



European and world market trends

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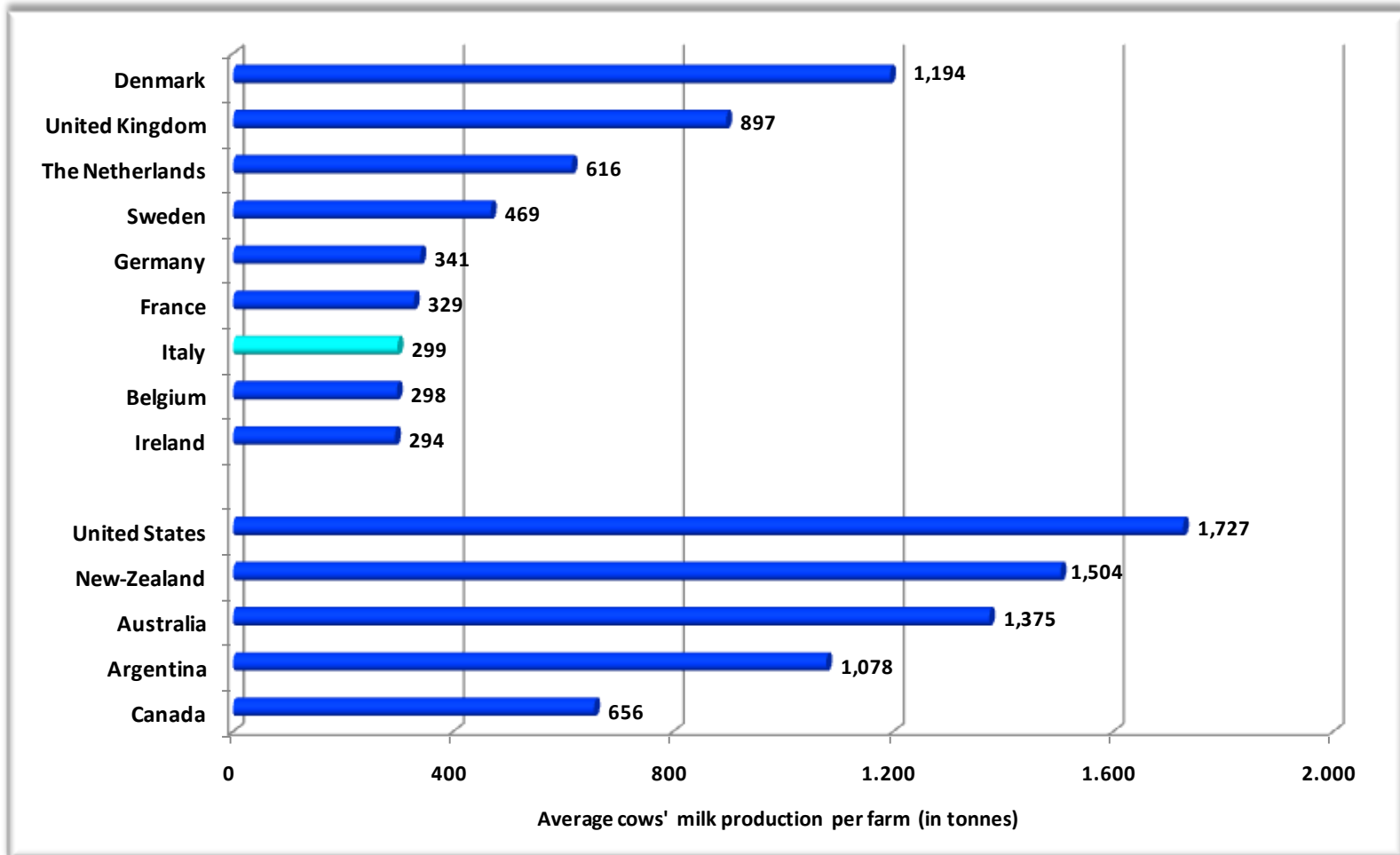
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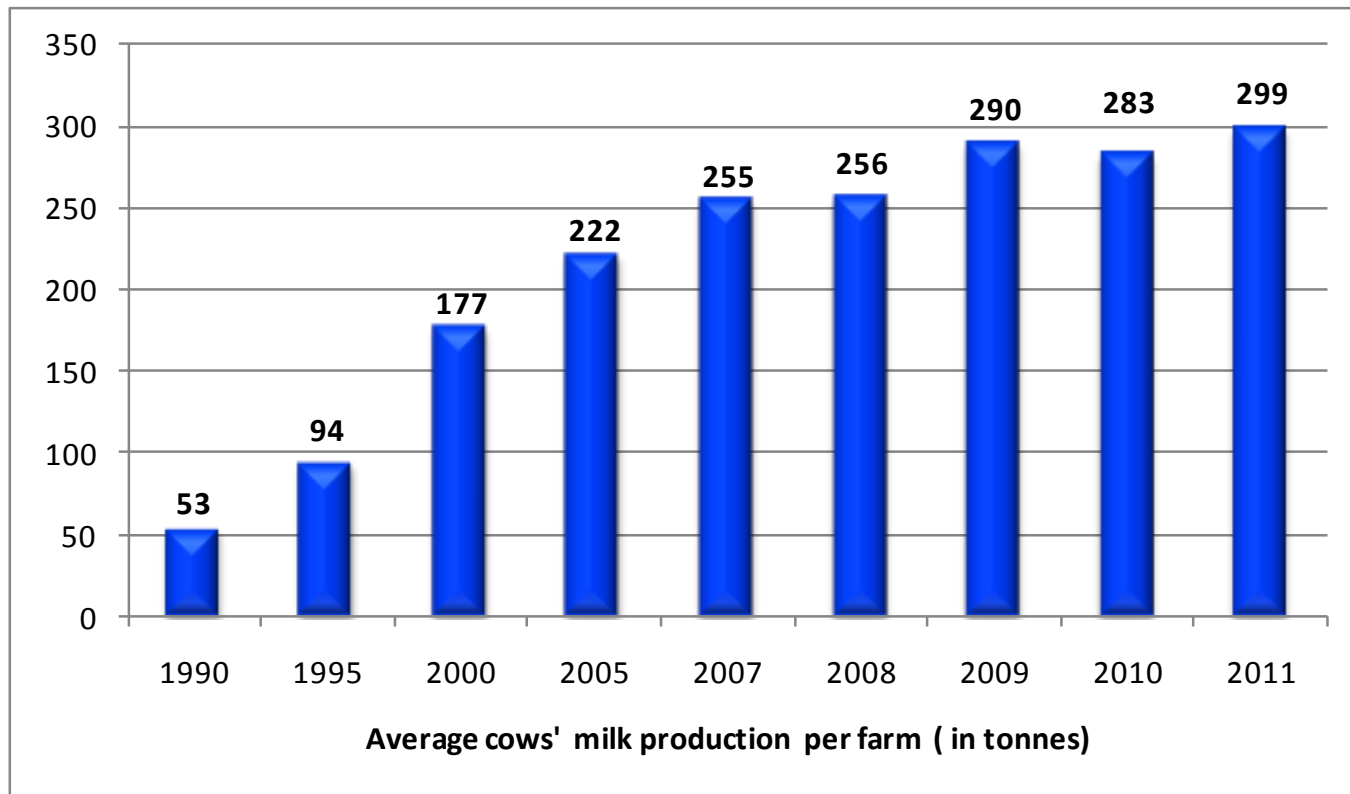


Average milk production per farm in the EU and third countries (2011)



Size Italian dairy farms above EU average

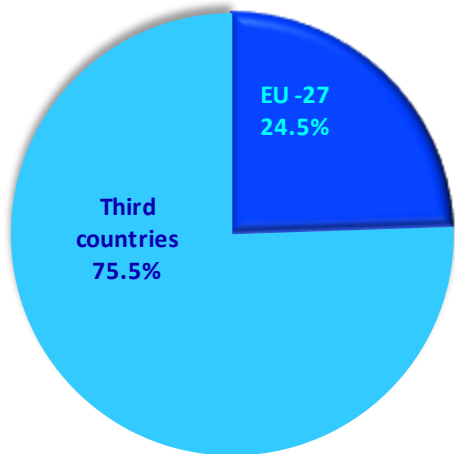
Development average milk production per farm in Italy (1990-2011)



