World Dairy Map 2015

Results of the IFCN Dairy Report 2014 – www.ifcndairy.org

For a better understanding of the dairy world

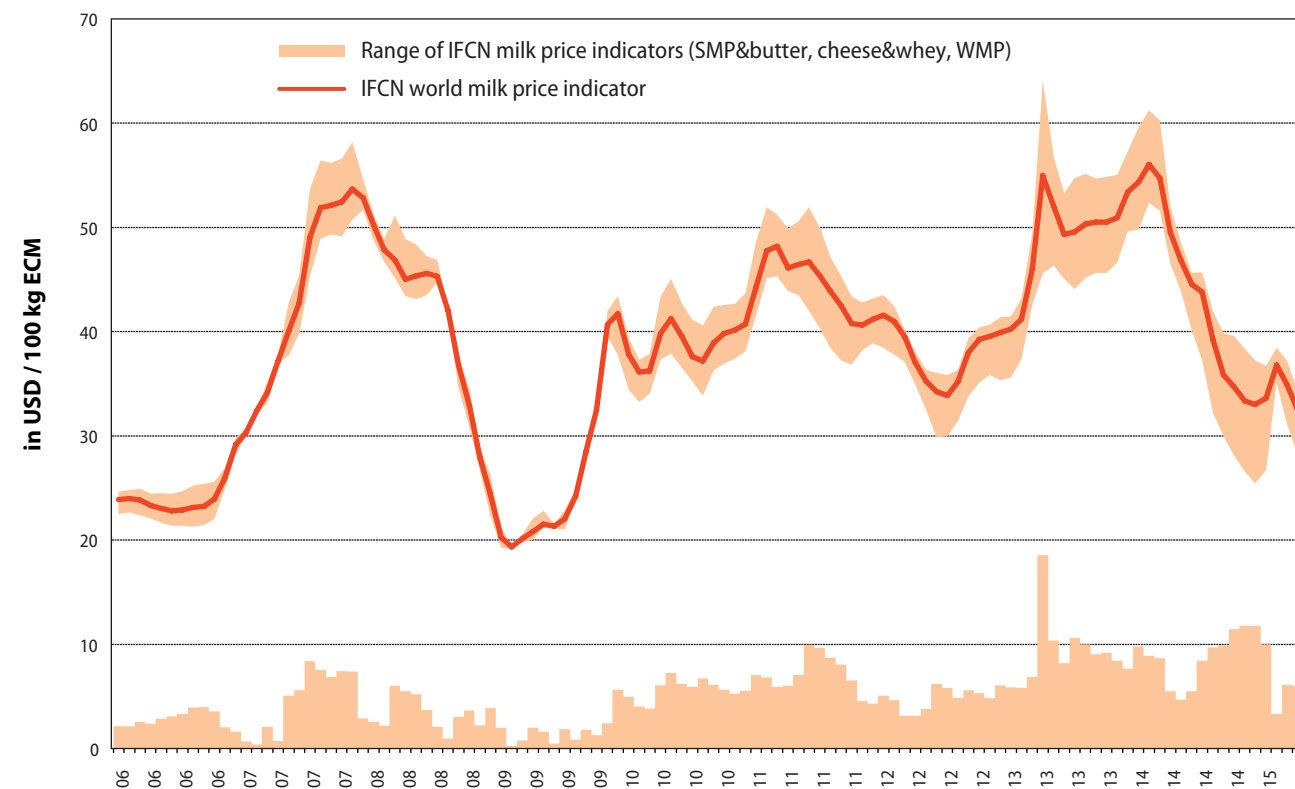IFCN — Dairy Data · Knowledge · Inspiration

