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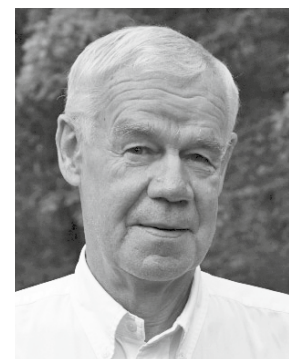


Dairy Report 2015

For a better
understanding of
the dairy world



IFCN
The Dairy Research Network



Dear friends,

In this IFCN Dairy Report 2015 you will find a summary of the research highlights and network activities in 2015.

The IFCN Mission and Vision

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



IFCN Content work 2015

Real time economic analysis: In times of rapid changes of milk and feed prices annual farm economic analyses are outdated too fast. Therefore IFCN was focussing in two areas to have a more real time understanding of the economic on typical farms in the current year 2015. Moreover a concept of monthly real time farm economics has been developed.

Dairy farm structure: Dynamics in farm structure are a key to predict dairy developments. IFCN has collected and standardised farm structure data. Additionally drivers, perspectives and potential future dairy farm types have been discussed.

Milk production by region: This year a key focus was to better understand milk production by region within countries. These are more dynamic than average national statistics show.

Outlook: As each year IFCN was focussing on the perspectives of the dairy world in the short term (1-2 years) and the long run (next 10 years).

Highlights – IFCN events in 2015

IFCN Dairy Conference 2015

The focus of this conference was dairy farm structure changes, their drivers and perspectives for the future. GEA hosted this event that took place in Kiel, Germany, in June.



IFCN Supporter Conference 2015

The conference was held in September, in Minneapolis, USA. Focus was on the learnings from the US dairy industry and the global dairy developments. Cargill and Elanco hosted this conference.



IFCN Regional Workshop 2015

During this workshop in India, the participants discussed the question: How to sustainably increase milk production in India at a price consumers can afford? YesBank, Cargill, Elanco and Royal Friesland Campina hosted this event.



Status of the research network in 2015

In the dairy sector analysis, 100 countries which represent 98% of the world's milk production, have been included.

In the farm comparison **170 typical farms** from **64 dairy regions** in **55 countries** were analysed.

IFCN Dairy Report 2015

Chapter 1: Cost comparison: This chapter summarises results on costs, returns, profitability and productivity of dairy farms worldwide.

Chapter 2: Global monitoring: This chapter provides a broad overview on specific dairy issues such as milk prices, feed prices and milk : feed price ratio.

Chapter 3: Dairy sector and chain profile: This profile, prepared for 100 countries, presents a comparable overview related to:

- Regional average annual milk production growth
- Farm structure data on farm and herd sizes
- Prices of cull cows and purchase of land
- Milk and feed price
- Monthly farm gate milk price

Moreover, the key results are summarised at the beginning of the chapter via maps of the world and Europe.

Chapter 4: IFCN Methods & definitions: IFCN Methods: This chapter is dedicated to explain the methods used for the IFCN analyses.

Acknowledgement

We would like to thank all our scientific partners, agribusiness partners, institutional partners and the people working in the IFCN Dairy Research Center during the last year. It was a pleasure to work with you and strengthen the network in 2015. We are looking forward to our activities in 2016.

