

# TEGMA

2017 Fall Transportation Symposium

# John Wilson

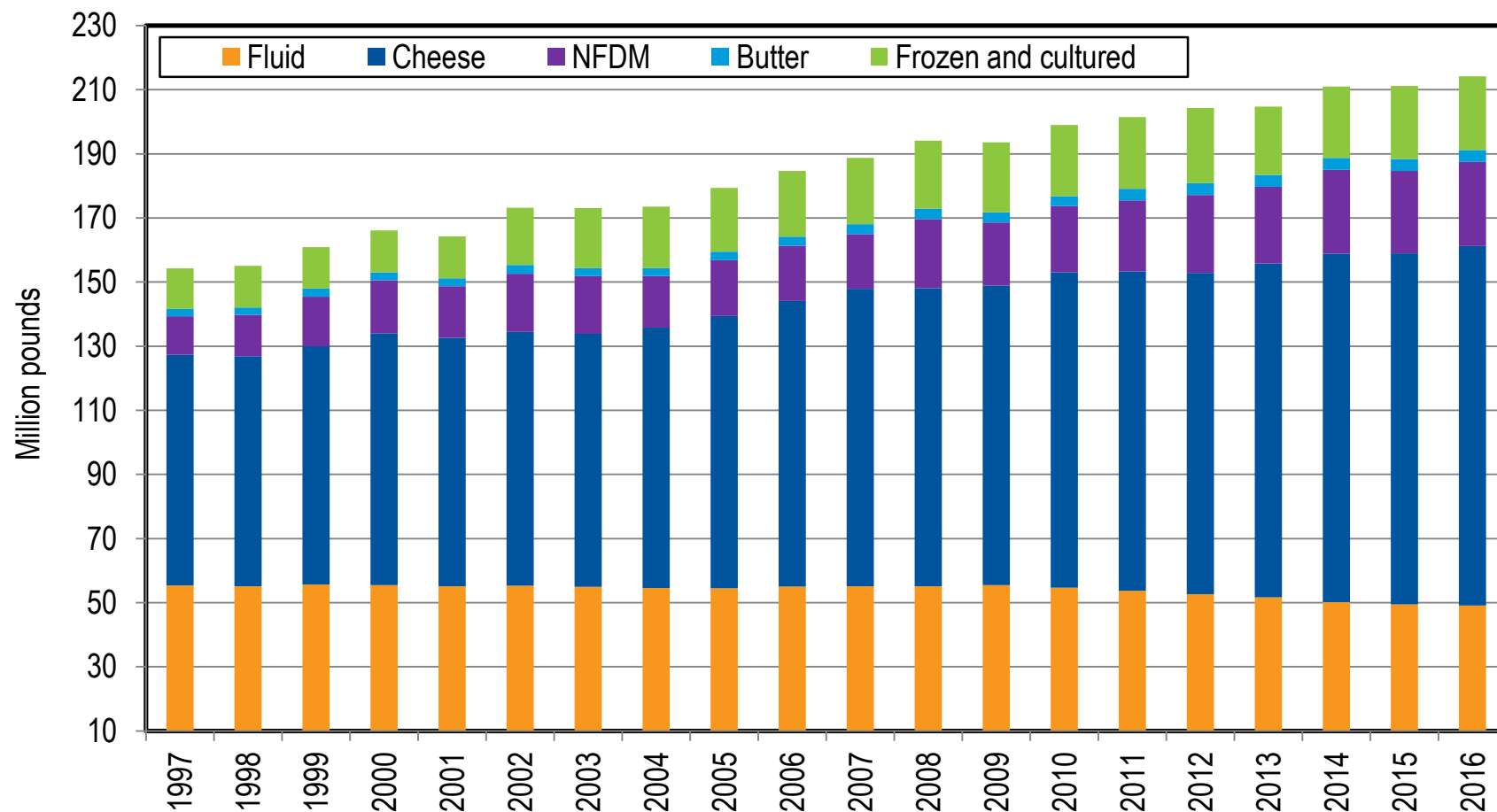
Senior Vice President



# **Dairy industry trends**

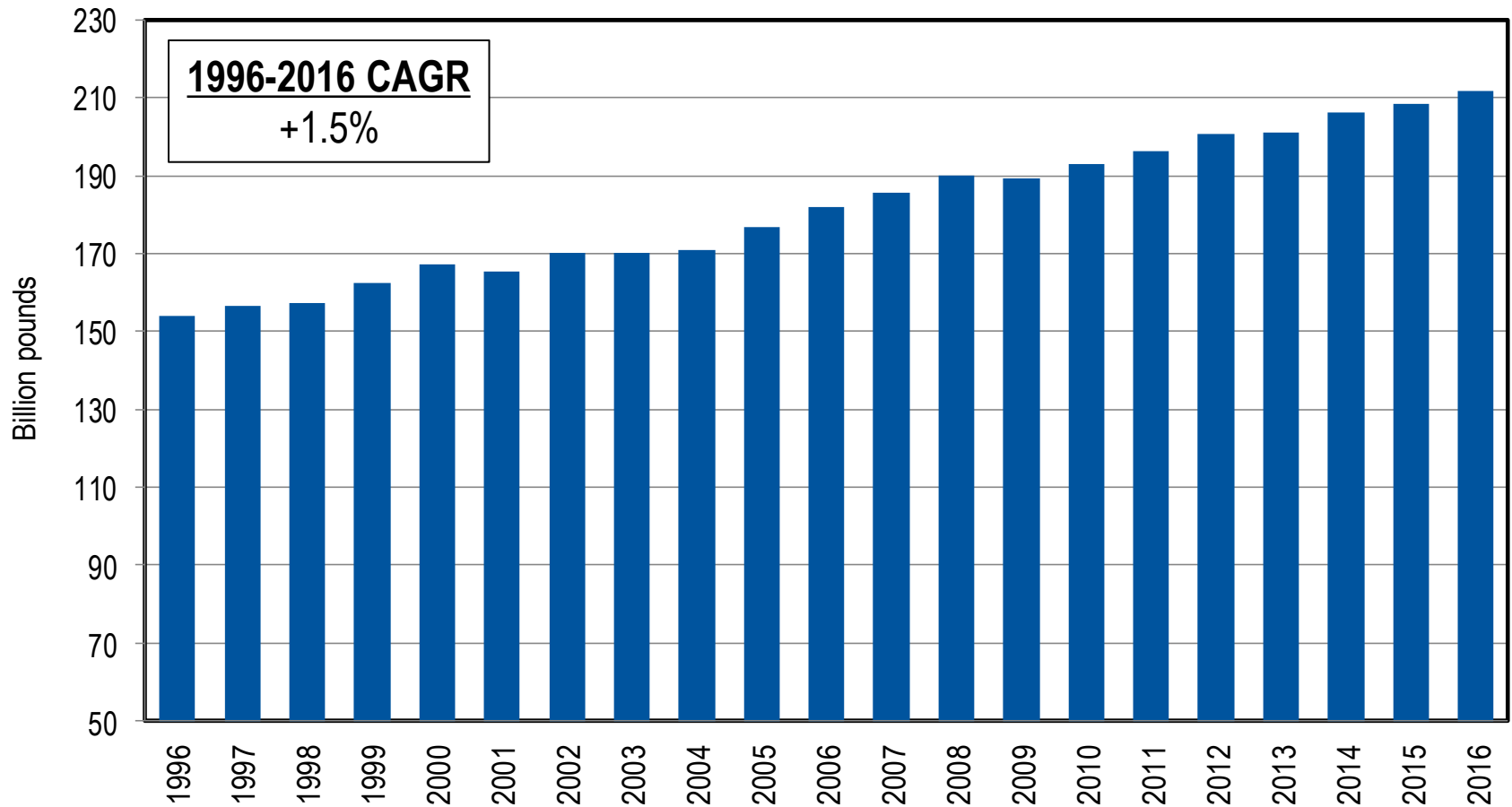


# Annual dairy consumption by product category

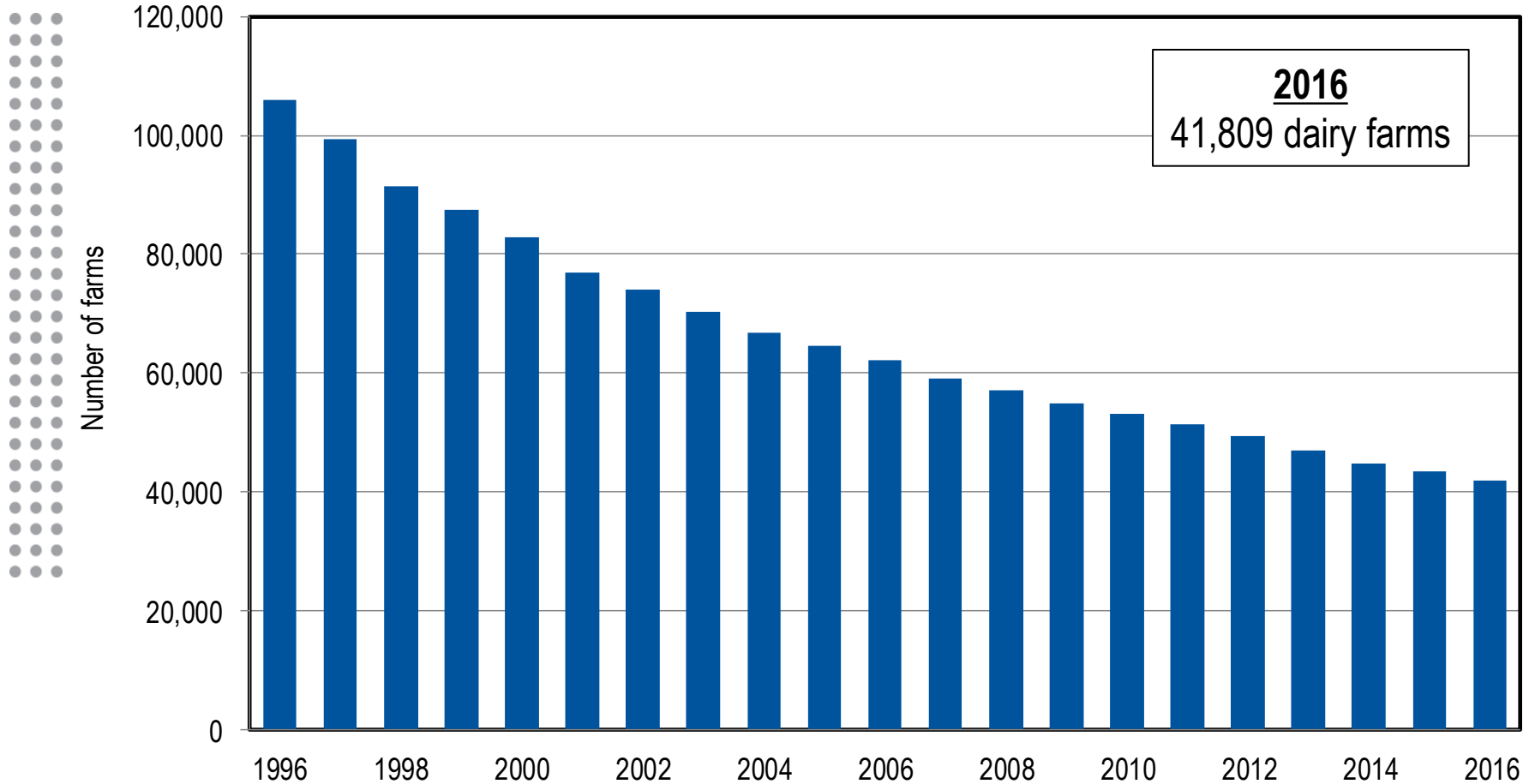


Source: USDA National Agricultural Statistics Service