IFCN Top 20 milk processors 2014 by milk intake

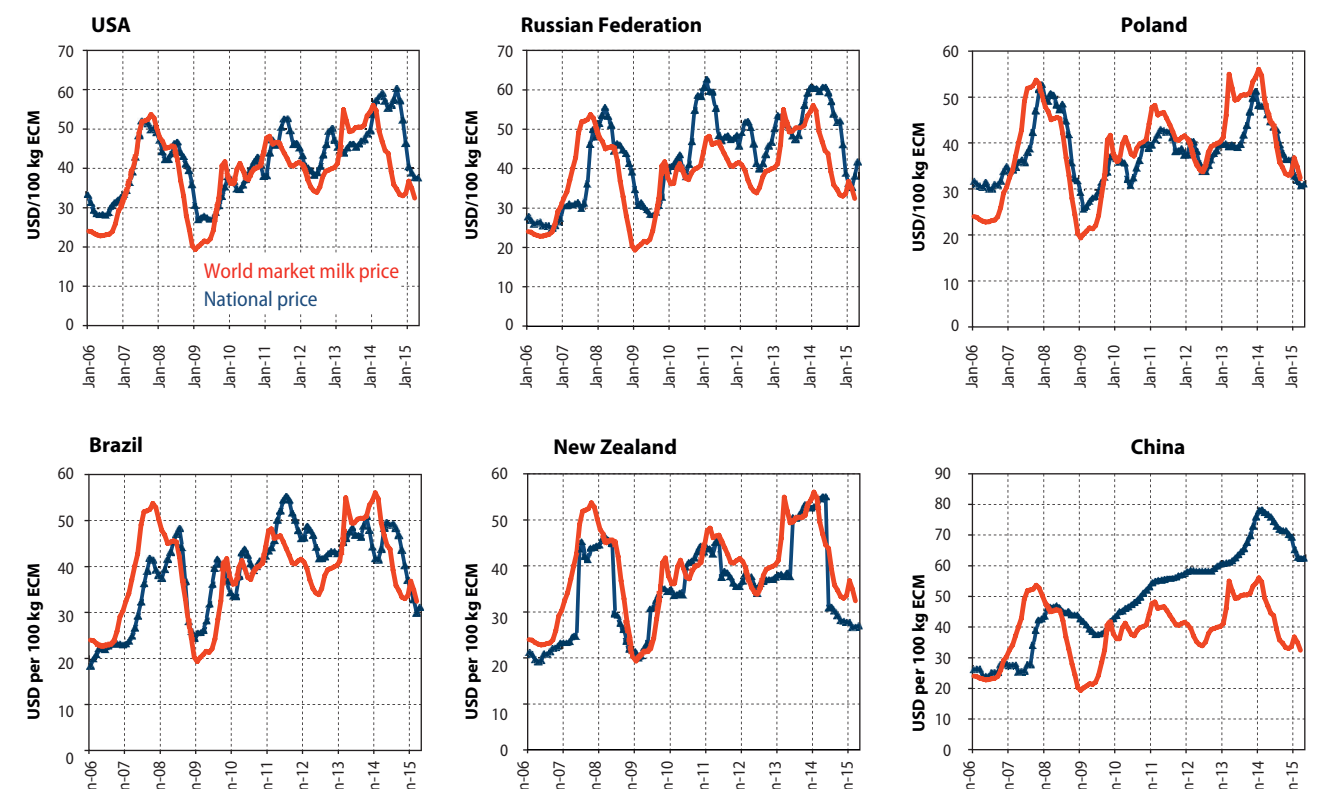| No.	Company name	Origin & main operation countries	Milk intake, in mill. t milk equivalents	Estimated turnover per kg milk, in US-$	Market share in % of world milk production
1	Dairy Farmers of America	USA	27.8	0.5	3.7 %
2	Fonterra Co-operative Group	New Zealand/others	22.0	0.7	2.9 %
3	Groupe Lactalis (incl. Parmalat)	France/others	15.0	1.3	2.0 %
4	Nestlé	Switzerland/others	14-15*	1.25*	2.0 %
5	Arla Foods	Denmark/Sweden/others	12.7	1.1	1.7 %
6	FrieslandCampina	Netherlands/others	10.3	1.1	1.4 %
7	Dean Foods	USA	10.1	0.9	1.4 %
8	Danone	France/others	8-9*	1.9*	1.1 %
9	California Dairies	USA	8.1	0.7	1.1 %
10	DMK Deutsches Milchkontor	Germany	6.8	1.0	0.8 %
11	Saputo	Canada/USA/others	6.0	1.1	0.8 %
12	Glanbia Group	Ireland/USA/others	6.0	0.7	0.8 %
13	Land O' Lakes	USA	5.4*	0.7*	0.7 %
14	Groupe Sodiaal	France	5.2	1.0	0.7 %
15	Amul (GCMMF)	India	4.8	0.5	0.6 %
16	Yili Group	China	4.5 - 5*	1.6*	0.6 %
17	Unternehmensgruppe Theo Müller	Germany/UK, others	4.4	1.5	0.6 %
18	Mengniu Dairy Company	China	4 – 4.5*	1.6*	0.6 %
19	Bongrain	France/others	4.2	1.4	0.6 %
20	Darigold (Northwest Dairy Association)	USA	3.6	0.6	0.5 %
	Sum of Top 20		**184.2**	**1.0**	**25 %**

