

# IFCN

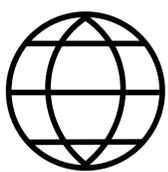
## Dairy Outlook 2030



### CURIOUS? YOU SHOULD BE!



#### THE DAIRY WORLD 2017 vs. 2030



**Milk production:**

**+ 304 mill t**

Approx. 3 times of the current USA milk supply



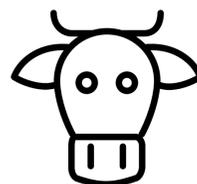
**Milk production per farm:**

**+ 54%**



**Per capita milk consumption:**

**+ 16%**



**Average milk yield:**

**+ 23%**



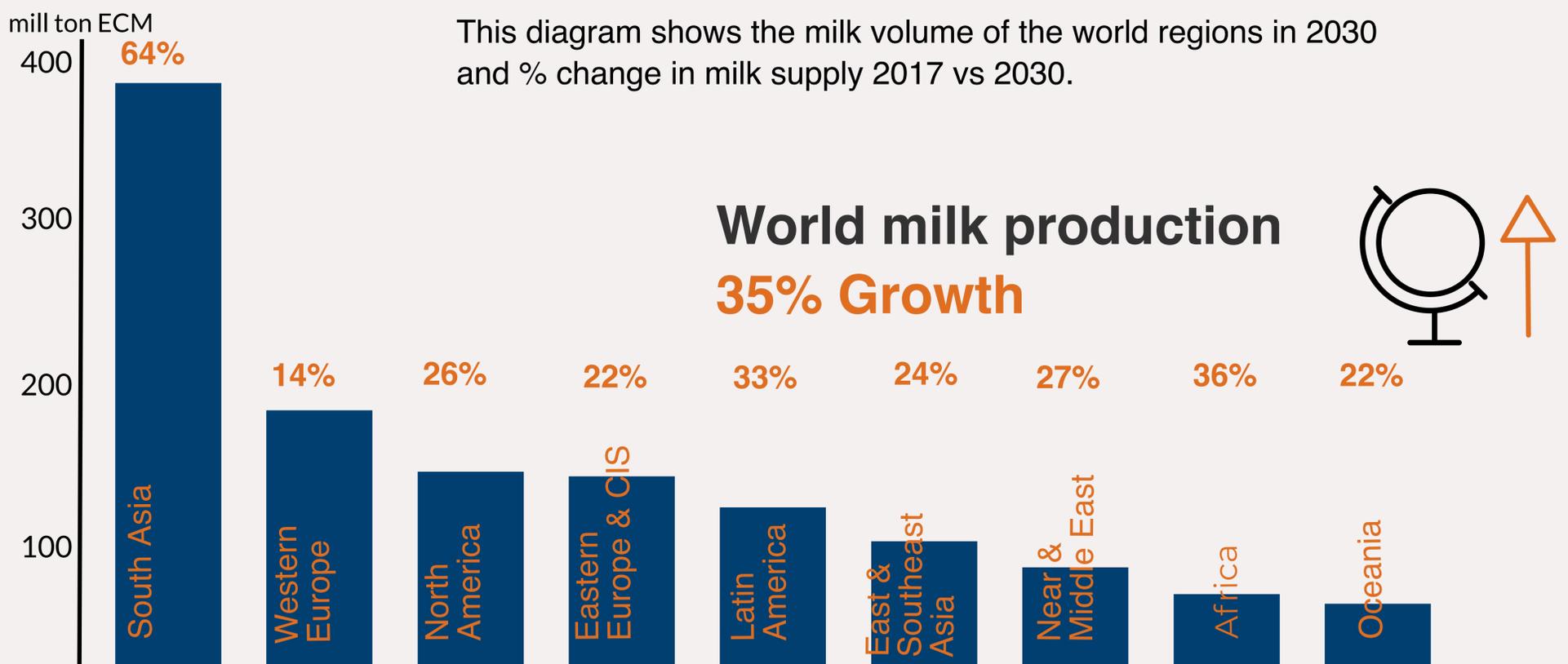
Until 2030, global population will increase **by 16%** to 8.7 billion people, so **1.2 billion more consumers** will demand milk products.

# KNOWLEDGE GIVES YOU A HEAD START

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.

