



**COPYRIGHT**—All rights reserved, PHOTOCOPYING, SCANNING OR REPRODUCING ANY PART WITHOUT PERMISSION IS STRICTLY PROHIBITED  
 Dairy Industry Newsletter's internet service is at: <https://dairyindustrynewsletter.co.uk> (see back page for full details)

**India**

**BANKS PURSUE KWALITY DAIRY FOR \$190m**

India's Central Bureau of Investigation have lodged a case against Delhi-based private sector company Kwaliti Dairy, their former promoter Sanjay Dhingra and other company executives for allegedly losing Rs1,400.62 crore (US\$190m) loaned by a consortium of banks led by Bank of India. CBI recently raided eight different locations in Delhi, Saharanpur, Bulandshahr (Uttar Pradesh), Ajmer (Rajasthan) and Palwal (Haryana), including premises owned by the company and others accused. The complaint alleges that the accused had cheated the Bank of India-led consortium comprising Canara Bank, Bank of Baroda, Andhra Bank, Corporation Bank, IDBI Bank, Central Bank of India, Dhanlaxmi Bank and Syndicate Bank by way of diverting bank funds, sham transactions with related parties, fabricated documents and receipts, falsified books of accounts, and creating false assets and liabilities. Kwaliti have been subject to insolvency proceedings since December 2018, owing over Rs2,000 crore (\$270m) to financial and operational creditors.

**Indonesia**

**F/C PLAN MAJOR PLANT NEAR JAKARTA**

The F/C Members' Council last week approved the construction of a new €250m dairy plant and distribution centre for their local subsidiary Frisian Flag Indonesia, close to Jakarta. The plan also includes the conversion of the current Pasar Rebo production facility into a production centre for local infant food brands. Construction of the new plant, which will produce condensed and pasteurised milk, is scheduled to start in April 2021. The total production capacity is expected to be more than 500,000t of finished product. The two projects are scheduled for completion in the first half of 2024.

**Singapore/Indonesia**

**JAPFA SEEK \$500m BID**

Singapore-listed agri-food company Japfa are weighing up a sale of their Indonesian dairy unit for around US\$500m. Japfa, who are backed by Indonesian tycoon Handojo Santosa, have started a sale process and invited a number of potential buyers to submit bids for Greenfields Indonesia, which was established in 1997 and produces over 43.5m litres of milk a year from over 10,000 cows. The unit is a subsidiary of Greenfields Dairy Singapore. As well as supplying the domestic market in Indonesia they export to Malaysia, Hong Kong and the Philippines.

**Australia**

**A2 SHARES PLUNGE ON GUIDANCE UPDATE**

The a2 Milk Company have cut 2021 sales and earnings guidance following a collapse in Australia of the 'daigou' market—in which individuals or groups buy commodities for customers in China—due to Covid-19 restrictions. The retail daigou channel has been disrupted by reduced tourism from China and the collapse of the international student market. In a trading update, the company said it expected first-half revenue to December to fall to A\$725m-\$775m, down from \$807m a year ago, and full-year revenues of \$1.8bn-\$1.9bn, up on 2020 (\$1.73bn) but well below expectation. The EBITDA margin was expected to fall from 31.7% to 31%, implying full-year pre-tax earnings of \$558m-\$589m—up from the \$549.7m achieved in 2020, but considerably lower than market forecasts of around \$662m. On this news, a2 shares plunged 10.8% to \$15.3, their lowest level since March (see I Hear, p7).

The daigou market started small but is now estimated to be worth at least \$2.5bn in Australia and represents a significant, but undisclosed, proportion of a2's infant formula sales in Australia and NZ. Performance has stayed strong in all other areas of a2's business: China label revenue was up 77% in August for the year to date and market share in China's Mother & Baby stores increased.