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Lichtenstein

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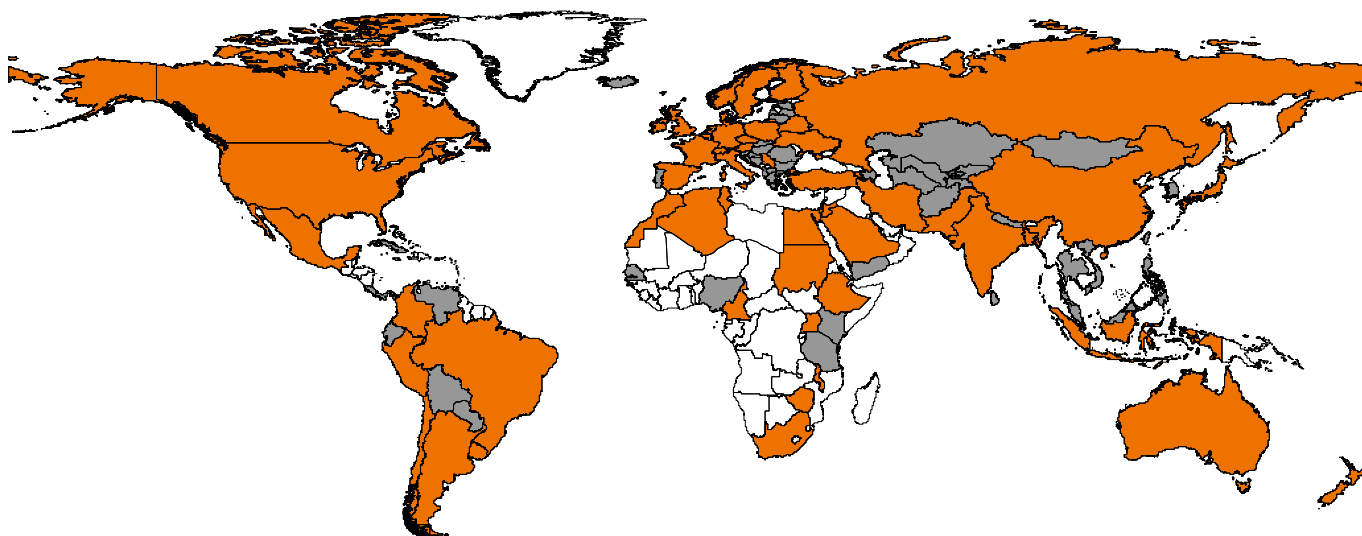
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Ecuador

Which countries are participating in the IFCN Dairy Report activities in 2015?

