

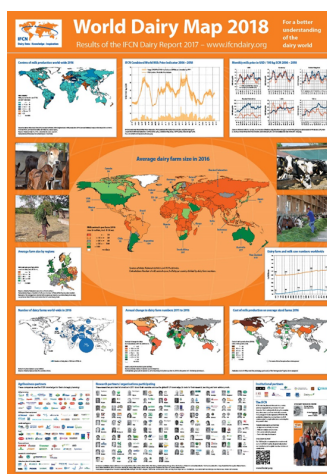
Dairy Sector outlook and disruptions in the sector.

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Agenda

1. IFCN concept
2. Dairy world today+ tomorrow
3. Dairy world long term outlook
4. Summary



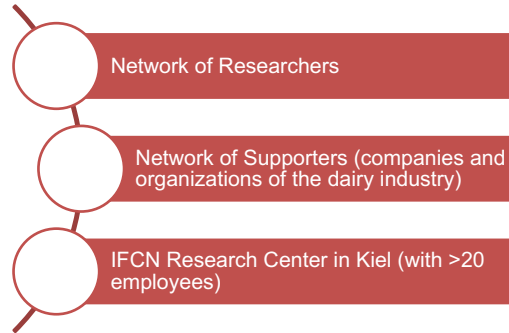
The IFCN Network



Mission: Create a better understanding of the dairy world by providing comparable data, knowledge and inspiration.

Values:
Trust
Independence
Truth

The IFCN Network Approach – 3 knowledge pillars



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The IFCN Network 2019



Research partners in over 100 countries



> 125 Agribusiness partners



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Agenda



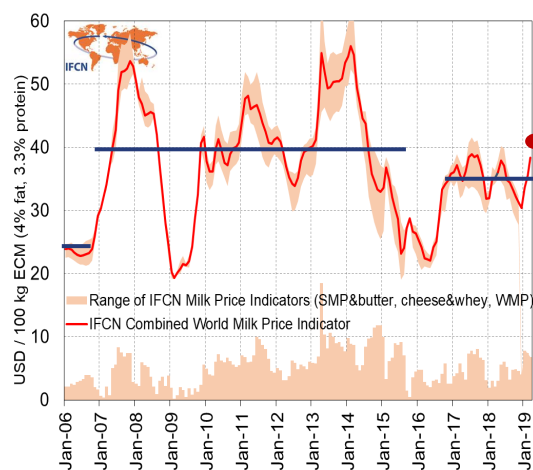
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World Milk Price 2006 – 2018



Source: D3.4 - IFCN Monthly Real Time Data and Farm Economics – 10/18

Price levels (simplified)
2000 – 2006 – 25 \$/ 100 kg

2007 – 2016 – 40 \$/ 100 kg

Since 2017 – 35 \$/ 100 kg

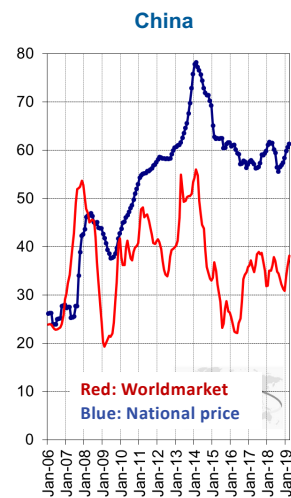
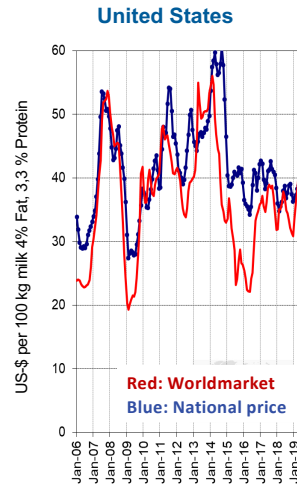
April 2019 – >40 \$/ 100 kg

Key driver for prices:
Milk supply and demand shifts. NZ Cheese & butter export price.