Source: IFCN data collection, analysis and estimates. Data represents in most cases the year 2013. * = figures marked like this have been estimated by IFCN. *Explanation of variables: 1. Milk intake* represents milk volume collected and dairy commodity purchases (in milk equivalent) for the main company and its subsidiaries. Milk intake figures in mill tons. In some cases recalculated from litre (1litre = 1.033 kg). In the milk intake a double counting is possible once a processor sources milk from a collecting cooperative (e.g. DFA) or is sourcing milk in form of dairy products. This means that the total milk volume of the top 20 processors can be overestimated. *2. Dairy turnover* represents turnover which belongs only to processed milk and not to other activities. Turnover figures in US-$ bill, in some cases converted to US-$ by using the annual average exchange rate. *3. Turn over per kg milk:* Dairy turn over divided by milk intake. This indicator gives an indication of value creation per kg of milk processed. This figure shall be interpreted with care as the precise number is difficult to define and a direct comparability between companies is limited.

IFCN combined world milk price indicator 2006 – 2015

- Range of IFCN milk price indicators (SMP&butter, cheese&whey, WMP)
- IFCN world milk price indicator

IFCN combined world milk price indicator: Combined IFCN world milk price indicator, weighted average of 3 IFCN world milk price indicators: 1 SMP & butter (35%), 2 Cheese & whey (45%), 3 WMP (20%). Data until April 2015. For more details see http://www.ifcndairy.org
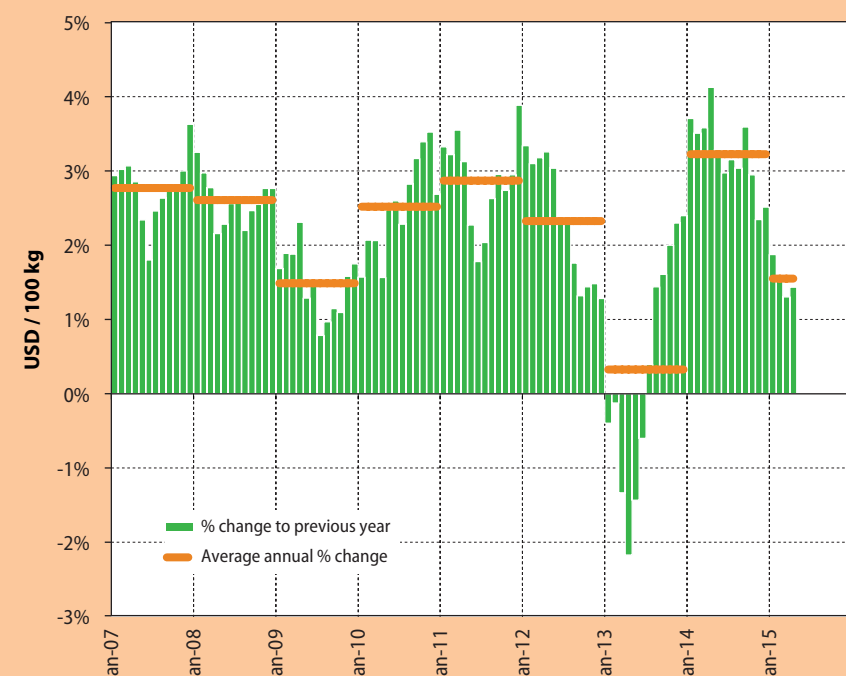
Monthly milk price in USD / 100 kg milk 2006 – 2015

USA · Russian Federation · Poland · Brazil · New Zealand · China
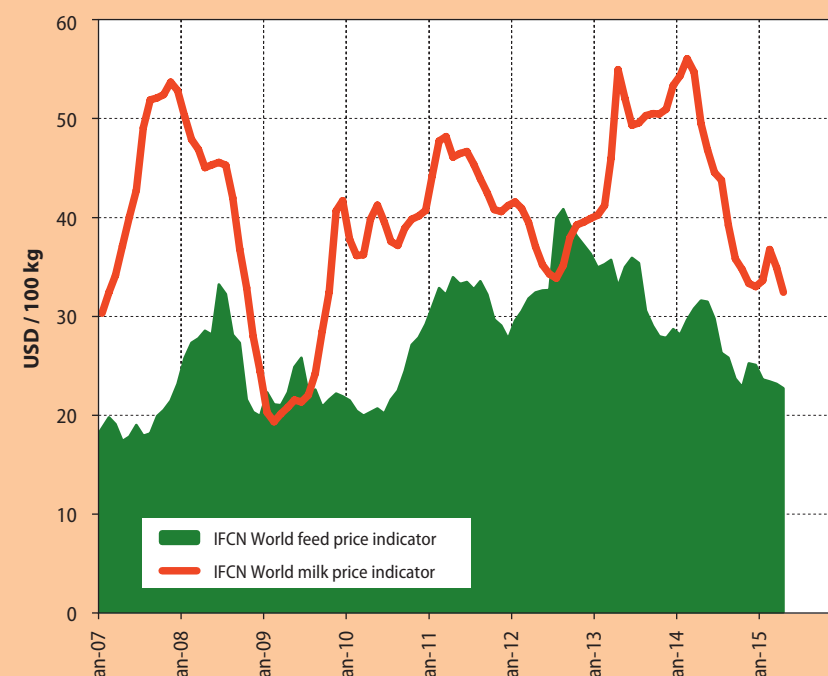
- World market milk price
- National price

