CURIOS? YOU SHOULD BE!

THE DAIRY WORLD 2017 vs. 2030

Milk production:
+ 304 mill t
Approx. 3 times of the current USA milk supply

Milk production per farm:
+ 54%

Per capita milk consumption:
+ 16%

Average milk yield:
+ 23%

Until 2030, global population will increase by 16% to 8.7 billion people, so 1.2 billion more consumers will demand milk products.
Today the dairy world is serving over 7 billion consumers and providing livelihoods for approximately 1 billion people involved in the dairy chain. The dairy sector with its complexity entails great challenges due to its high rate of significant changes, influenced by economic and political decisions and drivers.

In response to this, IFCN aims to answer upcoming questions concerning the development of the dairy world in the next 13 years and its crucial structural changes. The aim of producing a long-term outlook is to provide all stakeholders of the dairy value chain with a clearer understanding of future developments in the dairy sector.
FUTURE DRIVERS OF THE DAIRY WORLD

ABSOLUTE VOLUME CHANGE IN WORLD MILK PRODUCTION 2017 vs. 2030

DAIRY WORLD METRICS 2007 / 2017 / 2030

<table>
<thead>
<tr>
<th>World</th>
<th>Unit</th>
<th>2007</th>
<th>2017*</th>
<th>2030</th>
<th>Change 2030 vs 2017</th>
<th>Absolute</th>
<th>%</th>
<th>CAGR %/year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Milk supply and demand</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Milk production = milk demand**</td>
<td>mill l ECM</td>
<td>696</td>
<td>864</td>
<td>1188</td>
<td></td>
<td>304</td>
<td>35%</td>
<td>2.3%</td>
</tr>
<tr>
<td>World trade</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Excl. EU-28 intra trade***</td>
<td>mill l ECM</td>
<td>36</td>
<td>55</td>
<td>95</td>
<td></td>
<td>40</td>
<td>73%</td>
<td>4.3%</td>
</tr>
<tr>
<td>Supply drivers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of milk animals</td>
<td>mill head</td>
<td>332</td>
<td>372</td>
<td>417</td>
<td></td>
<td>45</td>
<td>12%</td>
<td>0.9%</td>
</tr>
<tr>
<td>Average milk yield</td>
<td>t / milk animal / year</td>
<td>2.0</td>
<td>2.2</td>
<td>2.7</td>
<td></td>
<td>0.5</td>
<td>23%</td>
<td>1.6%</td>
</tr>
<tr>
<td>Farm number</td>
<td>mill</td>
<td>119</td>
<td>118</td>
<td>104</td>
<td></td>
<td>-14.0</td>
<td>-12%</td>
<td>-1.0%</td>
</tr>
<tr>
<td>Average farm size</td>
<td>head / farm</td>
<td>2.8</td>
<td>3.1</td>
<td>4.0</td>
<td></td>
<td>0.9</td>
<td>29%</td>
<td>2.0%</td>
</tr>
<tr>
<td>Demand drivers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Population</td>
<td>billion</td>
<td>6.6</td>
<td>7.5</td>
<td>8.7</td>
<td></td>
<td>1.2</td>
<td>16%</td>
<td>1.1%</td>
</tr>
<tr>
<td>Dairy consumption per capita</td>
<td>kg ME/ capital / year</td>
<td>104</td>
<td>116</td>
<td>135</td>
<td></td>
<td>19</td>
<td>16%</td>
<td>1.2%</td>
</tr>
</tbody>
</table>

Explanations:
Results based on scenario 1 (High milk demand due to consumer preferences and beneficial political and economic situation)
* Preliminary data of year 2017, partly estimated
** Small deviations of total supply and demand due to changes in stocks
*** Reexporting volume traded from surplus countries; imports from net exporters not included
ECM: Energy corrected milk (standardised to 4% fat and 3.3% protein)
ME= Milk equivalents, method: “fat and protein only”
CAGR= Compound Annual Growth Rate
Status of data: 03/2018
The main assumption of the outlook is a long-term balance of supply and demand. Firstly, IFCN determines the two most relevant drivers of the dairy world, with which a scenario matrix is constructed. Secondly, IFCN selects the most probable scenario. Coupled with this, different assumptions are implied. The scenario assumes positive consumer preferences in terms of milk and favorable policies facilitating peace, open trade and a positive level of GDP.

Based on the mentioned assumptions, an iterative world supply/demand equilibrium modeling process is run to determine a world price level that will allow milk production on a level to cover demand. Thus, diverse data from around 200 countries, describing the dairy world for the next 13 years, are generated.

**Database coverage:**
- 1996-2030 years data
- Over 200 countries included
- More than 50 data indicators
- Excel format
- Ready to use charts

**Main variables:**
- Milk production by cows and yield
- Milk delivered to processors
- Dairy farm numbers and size
- Milk demand per capita and no. people
- Milk export and import volume

**YOUR BENEFITS TO BE A STEP AHEAD IN:**
- Market segmentation
- Strategic planning
- Better decision in future
- Market size estimation
- Business development
- And much more...

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