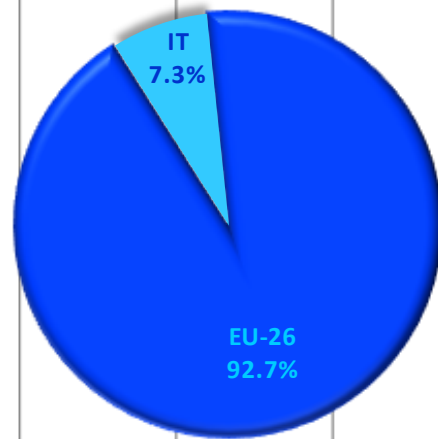
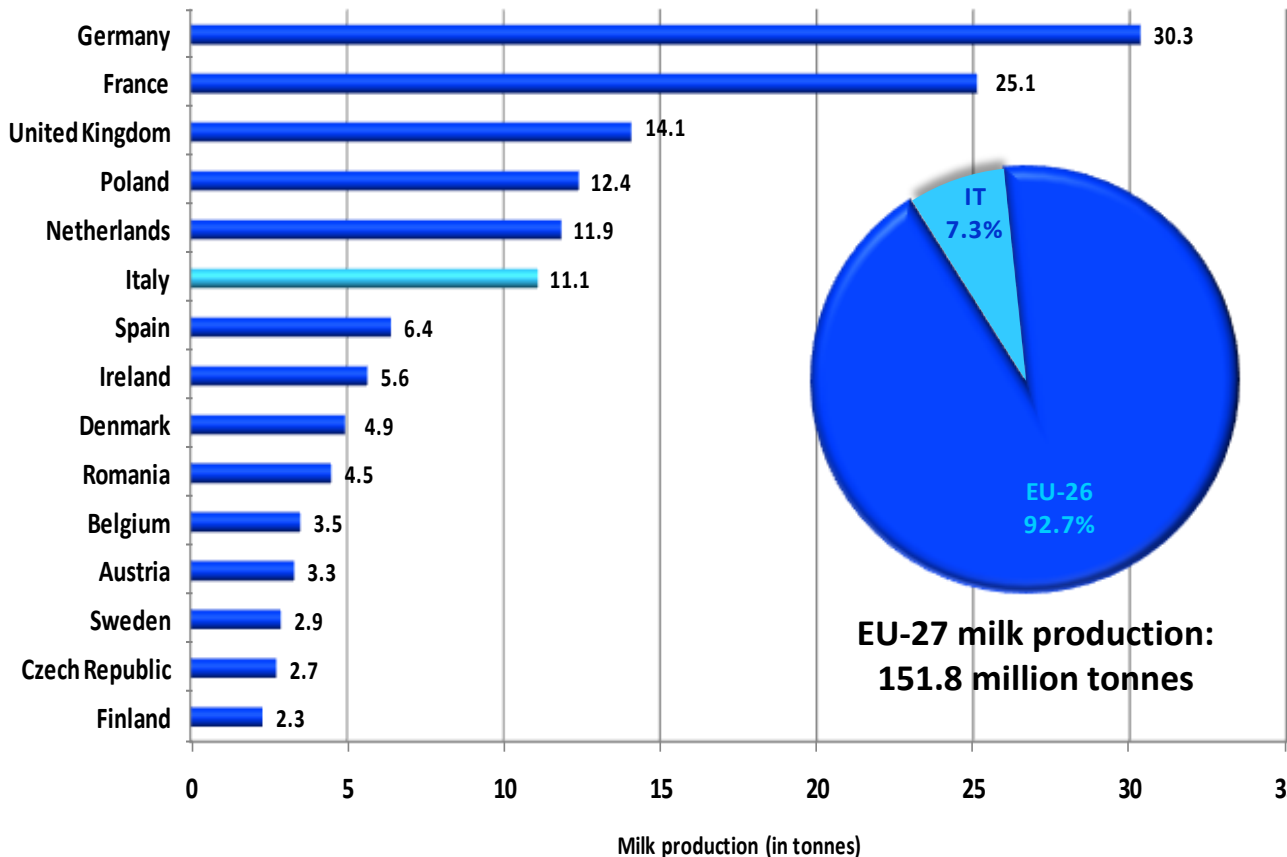
Dairy farms are getting bigger, but slowed down recently



Italian milk production in international context (2011)



**World milk production:
620.7 million tonnes**



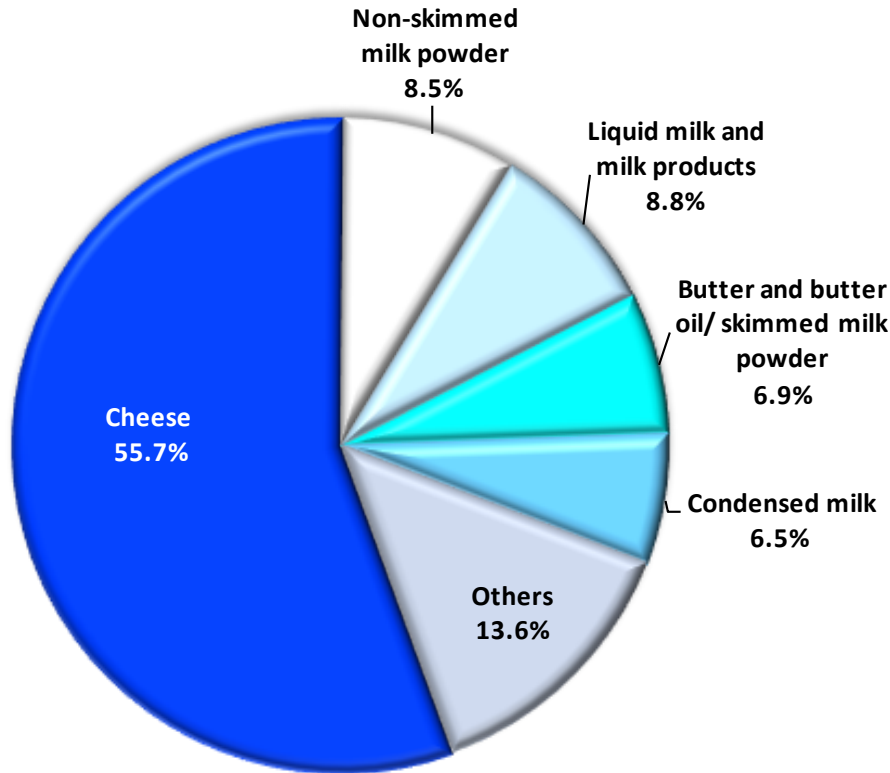
**EU-27 milk production:
151.8 million tonnes**

Italy is one of the largest EU milk producing countries

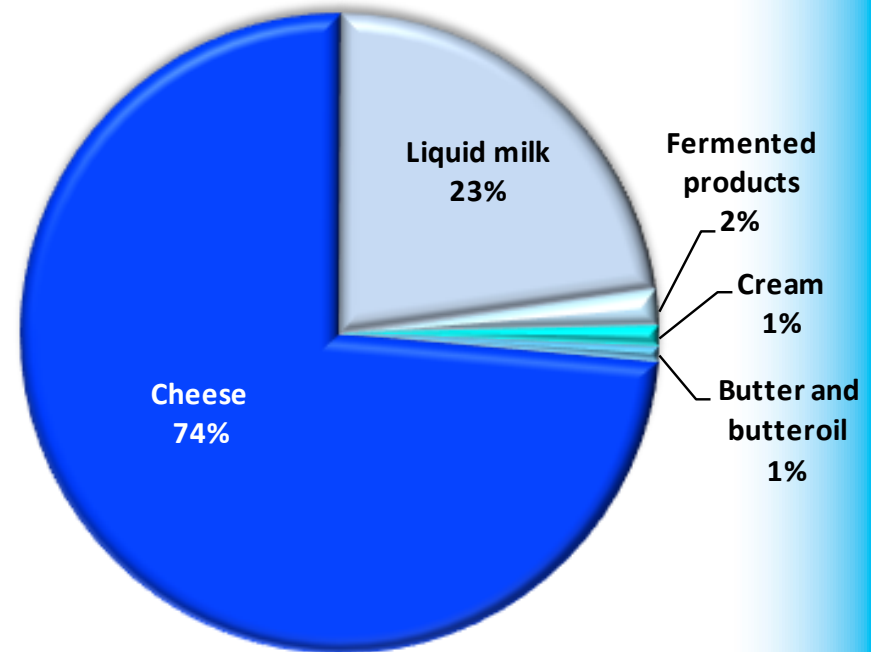


Dutch and Italian dairy production compared (in milk equivalents, 2011)

