

WORLD DAIRY DIGEST

Report: World milk production set to increase in 2017

World milk production is set to increase in 2017, assisted by a generally favourable weather outlook and improved prices for milk in several countries. Global trade in dairy products is projected to record a second year of modest growth, rising by one per cent, according to the June 2017 issue of the *Food Outlook* report, produced by the Food and Agriculture Organization of the United Nations' Trade and Markets Division.

International dairy prices surged 50 per cent during the second half of 2016, stemming from a declining trend in monthly milk output in the European Union and uncertainty over whether or not 2016-17 milk production in Oceania would be sufficient to meet anticipated demand. Between January and May 2017, prices remained generally stable overall, as recovery of milk deliveries in the EU and continued growth in output in the United States lessened supply concerns.

World milk production is forecast to grow by 1.4 per cent in 2017 to 831 million tonnes. Output is set to expand in Asia and the Americas, stagnate in Europe and Africa, and decline in Oceania. Most of the global increase would originate in Asia, principally India, where production is forecast to expand by 3.9 per cent, or 6.3 million tonnes, to 166.6 million tonnes.

Rising incomes and urbanization are fuelling demand in the country, although the small size and limited productivity of individual dairy operations and urban encroachment constitute challenges to the industry. Increased output is also anticipated in Pakistan, Turkey, the Islamic Republic of Iran and Saudi Arabia. In China, output is anticipated to record a second year of decline, as low domestic prices and competition from imported milk powder weighed profitability and led to a reduction in the national dairy herd. <http://www.fao.org/3/a-i7343e.pdf>

Mexico to invest in Guatemalan dairy plant

Mexico is planning to invest \$30 million in a Guatemalan milk plant as it aims to increase employment and reduce the outflow of migrants. The plant will be built in Escuintla, about 50 kilometres outside of Guatemala City. A representative of Guatemala's foreign ministry told *The Associated Press* the plant will generate at least 4,000 new jobs. Mexican President Enrique Peña Nieto emphasized the importance of "further reinforcing a frank and permanent dialogue" between the two countries. Guatemalan President Jimmy Morales said cross-border commitment is particularly important for efficient trade and migration. Tens of thousands of Guatemalan immigrants cross the Mexican border each year in a bid to reach the United States. www.abcnews.go.com

U.S. dairy sector exports climb for 11th straight month

U.S. dairy production keeps climbing higher and processing facilities are running at or even over capacity. *Farm Journal's* milkbusiness.com reports dairy exports topped year-ago levels once again for the 11th straight month. Exports of products, such as milk powder, cheese, butterfat, whey and lactose, were up 12 per cent over last April. The value of exports was 23 per cent higher than last year, totalling \$461 million in sales. The Export Council says the export levels of non-fat dry milk and skim milk powder, whey products and lactose were at record highs during the first four months of 2017. www.ruralradio.com

India dairy industry exploring new markets

India is looking at new markets, such as Mexico, to export dairy products in a bid to boost growth in the segment. "There has been a flat growth in export of dairy products, such as skim milk powder and casein. We are in talks with Mexico ... they are keen to import from India. Hopefully, we will soon be exporting dairy products to the country," a senior government official says.

According to data from the Agricultural and Processed Food Products Export Development Authority, the key importers of Indian dairy products are Bangladesh, United Arab Emirates, Pakistan, Nepal

and Bhutan. Casein exports are crucial to the Indian dairy market. Casein is used as a protein dietary supplement and in making cheese. It is also used for industrial applications in paints, glue, plastic and fibre. India is the global leader in milk production with an 18.5 per cent share in the world's total milk production, achieving an annual output of 146.3 million tonnes during 2014-15. However, its contribution to the international dairy market is still minimal, measuring at less than 0.5 per cent. www.financialexpress.com

Drinking cows' milk associated with taller height in children

A new study published in the *American Journal of Clinical Nutrition* found two- to six-year-olds who drank cows' milk were taller than those who consumed plant-based or other types of animal-derived beverages.

For each daily cup of non-cows' beverage they drank, children were 0.4 centimetres shorter than average for their age, according to the study. For each daily cup of cows' milk they drank, children were 0.2 centimetres taller than average. The study suggests the more non-cow beverage children drink, the lower their height. The height difference for a three-year-old who drank three cups of non-cows' beverage compared with three cups of cows' milk per day was 1.5 centimetres, according to the study. The study also found children who drank a combination of cows' milk and non-cows' beverage daily were shorter than average.

This finding suggests adding some cows' milk to a child's diet did not reverse the association between non-cow-based beverage consumption and lower height. <https://medicalxpress.com/news/2017-06-non-cow-height-children.html>