



Key findings of the 12th IFCN Dairy Conference 2011 in Kiel

Participants:
Dairy economists from
45 countries

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**International Farm
Comparison Network**

Key findings of the IFCN Conference

This paper summarises the key findings of the 12th IFCN Dairy Conference, held in Kiel, Germany the 1st to 8th June 2011. So far 91 countries participate in the annual IFCN work. These countries represent 97% of world milk production. Dairy economists from 45 countries have participated in IFCN Dairy Conference, representing 84% of world milk production.



1. Milk production growth 2011/12 can reach new record highs of + 20 mill t/year

- In 2010 milk production grew 11.8 mill. t (cow/buffalo milk, standardised 4% fat, 3.3% protein)
- In the crisis year 2009 milk production grew only 4.1 mill. t.
- In 2005 to 2010 world milk production grew in average by 11.7 mill. t / year.
- In 2011 and also 2012 good milk prices can lead to a growth of up to 20 mill. t milk per year.

2. IFCN 2011 Ranking of the top 21 milk processors

- The top 21 dairy companies process 24% of world milk production.
- No. 1 milk processor in the world is Fonterra which processes 3% of the world milk.
- No. 2 to 5 are: Dairy Farmers of America, Nestlé, Dean Foods, Royal Friesland Campina.
- Compared to the IFCN ranking from 2009 there was no major change in the ranks 1 to 10.
- Via mergers Nordmilch & Humana and Sodial & Entremont alliance have improved their rank.
- In Asia the companies Mengniu, Yili and Amul gained position via strong growth in milk intake.
- Milk processors in the USA showed stable milk intake and lost positions in this ranking.

3. IFCN strategy to be “The leading, global knowledge organization in milk production”

The research partners in the network have agreed to implement a new strategy to reach the vision to be the leading, global knowledge organization in milk production. This new strategy provides a better base to support local dairy stakeholders creating dairy development strategies. Moreover, it enables the IFCN to better serve the needs of the global dairy industry as a whole. The very unique intranet platform, formally introduced the 8th of June, allows a much faster and deeper exchange of information in the network.

4. The new IFCN Dairy Report 2011 will be released in October

The IFCN Dairy Report 2011 will be available in October 2011 and will cover the topics described above in much more depth. Results of the 2011 IFCN work will be also presented at the IDF world dairy summit in Italy. For details on the IFCN and its researcher and company partnerships please visit our website or contact info@ifcndairy.org.

5. The IFCN World Dairy Map 2011 was released (details see Annex 1)

IFCN Top-21 milk processors list 2011 (measured by milk intake)

Rank	Company name	Country	Dairy processing plants main location	Milk intake in mill. t	Market share in % of world milk production
1	Fonterra	New Zealand	international	20.5	3.0%
2	Dairy Farmers of America	USA	USA	17.1	2.5%
3	Nestle	Switzerland	international	14.9	2.2%
4	Dean Foods	USA	USA	11.8	1.7%
5	Royal FrieslandCampina	The Netherlands	The Netherlands	10.3	1.5%
6	Lactalis	France	international	10.2	1.5%
7	Arla Foods	Denmark/Sweden	Denmark/Sweden	8.7	1.3%
8	Danone	France	international	8.0	1.2%
9	California Dairies Inc.	USA	USA	7.7	1.1%
10	Kraft Foods	USA	international	7.5	1.1%
11	Nordmilch & Humana (DMK)	Germany	Germany	6.7	1.0%
12	Saputo	Canada/USA	Canada/USA	6.2	0.9%
13	Land O' Lakes Inc.	USA	USA	5.8	0.9%
14	Sodiaal & Entremont alliance	France	France	4.2	0.6%
15	Mengniu group	China	China	3.8	0.6%
16	Parmalat	Italy	international	3.7	0.6%
17	Yili group	China	China	3.7	0.5%
18	Amul	India	India	3.4	0.5%
19	Northwest Dairy Association	USA	USA	3.3	0.5%
20	Schreiber Foods Inc.	USA	USA	3.3	0.5%
21	Murray Goulburn	Australia	Australia	3.2	0.5%
Sum top 21				163.9	24%

Source: IFCN analysis is based on the IFCN Dairy Report 2010 and additional analyses and estimates. Data represents in most cases the year 2009 or 2010.