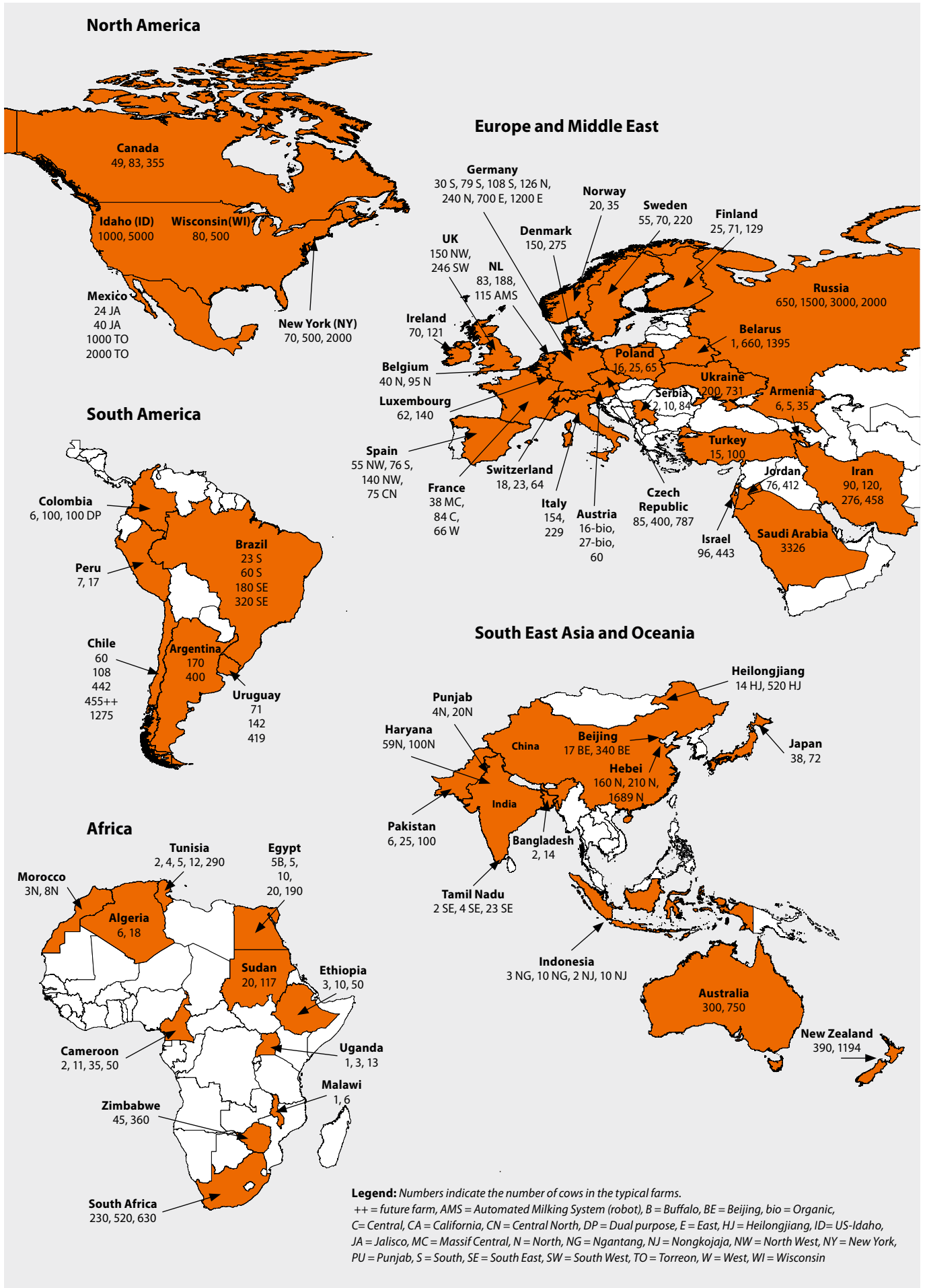


■ 55 countries analysed in the Farm Comparison
■ +45 countries participated in the Country Pages

Year	Countries included in		No. of farm types analysed	Topic of Country Report	IFCN Dairy Conferences
	farm comparison	country profile analysis			
2000	8	8	21	Ex-post analysis 1996–2000	Sep-00
2001	20	20	52	Country reports on milk production	Jun-01
2002	24	24	72	Dairy production systems survey	May-02
2003	27	24	76	Farm structure analysis 1990-2001	May-03
2004	31	31	92	Dairy sector profile 1981-2001	Jun-04
2005	33	41	102	Milk production fact sheet 1996-2003	May-05
2006	34	60	103	Dairy sector & chain profile 1990-2004	May-06
2007	38	73	120	Milk production fact sheet 1996-2005	Jun-07
2008	44	78	134	Dairy sector & chain profile 1996-2007	Jun-08
2009	46	80	147	Milk production fact sheet 1996-2008	Jun-09
2010	44	86	143	Dairy sector & chain profile 1996-2009	Jun-10
2011	49	90	157	Milk production fact sheet 1996-2010	Jun-11
2012	51	91	177	Dairy sector & chain profile 1996-2011	Jun-12
2013	51	95	178	Milk production fact sheet 1996-2012	Jun-13
2014	54	100	172	Dairy sector & chain profile 1996-2013	Jun-14
2015	55	100	170	Milk production fact sheet 1996-2014	Jun-15



Regional maps and the typical farms



About IFCN

The dairy world today

Today the dairy world is serving over 7 billion consumers and providing livelihoods for approximately 1 billion people living on dairy farms. The key challenges for the dairy stakeholders lie in its complexity and the high rate of change in a globalised world.

About IFCN

IFCN is the global dairy research network. By addressing challenges in the dairy world, IFCN can contribute to a more resilient and more sustainable future for all of us.

What does IFCN do?

IFCN provides globally comparable dairy data, outstanding knowledge and inspiration to widen your imagination.



How does IFCN operate?

IFCN creates a better understanding of the global dairy world. The IFCN – International Farm Comparison Network - started in 2000 with the basics - the cow and the dairy farmer. Step by step we deepen and widen the knowledge base every year.

The knowledge is created via a network of dairy researchers from over 90 countries contributing to our annual processes and managed by our 15 dairy researchers at the IFCN Dairy Research Center.

The IFCN economic models and standards ensure comparability between countries and provide a global picture.