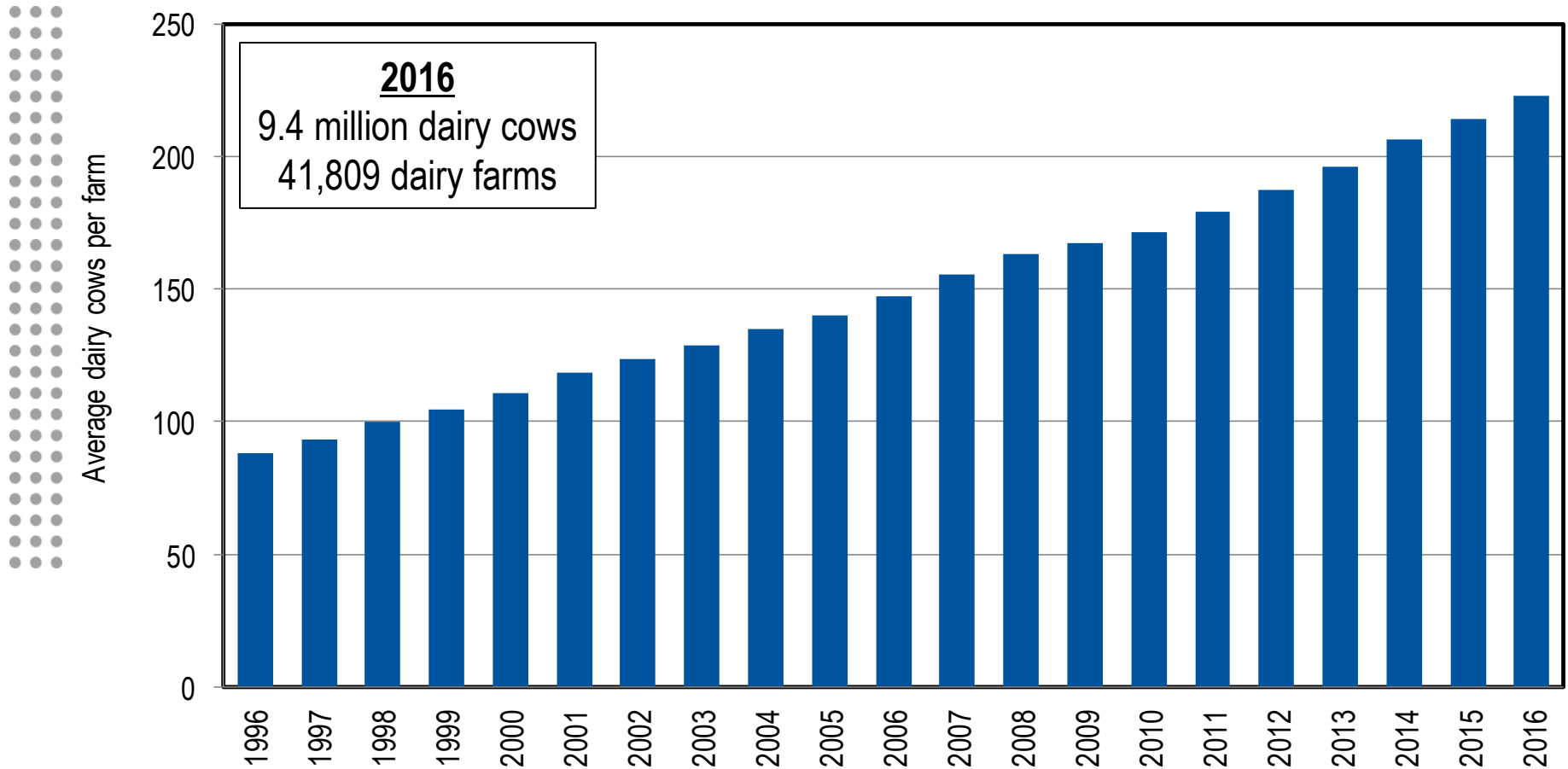
# Annual U.S. milk production



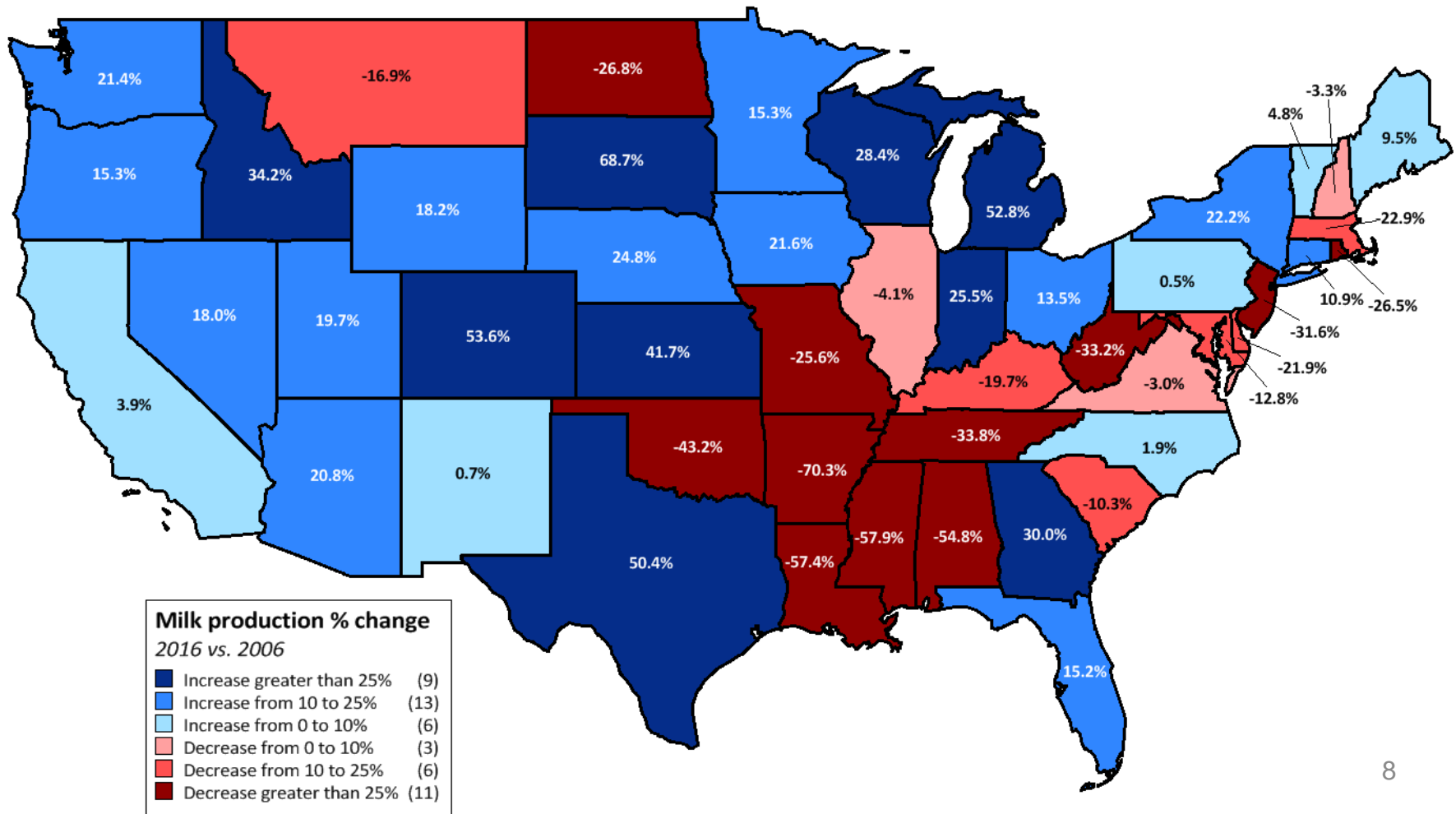
# U.S. dairy farms



# U.S. average cows per farm



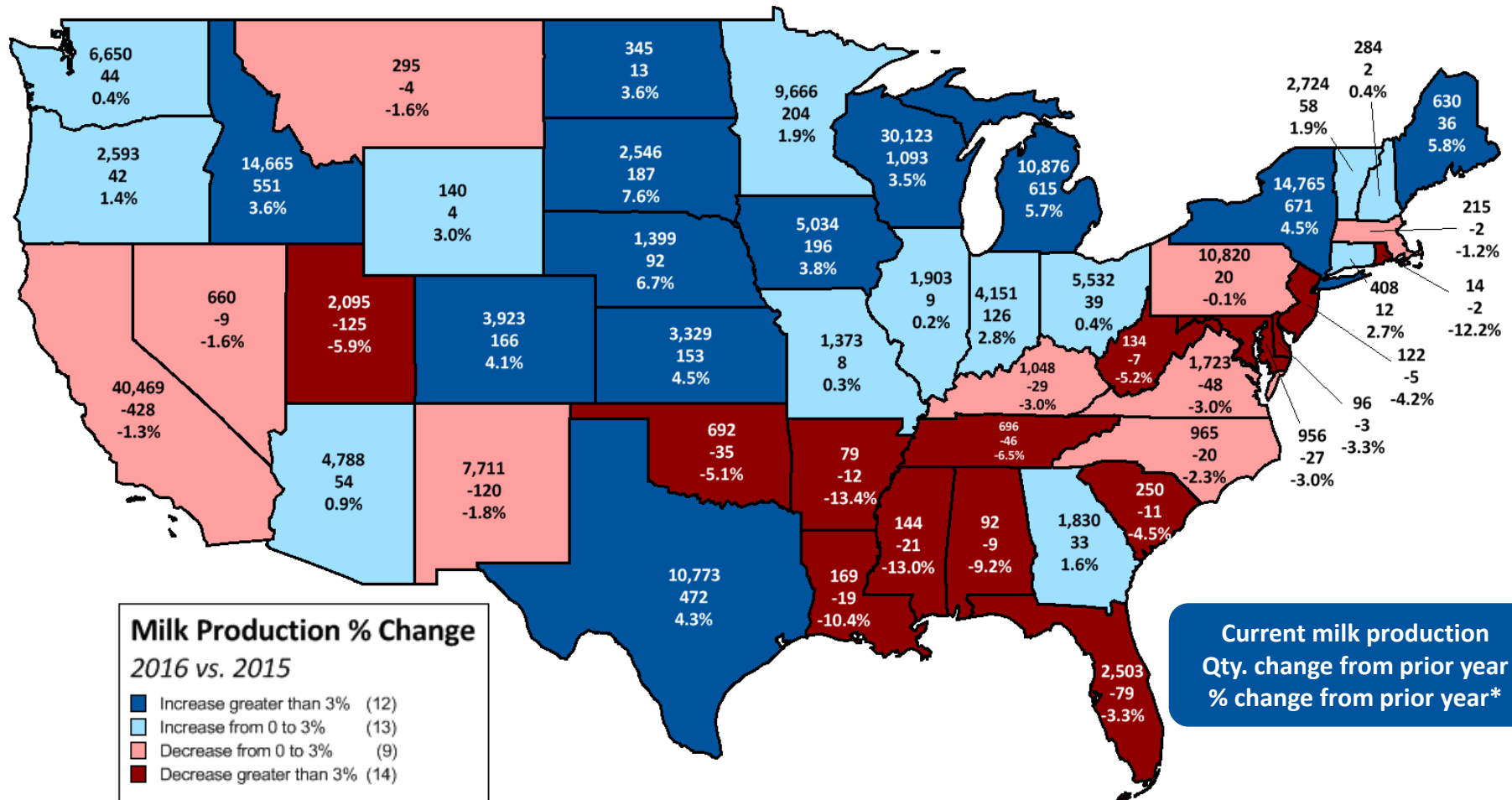
# U.S. milk production percent change 2016 vs. 2006





# U.S. milk production

2016 vs. 2015 (million pounds)