Explanation: Milk intake represents milk volume collected, commodity purchase (in milk equivalents) and subsidiaries in other countries. Milk intake figures in mill. tons. In some cases recalculated from liter (1liter = 1.033 kg). **Comments:** Amul (India): milk with high fat content. Nordmilch and Humana merged in 2010 and created new company Deutsches Milchkontor (DMK). Sodiaal and Entremont alliance merged in 2011. Fonterra and Nestle incl. 50% of milk intake of Dairy Partners America (DPA) each. In some cases: double-counting of milk intake possible (companies purchase milk / dairy ingredients from each other).

IFCN Top-21 milk processors list 2009 (measured by milk intake)

Rank	Company name	Country	Dairy processing plants main location	Milk intake Mill t ME	Market share % of world production
1	Fonterra	New Zealand	International	18,6	2,7%
2	Dairy Farmers of America	USA	USA	16,2	2,3%
3	Nestle	Switzerland	International	12,0	1,7%
4	Dean Foods - US	USA	USA	11,8	1,7%
5	Campina & Friesland	The Netherlands	The Netherlands	11,3	1,6%
6	Lactalis	France	International	8,9	1,3%
7	Arla Foods	Sweden	Denmark/Sweden	8,3	1,2%
8	California Dairies Inc.	USA	USA	7,7	1,1%
9	Danone	France	International	7,3	1,0%
10	Kraft	USA	International	6,7	1,0%
11	Land O' Lakes	USA	USA	5,5	0,8%
12	Saputo	Canada	Canada/USA	4,3	0,6%
13	Nordmilch	Germany	Germany	4,2	0,6%
14	Schreiber Foods	USA	USA	3,7	0,5%
15	Bongrain	France	France	3,6	0,5%
16	Parmalat	Italy	International	3,5	0,5%
17	Murray Goulburn	Australia	Australia	3,2	0,5%
18	Northwest Dairy Association	USA	USA	3,1	0,4%
19	Mengniu group	China	China	2,9	0,4%
20	Glanbia	Ireland	Ireland/USA	2,8	0,4%
21	Amul	India	India	2,7	0,4%
Sum top 21				148	21%

Source: IFCN analysis is based on IFCN Dairy Report 2008 + additional analysis and estimates. Data represent mainly the year 2007.

Explanation: Milk intake represents milk volume collected + commodity purchase in home countries and subsidiaries in other countries.

ME= Milk equivalent; Method: Fat/protein method, Data: Basis is mainly 2007 in some cases 2006

Annex 1.: IFCN World Dairy Map 2011



World Dairy Map 2011

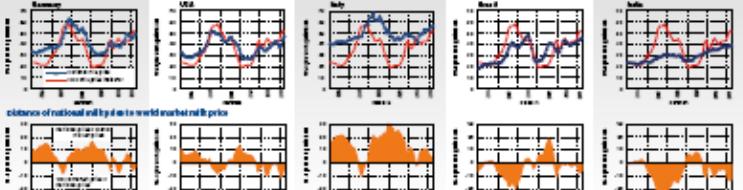
Results of the IFCN Dairy Report 2010 – www.ifcndairy.org

For a better understanding of milk production world-wide

IFCN Ranking 2011 – Top milk processors by milk intake

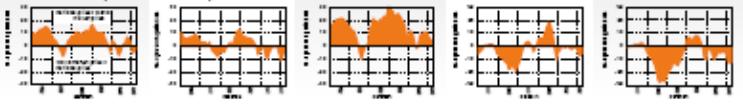
Rank	Company	Country	Yearly processing (kilotons)	% in milk	Ranking 2010 (%)
1	Danone	France	112	12%	12%
2	Dairy Farmers of America	USA	104	12%	11%
3	Unilever	UK	97	12%	10%
4	Danone	USA	94	12%	13%
5	US Dairy	USA	88	12%	14%
6	Danone	France	86	12%	15%
7	Danone	Germany	81	12%	16%
8	Danone	Germany	77	12%	17%
9	Danone	Germany	75	12%	18%
10	Danone	Germany	73	12%	19%
11	Danone	Germany	71	12%	20%
12	Danone	Germany	69	12%	21%
13	Danone	Germany	68	12%	22%
14	Danone	Germany	67	12%	23%
15	Danone	Germany	66	12%	24%
16	Danone	Germany	65	12%	25%
17	Danone	Germany	64	12%	26%
18	Danone	Germany	63	12%	27%
19	Danone	Germany	62	12%	28%
20	Danone	Germany	61	12%	29%

national milk price vs world milk price development



Line chart showing the development of national milk price relative to the world market milk price for four countries: USA, India, Brazil, and China. The chart shows a general upward trend for all countries, with India showing the most significant increase.

relative of national milk price to world market milk price



Line chart showing the relative of national milk price to world market milk price for four countries: USA, India, Brazil, and China. The chart shows the percentage difference between the national milk price and the world market milk price over time.