More than 100 dairy related companies and organisations support the IFCN and use the knowledge to solve challenges in the dairy world better.

IFCN has innovative ways to share the knowledge with their members and with the dairy world as a whole. The IFCN events are a key element in developing the network spirit.

IFCN values: Trust – Independence - Truth

Trust among the IFCN members is vital for open sharing, cooperation and a network that really works. The IFCN is independent from third parties and is committed to truth, science and reliability of results. Truth means that IFCN shows the dairy world as it is and as accurately as measurements allow. IFCN describes realities and reports without having any hidden agendas.

IFCN Vision

We are the leading, global knowledge organisation in milk production, milk prices and related dairy economic topics.

IFCN Mission

We create a better understanding of the dairy world by providing comparable data, knowledge and inspiration.



IFCN
Dairy Data - Knowledge - Inspiration

Dairy data: We provide globally comparable dairy economic data and forecasts.

Knowledge: We create knowledge out of our data, models and analysis. Our core competence is in the field of milk production, milk prices and related economic topics.

Inspiration: We inspire people in the dairy world to build a better future. We inspire passionate people to develop a successful career in the dairy world.

What does IFCN offer stakeholders in the dairy chain?

- 1. Farmers:** IFCN gives you a voice to reach other players in the dairy world. Actual global milk price trends and helpful IFCN publications are published on the IFCN website. Farm comparison work allows you to judge the competitive position of milk production in your region.
- 2. Researchers and advisors:** IFCN makes you part of the leading global dairy network. We support you to serve your dairy stakeholders better and to develop your professional career in the dairy world - to become a leading dairy economist in your country.
- 3. Companies:** IFCN provides dairy related companies such as milk processors and farm input companies a holistic and continuously updated picture of the dairy world. We help you to develop your business.
- 4. Global and national organisations involved in policy-making for agriculture, environment and food supply:** IFCN provides our holistic dairy knowledge to be used for your policy decisions and conferences.
- 5. Consumers:** IFCN illustrates milk-production, its fascinating culture and how this creates value in rural areas.
- 6. People in the IFCN Center:** You are invited to build a life time career in the IFCN center to operate globally and enjoy a stable local life. You are also welcome to use IFCN as the ideal stepping stone for further developments in the dairy world.

For further information please contact: info@ifcndairy.org



Organisational setup

The IFCN has a **Dairy Research Center (DRC)** with 18 employees, coordinating the network process and running dairy research activities.



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IFCN Dairy Research Center



IFCN Board

The **IFCN Board** has the mandate to support the IFCN management in the strategic development and guarantee transparency in the operation to the members of the network.

The **IFCN Board** is composed of the following members: Anders Fagerberg (chairman), Luc Morelon (nominated by the supporters), Ernesto Reyes (nominated by the researchers), Uwe Latacz-Lohmann (Kiel University), Olaf Rosenbaum (legal and fiscal expertise).



Anders Fagerberg
Chairman



Luc Morelon



Ernesto Reyes



Uwe Latacz-Lohmann



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Spain

Chapter 1 – Comparison of the typical farms 2014

Authors: Dorothee Boelling, Maria Schmeer, Amit Saha
with the contribution from researchers mentioned on page 2-3 of this report

