

World Dairy Situation Report, 2013

The World Dairy Situation¹

¹ Summary report on IDF Bull. 470/2013 World Dairy Situation 2013 available from IDF www.fil.idf.org

Introduction

The 2013 World Dairy Situation report was launched at the 2013 World Dairy Summit in Yokohama, Japan. As always it provides a general survey of the global dairy industry in the previous year. This year the team attempted to add some newer information to the report. The complete report is available from the International Dairy Federation. In this article a general overview of the report is provided.

Milk Production

Cows' milk production represents 83% of total milk production. It grew by 2,1% to 637 million tonnes in 2012, slower than the 2,7% growth experienced during 2011. The major milk producing countries are listed in Table 1.

Table 1: Cows milk production per country, 2012

Country	Milk production 2012 (mil. tonnes)	Share in total cows milk production (%)	Annual growth 2011 – 2012 (%)
EU-27	152.0	23.9%	0.0
United States	90.9	14.3%	+2.1
India	60.1	9.4%	+4.7
China	37.4	5.9%	+2.4
Brazil	33.7	5.3%	+2.0
Russia	31.9	5.0%	+0.9
New Zealand	20.6	3.2%	+8.5
Turkey	16.0	2.5%	+15.8
Pakistan	13.9	2.2%	+3.8
Argentina	11.7	1.8%	+1.2
Mexico	11.3	1.8%	+2.1
Ukraine	11.1	1.7%	+2.6

Source: IDF World Dairy Situation 2013

Various factors such as a drought in New Zealand, a longer winter in Europe and the effect of the recession resulted in lower production in the first half of 2013, especially in major dairy exporting countries such as New Zealand. Production growth during the first half of 2013 is shown in Table 2.

Table 2: Milk production growth in selected countries, 2013

Country	Period	Growth 2012 – 2013 (%)
Argentina	Jan-Mar	-9.6%
Australia	Jan - Jul	-6.5%
Belarus	Jan - Jul	-0.4%
New Zealand	Jan - Aug	1.3%
Ukraine	Jan - Aug	1.1%
USA	Jan - Jul	0.5%

Source: IDF World Dairy Situation 2013

All the countries shown in table 2 are major exporting countries.

Dairy processing

Four hundred and five million tonnes of milk (63.5% of total production) is delivered to dairies for further processing. The EU processes the largest quantity of milk, followed by the United States, China, Brazil, New Zealand and Russia, with India not ranked. Milk delivered increased by 1,8% from 2011 to 2012. The total production of dairy products increased in 2012. Liquid milk production increased by 3,6%, butter production by 3,3%, cheese by 2,2% and milk powder by 4,9%. The production of dairy ingredients such as whey and caseins increased during 2012.

Dairy industry

The depreciation of dairy product prices on markets resulted in a decrease in the turnover of most major dairy companies in 2012. The 20 top dairy companies are shown in Table 3. Various mergers and acquisitions took place during 2012 and in the first half of 2013.

Table 3: Major international dairy companies, 2012

Rank	Company	Country	Turnover 2012 (Bn. US\$)
1	Lactalis	France	20,2
2	Nestlé	Switzerland	19,8
3	Fonterra	New Zealand	15,8
4	Danone	France	15,0
5	Friesland Campina	Netherlands	13,2
6	DFA	USA	12,1
7	Dean Foods	USA	11,5
8	Arla Foods	Denmark	10,9
9	Meiji Dairies	Japan	7,5
10	Moringa Milk	Japan	7,2
11	Saputo	Canada	7,2
12	Yili	China	6,7
13	Muller	Germany	6,0
14	Lala	Mexico	6,0
15	Mengniu	China	5,7
16	DMK	Germany	5,7
17	Sodiaal	France	5,6
18	Bongrain	France	5,2
19	Land O'Lakes	USA	4,2
20	Glanbia	Ireland	3,9

Dairy consumption

World milk consumption increased by 2,2% in 2012 to 770 million tonnes. Strong demand has resulted in a decrease in world stock levels to the lowest level in three years. The growth in dairy consumption is driven by higher per capita consumption and population growth. Asia accounts for a major share of total dairy consumption followed by the EU and North America. The percentage distribution of dairy consumption in 2012 is shown in Figure 1.

International dairy trade

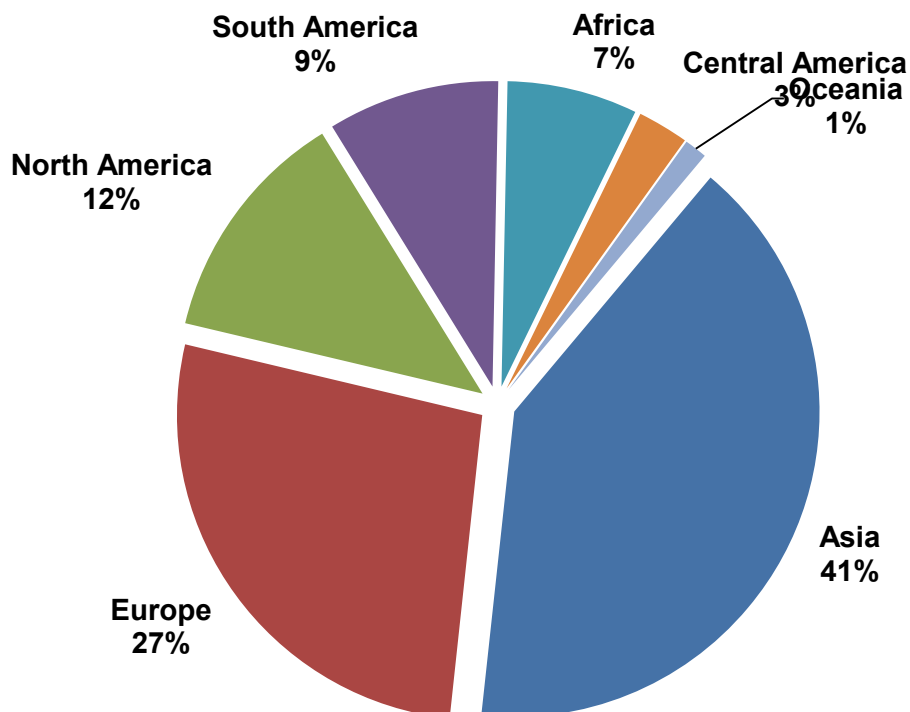
In 2012, 61,9 million tonnes in milk equivalent was traded between countries. This is 9% of total milk production. Trade growth has accelerated in recent years and will probably continue as the major consumer areas will not manage to produce enough milk for own use. Major dairy trading

countries are shown in Figure 2. The share of the EU in total dairy trade continues to decrease while the share of New Zealand and Australia increases.

Conclusion

Global milk production is growing. The demand for dairy products is driven by population growth as well as the growth in per capita consumption. The major consumer countries will not be able to produce enough milk for own use in the next decade. The global market for dairy products will thus continue to grow.

Figure 1: Global dairy consumption per region, 2012



Source: IDF World Dairy Situation, 2013

Figure 2: Major international dairy exporters, 2012