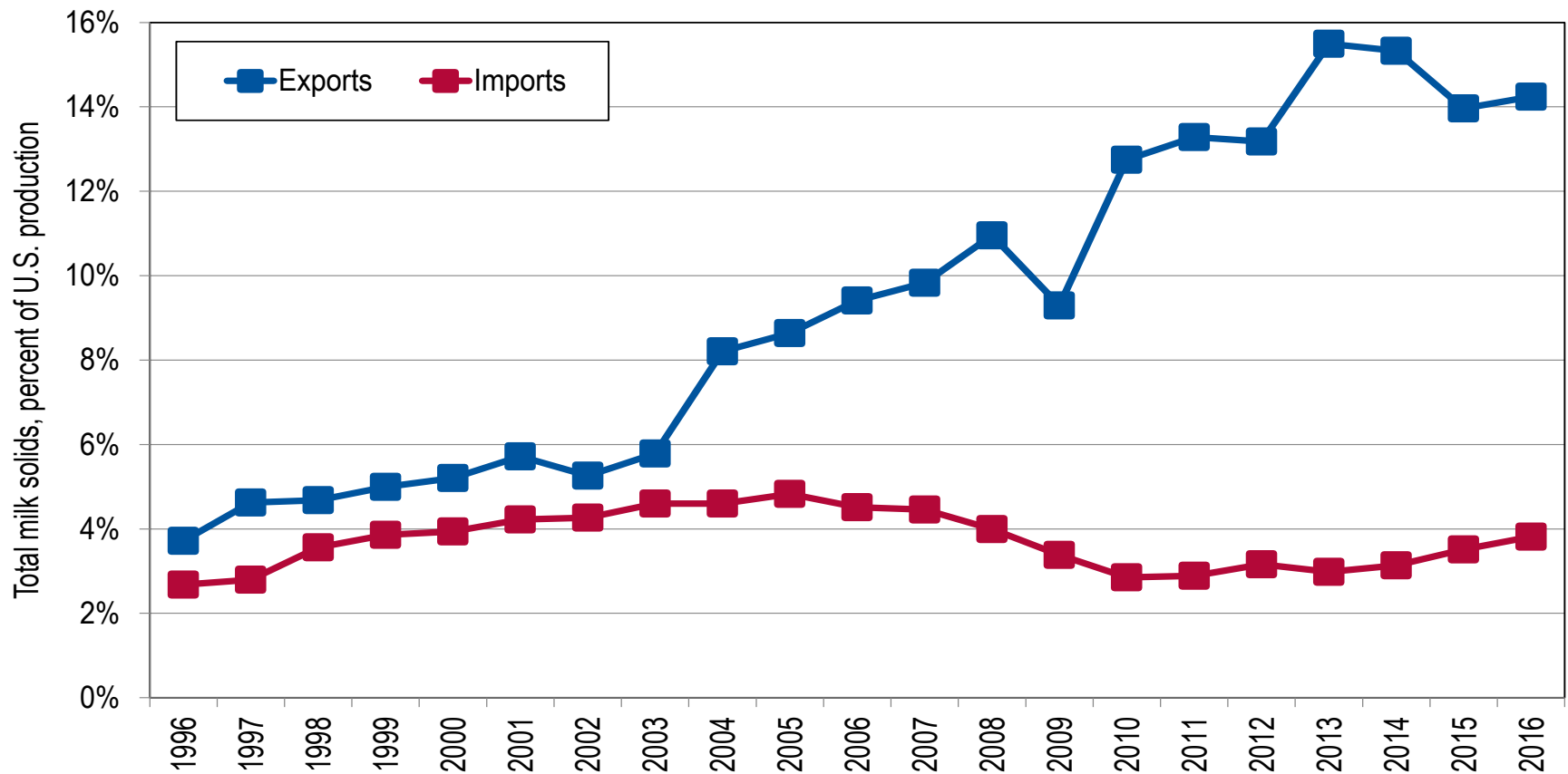




**We used to be  
an island**

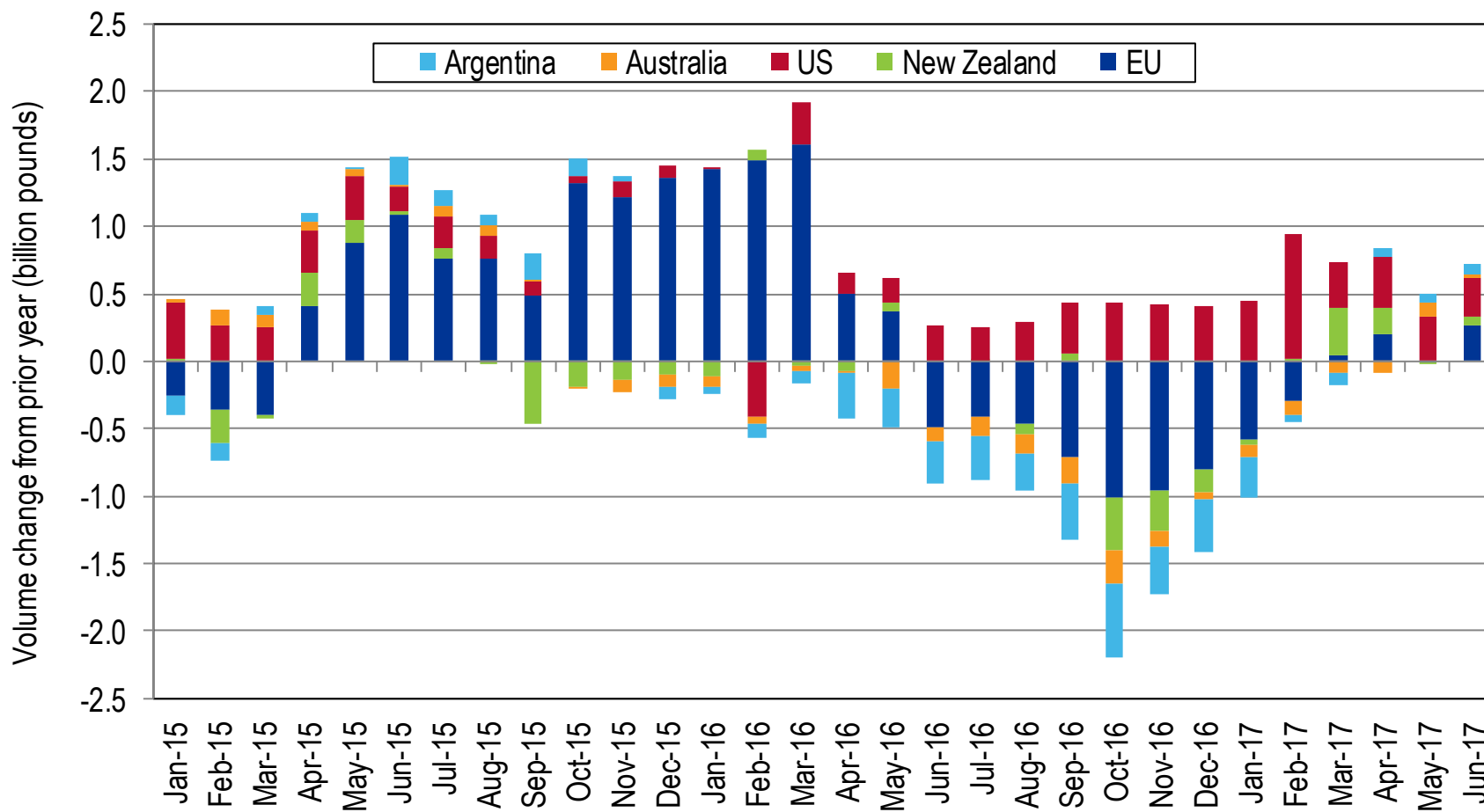
# U.S. dairy trade balance

Total milk solids, percent of U.S. production



# Milk production of major dairy exporters