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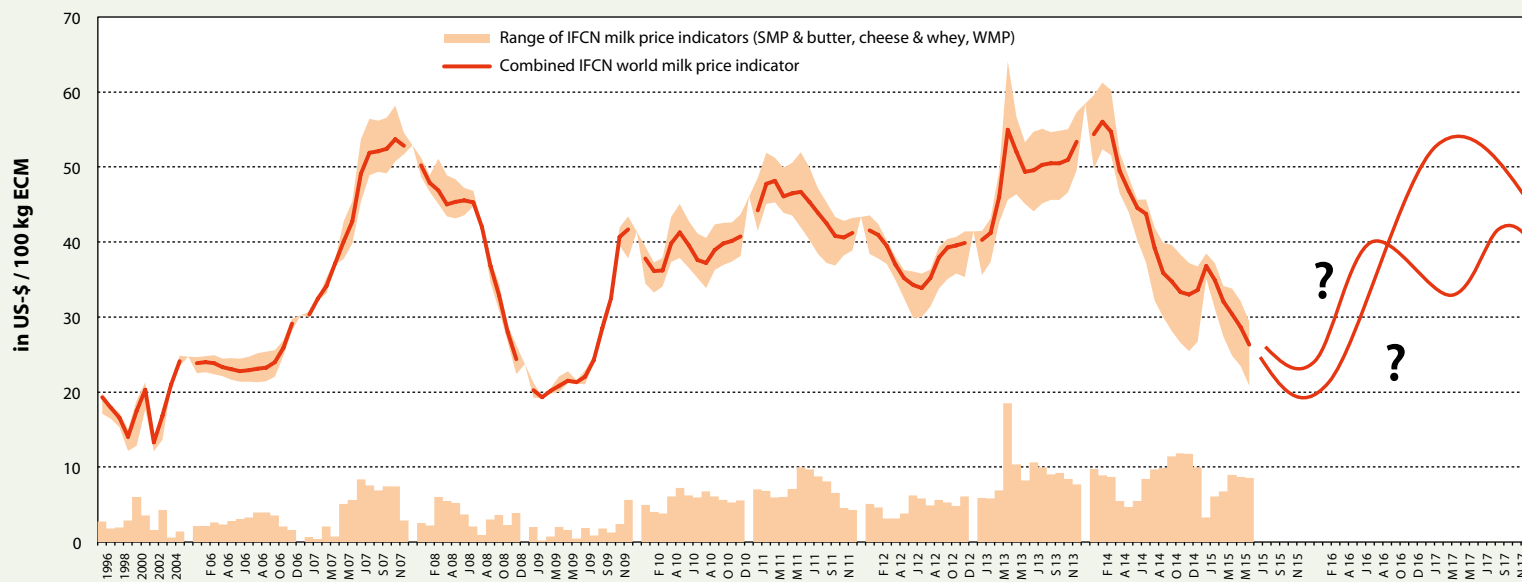
Iran

Chapter 2 – Global monitoring dairy economic indicators 1996 – 2014

Authors: Clara Secher, Łukasz Wyrzykowski, Hassan Aijini, Barbara Siwirska, William Allen with the contribution from researchers mentioned on page 2 – 3 of this report

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Combined IFCN 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%)

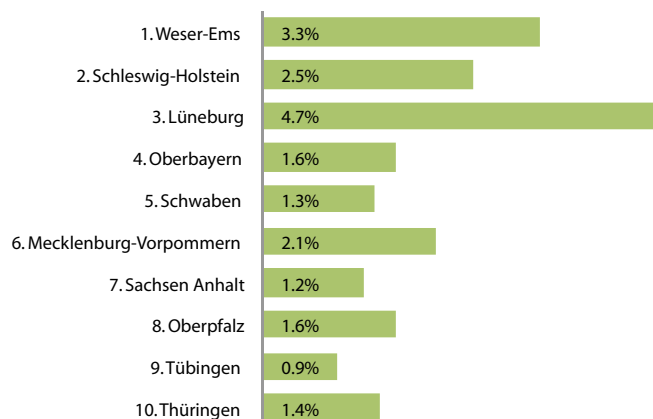


Lukasz Wyrzykowski



Top 10 regions - Ø annual milk production growth

2009 - 2014 - regions represent 59% of national milk production in 2014



Status and key developments

Status 2014

- No. 5 in the world milk production: 33.0 mill t ECM
- No. of dairy farms: 76,469
- Milk price: +16% to world market
- Feed price: +19% to world market

Key developments over the past five years

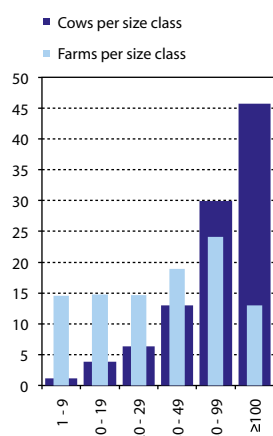
- Milk production growth: +1.9% per year
- Farm numbers: -4.4% per year
- Milk price was on average +12% to world market
- Feed price was on average +4% to world market

