



Dairy Report 2016

For a better
understanding of
the dairy world



IFCN
The Dairy Research Network

Partners of the IFCN

Dairy researchers representing 105 countries

Institutional partners



Agribusiness partners

Milk processing



Milking and barn equipment



Health and hygiene



Feed



Farm machinery



Genetics for animal & plants



Other branches of the dairy chain





Belgium

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Switzerland

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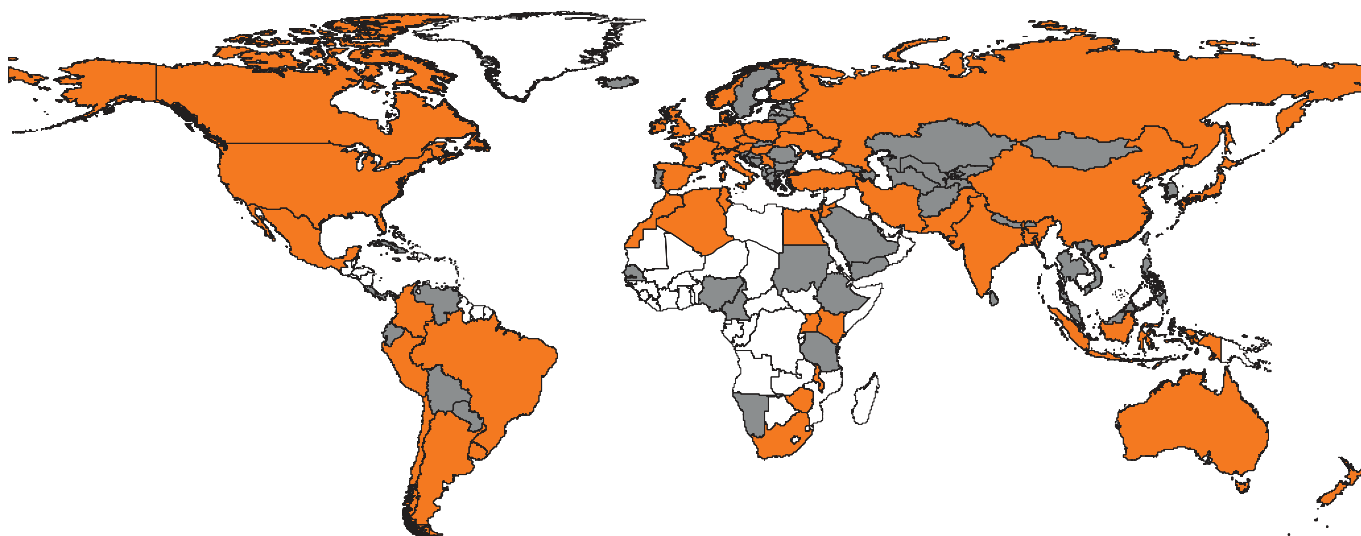
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Poland