The Netherlands



Italy

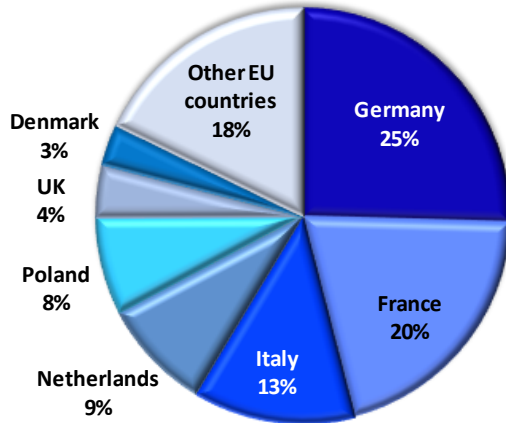


Dutch dairy processing more diverse; Italy more specialized

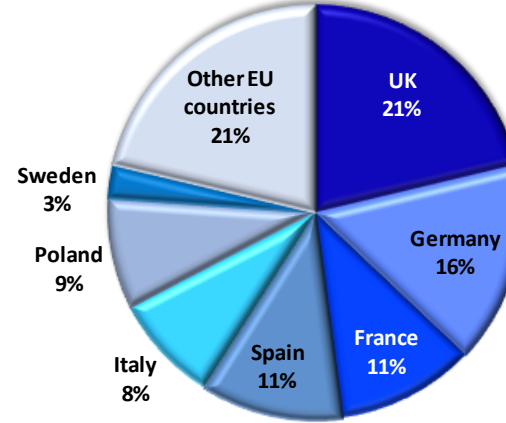


Production Italy in EU Perspective (2011)

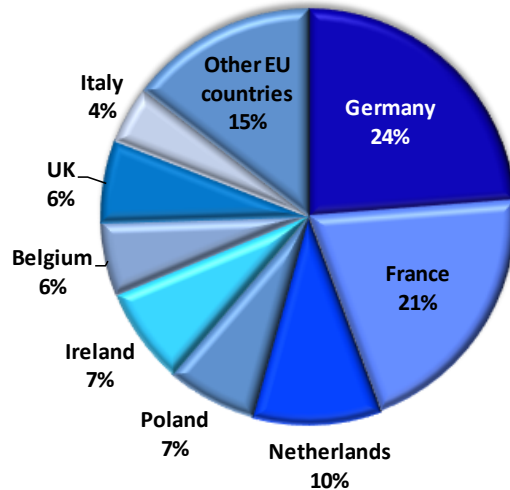
Cheese: 8.6 million tonnes



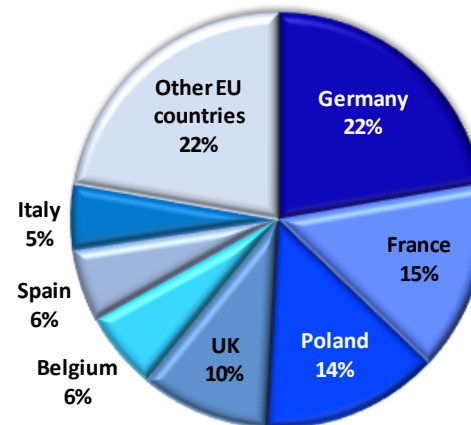
Liquid milk: 33.2 million tonnes



Butter and butteroil: 2.0 million tonnes



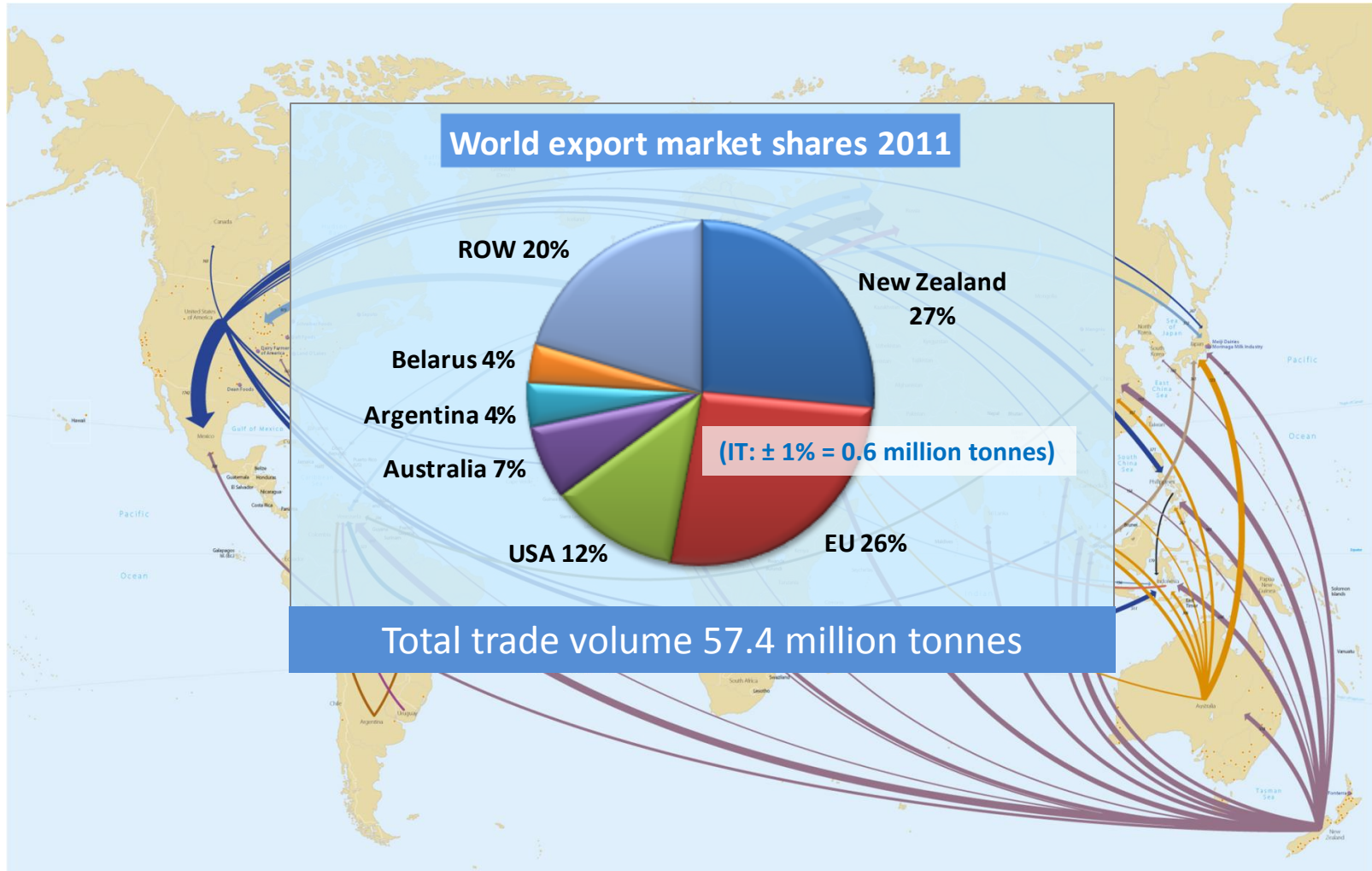
Cream: 2.5 million tonnes



Italy focuses on cheese and liquid milk production

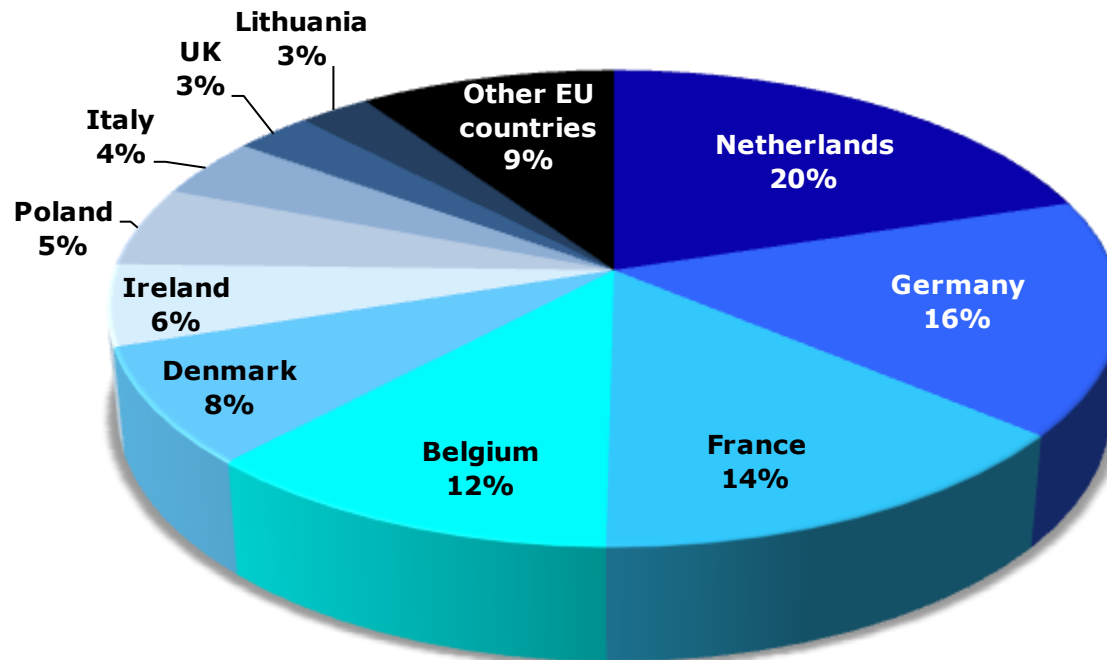


Position of Europe (and Italy) in the world dairy trade (2011)