Key variables

	1996	1998	2000	2002	2004	2006	2008	2010	2012	2014	Annual growth rates	
											'04-'09	'09-'14
Milk production (cows')												
Production (mill t ECM)	30.00	29.49	29.36	28.80	29.28	28.76	29.42	30.49	31.45	32.98	0.5%	1.9%
Cows (in 1,000's)	5,195	4,833	4,564	4,373	4,287	4,054	4,229	4,182	4,190	4,296	-0.6%	0.6%
Milk yield (t / cow / year)	5.8	6.1	6.4	6.6	6.8	7.1	7.0	7.3	7.5	7.7	1.0%	1.3%
Farm structure												
No. of dairy farms (in 1,000's)	186	164	139	125	114	102	99	92	83	76	-3.3%	-4.4%
Average farm size (cows / farm)	28	30	33	35	38	40	43	46	51	56	2.9%	5.2%
Prices in national currency												
Milk : feed price ratio	1.8	2.1	2.1	2.1	2.0	2.0	1.4	1.9	1.4	1.5	-7.6%	1.8%
Cull cow (EUR / kg live weight)	1.1	1.2	1.2	0.9	1.1	1.3	1.4	1.4	2.0	2.1	5.8%	8.3%
Land - buy (EUR / ha)	10,394	9,500	9,081	9,465	9,233	8,909	9,955	11,854	14,424	18,254	3.4%	10.8%
Quota (EUR / kg milk)	0.82	0.85	0.57	0.72	0.43	0.48	0.34	0.09	0.10	0.10	-16.1%	-11.6%

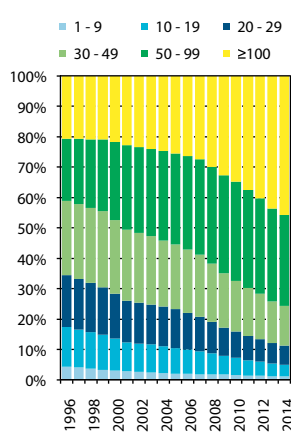
Farm structure

% of dairy farms and cows in size classes (2014)



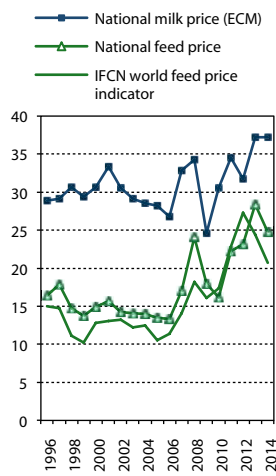
Farm structure

% of cows per herd size



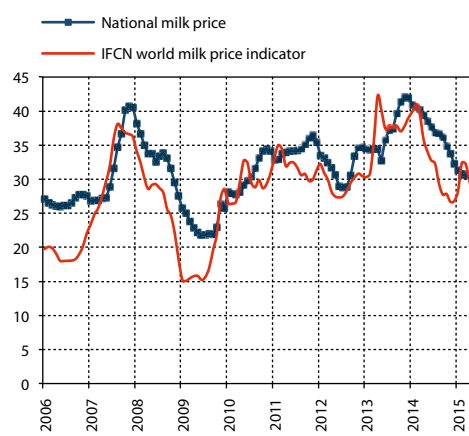
Milk and feed price

EUR / 100 kg



Monthly farm gate milk price

EUR / 100 kg ECM



Explanations

Sources: National statistics, FAO, IMF, Eurostat, AMI. 2014 data preliminary and partly estimated.

Regional chart: Ranking according to year 2014 distribution. Milk production in natural fat and protein content.

Estimates done for: Land price 2014 following the trend. Cull cow price 2011-2013 based on growth rate for price of cows, 2014 following that trend.

Regional data remarks: 2014 data estimated.





Italy

Chapter 4 – Methods applied in IFCN analyses

Authors: IFCN

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IFCN team members in action

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