Source: National statistics / surveys, in some cases estimations. *Explanation: Data:* Energy corrected milk (ECM) price, standardised to 3.5% protein and 4 % fat. *National milk price:* USA: All milk price. New Zealand: Fonterra payout milk price before retentions, excluding distributable profit. India: IFCN estimations based on consumer milk price index, local processors payout and expert knowledge. *IFCN combined world milk price indicator:* For details see graph on the left. Data until April 2015.
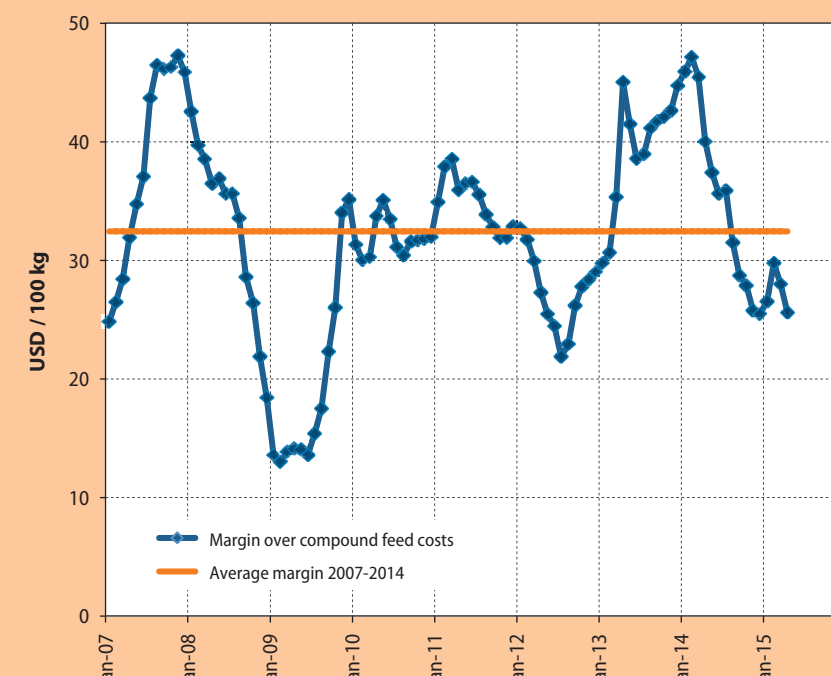
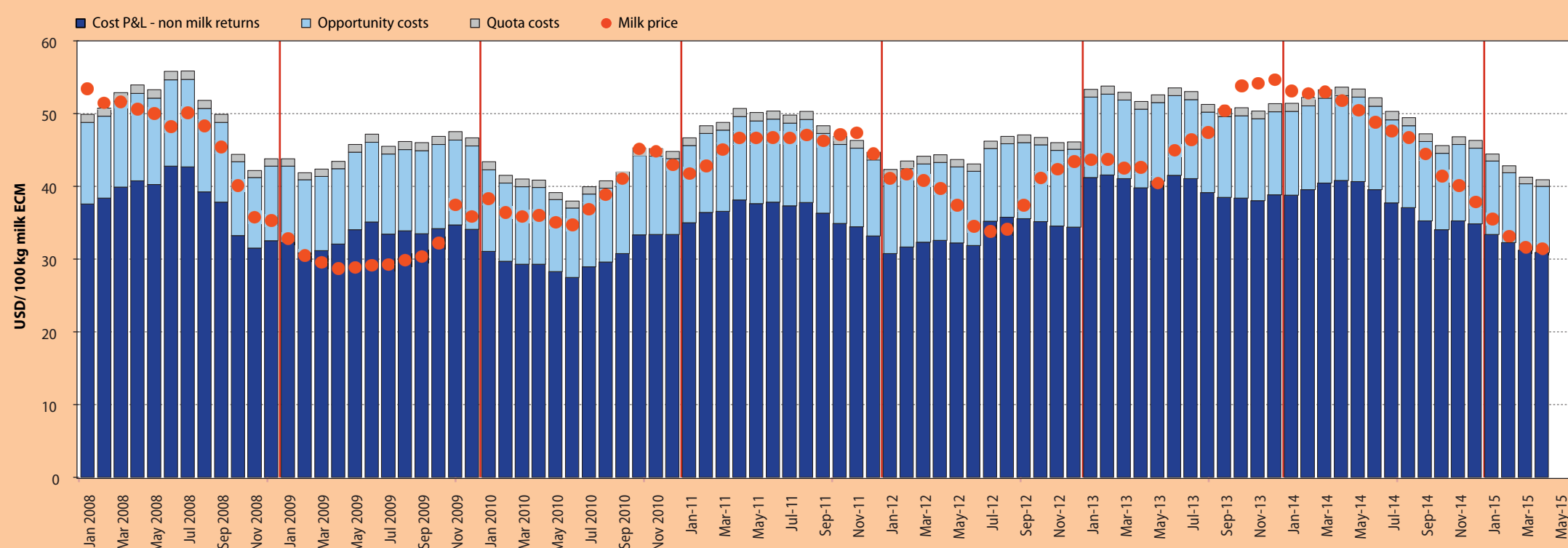## Change in milk production on monthly basis 2007 – 2015