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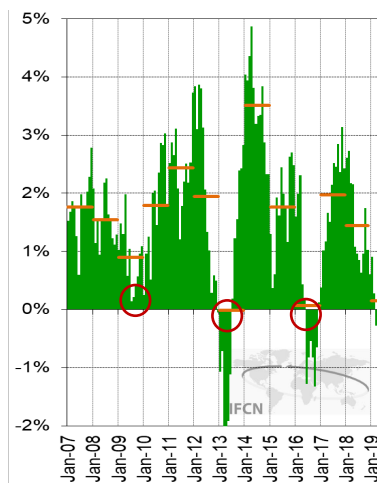
World & National Milk Price



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Milk Supply development (exc. IN & PK)



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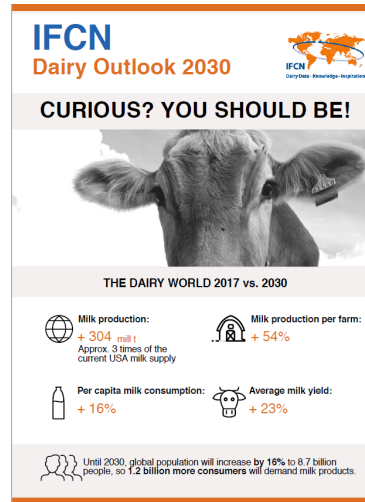


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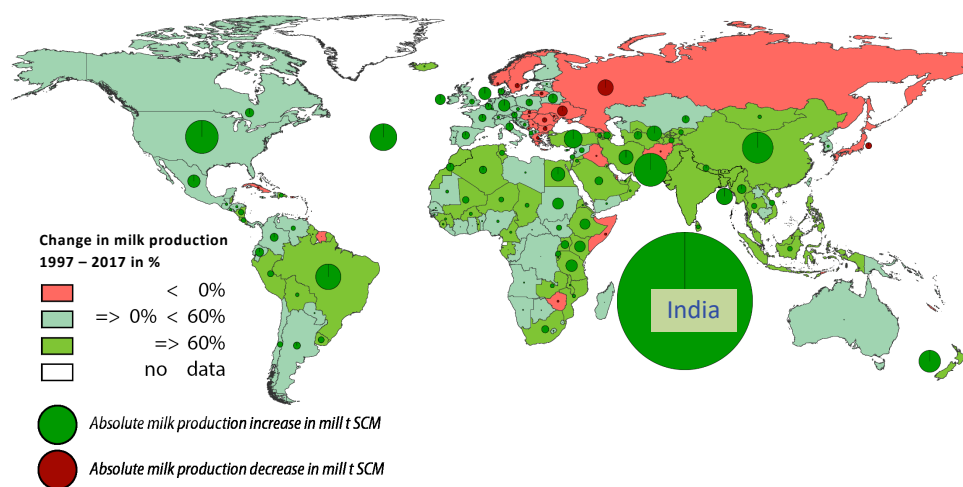
4. Summary



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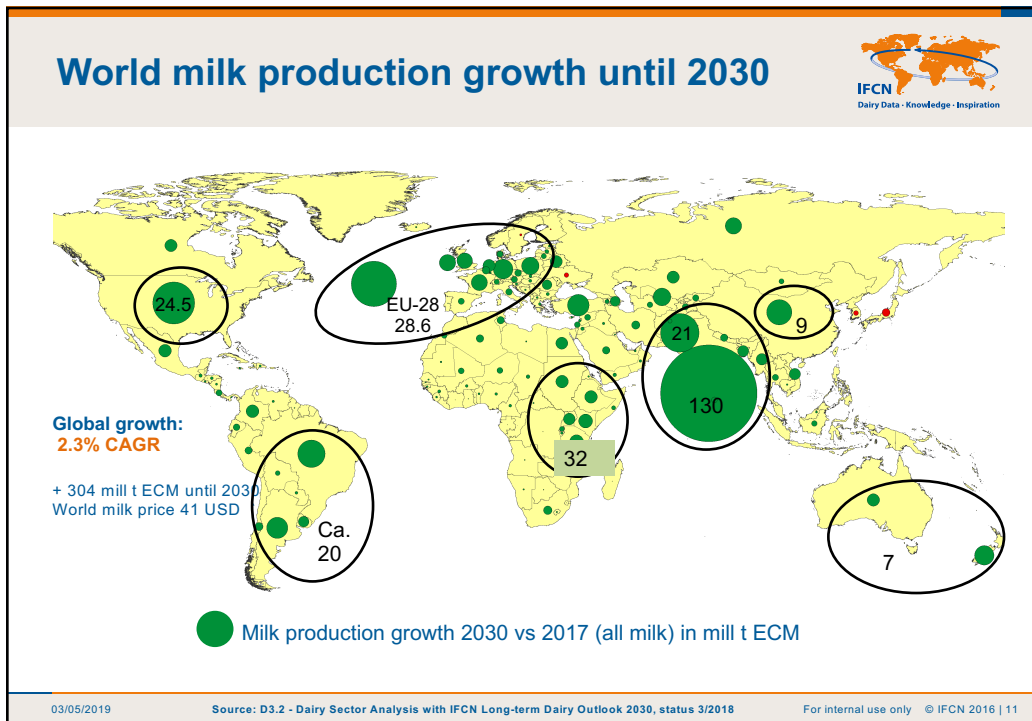
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+60% Milk Production Growth 1997 – 2017