**China**

**COVID-19 HITS FOREIGN DAIRY SALES**

China's dairy category has benefitted from the Covid-19 pandemic in China, according to market analysts China Skinny. Increased sales were reported by dairy leaders Yili (+23%) and Mengniu (+19%) in

the June quarter. The share of foreign brands on business-to-consumer platform Tmall was 35% in December 2019 (pre-outbreak), but fell to an average 23% over the first 8mths of 2020. In 2016, foreign brands accounted for 52% of liquid milk sales on Tmall. Domestic milk brands are commanding the sort of premium prices once seen by foreign brands by focusing on smaller formats and more targeted market segmentation. The researchers found foreign brands have so far stuck largely to the 1-litre offering, despite this now accounting for only 6% of Tmall sales, rather than adopting the more popular 250ml format being used by Chinese brands.

• **Inner Mongolia Yili** are doubling their stake in smaller rival Zhongdi Dairy Holdings, paying HK\$1.66bn (US\$214m) to become the biggest shareholder. This represents HK\$1.132 per share—an 11% premium above the closing price. On completion, Yili's stake in the company will increase from 16.6% to 31.87%.

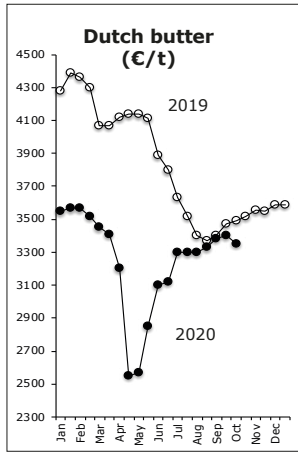
**US**

**DFA/DEAN FACE NEW CHARGES**

The US last week filed a motion and memorandum supporting an entry of final judgment in an antitrust lawsuit against DFA and Dean Foods Co in an Illinois court. The plaintiffs are seeking to stop the purchase of Dean Foods' dairy plants by DFA, alleging it would break antitrust rules. This case involves factories in Franklin, Mass., DePere, Wis., and Harvard, Ill.

• **ANOTHER SETTLEMENT**—A group of 115 dairy farmers who sued DFA over alleged price fixing has agreed to settle for an undisclosed sum and drop the case on the eve of a trial that was set to start in Vermont federal court last week. The dairy farmers had claimed that DFA worked with major feed companies to drive down the price of milk in the Northeast and pressured them to join an earlier settlement.

<b>In this issue</b>											
County Milk Products	6	DMK	4	Glanbia Cheese	6	Müller	6	Valio USA	3		
A-Ware	4	Dairy Farmers of America	8	DOC Kaas	4	J.S. Bailey	6	Ornua	7	Vivartia Holdings	4
a2 Milk Company	1	Dairygold	5	Fage	4	Japfa	1	Pattemores	6	Wyke Farms	7
Barambah Organics	3	Dean Foods Co.	1	Freshways	6	Kwaliti Dairy	1	Saputo Australia	7	Yew Tree	6
Cotteswold	6	Delamere Dairy	6	FrieslandCampina	1,4,7	Mackie's	6	Synlait	3	Yili	1

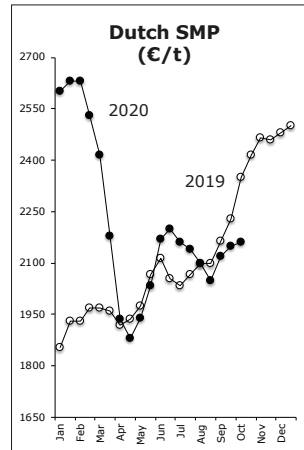
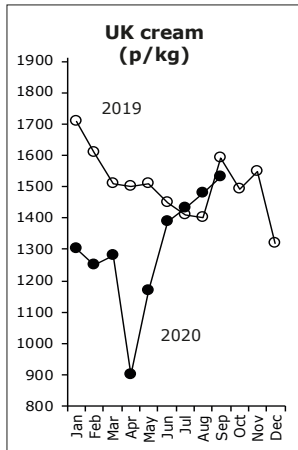


**DUTCH BUTTER BREAKS THE BULL RUN**

All good things must come to an end! The extraordinary run of butter price growth after the initial shock of lockdown, followed by a period of stability, has come to a halt with the average European butter price dropping for the first time since the third week of April. It was the Dutch that let the side down, dropping for the second consecutive week by €20/t and taking its total reduction over the fortnight to €50/t, to settle at €3,350/t. Across German, French and Dutch product the average price is now €3,470/t, thanks to German at €3,500/t and French at €3,570/t. The average price converts at current exchange rates to £3,175/t in the UK.

