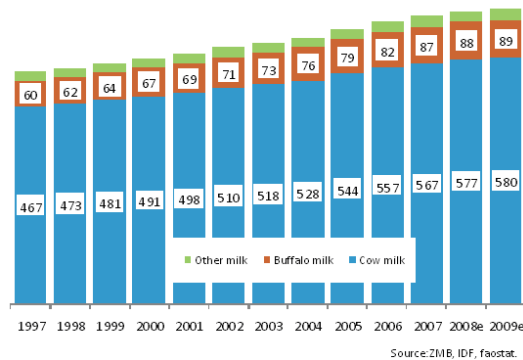




## IDF Statistics

### World Milk Production

World Milk Production



Graph from the “World Dairy Situation 2009”, the new issue of the IDF Bulletin 438/2009

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- Interview with BMI CEO
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## International commitment for a sustainable dairy sector

In order to facilitate the dairy industry’s efforts to reduce greenhouse gas emissions and promote the long-term sustainable supply of milk and dairy products, the global dairy industry and its partners have decided to commit to a global Agenda for Action.

A Declaration of the global dairy industry’s intent to proactively address the impact of global warming and reduce GHG emissions will be signed on 24 September at the IDF World Dairy Summit 2009 in Berlin. The signatories of the Declaration are currently the International Dairy Federation, Global Dairy Platform, SAI Platform, the European Dairy Association, FEPALE and the Federation of Agricultural Producers (IFAP) and ESADA.

To support this Declaration, a Green Paper is being created to catalogue the improvements already made and those in progress as evidence of the dairy sector’s commitment. The goal is to capture specific actions in a number of key areas implemented to address the environmental impact on climate change.

These initiatives will support continued consumer confidence in dairy as an environmentally-efficient source of essential nutrition.

For more information on the declaration and IDF’s work around sustainability, please visit the website at: [www.dairy-sustainability-initiative.org](http://www.dairy-sustainability-initiative.org)



## Expert View



Interview with Prof. Dr. Jakob Stoeckl, CEO of Bayerische Milchindustrie eG (BMI). BMI is a co-operative whose members are 26 mostly South German dairy companies, both co-operative and privately owned. Professor Dr. Jakob Stoeckl shares his opinions on the current crisis and offers his predictions for the future.

### May we start with a short overview of your company and your products?

Bayerische Milchindustrie eG is one of the most important companies within the German dairy industry. BMI group processes in its 12 production plants approx. 1.8 billion tons of whey and 890 million tons of milk. BMI produces a wide range of cheese, fresh and specialty dry products both for the German and export markets, and equally is the most important whey processing company in Germany. Today BMI realizes about 52 % of the turnover in export.

### What is your view on the current crisis?

It is an example of the functioning of the market mechanism - the double function of the price. Supply and demand determines the price and the price feeds back to supply and demand. In autumn 2007, demand exceeded supply for a couple of months while the stock levels were very low. Some market participants became scared of undersupply and as a result prices exploded. Due to momentarily exorbitant high prices demand decreased and production of milk increased and there was a shift from a seller's to a buyer's market. This surplus-production currently puts pressure on the market prices.

I believe there will not be a rebound until supply goes down and/or demand increases. Although we expect that dairy markets will show a moderate seasonal recovery in autumn 2009, there is not yet a sign for a fundamental turnaround.

### Will the market be more stable in the future?

In the future, the volatility of dairy markets will increase and developments will become less predictable. Globalisation goes on, EU dairy policy reduces market supervision, customs duties become lower and border barriers fall. As a result, the ups and downs of the world

dairy market will directly affect the price level of the European dairy markets, positively like in 2007 and negatively such as the current situation.

### Will it give the dairy world a chance to make a complete change?

Every crisis offers opportunities for the future. Some decisions can be made faster or are becoming possible even during the crisis. Fundamental changes, however, must fit into the long-term strategy and have to be financed. BMI focuses on sustainable growth to encourage its three strategic business areas: fresh products, cheese and powder products.

### What will be the main drivers for dairy in the long-term?

The most important driver will be the growth of world milk demand. Milk demand will be driven by increasing population, for example in India and China, and by an increasing per capita consumption in the developing countries. As the European population, particularly in Germany, declines export markets will gain importance. The question will be to what extent the European dairy industry can maintain and expand its share of the world market. In spite of this positive long-term expectation of the world market increasing, price volatility has to be managed.

### What are your priorities for the next 12 to 24 months?

BMI will consequently continue its balanced policy of growth. We aim for a balance of the three divisions under fresh products, cheese and powder products. Additionally, we work for a balanced ration in sales to consumer, industrial and export customers. Generic growth and opportune acquisitions will strengthen BMI for the future.

Professor Dr. Jakob Stoeckl

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For more information on Bayerische Milchindustrie please visit [www.bmi-eg.com](http://www.bmi-eg.com).

## Animal Health & Welfare at the core of IDF activities

Good animal health and welfare related practices in milk production on a global scale are essential to ensure that the needs of the dairy industry and ultimately the expectations of the consumers can be met.

IDF has established very successful working relationships with the World Organisation for Animal Health (OIE) and the Food and Agriculture Organisation of the United Nations (FAO), as the two leading inter-governmental organizations active in the field, as well as with regional regulators such as the European Commission (EC) and a number of partner organizations of the private agri-food sector.