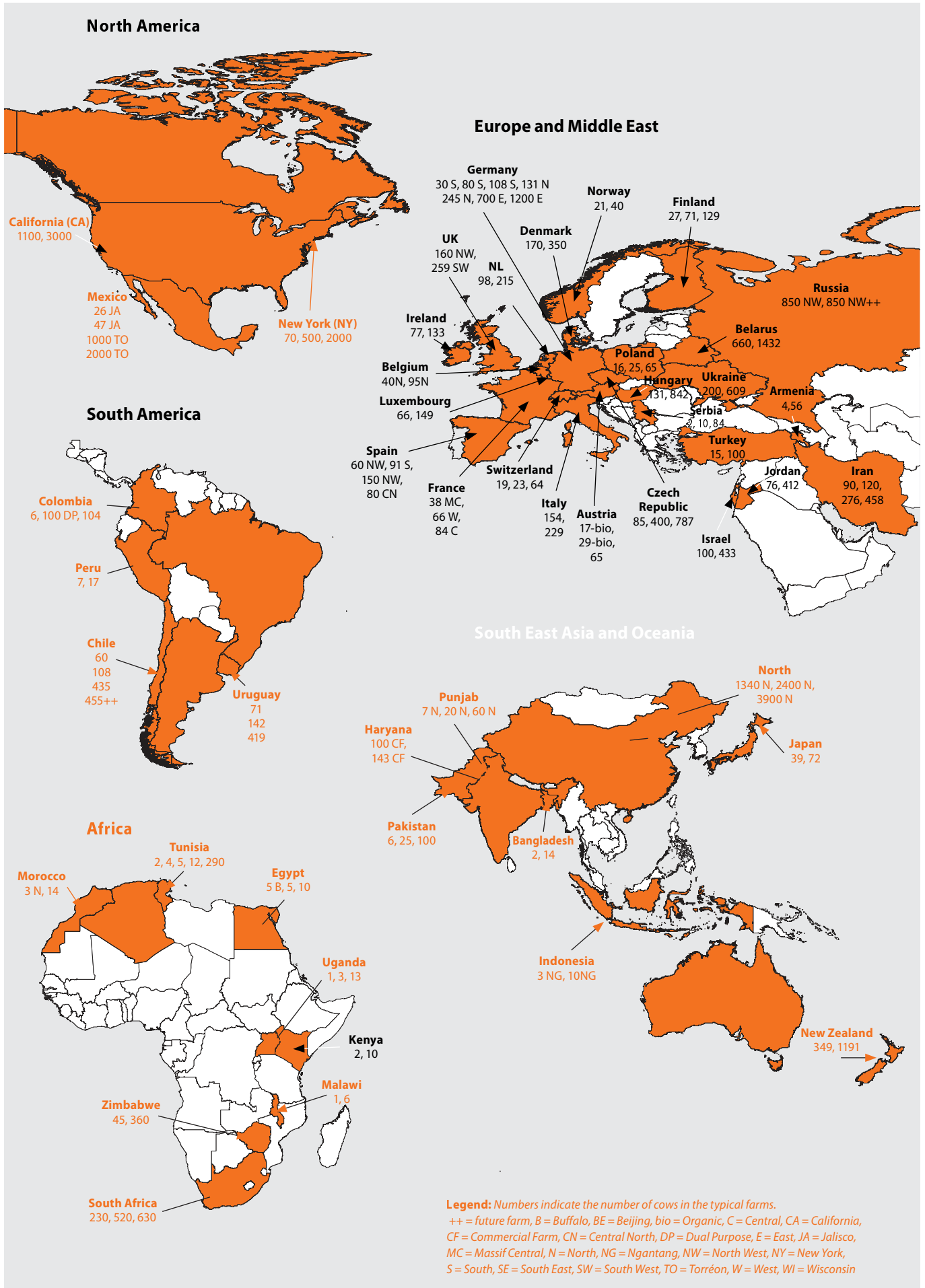
Which countries are participating in the IFCN Dairy Report activities in 2016?



■ 52 countries analysed in the Farm Comparison
■ +53 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
2016	52	105	146	Dairy sector & chain profile 1996-2015	Jun-16





About IFCN

The dairy world today

Today the dairy world is serving over 7 billion consumers and provides 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. Our core competence is in the field of milk production, milk prices and related economic topics.



How does IFCN operate?

IFCN creates a better understanding of the global dairy world. The IFCN – International Farm Comparison Network – started in 2000 with basics analytics. Step by step the knowledge bases are deepened and widen every year.

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

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 better solve challenges in the dairy world.

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 Partners 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.



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 and feed price trends and helpful IFCN Publications are presented 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 and strengthening your dairy economics profile in your country.
- 3. Companies:** IFCN provides dairy related companies such as milk processors and farm input companies a comprehensive and continuously updated picture of the dairy world. We help you develop your business.
- 4. Global and national organisations involved in policy-making for agriculture, environment and food supply:** IFCN provides comprehensive dairy knowledge to be used for your policy decisions and conferences.
- 5. Consumers:** IFCN illustrates milk-production, its fascinating diversity and value creation in rural areas.
- 6. Colleagues 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

IFCN stands for International Farm Comparison Network and is a global dairy research network.

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

Managing Director



Torsten Hemme

Dairy Sector Analysis



Łukasz Wyrzykowski



Barbara Siwirska



Hassan Ajini



Katrin Reincke



Muzaffar Yunusov



Karin Wesseling

Office Management



Sandra Bornhöft



Anna-Maria Wöhl

Dairy Farm Analysis



Amit Saha



Dorothee Bölling



Maria Schmeer



Andreas Schier



Rebecca Kühl



Elgin Giffhorn

Network Management



Anke Heyer



Christina Schreitling



Uliana Rusetska



Prashant Tripathi



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) and Torsten Hemme (Managing Director IFCN).