All of the prices are ahead of the market, according to traders, which is nearer €3,300-€3,400/t and slightly weaker than it was. Generally, however, prices are stable and traders continue to report little buying interest and lacklustre trading.

**Volatile cream**—In contrast, cream has had one of its most volatile fortnights in months. The September boost given to the UK average price in September (see p6) still disguises heavy swings in both directions. Prices semi-collapsed to £1.45/kg 2wks ago after Müller offloaded a lot of cream onto the market at once due to some factory problems, but the price quickly bounced back to the low £1.50s/kg before accelerating to the very high £1.50s/kg and even touching £1.60/kg. Prices have been similarly volatile on the Continent too, starting the week at €4,150/t for 100% and ending nearer to €4,450/t. Demand for cream for packing butter in Germany was cited as one reason for the surge in demand.



There is no sign that cream is pulling up the butter price. In fact, butter is sandwiched between two countervailing forces—on the upside cream and on the downside the futures markets, which have now drifted €200 lower than a month ago, and are now below €3,300/t for December through to March.

**US SMP closes in**—EU SMP prices continue to be flat, and still average €2,160/t in Germany/France/Netherlands—but futures are up marginally for the third week in a row and are all above €2,200/t for the next 6mths. US SMP prices have also risen to close the differential between EU and US prices. US prices at one stage were getting on for being 15% cheaper than the EU, but they are around 6% cheaper now. Skim concentrate is also robust, with quoted prices at €1,900-€2,000/t. No one will be buying at this price to dry.

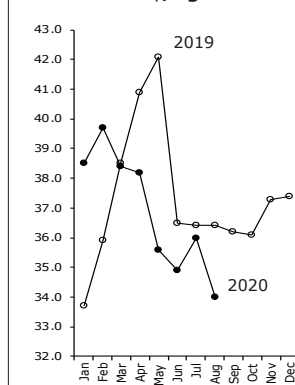
**WMP prices** have also been very stable over the last few weeks, with the Dutch price varying by just €20/t since the end of June, €50/t on German and €30/t with French. That was until this last week when French lost a surprise €140/t to settle at €2,610/t. Whey was static last week at just over €700/t.

**Cheese markets flourish**—Cheese continues to be robust, and if anything is getting more so. Edam and Gouda are now at or above €2,900/t and Mozzarella is stable at €2,650-€2,750/t. But with UK mild Cheddar relentlessly staying put at £2,950/t, it leaves curd as the surprise performer of the week with good export demand on the back of a weakening sterling helping to propel it to £2,900/t, say some traders. That will put upward pressure on the main Cheddar category and some traders aren't ruling out mild crossing the £3,000 threshold soon.

In the US, all of the CME spot markets moved higher last week, and cheese again did so with particular verve as Government purchases help tighten the supply.

**UK spot milk** prices have eased slightly, not least due to an increase in milk volumes in the UK, which are now ahead of last year for the first time this year. Those who need to dispose of the odd tanker load will get less than 30ppl for it, while those needing to buy, face paying 32ppl. However there is limited demand being reported, with the price still not attractive to cheesemakers given the borderline return they will get at those prices.