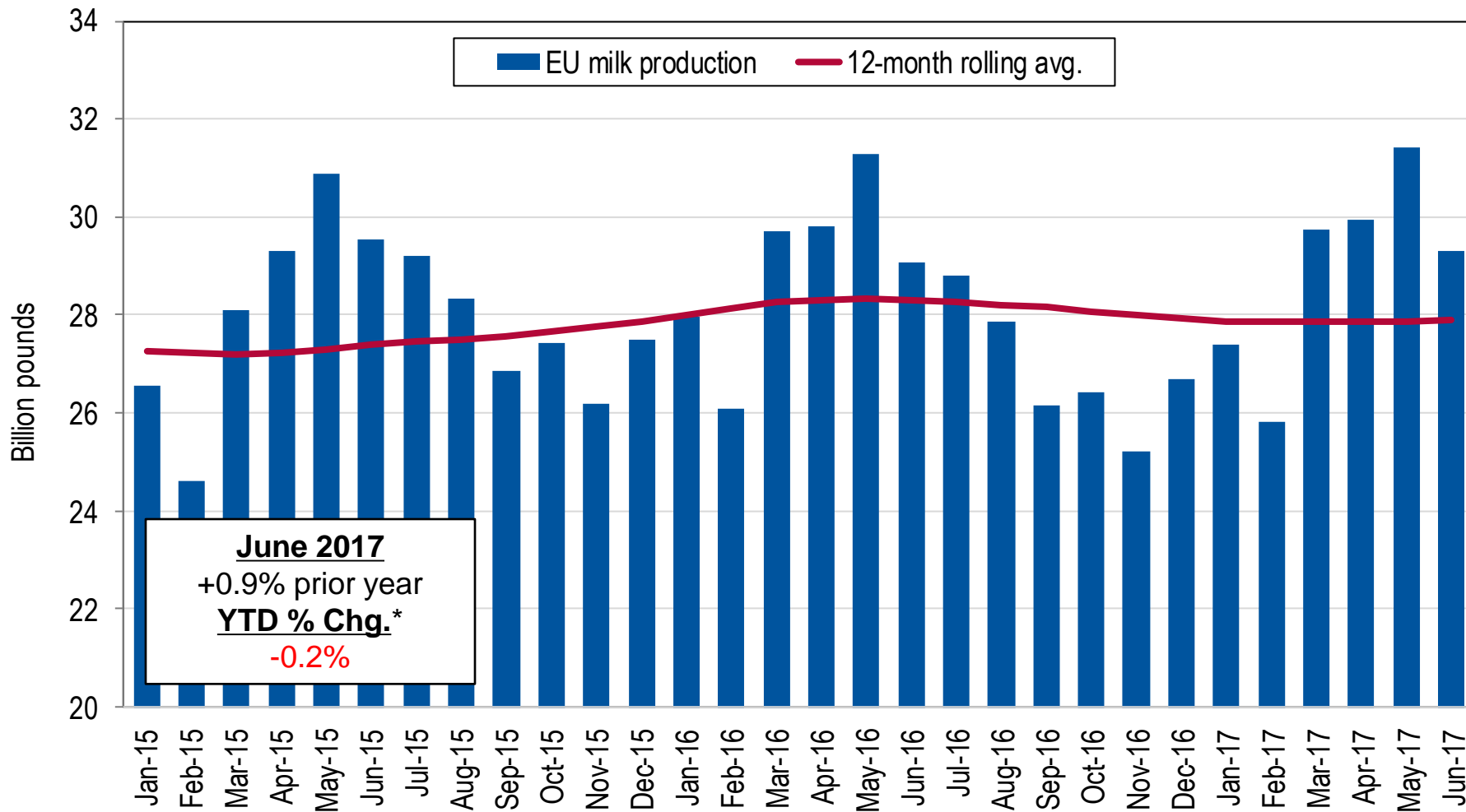
Change from prior year, billion pounds



Source: USDA NASS, USDEC

# EU-28 milk production

Billion pounds



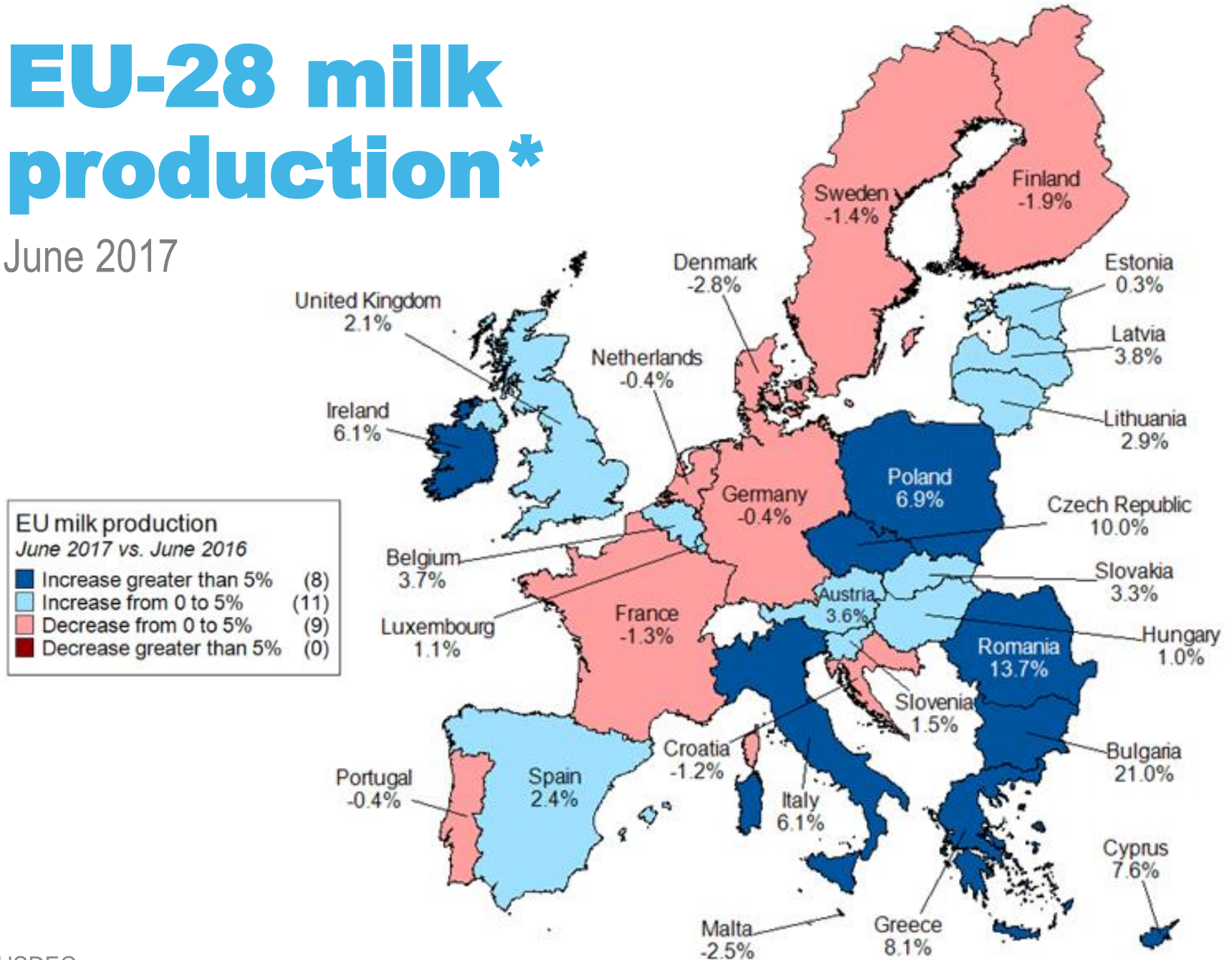
## 2016 EU-28 milk production by country