Anders Fagerberg
Chairman



Ernesto Reyes



Luc Morelon



Uwe Latacz-Lohmann



Olaf Rosenbaum



Torsten Hemme

Milk pricing systems and the farmer – processor cooperation



IFCN Dairy Conference 2016



<p>Monday, June 6 STATUS OF THE DAIRY WORLD</p>	<p>Tuesday, June 7 MANAGING THE DAIRY CRISIS</p>	<p>Wednesday, June 8 DAIRY OUTLOOK</p>
<p>IFCN Strategy and board report</p> <p>The Dairy world today</p> <ul style="list-style-type: none"> • The dairy world in the crisis: drivers and trends • World price development and transmission to national level • Panel discussion: Country effects and differences in responding to world market. <p>Dairy farm economics and risk analysis</p> <ul style="list-style-type: none"> • Global status of dairy farm economics in 2015/16 • Panel discussion: How did farms withstand the dairy crisis and what is the current state of play? <p>Dairy chain cooperation</p> <ul style="list-style-type: none"> • IFCN Key Dairy Processors • Milk pricing systems and cooperation with producers (Host presentation) <p>Network evening</p>	<p>Country perspectives</p> <ul style="list-style-type: none"> • Towards a producer price discovery system for SA (<i>K. Coetzee, South Africa</i>) • Toward A Global Dairy Trade Model (<i>M. Stephenson, USA</i>) • Safe milk production in india (<i>K. Sharma, India</i>) <p>Workshop session 1</p> <ul style="list-style-type: none"> • Milk pricing and farmer-processor cooperation <p>Workshop session 2</p> <ul style="list-style-type: none"> • Risk management for dairy farms in the future • Annual cost comparison 2016: details • Our role as researchers in the dairy crisis <p>Farewell evening</p>	<p>Dairy outlook</p> <ul style="list-style-type: none"> • Dilution of maintenance in the dairy industry in 2050 (<i>R. Cady, USA</i>) • IFCN Long-term Dairy Outlook – the dairy world in the next 10 years • IFCN Short-term Dairy Outlook 2016/17 • IFCN Strategy forward 2016/17 – The IFCN Dairy Research Network <p>Summing up and closing</p>



13th IFCN Supporter Conference, September 9 – 11, 2015 in Minneapolis, USA

What can the world learn from the US dairy industry? – What lessons can be learned from the global dairy developments?



IFCN Supporter Conference 2015



Tuesday, September 9 THE DAIRY WORLD IN 2015	Wednesday, September 10 LESSONS TO LEARN FROM US DAIRY INDUSTRY	Thursday, September 11 DAIRY OUTLOOK
<p>Pre Conference</p> <p>Understanding industry needs towards IFCN</p> <ul style="list-style-type: none"> • IFCN- The company and their products • IFCN Monthly Real Time Farm Economics – new development in the tool <p>Official start of the conference</p> <ul style="list-style-type: none"> • Welcome to the 13th IFCN Supporter Conference and Welcome from the State of Minnesota <p>The dairy world today</p> <ul style="list-style-type: none"> • The dairy world in 2015 • Dairy Farm Economics 2014 and development trends 2000 – 2015 • Monthly real time farm economics • Drivers of the dairy world 2025 <p>Network evening</p>	<p>The US Dairy Industry</p> <ul style="list-style-type: none"> • A look backwards – 90 years of US dairy 1924 – 2014 (<i>R. Cady, Elanco</i>) • The present – Where is the US dairy industry today & what topics matter (<i>M Stephenson, University Wisconsin</i>) <p>Price volatility and risk management in the dairy chain</p> <ul style="list-style-type: none"> • Dairy processors perspective & experiences (<i>K. Bailey, Darigold Inc</i>) • Dairy farmers perspective & experiences (<i>M. Ledman, Daily Dairy Report</i>) • Food service or retailer perspective & experiences (<i>B. Tran, Starbucks</i>) <p>Dairy farm visit</p> <p>Networking evening</p>	<p>Global perspectives of milk production</p> <ul style="list-style-type: none"> • Farm input company perspective (<i>R. Sirolli, Cargill</i>) • IFCN Baseline 2025 – How will the dairy world look like in 10 years? • IFCN Outlook for 2015/2016 – How will the dairy world look in the next 15 months? <p>Reporting session</p> <p>Summing up and closing</p>





IFCN Regional Workshop 2015



Tuesday, November 24

INDIAN DAIRY EXPERIENCE

Field trip

- Visit an indigenous dairy farm
- Walk the Taj Mahal and Agra
- Visit to a buffalo farm
- Highlight of Indian dairy value chain – milk collection center and milk vending supermarket

Networking event

Wednesday, November 25

INTERACTIVE SESSION

Dairy vision 2025

- The dairy world in 2025
- Dairy farming in India (*W. Forward, Yes Bank*)
- Dairy India 2015 – processor's perspective (*A. Sharma, Nestlé India*)

Sustainable dairy farming system in India – drivers and constraints

- India dairy farming systems and its competitiveness
- Dynamics of dairy farming in India
- Case study of a progressive dairy farmer in India
- Working groups on constraints for different farm types

Presentation of the results and sum up of the workshop



2nd IFCN Dairy Economic Workshop – April 14 – 15, 2016 in Kiel, Germany



IFCN Dairy Economic Workshop 2016

Thursday, April 14

INTRODUCTION TO DAIRY ECONOMICS

- Dairy farm analysis - Farm economics across the globe
- Dairy sector analysis - How does the global dairy world look like?
- Workshop session: Developing strategies