Major exporters EU-27 (milk equivalents, 2011)

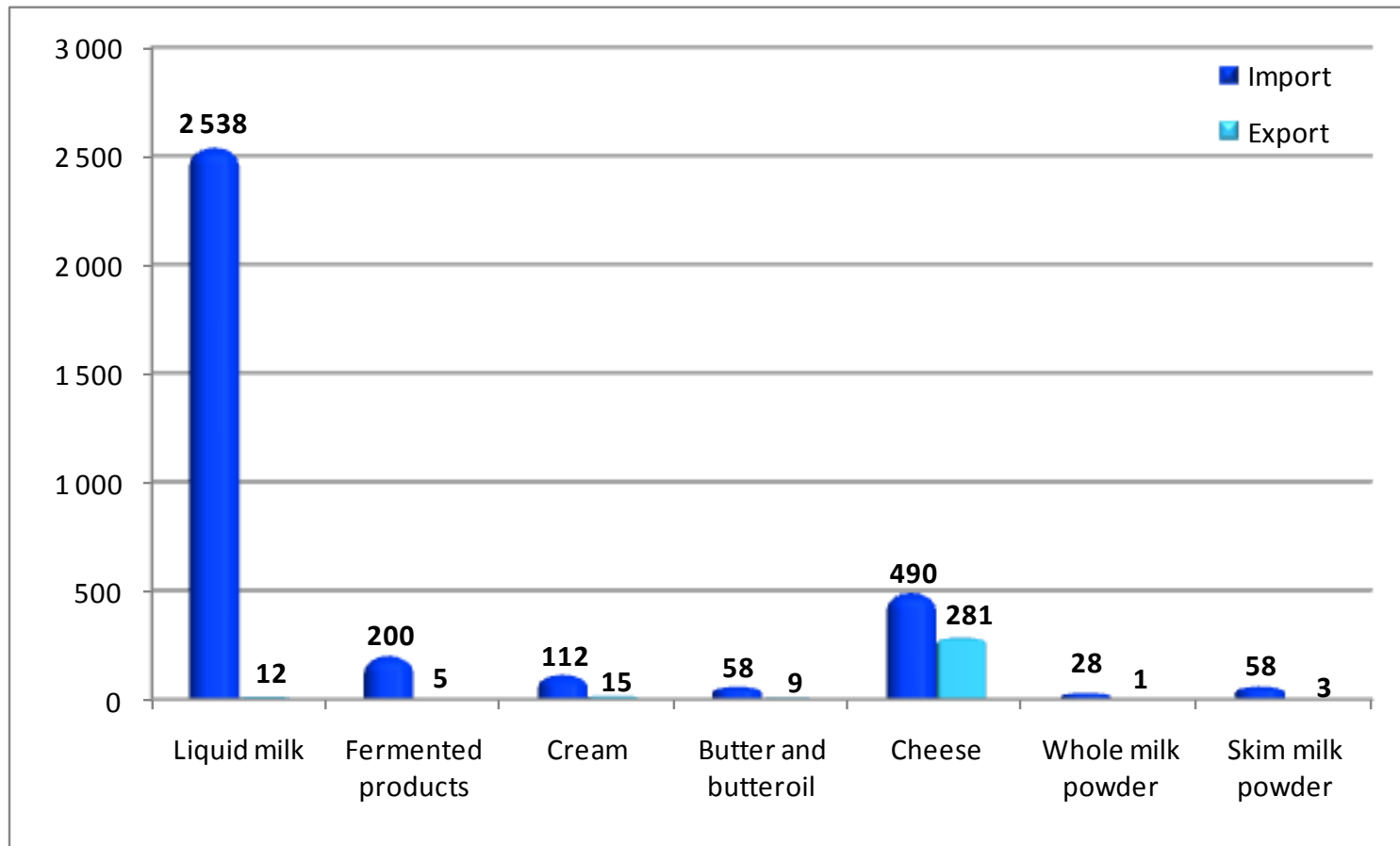


Total export volume: 15.2 million tonnes

Italy is at the tail end of the procession



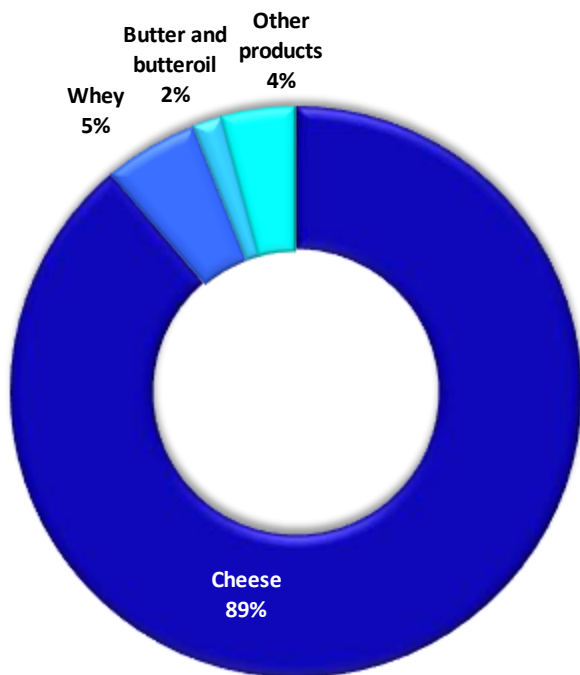
Trade position (x 1,000 tonnes)



Italy is a net importer of dairy

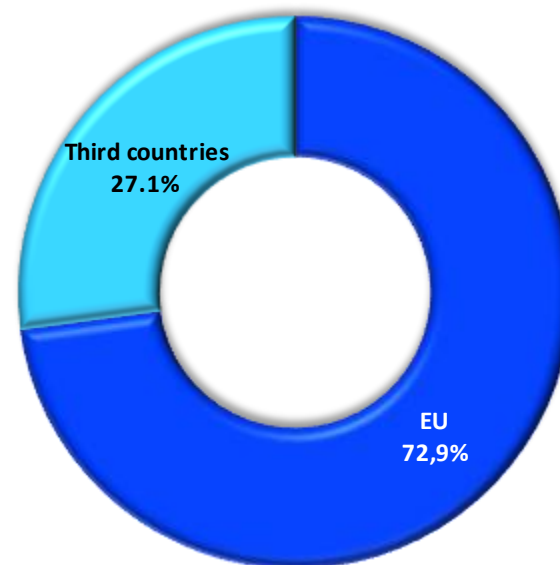


Italian dairy exports (in value, 2011)