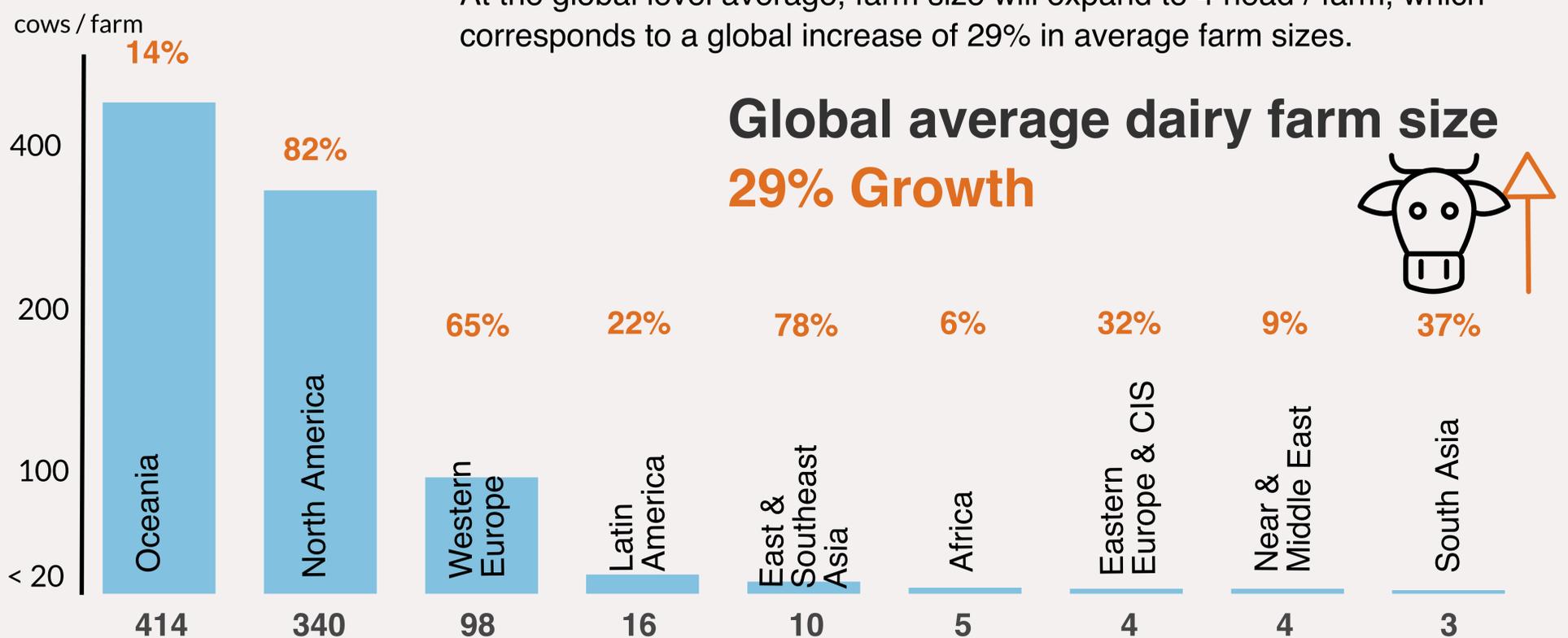
## WORLD MILK PRODUCTION BY REGIONS



## DAIRY FARM NUMBERS AND SIZE

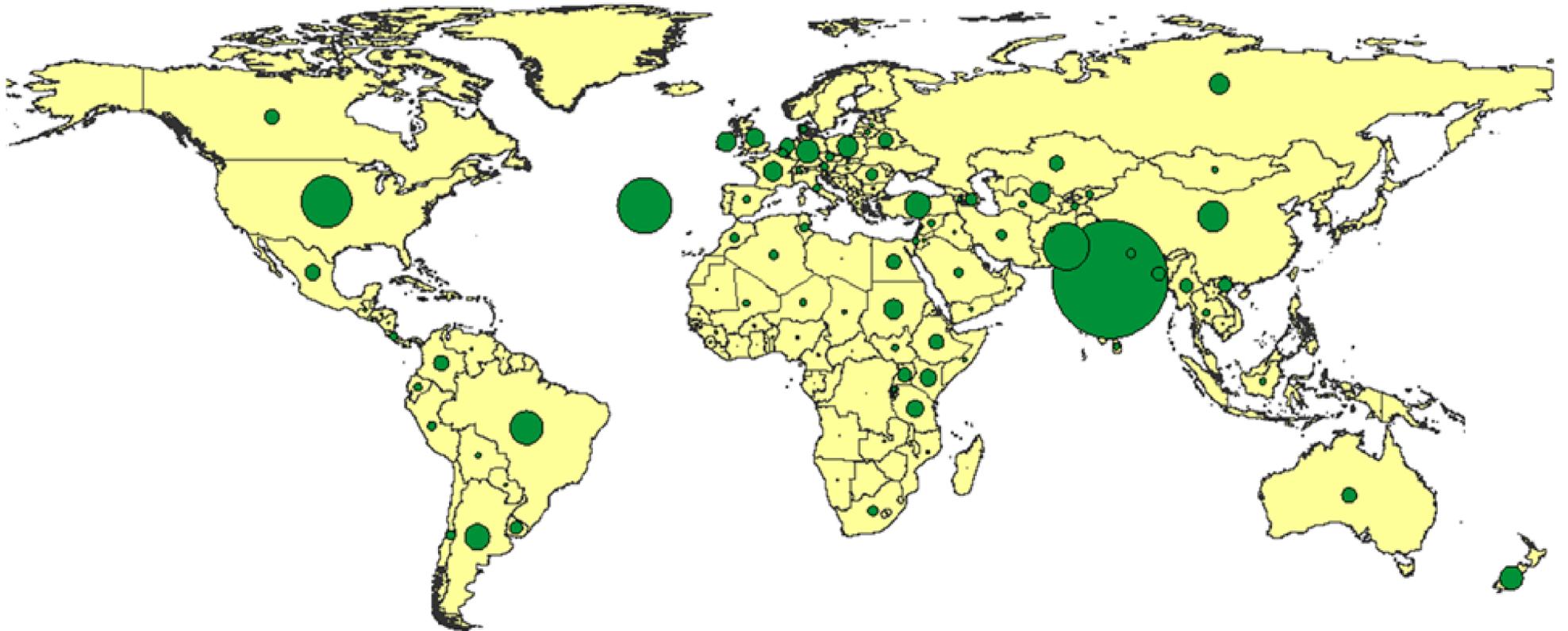
In the next 13 years, the number of dairy farms will decrease to 104 mill, hence 14 mill farm will be lost.

At the global level average, farm size will expand to 4 head / farm, which corresponds to a global increase of 29% in average farm sizes.



# FUTURE DRIVERS OF THE DAIRY WORLD

## ABSOLUTE VOLUME CHANGE IN WORLD MILK PRODUCTION 2017 vs. 2030



## DAIRY WORLD METRICS 2007 / 2017 / 2030

World	Unit	Annual values			Change 2030 vs 2017		
		2007	2017*	2030	Absolute	%	CAGR %/year
<b>Milk supply and demand</b>							
Milk production ≈ milk demand**	mill t ECM	696	864	1168	304	35%	2.3%
<b>World trade</b>							
Excl. EU-28 intra trade***	mill t ECM	36	55	95	40	73%	4.3%
<b>Supply drivers</b>							
Number of milk animals	mill head	332	372	417	45	12%	0.9%
Average milk yield	t / milk animal / year	2.0	2.2	2.7	0.5	23%	1.6%
Farm number	mill	119	118	104	-14.0	-12%	-1.0%
Average farm size	head / farm	2.8	3.1	4.0	0.9	29%	2.0%
<b>Demand drivers</b>							
Population	billion	6.6	7.5	8.7	1.2	16%	1.1%
Dairy consumption per capita	kg ME/ capita/ year	104	116	135	19	16%	1.2%

**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

\*\*\* Representing 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

# A GLIMPSE OF THE FUTURE OF THE DAIRY MARKET

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.

## GET MORE DETAILS ABOUT THE IFCN DAIRY OUTLOOK 2030

### YOUR BENEFITS TO BE A STEP AHEAD IN:



**Market segmentation**



**Market size estimation**



**Strategic planning**



**Business development**



**Better decision in future**



**And much more...**

#### 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

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