*Million pounds*

Germany	70,429	Hungary	3,411
France	54,490	Lithuania	3,122
United Kingdom	32,061	Romania	2,102
Netherlands	31,579	Slovakia	1,814
Poland	24,537	Latvia	1,795
Italy	23,751	Estonia	1,576
Spain	15,132	Greece	1,365
Ireland	15,105	Slovenia	1,267
Denmark	11,633	Bulgaria	1,169
Belgium	8,557	Croatia	1,080
Austria	6,816	Luxembourg	798
Sweden	6,310	Cyprus	435
Czech Republic	6,158	Malta	95
Finland	5,268	EU-28 total	335,916
Portugal	4,063		

# EU-28 milk production\*

June 2017

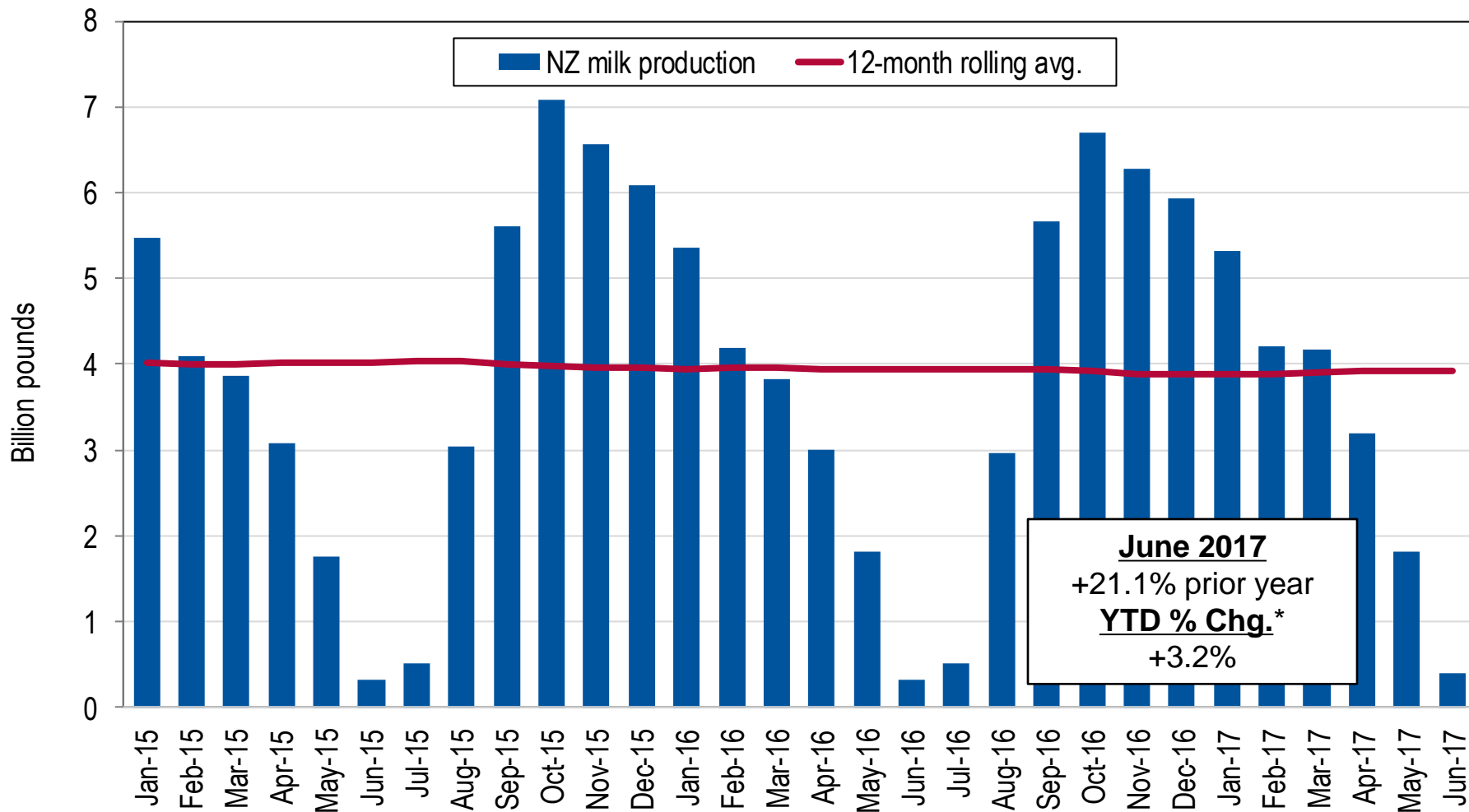


Source: USDEC

\*Provisional estimates

# New Zealand milk production

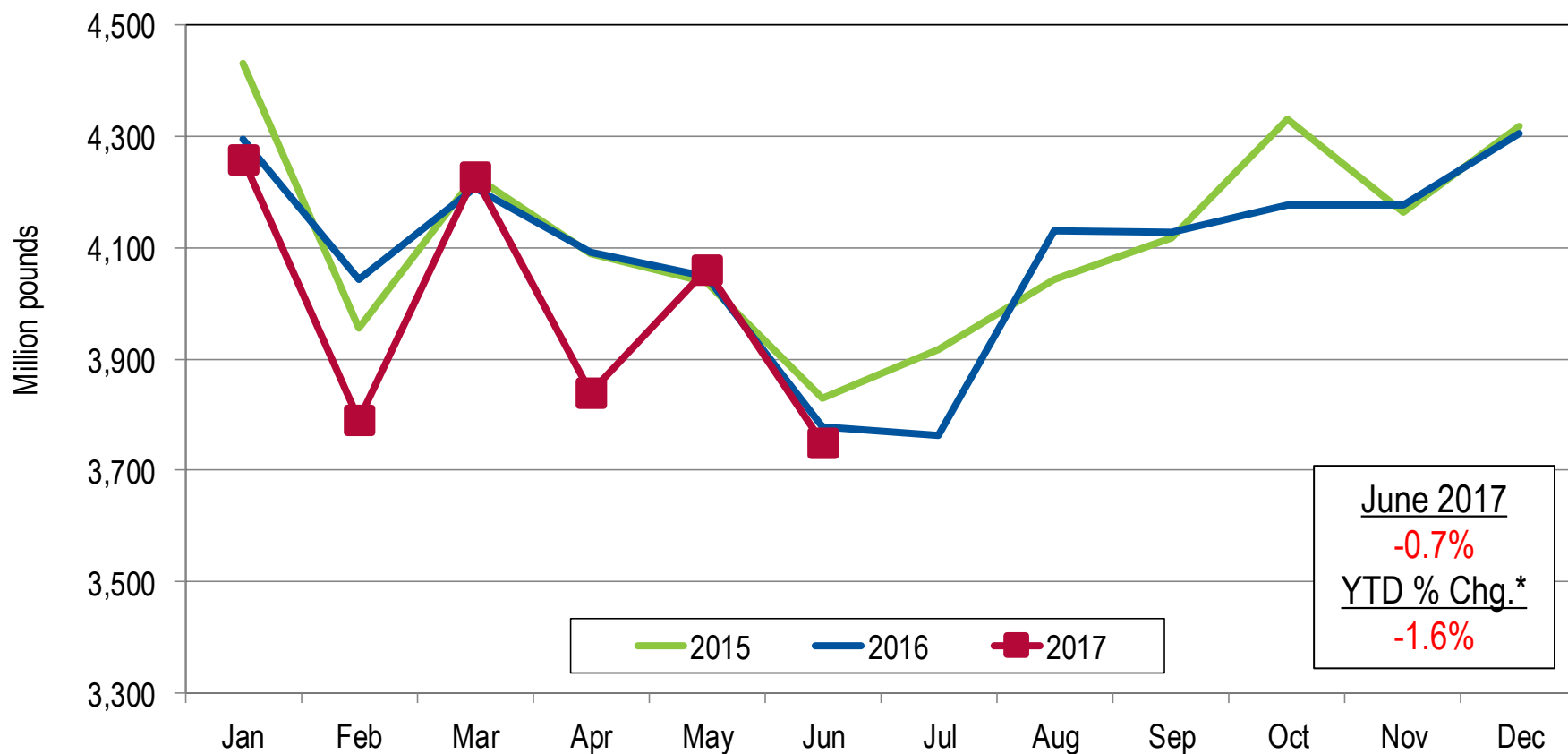
Billion pounds





# U.S. fluid milk sales

Million pounds

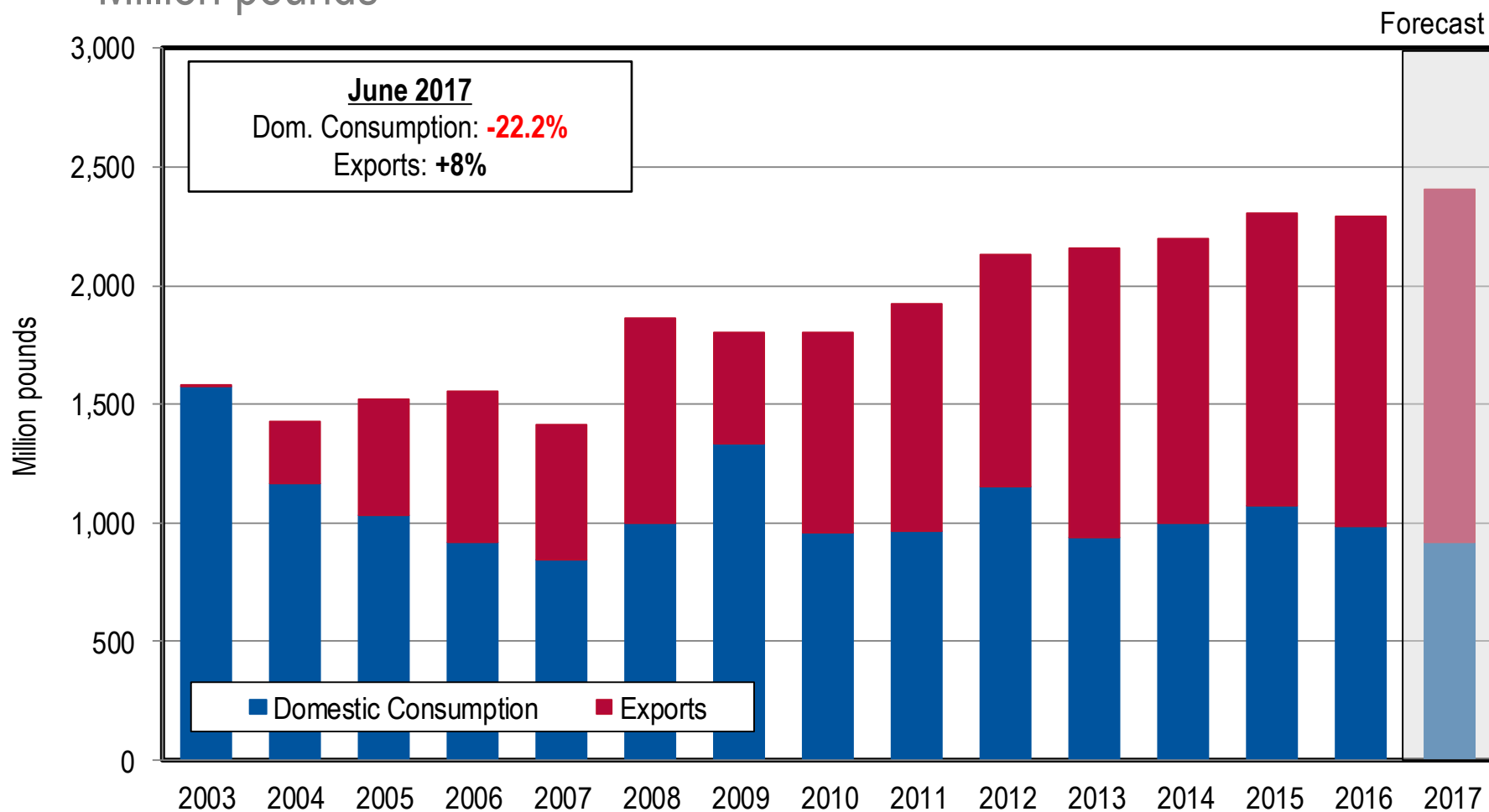


Source: USDA Agricultural Marketing Service

\*Leap-year adjusted

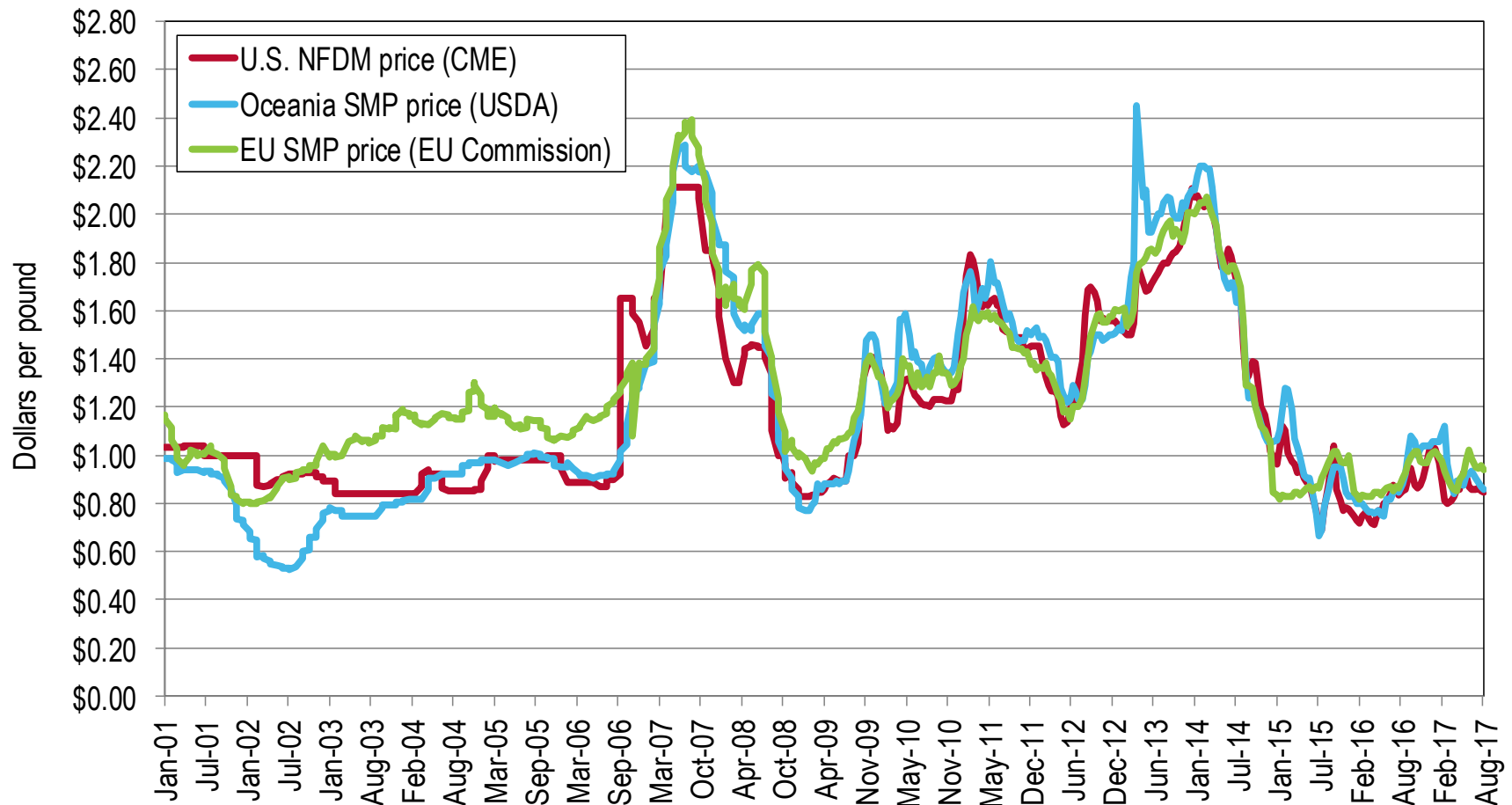
# U.S. total NFD and SMP commercial disappearance

