%
3	Fonterra	NZ	11,9	15,3	15,8	+	4%
4	Danone	FR	12,9	15,6	15,0	-	4%
5	FrieslandCampina	NL	11,9	13,4	13,2	-	1%
6	DFA	US	9,8	13,0	12,1	-	7%
7	Dean Foods	US	12,1	13,1	11,5	-	12%
8	Arla Foods	DK	8,7	10,3	10,9	+	6%
9	Meiji Dairies	JP	7,0	7,4	7,5	+	1%
10	Morinaga Milk Industry	JP	6,8	7,4	7,2	-	3%
11	Saputo	CA	5,8	6,8	7,2	+	4%
12	Yili	CN	4,4	5,8	6,7	+	15%
13	Muller	DE	na	na	6,0		
14	Lala	MX	na	na	6,0		
15	Mengniu	CN	4,5	5,8	5,7	-	1%
16	DMK	DE	5,3	6,4	5,7	-	11%
17	Sodiaal	FR	5,3	6,1	5,6	-	9%
18	Bongrain	FR	4,7	5,5	5,2	-	5%
19	Land O'Lakes	US	3,5	4,3	4,2	-	4%
20	Glanbia	IE	3,4	4,4	3,9	-	12%
21	Kraft Foods	US	7,0	7,7	3,8	-	50%
22	Agropur	CA	3,2	3,7	3,7	-	1%
23	Schreiber	US	na	na	3,5		
24	Bel	FR	3,2	3,5	3,4	-	3%
25	Tine	NO	3,1	3,5	3,4	-	2%

Geographical variations of dairy product consumption

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

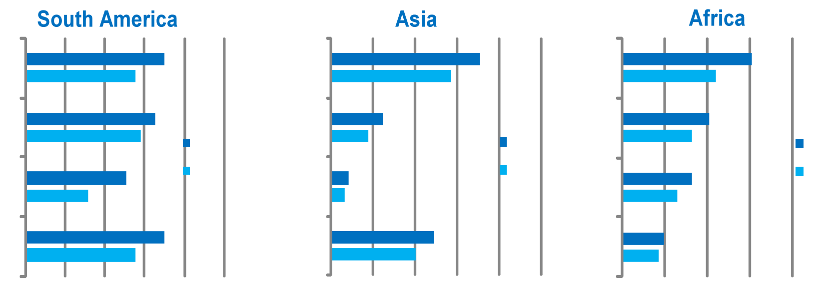


World average: 109 kg/capita

CNIEL / IDF, FAO Food Outlook, PRB

Dairy consumption: fast growing regions

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



IDF, FAO Food Outlook

World Trade

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

World trade: top-5 exporters

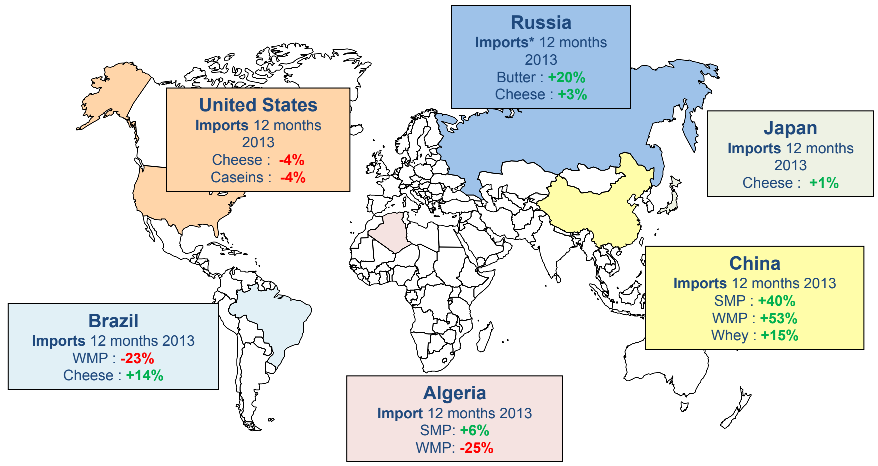
World trade: dairy products

(B) Based on milk equivalents.