**IFCN est.world milk price US¢/kg**



**Weekly market prices @02.10.20**

**EU OBSERVATORY PRICES**

(€/t)	Oct 2 v. Sept 16 2020	2020 high	2020 low
Butter	3500 +0.3%	3720	2880
WMP	2700 -1.5%	3070	2610
SMP	2140 -0.5%	2620	1910
Cheddar	2990 +0.3%	3190	2960
Whey powder 720	=	830	710

**US QUOTES, CHICAGO MERC.\***

(\$/t)	Sept 30 v. Sept 18 2020	2020 high	2020 low
Butter (AA)	3325 -1.2%	4300	2540
SMP (grdA)	2485 +6.4%	2850	1800
Cheddar			
—40lb blcks	5685 +9.3%	6245	2275
—500lb bar.	3995 +12%	5330	2260

\*Conv. from US ¢/lb@1 tonne = 2,205lb

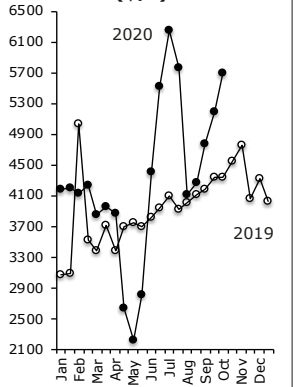
**EU market indicators**

**BUTTER AND WMP DOWN**

The Dutch Dairy Board/ZuivelNL made few changes to their official dairy commodity prices last week, cutting their official butter price by €20 to €3,350/t and increasing their SMP (feed) price by €10 to €2,090/t. WMP was left unchanged at €2,700/t, SMP (food) was also left unchanged at 2,160/t and whey powder at €720/t.

Last week's IFE estimate of the average EU raw milk value was 30.0c/kg (at the farmgate level), unchanged from the previous week. This price is based on the official prices of butter and SMP in Germany, France and the Netherlands. The average butter price was down €7 to €3,473/t and the average price of SMP was level with last week at €2,163/t.

**US Cheddar 40lb blocks (\$/t)**



**IFCN**

**WORLD EST. MILK PRICE DOWN 14% SINCE FEB**

The German-based IFCN consultancy estimate that the world farmgate price of milk, based on the value of dairy products worldwide, should have been 34.0 US cents/kg in August. This was 5.6% or 2¢ down from July and is now 14% down since Feb. The price of animal feed in a milk price equivalent was 19.7¢/kg, the lowest since August 2007.

**Rabobank research**

**PRODUCTION INCREASES THREATEN MARKETS**

Rising milk production in all the major dairy exporting regions could pose challenges for markets heading into 2021, according to Rabobank. The bank's latest research forecasts global market fundamentals to remain weak into the first half of next year. They forecast 2020 combined milk production growth of 1%-2% in the key milk producing regions (EU, US, South America, Oceania).

Rabobank dairy analysts expect an above-average increase in milk production in the main milk exporting countries in the third quarter (+1.7%) and fourth quarter (+1.4%) of 2020. This is due to recovery in milk production in the US and good weather conditions in NZ in addition to higher European milk production (see p4).

**NZ****SYNLAIT POST SALES UP 27%**

Chinese-owned NZX-listed dairy company Synlait have posted revenue up 27% to NZ\$1.3bn in the year to July. Net profit was down 9% to \$75.2m, attributed partly to the cost of investments in new facilities, including the new Pokeno factory and Dunsandel Advanced Dairy Liquid Packaging facility, which are expected to start delivering earnings from next year. EBITDA was up 13% to \$171.4m. Lactoferrin sales were up 46% to 30m tonnes and consumer-packaged infant formula sales were up 15% to 49,180t. Synlait's final milk price for the 2019-20 season was \$7.30/kg of milksolids—a base milk price of \$7.05 plus incentive payments. Their base forecast for the 2020-21 farmgate milk price is \$6.40/kg of milksolids, up from \$6.00.

**NZ****AUGUST MILK PRODUCTION UP 5.3%**

New season milk production volumes now ramping up in NZ were up 5.3% from last year in August to 286m tonnes (1,425m litres). In milksolids it was up 4.7% to 124.6m kg. The cumulative total for the first 3mths of the new 2020-21 season is 1.98m tonnes, up 4.8% from a year ago on a volume basis.