Milk production and share of milk delivered in 2009



World map showing milk production and share of milk delivered in 2009. The map highlights major milk producers and their share of global milk production. Key data points include:

- EU-27: 51%
- USA: 13%
- India: 10%
- China: 8%
- Indonesia: 5%
- Other: 24%

 The map also indicates the share of milk produced worldwide that is not delivered (cows and buffaloes) and the share of milk delivered.

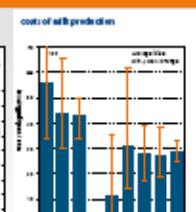




Relative of the dairy enterprise and decoupled payment



costs of milk production



Average cost of milk production in 2009 (Estimation by IFCN)



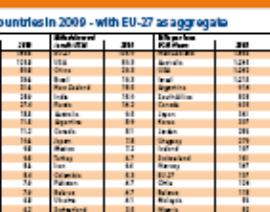
World map showing the average cost of milk production in 2009. The map uses color coding to represent cost levels across different countries. The legend indicates:

- Cost below 100 USD/tonne
- 100-150 USD/tonne
- 150-200 USD/tonne
- 200-250 USD/tonne
- 250-300 USD/tonne
- 300-350 USD/tonne
- 350-400 USD/tonne
- 400-450 USD/tonne
- 450-500 USD/tonne
- 500-550 USD/tonne
- 550-600 USD/tonne
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- 650-700 USD/tonne
- 700-750 USD/tonne
- 750-800 USD/tonne
- 800-850 USD/tonne
- 850-900 USD/tonne
- 900-950 USD/tonne
- 950-1000 USD/tonne
- 1000-1050 USD/tonne
- 1050-1100 USD/tonne
- 1100-1150 USD/tonne
- 1150-1200 USD/tonne
- 1200-1250 USD/tonne
- 1250-1300 USD/tonne
- 1300-1350 USD/tonne
- 1350-1400 USD/tonne
- 1400-1450 USD/tonne
- 1450-1500 USD/tonne
- 1500-1550 USD/tonne
- 1550-1600 USD/tonne
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- 2000-2050 USD/tonne
- 2050-2100 USD/tonne
- 2100-2150 USD/tonne
- 2150-2200 USD/tonne
- 2200-2250 USD/tonne
- 2250-2300 USD/tonne
- 2300-2350 USD/tonne
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- 2500-2550 USD/tonne
- 2550-2600 USD/tonne
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- 2650-2700 USD/tonne
- 2700-2750 USD/tonne
- 2750-2800 USD/tonne
- 2800-2850 USD/tonne
- 2850-2900 USD/tonne
- 2900-2950 USD/tonne
- 2950-3000 USD/tonne
- 3000-3050 USD/tonne
- 3050-3100 USD/tonne
- 3100-3150 USD/tonne
- 3150-3200 USD/tonne
- 3200-3250 USD/tonne
- 3250-3300 USD/tonne
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- 3850-3900 USD/tonne
- 3900-3950 USD/tonne
- 3950-4000 USD/tonne
- 4000-4050 USD/tonne
- 4050-4100 USD/tonne
- 4100-4150 USD/tonne
- 4150-4200 USD/tonne
- 4200-4250 USD/tonne
- 4250-4300 USD/tonne
- 4300-4350 USD/tonne
- 4350-4400 USD/tonne
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- 4900-4950 USD/tonne
- 4950-5000 USD/tonne
- 5000-5050 USD/tonne
- 5050-5100 USD/tonne
- 5100-5150 USD/tonne
- 5150-5200 USD/tonne
- 5200-5250 USD/tonne
- 5250-5300 USD/tonne
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- 6150-6200 USD/tonne
- 6200-6250 USD/tonne
- 6250-6300 USD/tonne
- 6300-6350 USD/tonne
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- 6850-6900 USD/tonne
- 6900-6950 USD/tonne
- 6950-7000 USD/tonne
- 7000-7050 USD/tonne
- 7050-7100 USD/tonne
- 7100-7150 USD/tonne
- 7150-7200 USD/tonne
- 7200-7250 USD/tonne
- 7250-7300 USD/tonne
- 7300-7350 USD/tonne
- 7350-7400 USD/tonne
- 7400-7450 USD/tonne
- 7450-7500 USD/tonne
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- 7600-7650 USD/tonne
- 7650-7700 USD/tonne
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- 7750-7800 USD/tonne
- 7800-7850 USD/tonne
- 7850-7900 USD/tonne
- 7900-7950 USD/tonne
- 7950-8000 USD/tonne
- 8000-8050 USD/tonne
- 8050-8100 USD/tonne
- 8100-8150 USD/tonne
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- 8750-8800 USD/tonne
- 8800-8850 USD/tonne
- 8850-8900 USD/tonne
- 8900-8950 USD/tonne
- 8950-9000 USD/tonne
- 9000-9050 USD/tonne
- 9050-9100 USD/tonne
- 9100-9150 USD/tonne
- 9150-9200 USD/tonne
- 9200-9250 USD/tonne
- 9250-9300 USD/tonne
- 9300-9350 USD/tonne
- 9350-9400 USD/tonne
- 9400-9450 USD/tonne
- 9450-9500 USD/tonne
- 9500-9550 USD/tonne
- 9550-9600 USD/tonne
- 9600-9650 USD/tonne
- 9650-9700 USD/tonne
- 9700-9750 USD/tonne
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- 9800-9850 USD/tonne
- 9850-9900 USD/tonne
- 9900-9950 USD/tonne
- 9950-10000 USD/tonne