Million pounds



# U.S. NFDM vs. global SMP price

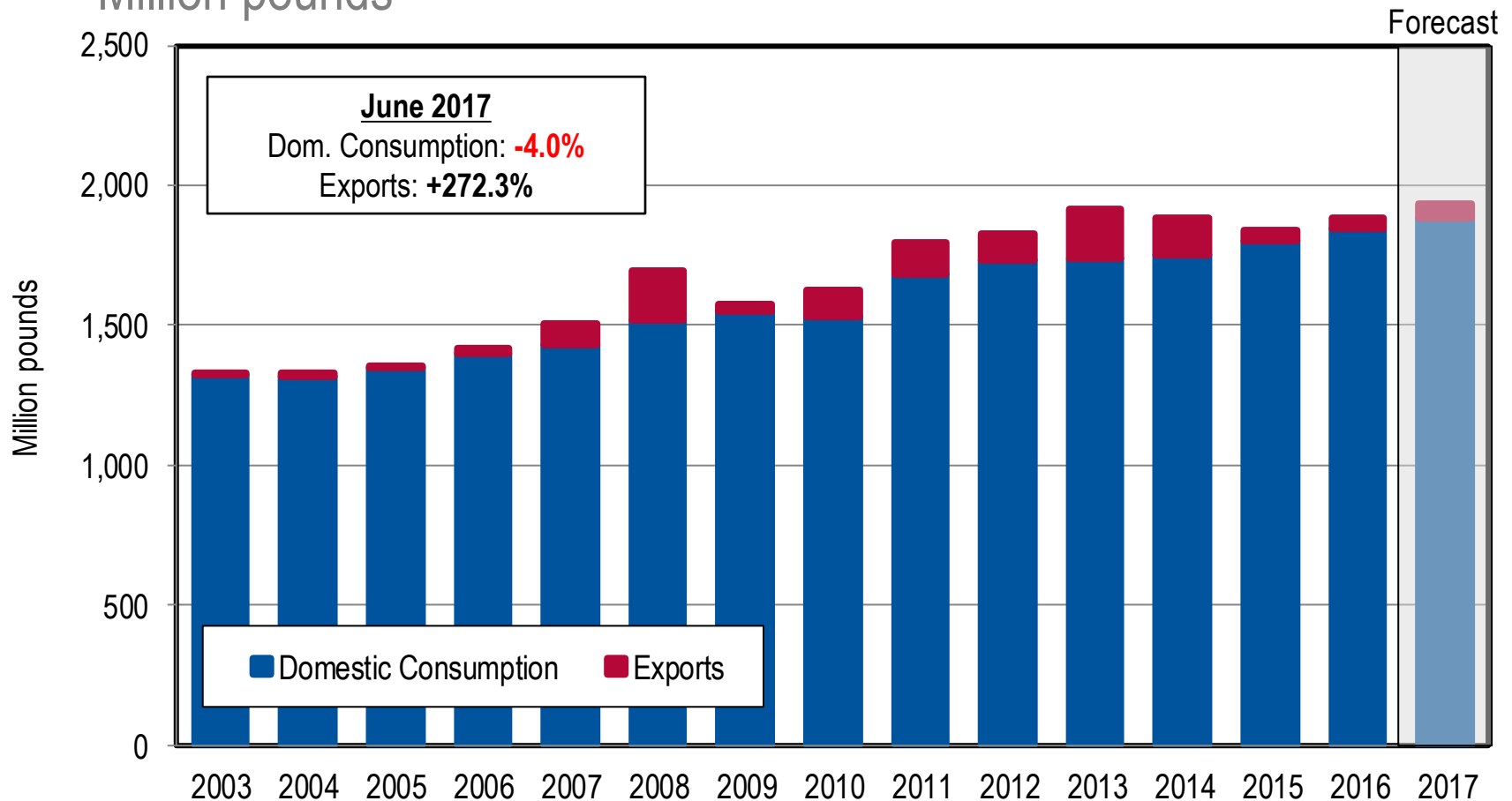
U.S. dollars per pound



Source: USDA, CME Group, GlobalDairyTrade

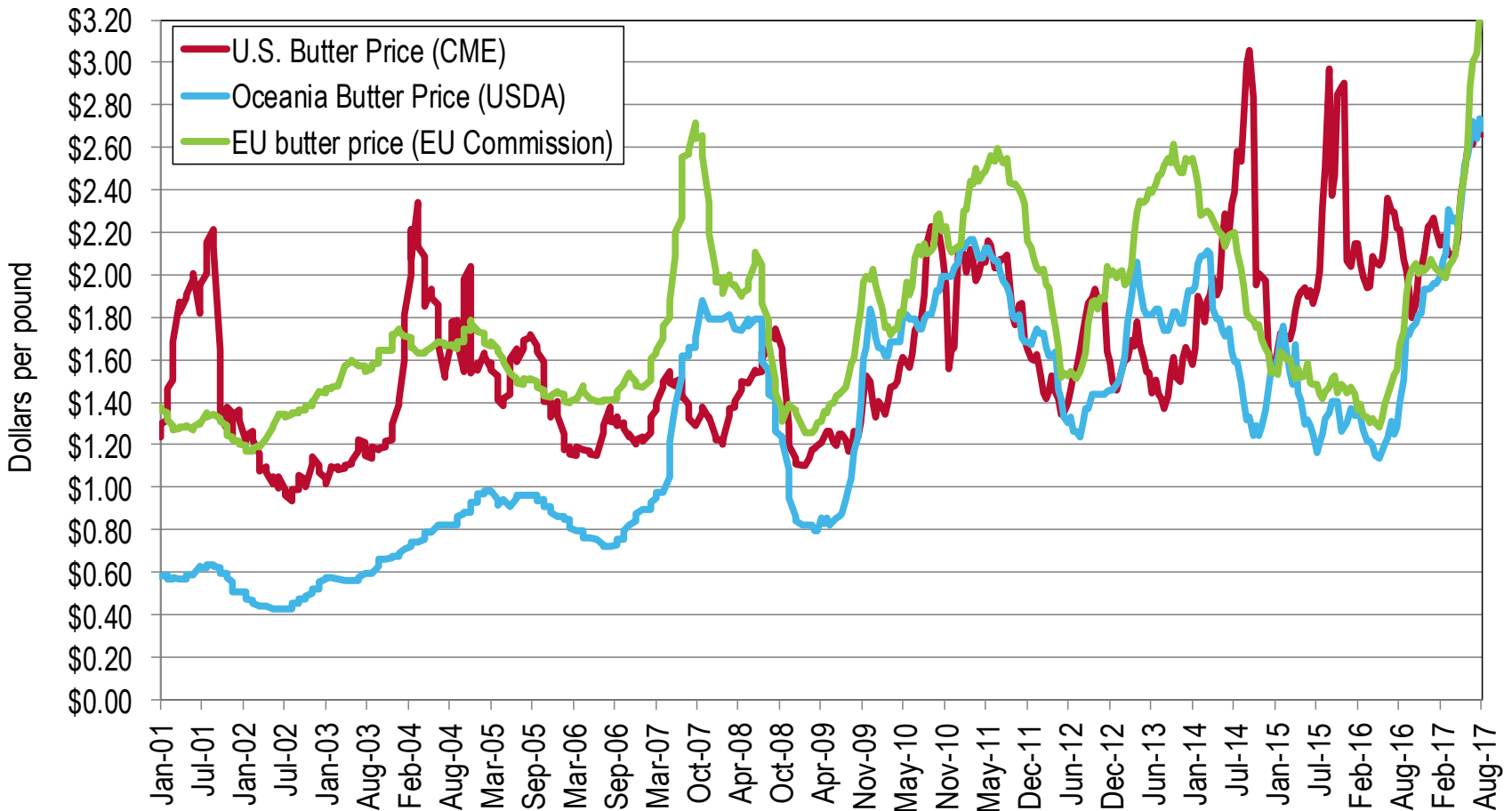
# U.S. total butter commercial disappearance