**Latin America****MILK PRODUCTION AND DAIRY EXPORTS SURGE**

Favourable weather has pushed milk production across most of Latin America to levels not seen in years, according to Monica Ganley's Quatterra consultancy. The resumption of imports by Brazil, which is still the exception, has revived regional trade and exports are being bolstered by continued shipments to Africa as a result of successful ONIL tenders as well as increased demand from China and Russia. August milk production was up 5.0% in Argentina; cumulative production for 2020 is up 8.0%. Uruguay's August production was up 10.8%. Mexican production is also well up.

**M. BOVIS REARS UP AGAIN**

Mycoplasma bovis has re-emerged in NZ on three farms in Mid Canterbury. Agriculture minister Damien O'Connor said the news was disappointing, but not unexpected during calving season. The system was in place to deal with it, he said, and was working through the tracking and tracing now. Incidence of the disease had got down to one farm before the latest case was identified but bulk milk testing earlier in the month picked up 28 dairy farms requiring further investigation.

**NITRIC ACID LEAK AT FONTERRA EDENDALE**

Emergency services were called out to a chemical leak at Fonterra's Edendale plant on Saturday. No-one was injured. The nitric acid had come from a leaky valve. Production was not affected. Persistent problems at the site have included a major fire in 2018 and the collapse of a milk silo in 2016.

- A fire and reported explosion at the Open Country Dairy in Horotiu, Waikato, was brought under control last week.

The building was evacuated and there were no injuries. The fire was attributed to a fault in an air heater. An investigation will be carried out.

**Australia****TANARRA TO TAKE OVER BARAMBAH ORGANICS**

John Wylie's Tanarra Capital are to acquire a significant stake in Queensland-based organic dairy products producer Barambah Organics in a \$50m deal. Barambah were set up by Queensland farmers Ian and Jane Campbell who converted their farm to organic status and now produce organic milk, yogurt, cream and cheese sold via a national distribution agreement with supermarket group IGA. Former Accolade Wines boss Matthew Stanton is to be CEO. Barambah Organics will join Tanarra's wide-ranging business portfolio.

- **NEW LOBBY**—A group of Victorian dairy farmers have set up a new lobby group—Dairy Farmer Voice—as a grassroots alternative to what they call 'astroturf talk' in challenging processor domination of the sector. The move comes in the run-up to the delayed publication of the Australian Dairy Plan, which seeks to address issues ranging from marketing and profitability to reform of industry structures.

**Japan****2020 BUTTER IMPORTS SLASHED BY 30%**

Japan's agriculture ministry has announced that they will cut planned imports of butter to 14,000t for fiscal 2020—a 30% cut from the previously announced volume of 20,000t. This is the first time that MAFF have cut the butter quota mid-year since 2015. The reduction reflects concern over Japan's growing butter stocks.

**US****CFAP PAYMENTS ADD 1.40¢/lb TO MILK PRICES**

Total Coronavirus Financial Assistance Programme payments will add 1.40-1.50¢/lb—at least 0.5 eurocents per kg—to US milk cheques in 2020, according to NMPF economist Peter Vitaliano. Smaller farms will receive this for all their milk.

Larger farms are subject to a \$250,000 payment ceiling. The US All-Milk price average is expected to be just under 18¢/lb this year, down 0.6¢ from last year. The average All-Milk price in 2019 was 15¢ up on 2018. After 2mths of contracting milk supply during lockdown, rising milk prices are again driving some farms to add to their dairy herds.

**US ALL-MILK PRICE**

¢/lb	2020	v. '19	c/kg EU
Jan	19.60	+18%	38.9
Feb	18.90	+13%	38.2
Mar	18.00	+2.3%	35.9
Apr	14.40	-19%	29.2
May	13.60	-24%	27.5
June	18.10	=	35.5
July	20.50	+10%	39.4

Source: USDA NASS

**AMERICAN CHEESE SALES +170% IN 45yrs**

Americans are now consuming 653lb (296kg) per capita of dairy products a year, according to new data. That's 8% more than in 2005 and 21% more than in 1975. Cheese consumption has led the way, increasing by 170% since 1975. In spite of increased dairy consumption, major dairy/cheese state Wisconsin lost 818 farms in the 9mths to September 2020—the single biggest year ever for dairy farm losses in the state.