- % change to previous year
- Average annual % change

IFCN World milk and feed price 2007 – 2015

- IFCN World feed price indicator
- IFCN World milk price indicator

IFCN Margin over compound feed costs 2007 – 2015

- Margin over compound feed costs
- Average margin 2007-2014

Results of the real time farm economics calculations for Germany – Cost of milk production only

- Cost P&L - non milk returns
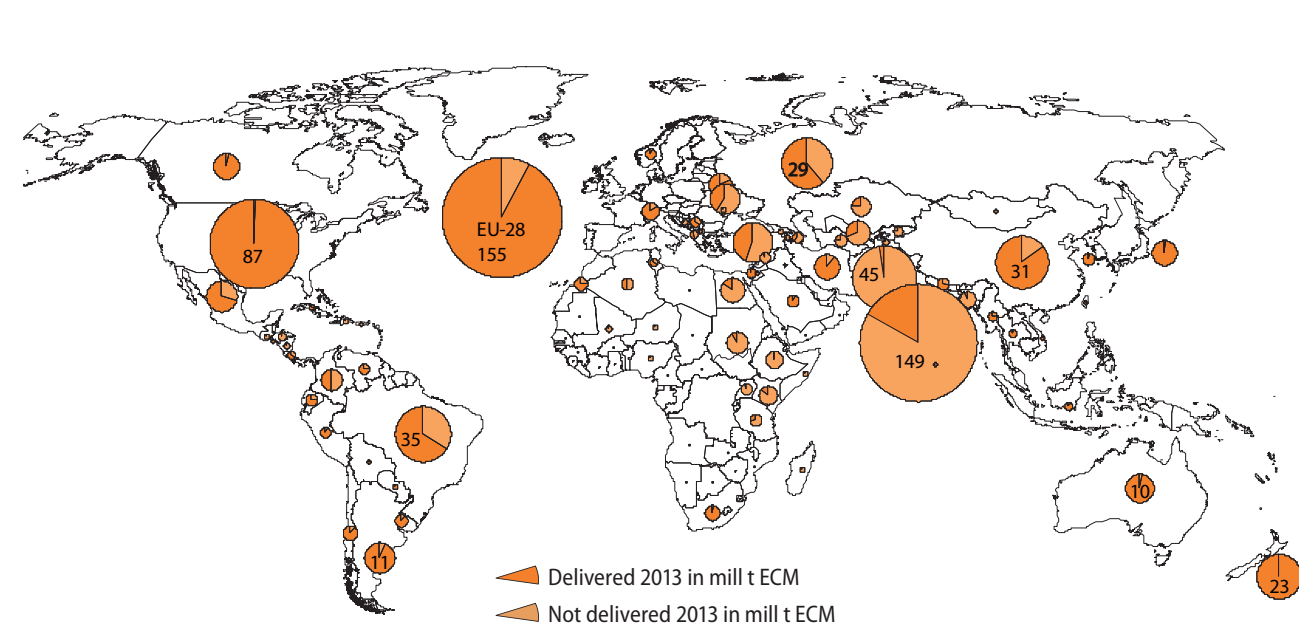- Opportunity costs
- Quota costs
- Milk price