Networking event

Friday, April 15

CURRENT SITUATION AND ANALYSIS

- Farm structure - What's behind the segments?
- Dairy farm economics – Current situation and how to predict the dairy future?
- Company case studies - Learn how to address strategic development questions

Presentation for the results and sum up of the workshop

Optional IFCN Product Training





USA

Chapter 1 – Comparison of the typical farms 2015

Authors: Dorothee Boelling, Amit Saha, Maria Schmeer, Rebecca Kühn and Andreas Schier
with contribution from researchers mentioned on page 2-3 of this report

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1.5	Cost of milk production on larger farms per country 2015	23	1.15	Cost component: Feed	41
1.6	Description of the dairy farms analysed	24	1.16	Cost component: Labour	42
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1. Recovery of world milk prices

can happen in 2016 – (careful on words can ≠ will; and recovery does not mean at this point 40 €/46\$/100 kg)

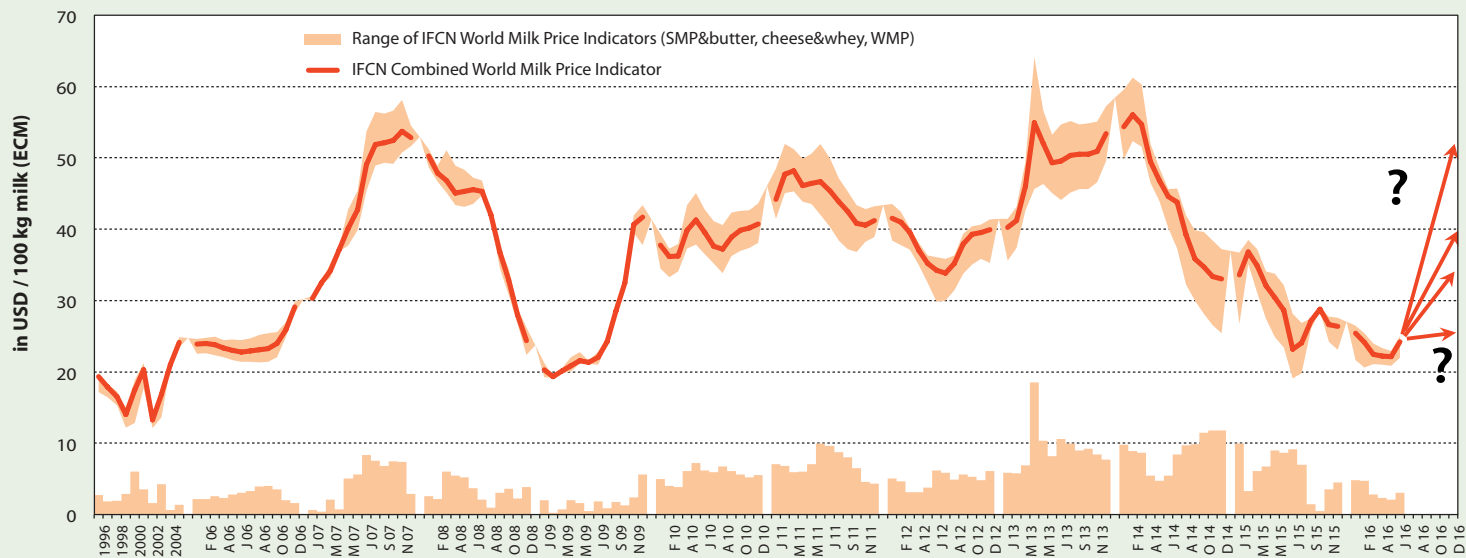


Chapter 2 – Global monitoring dairy economic indicators 1996 – 2015

Authors: Muzaffar Yunusov, Łukasz Wyrzykowski, Hassan Ajini, Barbara Siwirska and Katrin Reincke with the contribution from researchers mentioned on page 2–3 of this report

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IFCN Combined World Milk Price Indicator



IFCN Combined World Milk Price Indicator: weighted average of 3 IFCN World Milk Price Indicators: 1. SMP & butter (35%), 2. Cheese & whey (45%), 3. WMP (20%)



4th IFCN Regional Workshop, India, hosted by



Chapter 3 – Dairy sector and chain profile

Authors: Katrin Reincke, Łukasz Wyrzykowski, Hassan Ajini, Barbara Siwirska and Muzaffar Yunusov with the contribution from researchers mentioned on page 2-3 of this report

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Bangladesh

Chapter 4 – Methods applied in IFCN Analyses

Authors: IFCN

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