**GM TO CUT 30% OF EMISSIONS IN A DECADE**

General Mills, whose brands include Yoplait yogurts in the US and Haagen Daaz ice cream, have pledged to reduce absolute greenhouse gas emissions by 30% across their full value chain over the next decade. General Mills reported a 29% increase in operating profit for their first quarter as they continue to benefit from at-home food demand amid Covid-19 restrictions.

**US/Finland****VALIO CONSOLIDATE AND EXPAND IN US**

Finlandia Cheese, a subsidiary of Finnish Valio since 1992, have changed their name to Valio USA. The name change is accompanied by a new focus on highly added-value ingredients and vegetable cheese alternatives, focusing on Finnish heritage. The Finlandia brand name, which dates from when Valio started exporting Emmental Swiss cheese to the US in the 1950s, will remain unchanged for Valio USA's cheese and butter. Valio have also launched a range of cheese substitutes in the US under the 'Oddlogood' brand which, they say, tastes and melts as well as conventional cheese, and will introduce dairy ingredients to meet demand for health requirements such as free from, high protein and low sugar.

**Iran****FIRE ENGULFS MIHAN DAIRY, TEHRAN**

A huge fire broke out at the Mihan Dairy factory near the capital, Tehran, last week. Video clips showed fire erupting round the two-story facility, part of Mihan Food Industries Group, 22km from Tehran. The dairy was established in 1974 and has a 65% market share for ice cream and 50% market share for UHT milk. The cause of the fire is under investigation.

**Jamaica****NESTLÉ SIGN CO-PROD. AGREEMENT**

Nestlé Jamaica announced their re-entry into the highly competitive powdered milk market in Jamaica under a co-manufacturing deal with Dairy Industries Jamaica Ltd. The agreement has formalised DIJ's production since March 2020 of Nestlé Everyday milk powder in Kingston.

**Germany****MORE SWINE FEVER FEARS**

Germany's Friedrich-Loeffler-Institute last week confirmed two further cases of African Swine Fever in wild boar in Brandenburg, bringing the total to 38. One of the cases was found in the area defined as "in danger of the disease", in the Oder-Spree & Spree-Neiße districts, while the other is from Märkisch Oderland, close to the Polish border. The state of Brandenburg will now adjust the protection zone accordingly, the Ministry said, stressing that domestic pig populations in Germany are still free from the virus, with all cases so far found in wild boar. China, recovering from their own major ASF epidemic, immediately announced a ban on imports of pigmeat from Germany, a key source of imports, two weeks ago with Japan and South Korea following suit shortly afterwards.

**DMK LAUNCH FIXED PRICE MODEL**

After running a pilot project to hedge milk prices, Germany's largest dairy co-op DMK are now introducing a 'fixed price' price hedging model for co-op members. From November, farmers will be able to offer part of their milk volume at fixed prices, thus providing additional planning security. DMK launched a pilot project with 26 farms in mid-2019 to test the model, involving real-time hedging transactions. The option will be made available to all their farmers from the end of September, for up to 30% of their average monthly milk volume. The scheme currently applies only to members of DMK in Germany, and not to members of DOC Kaas, although DMK plan to extend it to the Netherlands.

- DMK Group have merged their German branded sales unit with those in other EU countries. DMK generate 50% of branded dairy product sales in Germany, Austria and Switzerland and the remaining 50% elsewhere in the EU. Branded sales were relatively unaffected by the pandemic—cheese sales have grown almost fourfold since 2013. While two thirds are generated through foodservice and catering, lockdown losses were not fully offset by consumer sales. DMK admit that their overall sales figure is currently significantly under that of the same period last year.