IDF, FAO Food Outlook

Demand is sustained on main markets

Recent import tendencies on substantial markets

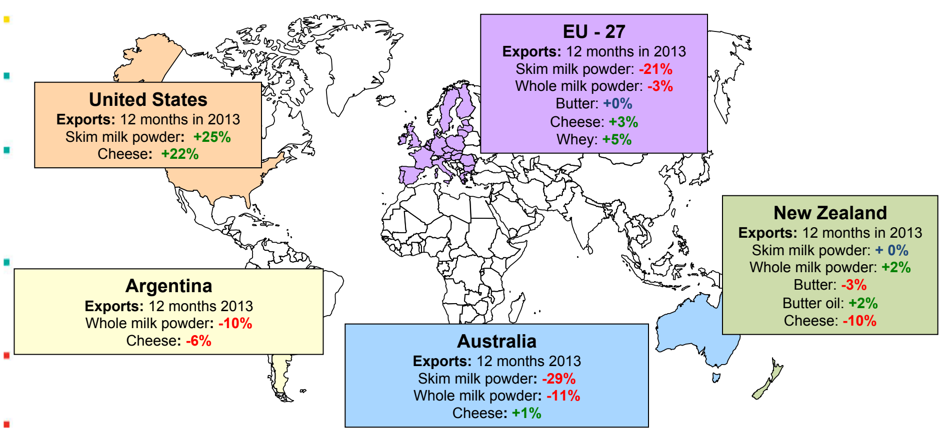


*Russian imports do not account for volumes originating from Belarus
NB: Evolution of imports based on volume

CNIEL / Ubifrance, national customs

Presence on the world market

Recent export tendencies among major suppliers of the world market

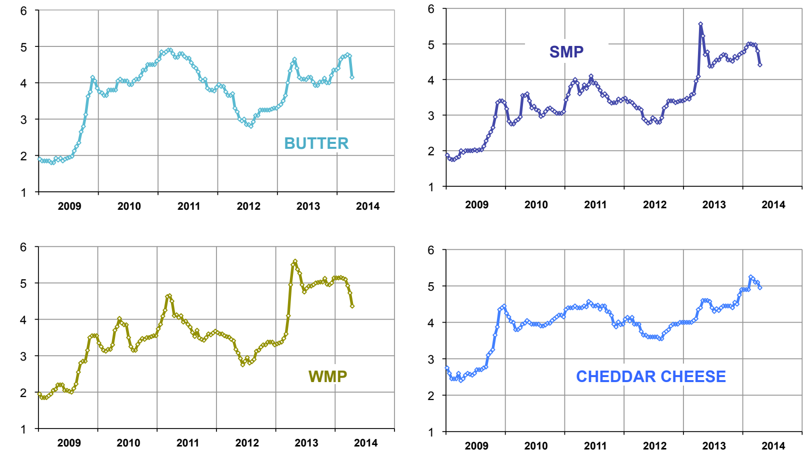


NB: Evolution of exports on a volume basis

CNIEL / USDA, Dairy Australia, Commission, ZMB, Ubifrance, national customs

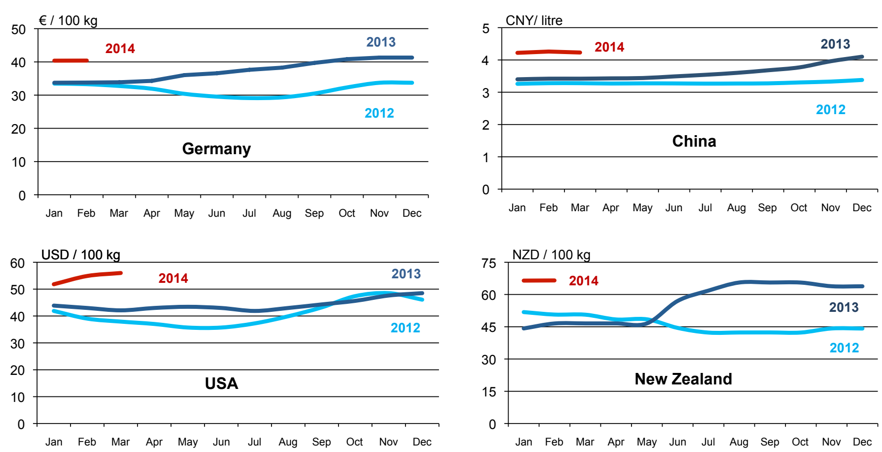
World market prices still at high levels

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