Explanation: monthly real time cost economics for a typical 126 Holstein Friesian family farm in Northern Germany (DE-126N) with average milk yield of 8300 kg ECM and a free stall barn - *Data Source:* IFCN farm comparison database 2015. Farm data for the year 2014 is used to derive the monthly estimates using national level figures for Milk price, feed price, inflation and exchange rate from national statistics and IFCN estimates.
Costs from P&L account: Costs as calculated in the Profit and Loss account - *Non-milk returns:* cattle returns and coupled direct subsidies (including VAT Surplus). *Quota costs:* Quota rents paid+ opportunity costs for quota owned

Explanation: The data of the graphs is content of the IFCN product "Monthly real time data of milk production, milk & feed prices". The database covers 60 countries, representing 92 % of world milk production. Data are based on national statistics and also estimates once needed. Milk production data and milk prices are standardised to ECM volumes (Energy corrected milk, 4 % fat and 3.4 % protein). Figures are adjusted for leap year effects. Milk production is partly milk produced or milk delivered. Feed prices shown in the chart represent the development of "compound feed prices" balanced in energy and protein and have been estimated out of corn and soya bean prices of the country and the developments on the world market. Relative change of the 12-months rolling sum of milk production expresses the relative deviation of milk production in a 12 month period compared to the same period one year before. Data is adjusted for leap year effect. Data until April 2015. For more details on the world milk and feed price see www.ifcndairy.org.
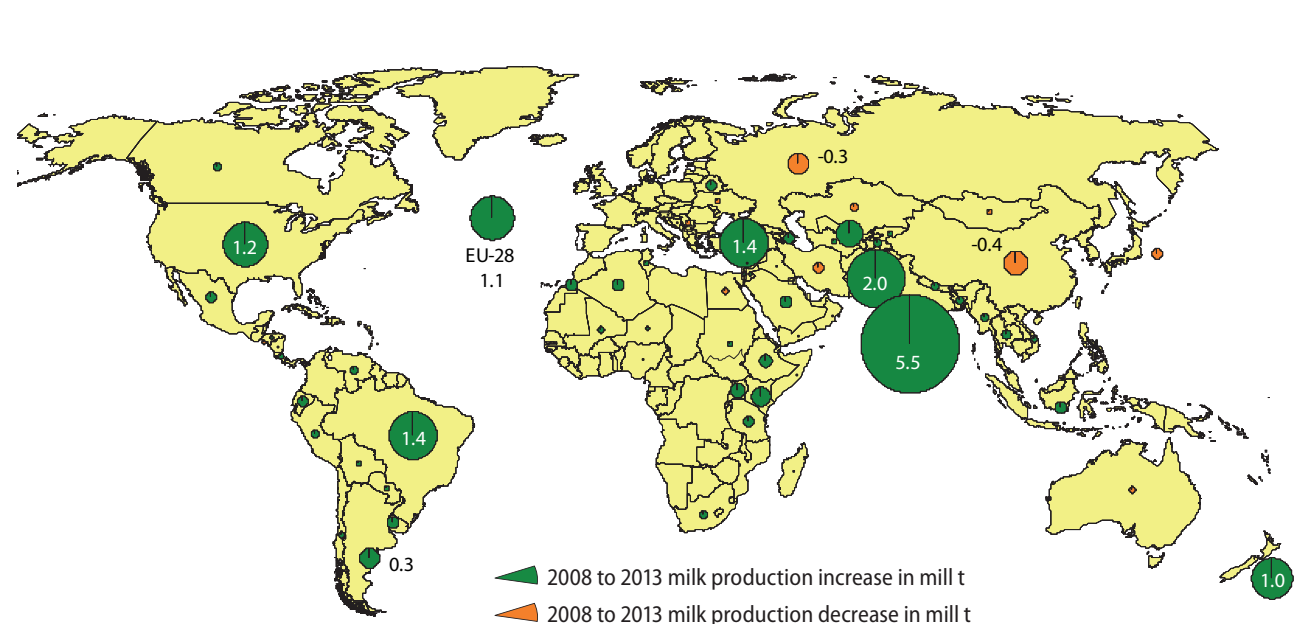
Milk production and share of milk delivered in 2013