Million pounds



# U.S. butter vs. global butter price

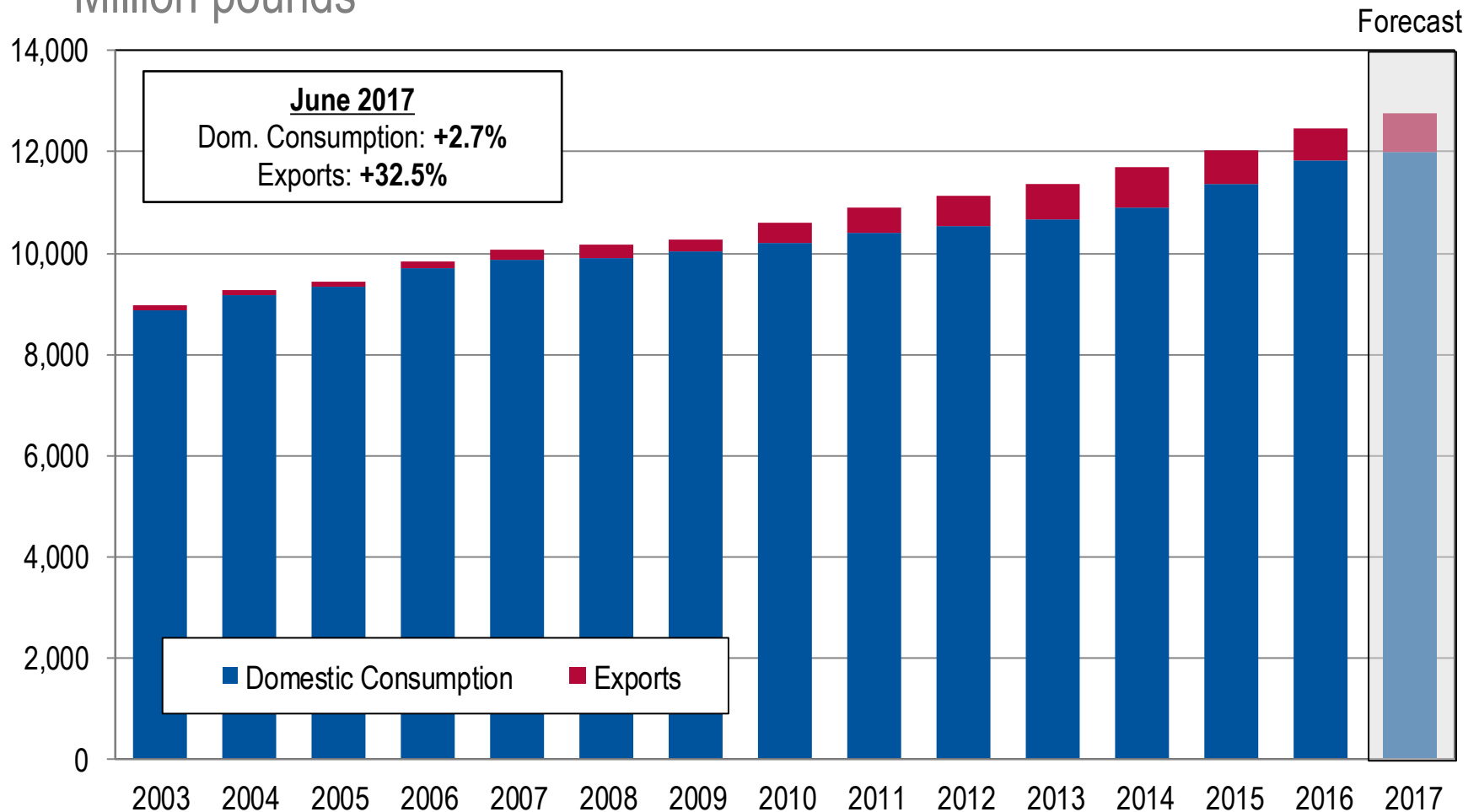
U.S. dollars per pound



Source: USDA, CME Group, GlobalDairyTrade

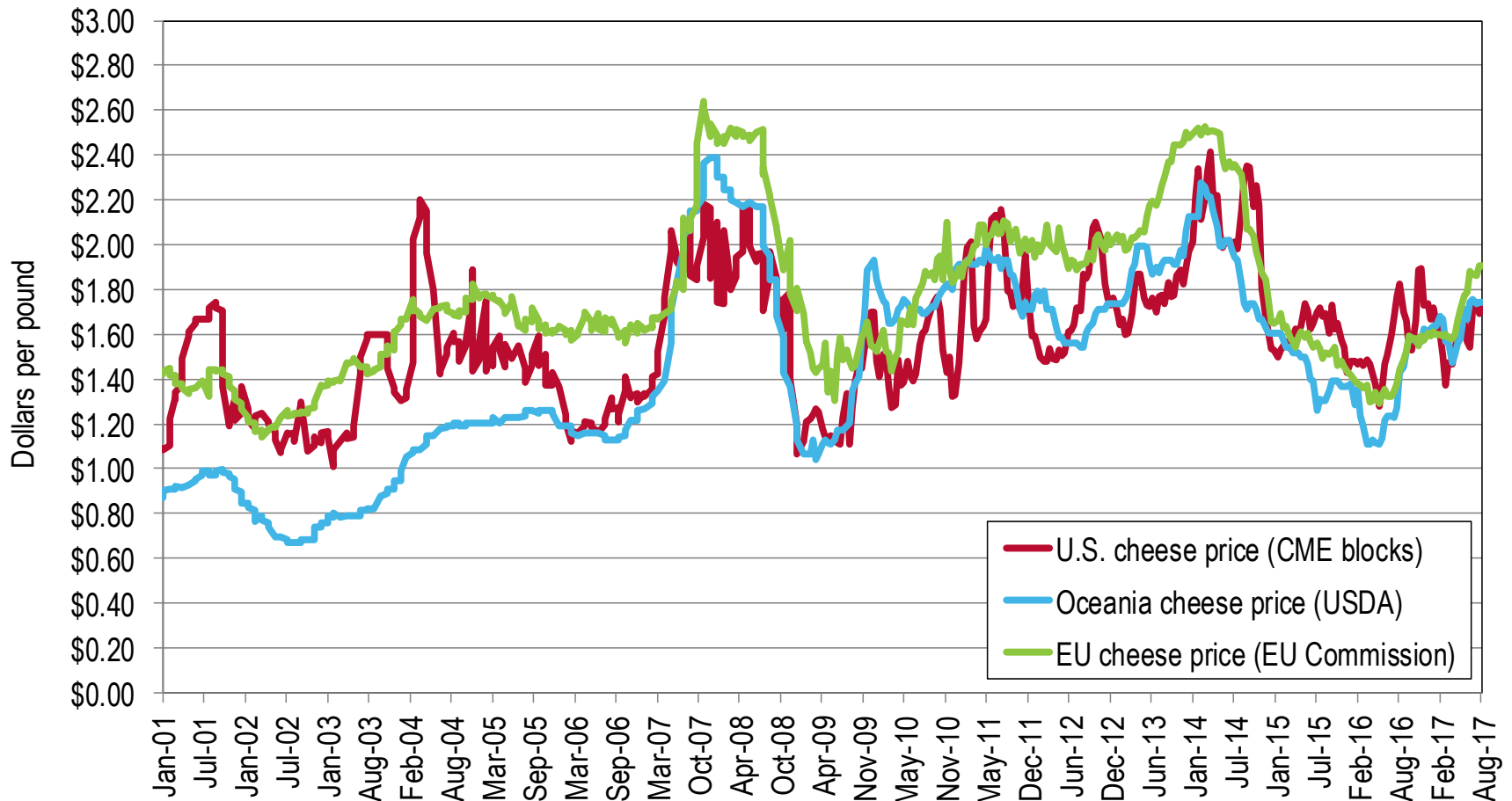
# U.S. total cheese commercial disappearance

Million pounds



# U.S. vs. global cheese price

U.S. dollars per pound



Source: USDA, CME Group, GlobalDairyTrade



# **Dairy Farmers of America**





# DFA overview

- A farmer-owned cooperative
- Member farms
  - Nearly 8,000 member farms and over 13,000 members
- Diversified manufacturer of dairy products, food components and ingredients and a leader in formulating and packaging shelf-stable dairy products
- 42 manufacturing facilities
- Annual sales (2016)
  - \$13.5 billion







# Top 15 customers



**PEPSICO**



**Kraft** *Heinz*



*Saputo*





# DFA's Member Services

## What we do

- Risk management
- Financing
- Input and supplies
- Consultancy
- Information

## How we do it

 Risk Management

 Grazing

 Insurance

 Farm Supplies

 Energy

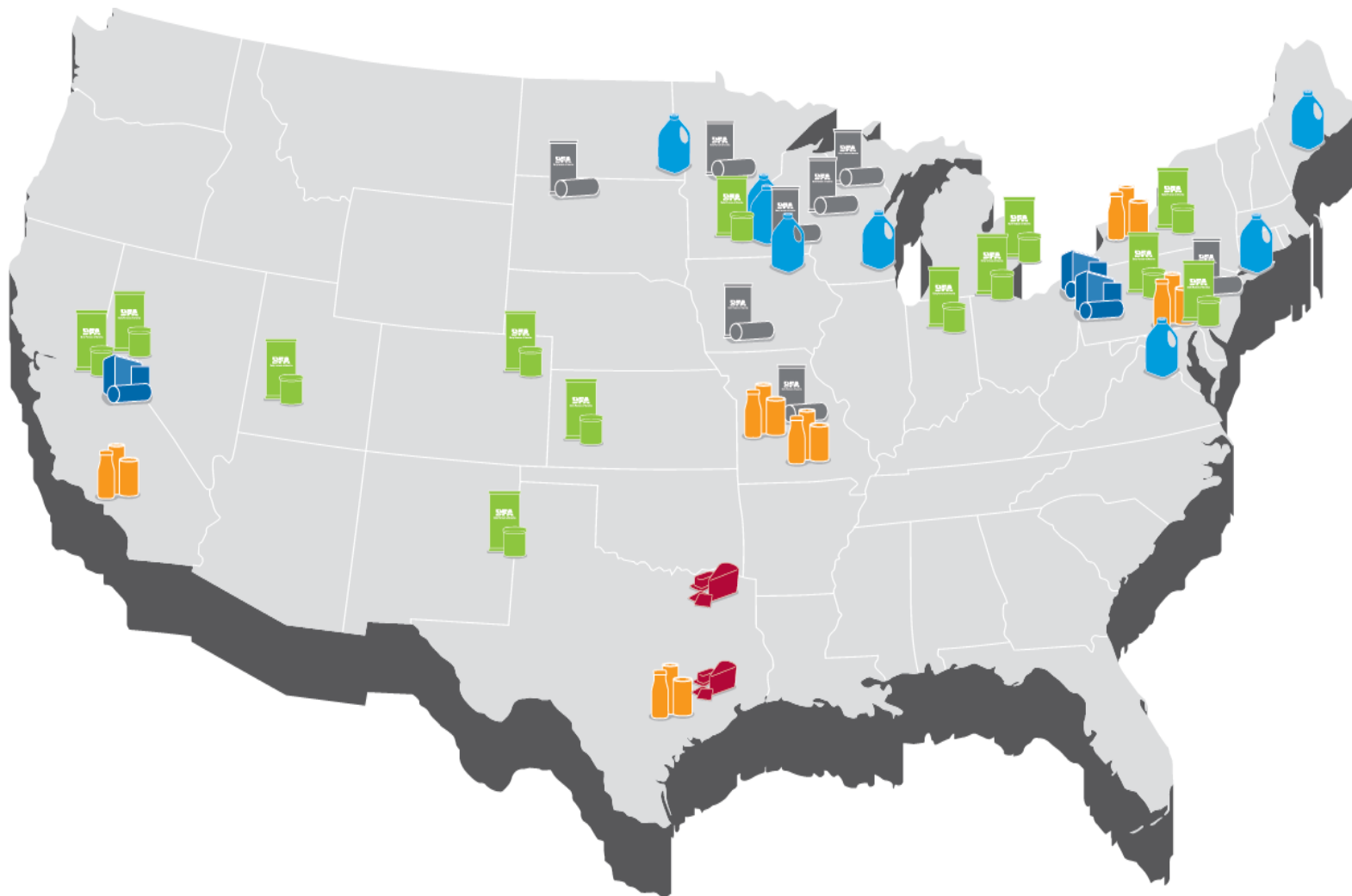
 Financing

 L<sup>IVESTOCK</sup> MARKETING

 Dairy One



# 42 DFA plants



FLUID MILK  
AND ICE CREAM



CONSUMER RETAIL



INGREDIENT PROTEIN



INGREDIENT CHEESE



BEVERAGE AND  
DAIRY FOOD



DAIRICONCEPTS



• • • • •

- 



# Ingredients

- Dairy protein powder, cheese ingredient and butterfat ingredient products
- Revenue — \$1.3 billion
- Manufacturing facilities — 16
- Employees — 473



# DairiConcepts

- Produces dairy powders, seasoning blends and Italian-style and American-style cheese
- Revenue – \$501.9 million
- Manufacturing facilities – 8
- Employees – 639



# Beverage and Dairy Foods

- Create products for food and beverage companies under their label and brands
- Develop new products under DFA brands
- Revenue – \$623.3 million
- Manufacturing facilities – 6
- Employees – 1,002



# Fluid Milk and Ice Cream

- Fluid milk, yogurt, ice cream and cultured products
- Revenue – \$1.0 billion
- Manufacturing facilities – 9
- Employees – 1,796







# Leadership





**Thank you!**