A series of scientific-technical IDF publications on topical items such as Foot and Mouth Disease, Paratuberculosis, Mastitis, Lameness, Guide to Good Animal Welfare in Dairy Production provide practical guidance and examples of best practice to dairy farmers and other relevant stakeholders in the dairy value chain. 'IDF is putting great emphasis on the relevance and applicability of its guidelines and recommendations to various milk production systems all over the world' points out Jörg Seifert, IDF Technical Director.

Through the achieved formal status with OIE, IDF is able to influence the OIE standard setting process with regard to animal health and animal welfare. OIE standards are recognized within the framework of WTO trade agreements as the benchmark for international trade in relation to animal health.

IDF was among the first organisations approached by FAO recently to collaborate on its brand new portal 'Gateway to Farm Animal Welfare' at: <http://www.fao.org/ag/againfo/programmes/animal-welfare/en/> The FAO initiative aims at promoting the improvement of livestock health, welfare and productivity worldwide by providing dairy-specific material produced by IDF.

All interested dairy stakeholders are invited to participate at the forthcoming IDF/FAO/EC Conference on Animal Health and Animal Welfare at the IDF World Dairy Summit in Berlin. For details on the programme visit: <http://www.wds2009.com/index.php?id=43&L=1>

## IDF hails international collaboration in the area of nutrition

IDF recognizes the importance of international collaboration and is committed to promoting development in nutrition through cooperation with other international organisations, notably FAO.

IDF has recently succeeded in applying this initiative with particular focus on boosting expansion of nutrition management and in the first half of 2009, the IDF Standing Committee on Nutrition and Health successfully expanded its external working relationships and cooperation with several international organizations in the area of nutrition.

IDF representatives met with ILSI Europe nutrition staff in order to discuss areas of mutual interest. Discussions included the ILSI Europe work on probiotics, the ILSI Europe pan-European project 'Benefit Risk-Assessment of Foods (BRAFO)' and the EURRECA project, which aims at aligning nutrient recommendations across Europe.

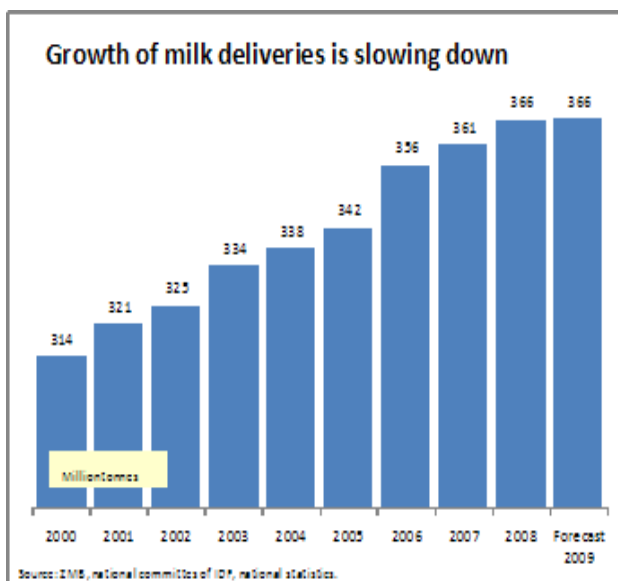
IDF maintains close liaisons with various other international organisations all of which of interest to the dairy community on a world basis.

Several IDF experts and the IDF Nutrition Officer participated in the closed 2009 Utrecht Group workshop on 'Nutrient Richness/ Nutrient Density: Dairy a Nourishing Food for Life', which facilitates information exchange between the organisations. In addition, IDF and GDP agreed on a work plan of collaboration in the areas of milk fat and nutrient density.

In these times of global developments and changing needs for the dairy sector as a whole, IDF continues to promote alignment among international bodies in the field of dairy, nutrition and health.



## The World Dairy Situation 2009: Market review and outlook presented in a new IDF publication



The International Dairy Federation has released its annual report on the World Dairy Situation 2009.

This year, the report particularly focuses on the crisis and how it is affecting the dairy industry. In 2008, more milk was produced than consumed and by mid-2009, milk prices in major regions had fallen to their lowest level in decades. Farmers in many parts of the world are feeling discouraged due to poor returns from milk production and high input costs.

There is cause, however, to remain positive. 'The crisis is real, but it can be overcome', the report maintains, and believes this should be the motto for the Berlin 2009 Worldwide Dairy Summit. Milk producers and processors still enjoy high levels of consumer trust, and the first signs of improvement are already visible.

In conjunction with the expected recovery of the general economy the demand will return to its path of growth, states the report. The

long-term prospects for the dairy industry haven't changed and the world dairy market should soon be able to get back to business as usual.

For more information on this IDF publication, please visit [www.fil-idf.org](http://www.fil-idf.org).

## IDF World Dairy Summit 2010 Auckland, New Zealand, 4-11 November 2010

The breathtaking backdrop of Auckland will provide the location and the theme 'Discover Natural Inspiration' and offer the platform for a variety of talks and presentations. Cutting edge ideas and pioneering technologies will be shared in an effort to shape the future dairy industry.

The programme has confirmed already 9 conferences and 2 workshops and some 9 Technical Tours are planned.

Several executives from across the dairy industry supply chain have already confirmed their participation in the panel of the World Dairy Leaders Forum. Prof. Rod Oram, a well-known NZ corporate, economic and political issues journalist, has been confirmed as the moderator.

For more information visit the IDF World Dairy Summit Website:

[www.WDS2010.com](http://www.WDS2010.com)

If you are interested in receiving this newsletter electronically, please send your e-mail address to [info@fil-idf.org](mailto:info@fil-idf.org)

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