- Delivered 2013 in mill t ECM
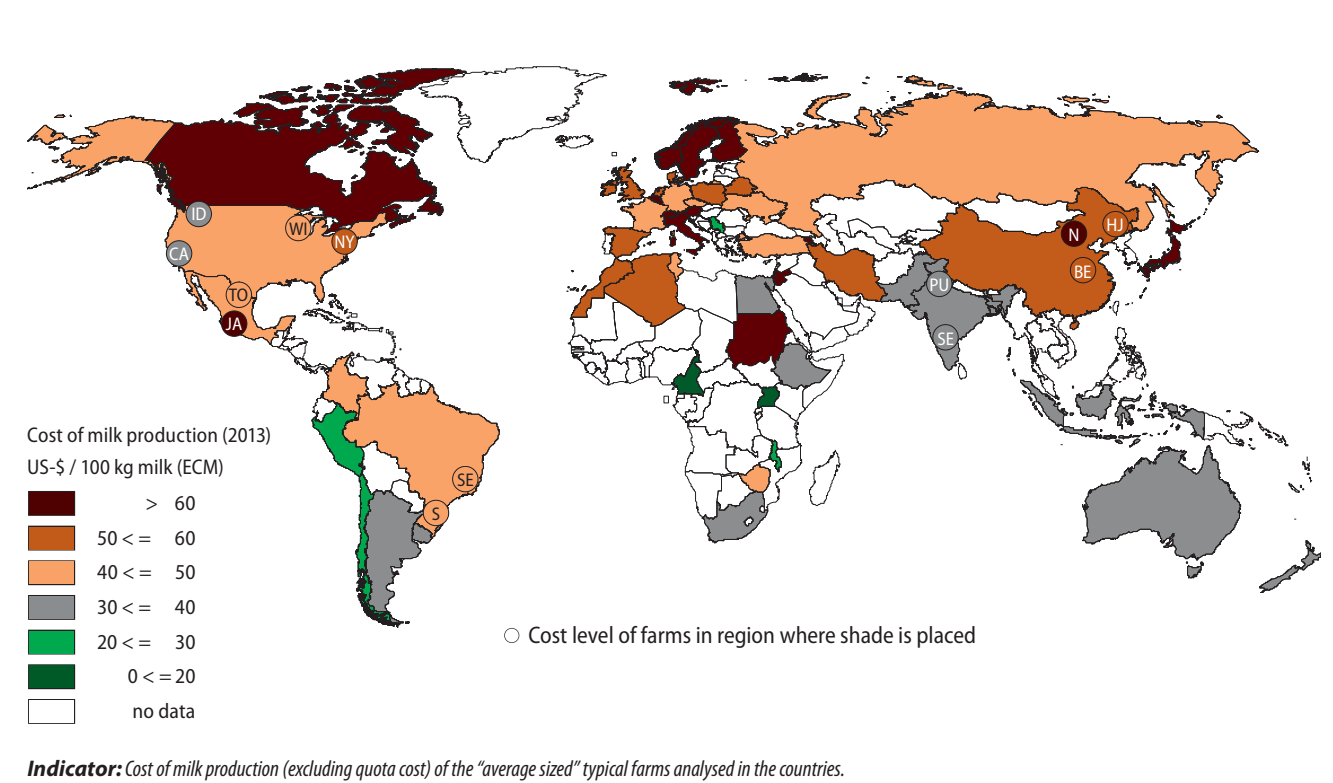- Not delivered 2013 in mill t ECM

Data: Cow and buffalo milk production and milk delivered 2013 in mill t ECM.
Source of data: National statistics, AMI, FAO, estimates for some countries. Share of milk delivered estimated for Venezuela, Jamaica, Kyrgyzstan, Tajikistan, Turkmenistan, Tanzania.
Comment: NZ, AU, IN annualised milk production.

Annual absolute change of milk production volume 2008 – 2013

- 2008 to 2013 milk production increase in mill t
- 2008 to 2013 milk production decrease in mill t

Data: Cow and buffalo milk production 2013 and 2008 in mill t ECM per year.
Source of data: National statistics, AMI, FAO, estimates for some countries.
Calculation: (Milk production 2013 minus milk production 2008) divided by 5.
Comment: NZ, AU, IN annualised milk production.

Cost of milk production in average sized farms in 2013

Cost of milk production (2013) US-$ / 100 kg milk (ECM)
- > 60
- 50 < – 60
- 40 < – 50
- 30 < – 40
- 20 < – 30
- 0 < – 20
- no data

○ Cost level of farms in region where shade is placed

Indicator: Cost of milk production (excluding quota cost) of the "average sized" typical farms analysed in the countries.