- **FRESH DAIRY PRODUCT SALES UP**—Lockdown reversed declining sales of fresh dairy products in Germany, which ended the year to June 2020 up 1.7% to €12.2bn while volume sales were up 1.3% to 6.6m tonnes. Up to February, sales were down by 2.5% but lockdown led to a reversal of this, with value sales increasing by 10.9% and volume sales up 8.9%. Sales of branded products increased by 5%, giving brands a 50% share in total sales of fresh products.

**Greece/Luxembourg****FAGE FURY AT €277m BUILDING PROJECT BLOCK**

Greek yogurt producer Fage have ditched plans to build a new plant in Luxembourg. An investment of €277m was planned and the plant was designed to produce 80,000t of yogurt a year. During negotiations with the authorities, Fage encountered persistent difficulties, in particular with regard to water supply. Luxembourg will buy back the 15ha of land already purchased by Fage for €30m. Business federation Fedil president Michèle Detaillé has called for legislation to introduce shorter deadlines, up to 6mths, when companies apply to build manufacturing facilities in Luxembourg. "I am shocked, disappointed and angry. Absolutely no consideration has been given to the interests of the country," she said. "The way in which this issue has been handled by the minister of the environment is "unethical". "It is not up to this department to say who should establish business here or not."

**Greece/Bulgaria****NEW OWNER FOR VIVARTIA HOLDINGS**

CVC Capital Partners are acquiring food specialist Vivartia Holdings from listed investment company Marfin Investment. Vivartia were established in September 2006 and operate in the dairy and drinks sector through their subsidiaries Delta Foods, set up in Athens in 1952 by Aristides Daskalopoulos as a family business producing dairy products, and Bulgaria's United Milk Co, acquired in 2007. They are the biggest milk producer in Greece and Bulgaria.

**Netherlands****F/C LIFT OCTOBER MILK PRICE, CUT ORGANIC**

FrieslandCampina are increasing their October guaranteed farmgate milk price for standard milk and cutting the organic price. They will pay milk supplying members 34.25c/kg (excl. VAT) for standard milk—up 0.5c from September after a positive correction as a result of under-estimation of reference companies' prices in the previous period. Constituent values for Oct are: protein 54.949c/kg, butterfat 27.475c/kg and lactose 5.495c. F/C are cutting their organic milk by 1.5c to 46.0c/kg.

**Denmark****ARLA UP 0.5c/kg**

Arla Foods a.m.b.a have announced they are increasing their farmgate milk price by 0.5c/kg from October. The same increase is being applied to their organic milk prices (see also p6).

**A-WARE MILK PRICE UP**

A-Ware have increased their Oct farmgate milk price by 0.75c to a minimum of 33.24c and a maximum with bonuses of 38.99c/kg, including 4c/kg for the Albert Heijn milk stream. It is A-Ware's third consecutive price increase. Their organic milk price is unchanged at 50.11c/kg.

**DOC Kaas** have increased their farmgate milk price by 1.07c for October, taking their base price for annual delivery of 1.1m kg to 32.15c/kg and the maximum payable to 35.4c/kg, excl. VAT and after deduction of 0.5c for ZuivelNL.

**France****SAVENCIA CLOSE RAMBOL FACTORY**

Savencia Fromage & Dairy will close their Rambol plant in France in early 2022. This will affect 83 permanent and 20 temporary employees. The plant is designed for processed cheese production.

