

WORLD DAIRY DIGEST

Holstein UK takes steps to control dairy volatility

Holstein UK is asking the European Commission to set up a mandatory fund to address future supply-demand imbalances.

If the commission approves Holstein UK's proposal, European Union and Brussels dairy farmers would be required to contribute equally to the fund.

John Martin, secretary for Holstein NI, says the levy would be set at 0.1 cent per litre on all milk produced throughout the EU.

"Matched funding would be made available by Brussels, and the monies generated would then be used to compensate farmers for cutting back on production at times of oversupply," Martin says.

He says the volume of milk produced continues to increase even as milk prices fall. This is because farmers are attempting to maintain their cash flow. The proposed mandatory fund is meant to encourage a downward adjustment

in milk production to allow markets to stabilize and improve product prices.

Martin says the idea of offering incentives to reduce milk output across Europe has shown to work in the past.

The EU introduced a voluntary milk reduction scheme in October 2016, and Martin says the program had an "immediate effect on commodity prices." He says the scheme should continue as a way of reducing extreme volatility within the EU dairy sector.

"However, farmers must be a part of such a scheme and should be prepared to contribute toward a fund, which could be match-funded by Europe and then used to support the sector when needed," Martin says.

He calls the 0.1 cent per L a "very cheap insurance policy against financial ruin." www.agriland.ie.

Shrinking feed production may lead India to import milk by 2021

India may be forced to import milk in four years if it can't find a way to increase fodder supply to feed its 299 million cattle.

According to government estimates, the demand for milk and milk products will grow to at least 210 million tonnes by 2021-22—a 36 per cent increase over five years. This is due to an increase in income, growing population and changes in food preferences.

The State of India's Livelihood (SOIL) says in order to meet this demand, production needs to grow by 5.5 per cent annually. And in order to boost milk yield, the country

would need to generate 1,764 million tonnes of fodder by 2020, but existing sources can only manage about 900 million tonnes of fodder—a shortage of 49 per cent.

"If India fails to achieve substantial production growth, the country would need to resort to significant imports from the world market," the 2015 SOIL report stated.

This has the potential to increase milk prices since India is a large consumer. The demand and supply gap has pushed milk prices up by an average of 16 per cent a year, according to SOIL. www.hindustantimes.com.

United Kingdom supermarket launches free-range milk

United Kingdom supermarket chain Asda has become the first to offer free-range milk on its shelves.

The new dairy product guarantees milking cows have been kept outside for at least half the year to graze in fields.

Bottles of pasteurized semi-skimmed and whole milk were available across 109 Asda stores in early March, costing 90 pence (\$1.48 cdn) for one litre. This is compared with £1.10 (\$1.80 cdn) for a litre of organic milk, and 75p (\$1.23 cdn) for a litre of regular milk. If sales for the new line of milk do well,

Asda plans to roll it out to more than 400 other supermarkets.

"We hope that by customers being offered an active choice as to the kind of farming system they want to support, we will be able to grow the Free Range Dairy Network (FRDN) and recruit more dairy farmers who'll be able to benefit from this simple farming method," says Neil Darwent, FRDN founder.

The free-range milk will also carry the Pasture Promise logo, guaranteeing it came from cows grazed for at least six months of the year. www.mirror.co.uk.



Australia dairy industry declares war on 'fake milk'

Dairy farmers in Australia are pushing to have non-dairy alternatives banned from branding themselves as "milk."

Shaughn Morgan, chief executive of Dairy Connect, says non-dairy products lack the health benefits and nutrients fresh cows' milk provide, and using the word "milk" to describe plant-based drinks leads consumers to think they are equally as beneficial as milk.

"We have looked at overseas markets and in most cases, what we describe as mislabeling of processed vegetable products as 'milk' is a challenge for dairy producers in most consumer markets," he says.

The new push comes after Australian dairy farmers experienced a rough few years. Farm gate milk prices have plummeted, as supermarkets sell home brand milk for \$1 per litre to compete against non-dairy alternatives. Demand for non-dairy milk in Australia has increased dramatically in the last five years. According to Dairy Connect, plant-based drinks generated \$1.4 billion USD (\$1.87 billion cdn) in sales in the United States last year. www.news.com.au.

Saudi Arabian milk company looks for fodder supplies

Saudi Arabia plans to ban fodder production in two years to conserve water, leading dairy company Almarai on the look-out for fodder supplies.

The ban would mean livestock feed requirements would rise. Ikram Ulhaque, the head of finance for Almarai, says this would cap Middle East dairy production at a time when demand continues to grow.

Almarai produces 1.3 billion litres of milk a year from its farms that each milk four times daily. Ulhaque says the key to this high milk production is maintaining temperatures at 26 degrees Celsius and providing high-quality feed.

Ulhaque says the company has imported 400,000 tonnes of fodder from six or seven countries and has large land holdings—rented and owned—in South America and the United States to grow fodder. www.weeklytimesnow.com.au.