The IFCN
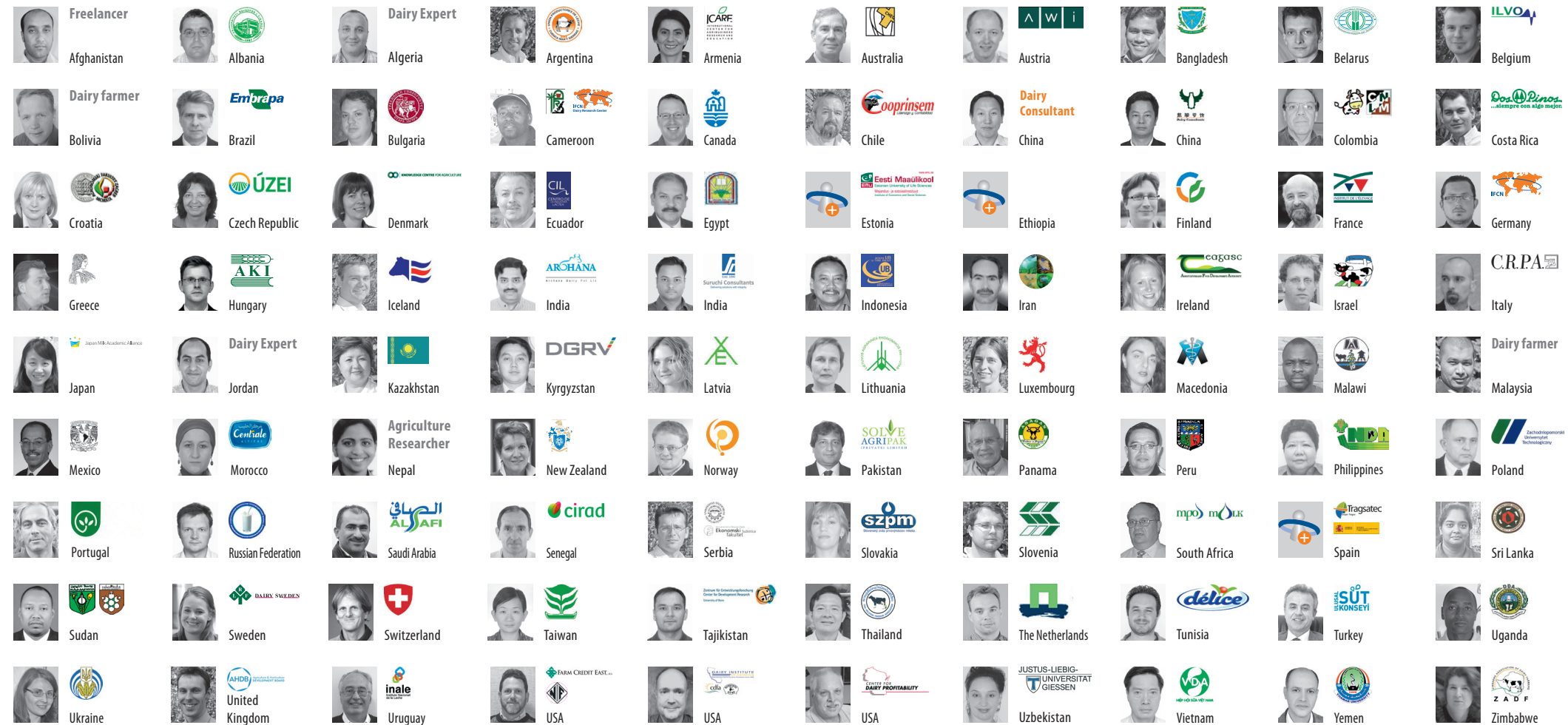IFCN is the Dairy Research Network that provides globally comparable dairy economic data and forecasts. This knowledge is built along the complete dairy chain, starting on farm level to the consumer. The coverage of the data represents 98% of the world production volume. By providing these data IFCN creates a value for people which aim is to develop the dairy world further.

THE IFCN RESEARCH ACTIVITIES
- Analysis on cost of milk production
- Milk price analysis and projection
- Dairy sector and policy analysis
- Sustainable dairy development

IFCN DAIRY REPORT
The IFCN Dairy Report summarizes the annual research work of the IFCN. It visualizes the global dairy development world-wide, both on global view down to farm and country levels.

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