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Local for local or Local for global?

IFCN Outlook: Dairy Trade + 74% more in 2030

03/05/2019 Source: D3.2 - Dairy Sector Analysis with IFCN Long-term Dairy Outlook 2030, status 3/2018 For internal use only © IFCN 2016 | 12

DISRUPTORS

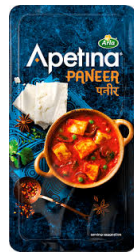
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Positive disruptors



Australis, USA,
UK, India



Sweden



Netherland
Germany



USA EU



Vietnam



Global



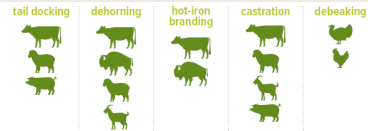
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Negative disruptors

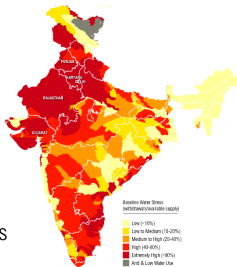


12 Reasons to Stop Drinking Cow's Milk



PAINFUL PRACTICES ALLOWED ON FACTORY FARMS WITHOUT ANESTHESIA OR PAIN RELIEF

54%
of India
Faces
**High to
Extremely
High**
Water Stress



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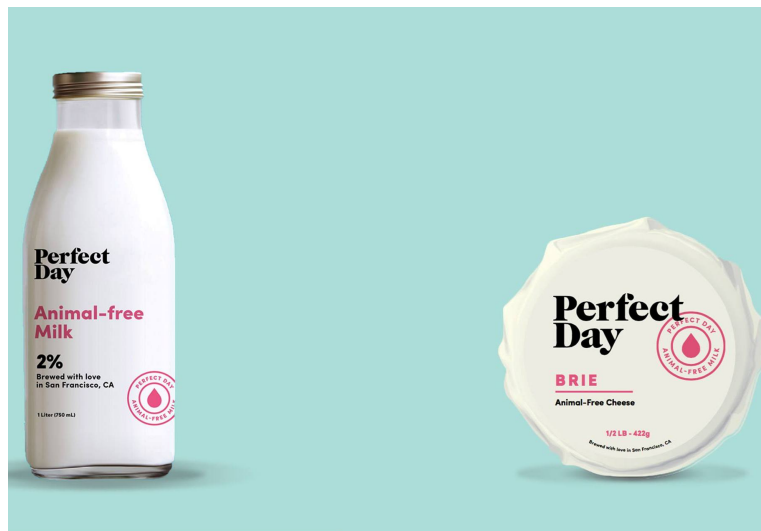
IT'S LIKE
MILK, BUT
MADE FOR
HUMANS.



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Not so perfect day...



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Confused consumer



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Summary



- 1. We need a lot more milk 2030 scenario + 2,3% growth**
- 2. Will raw milk supply be tight?**
 - Short term - yes
 - Long-term + global - no
- 3. Consumer trust in dairy and “policy” are key uncertainties.**

**For milk processors: be prepared for the disruptions.
Disruptions will lead to new opportunities.**

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