Products

Total value: 2.1 billion



Orientation

90% of export value is cheese



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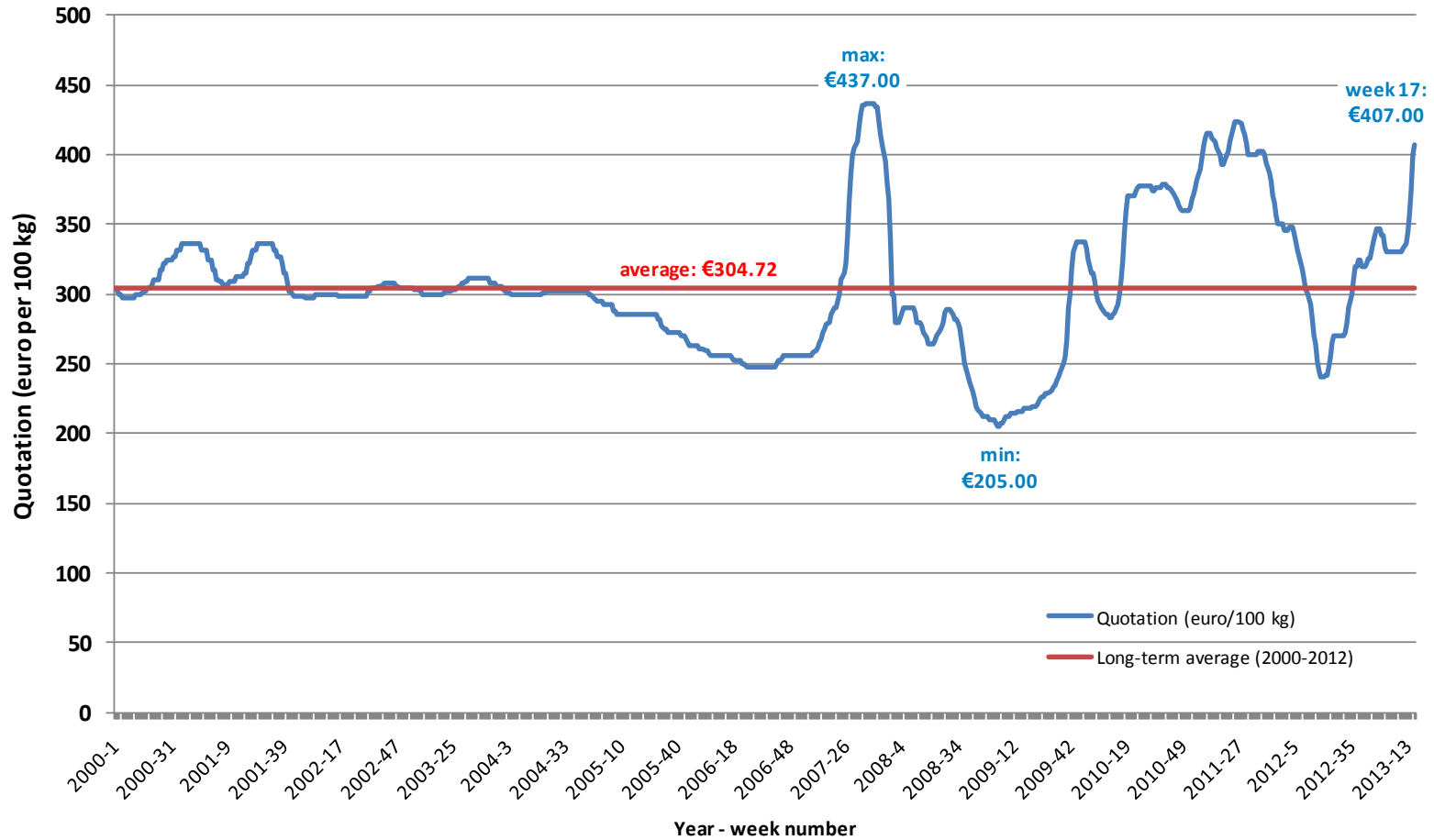
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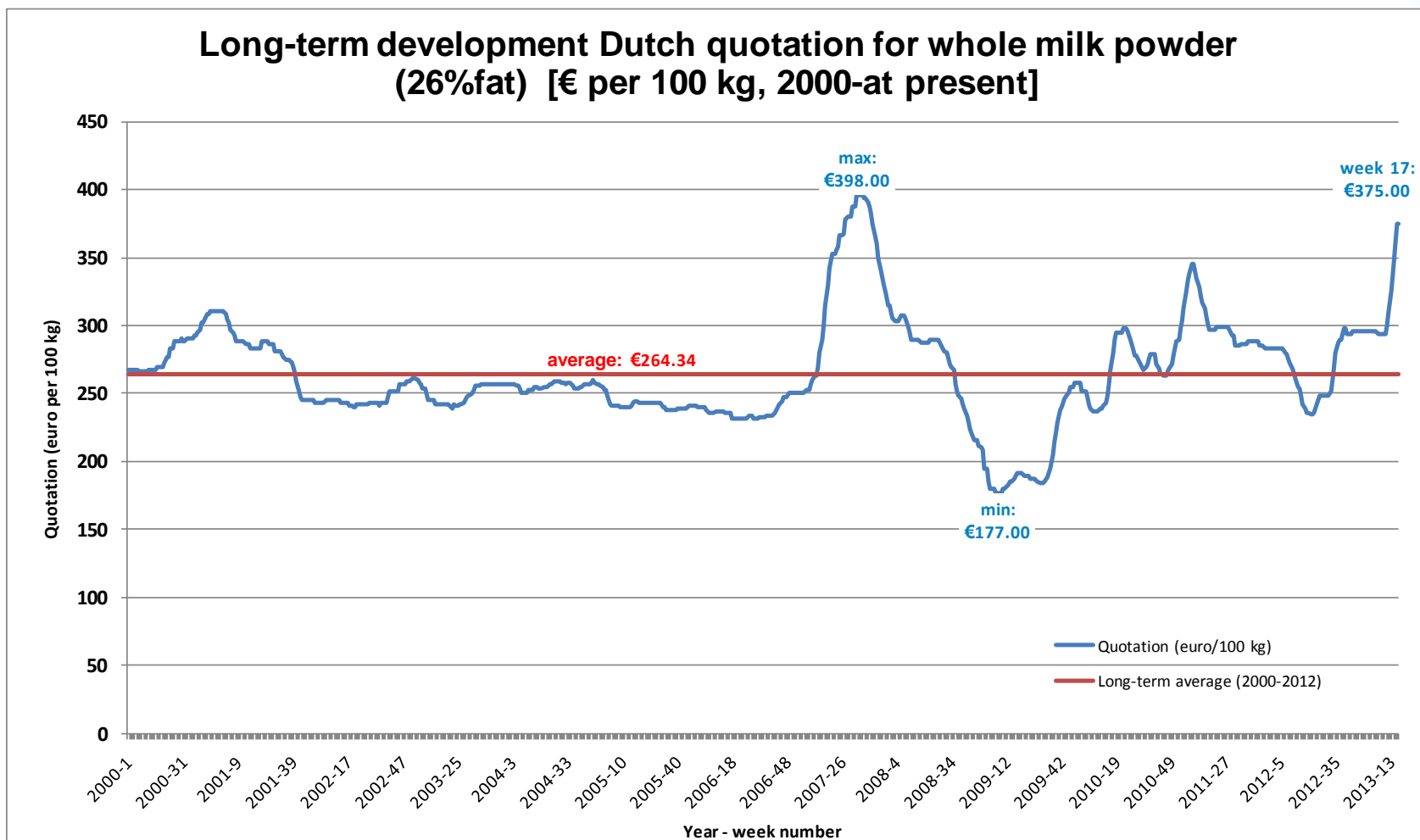




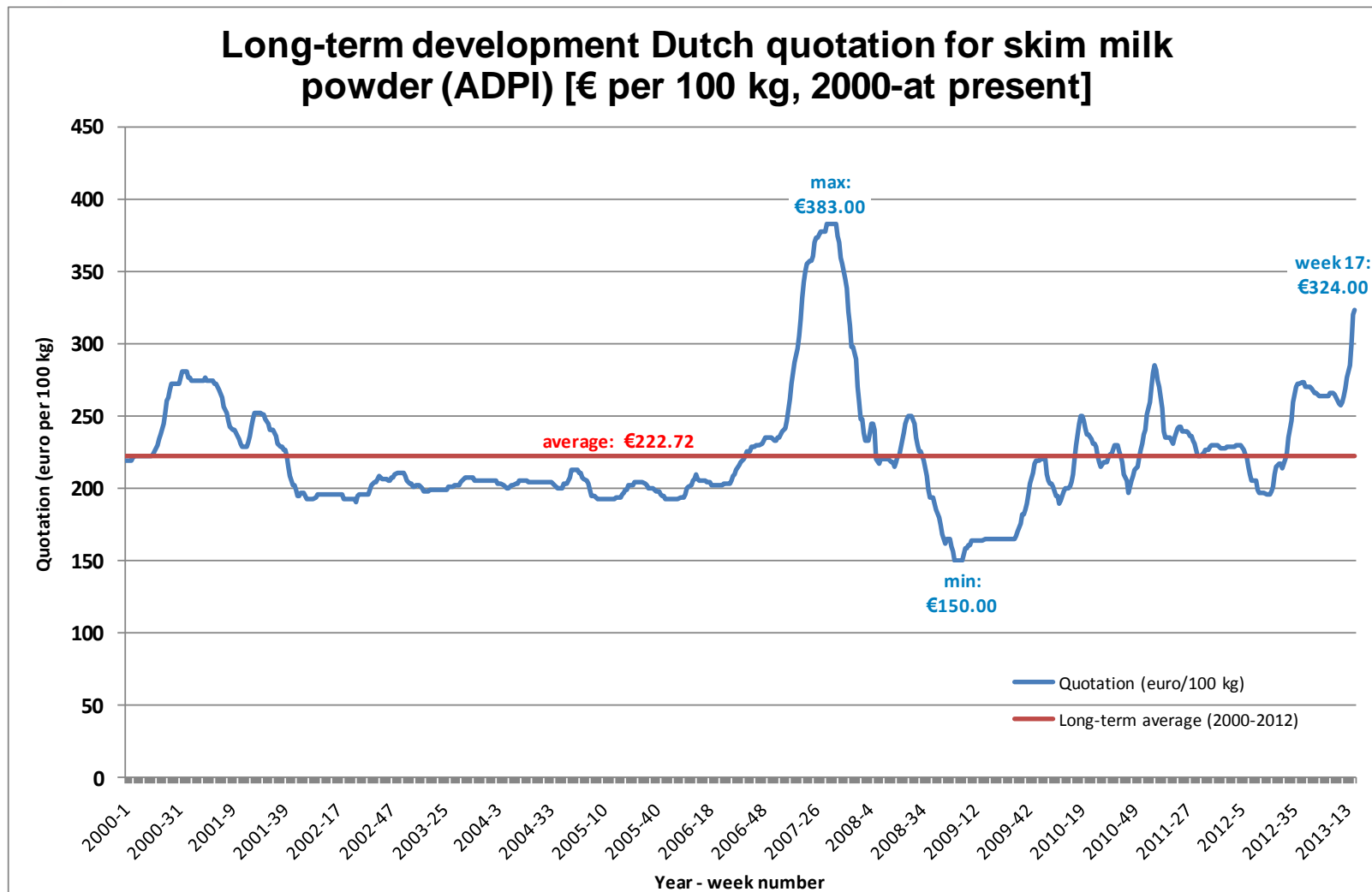
Long-term development Dutch quotation for butter [€ per 100 kg, 2000-at present]