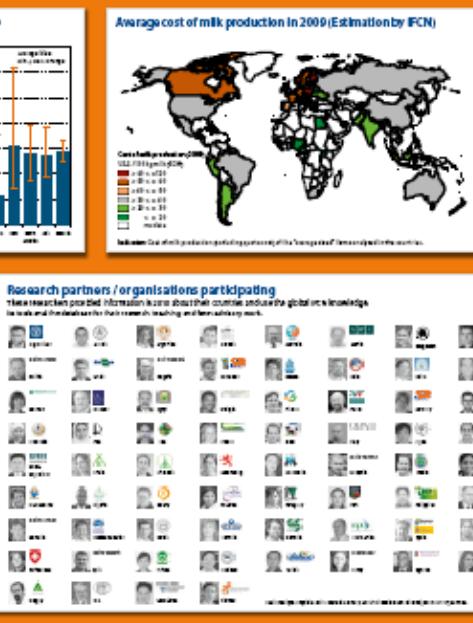
Top 20 dairy countries in 2009 – with EU-27 as aggregate

Rank	Country	2009	EU-27	2008	EU-27
1	India	1238	103	1132	94
2	USA	1138	103	1032	1241
3	China	870	103	800	1242
4	Brazil	594	103	530	1243
5	Russia	534	103	480	1244
6	China	514	103	480	1245
7	Indonesia	376	103	340	1246
8	India	356	103	320	1247
9	India	356	103	320	1248
10	India	356	103	320	1249
11	India	356	103	320	1250
12	India	356	103	320	1251
13	India	356	103	320	1252
14	India	356	103	320	1253
15	India	356	103	320	1254
16	India	356	103	320	1255
17	India	356	103	320	1256
18	India	356	103	320	1257
19	India	356	103	320	1258
20	India	356	103	320	1259

Institutional partners



Research partners / organisations participating



Logos of various research partners and organizations participating in the World Dairy Map 2011.

Agricultural partners

These companies use the IFCN knowledge for their strategic planning.



Top 20 dairy countries in 2009 – with EU-27 as aggregate

Rank	Country	2009	EU-27	2008	EU-27
1	India	1238	103	1132	94
2	USA	1138	103	1032	1241
3	China	870	103	800	1242
4	Brazil	594	103	530	1243
5	Russia	534	103	480	1244
6	China	514	103	480	1245
7	Indonesia	376	103	340	1246
8	India	356	103	320	1247
9	India	356	103	320	1248
10	India	356	103	320	1249
11	India	356	103	320	1250
12	India	356	103	320	1251
13	India	356	103	320	1252
14	India	356	103	320	1253
15	India	356	103	320	1254
16	India	356	103	320	1255
17	India	356	103	320	1256
18	India	356	103	320	1257
19	India	356	103	320	1258
20	India	356	103	320	1259

Institutional partners