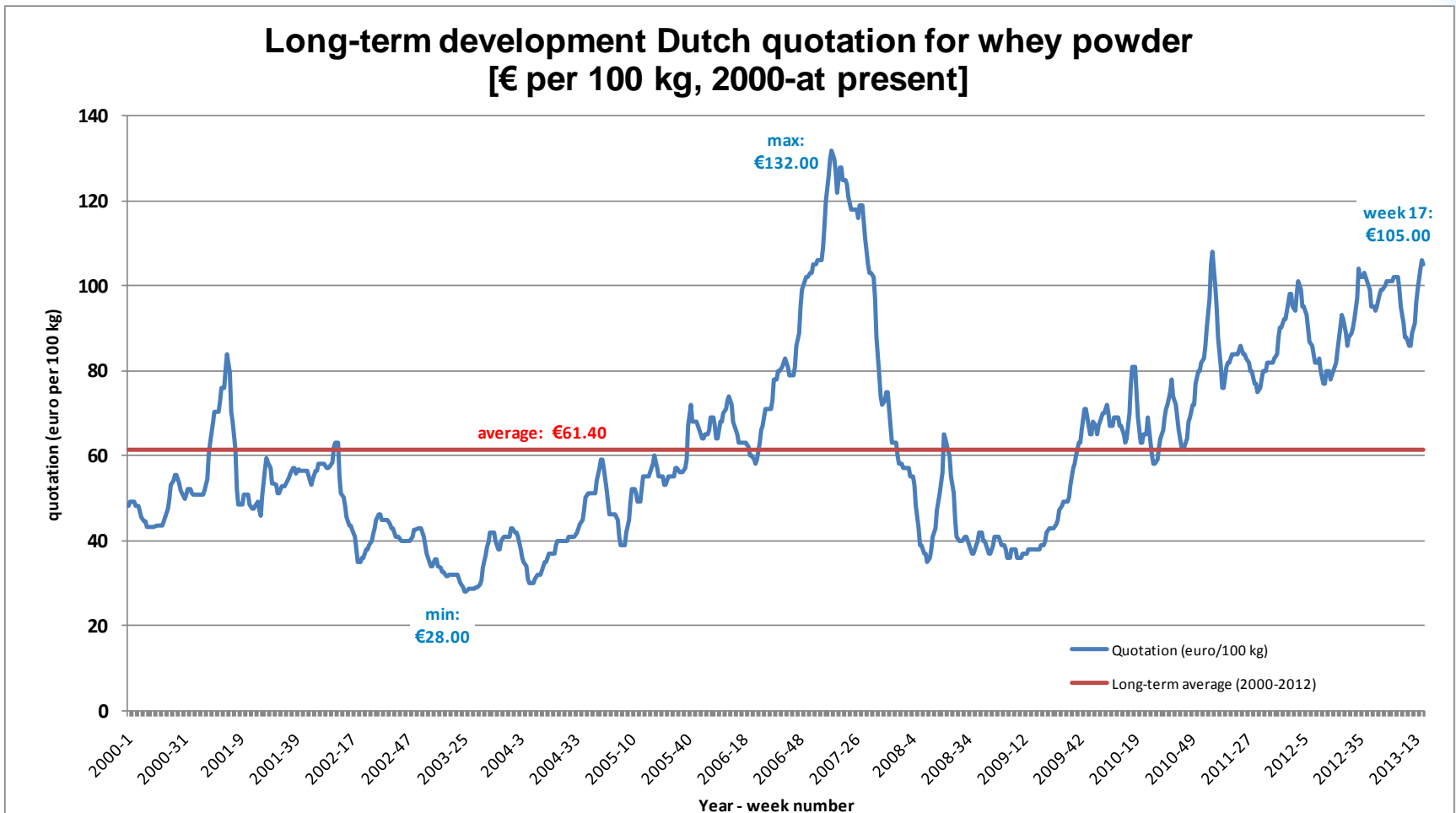
Butter most volatile product



Volatility is here to stay...



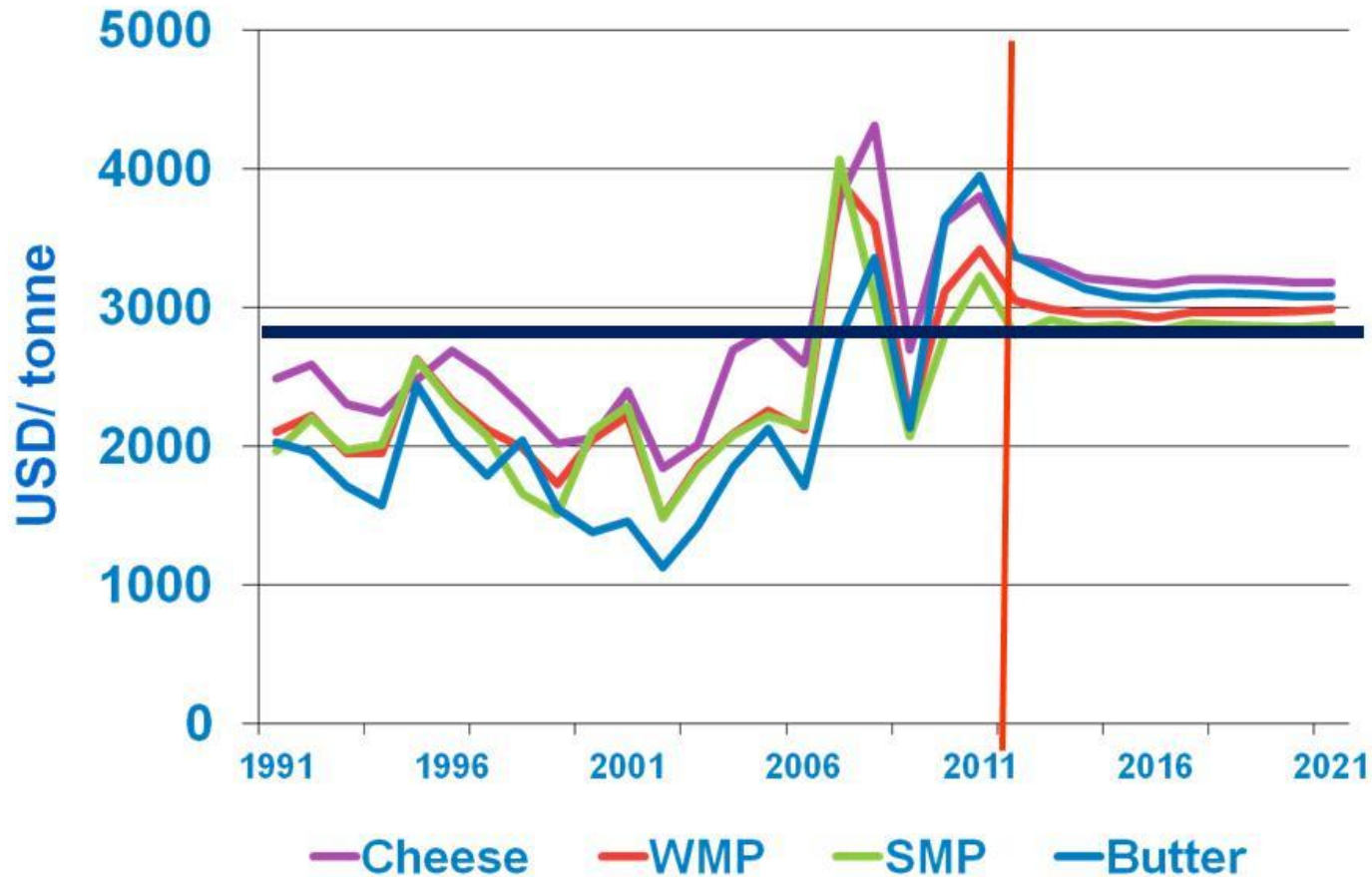
Same picture for skim



Rising price trend for whey powder



Trends in world dairy prices (prices in real terms – 2005 USD)



A higher price level in real terms as well



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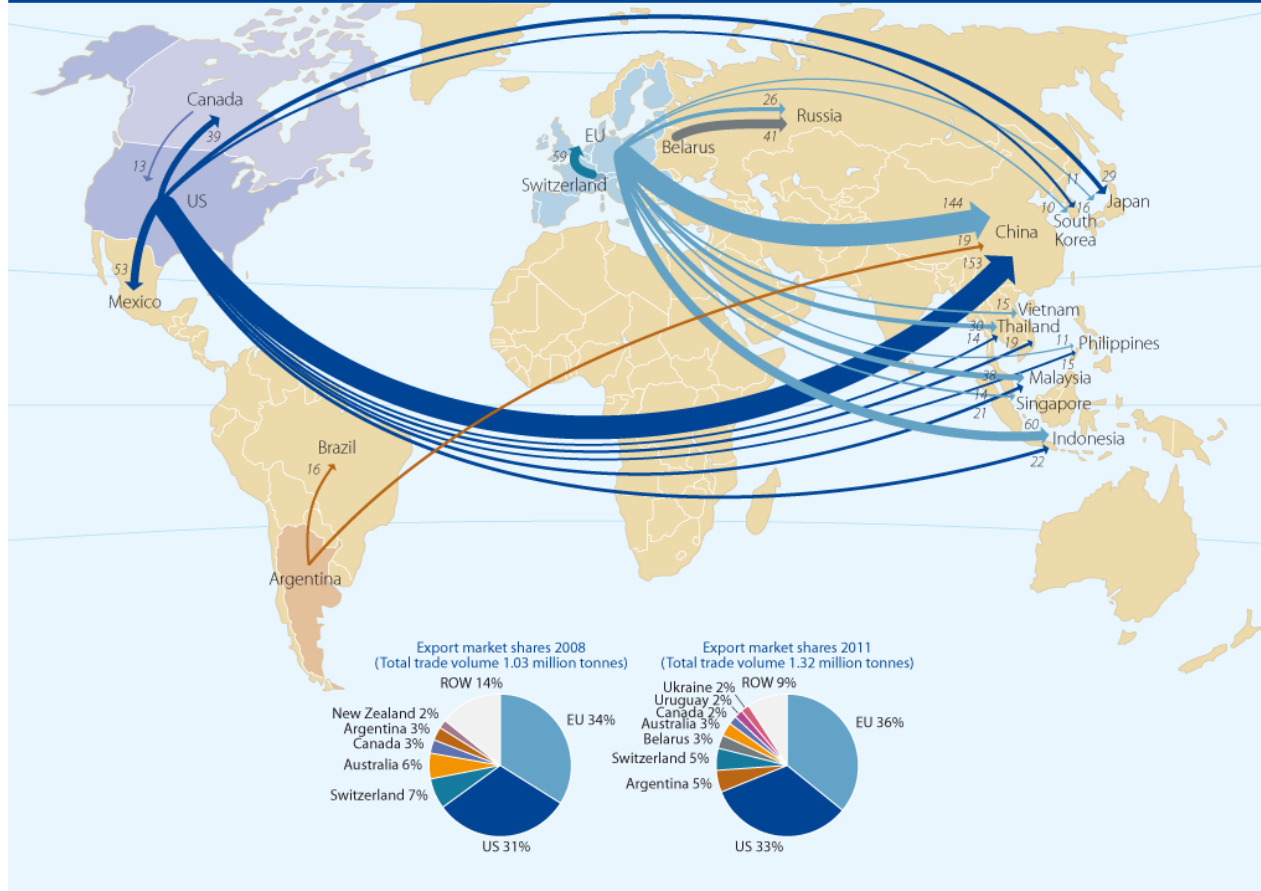
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World trade Whey: shift in market share main countries (2008-2011)

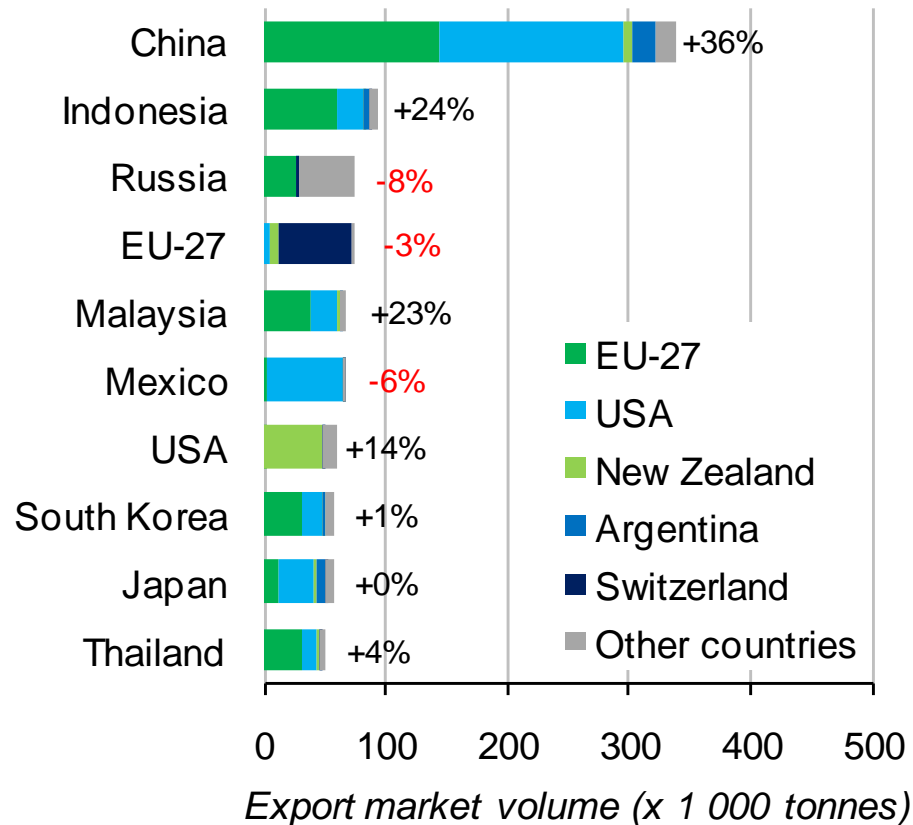
Whey and whey product trade flows $\geq 10,000$ tonnes



More and more suppliers



Whey: main destinations (2011)



Asia fastest growing destination



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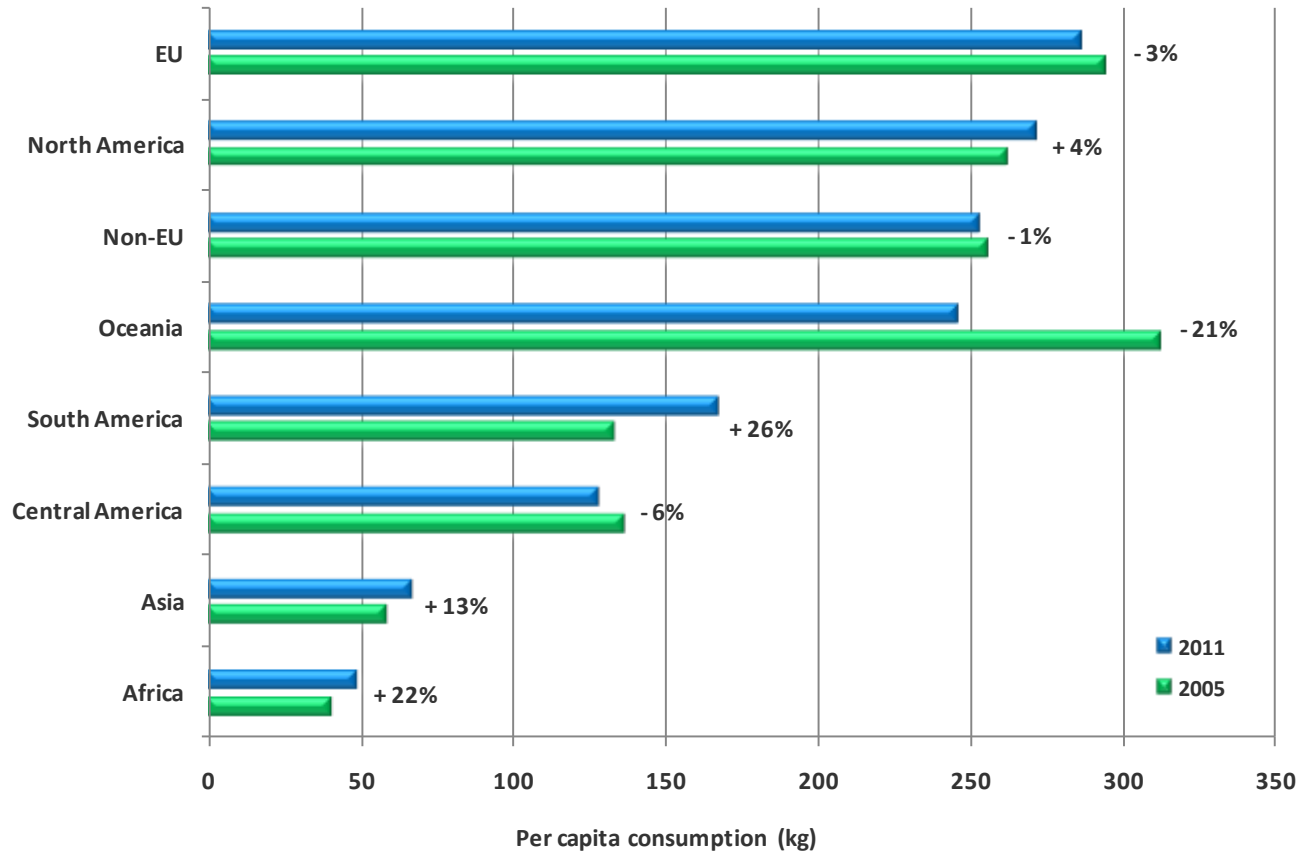
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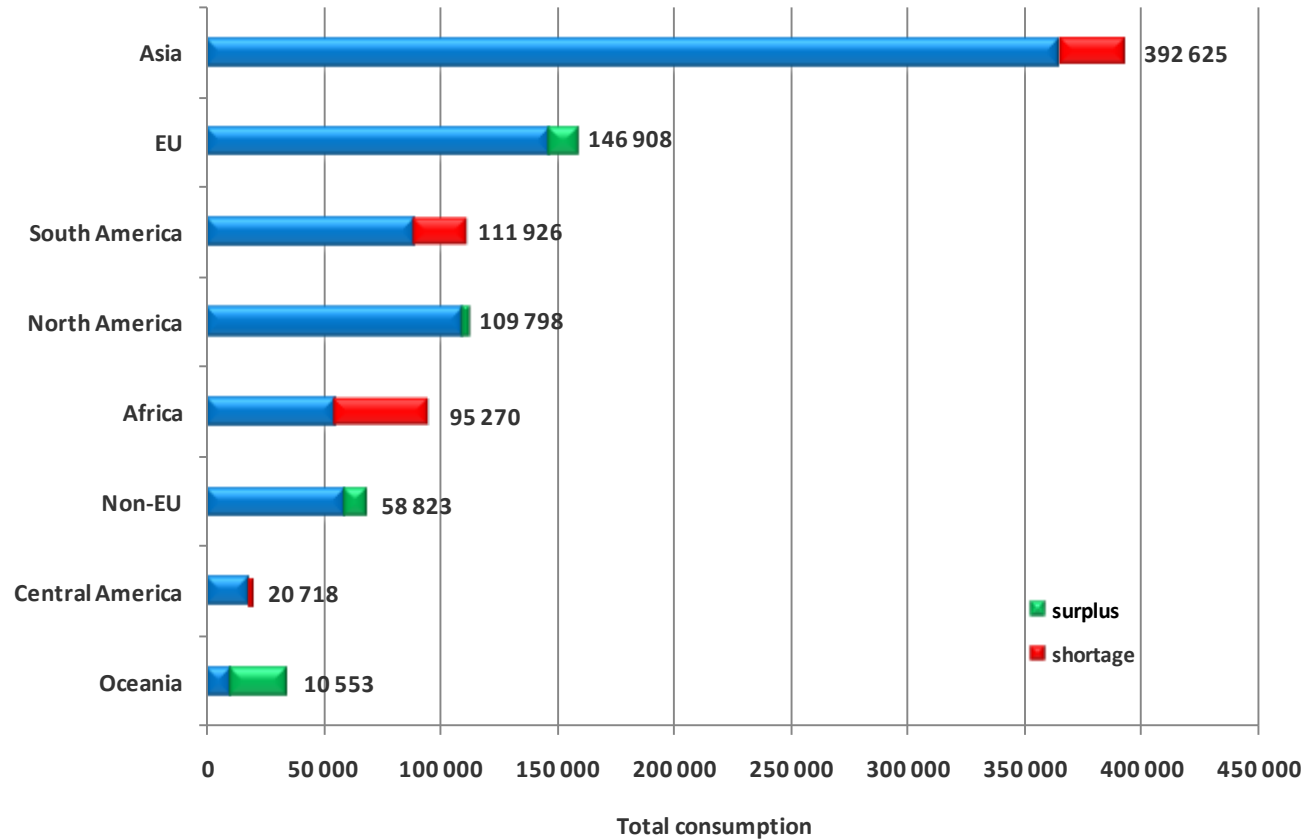
Development regional per capita dairy consumption (2005-2011)



Strongest growth in South America, Asia and Africa



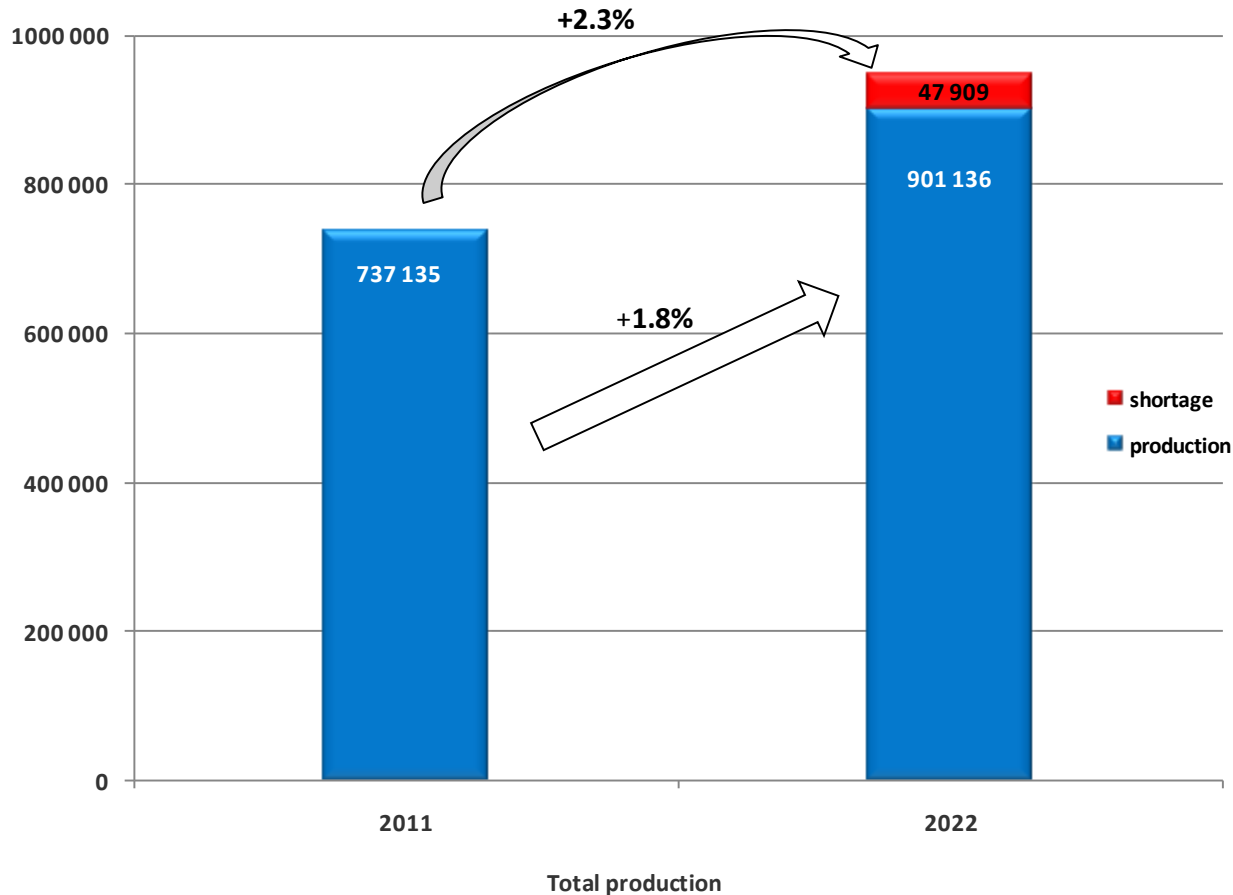
Expected regional production/ consumption (2022)



Global shortages and surpluses in 2022



Expected production growth (2011-2022)



Future is a demand driven market



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- The average annual global growth of milk production for the next decade is estimated at 1.8%;
- Over the last decade this growth was 2.3%;
- Extrapolating the trend in the per capita consumption and using UN population prospects, give an expected average annual growth of 2.3% for demand;
- At constant prices this will result in a gap of 50 billion kg;
- This gap will at least be partially covered by an increase in prices of dairy products.



**Thank you for your
attention!**



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