**Swedish study****DAIRY IN 10yrs**

New research conducted in collaboration between Tetra Pak and Lund University in Sweden develops four scenarios for the dairy industry in 2030. "This sector will undergo an enormous transformation over the next decade, with the dairy industry hit hardest. The study set out to uncover fresh insights into the shifting landscape of the dairy industry mainly involving the US, China, India, Nigeria, Brazil and UK. The result was four likely routes with very different outcomes. The first scenario, 'Dairy Evolution' involves "no big surprises". 'Green Dairy' is marked by strong socio-environmental forces but little technological transition. 'New Fusion' is dominated by innovative technologies and processes. The final scenario, 'Brave New Food' combines strong socio-environmental forces and highly innovative technologies leading to "a complete transformation"

**Brussels update****PSA VOLUMES SELLING OUT OF STORAGE**

Around 6,000t of cheese, 2,000t of butter and 400t of SMP were removed from the Commission's emergency Covid-19 private storage aid scheme during August, although little more was traded out in September. This leaves around 18,000t of SMP, some 64,000t of butter and 34,000t of cheese to be taken out by the end of 2020. Cheese PSA never took in the full 100,000t allowed. The product has to leave the scheme once the contractual storage period—between 90 and 180 days for butter and SMP and 60-180 for cheese—is over. Product taken out early by the manufacturer/trader who placed it in the scheme loses the aid. Once it is removed from storage, there is no restriction on the end use of the product, according to Euclait. Unlike with public intervention, the Commission does not profit from these sales because product was not bought and is not involved in the sale of the product—EU aid is provided to private operators to finance part of the storage costs.

EU-27 (ex-UK) **milk production** was up 2.1% from last year in July, resulting in a cumulative increase for the calendar year to date of +2.0%. In July, production in Italy was up 4.5%, +4.4% in Ireland, +2.7% in France and +2.2% in Poland. Only three countries reported reductions, including Spain (-3.1%).

The MMO EU-27 **average farmgate milk price** in July was up 0.8% from June to 32.8c/kg. According to Rabobank, the average milk price in the EU will be in the region of 32.5c for the rest of the year.

Increased milk production has led to **manufacturing increases**. In Jan-July, EU cheese production was up 2.0%, SMP production up 1.9%, WMP production up 4.7% and butter production up 1.6%.

Ireland—**Eamon O’Sullivan** is returning to Dairygold after 7yrs as COO of Novartis to take up the role of general manager, Dairy Ireland. **Tim Healy** has been appointed COO of the Cork-based co-op and **Chris Edge** will take on an expanded role as general manager of the UK and Europe business. **Conor Galvin** will have a new role as chief growth officer. **Michael Harte** continues as CFO and **Liam O’Flaherty** as general manager of agribusiness. Dairygold have set up a voluntary severance or early retirement scheme for staff.

Ireland—Drinagh Co-op have announced the appointment of **Seamus Daly**, currently head of dairy, as CEO designate (see I Hear, p7).

Ireland—Glanbia Ireland have nominated co-op director **Diarmuid Lally** to the board of Ornuu co-op.

UK—**Ash Amirahmadi**, MD of Arla UK, is the new chairman of Dairy



UK, succeeding Glanbia CEO **Paul Vernon**.

UK—**Graham Wilkinson**, Arla UK member relations manager, has been promoted to a new position as head of Arla’s pan-European members and agri-commercial operations. **Alice Swift** (formerly with Sainsbury’s and Tesco) has been promoted to head up UK farmer relations.

US—**Geri Berdak** is the new CEO of The Dairy Alliance.

Australia—Former boss of bankrupt Organic Dairy Farmers of Australia, **Bruce Symons**, whose grandfather **Albert** founded Symonds Dairy in central Victoria, later acquired by Parmalat, has founded Symons Organic Dairy and restarted the cheese brand discarded by Parmalat. Symons and French cheesemaker **Matthieu Megard** opening a processing plant at Mortlake in June. The company will process about 100t of cheese in the next 12mths, with plans to double this in 2yrs.

**Austria**

**CHAMBER OF AG APPEALS TO RETAILERS**

The Chamber of Agriculture of Styria has slammed retailer purchasing strategies—although Austria is a major dairy country, cream cheese, Mozzarella and butter products sold in grocery are largely of foreign origin. The Chamber is appealing to consumers to seek out domestic cheese and butter. According to Chamber director Werner Brugner, up to 100% of the Mozzarella, up to 77% of the fresh cheeses and up to 40% of the butter on offer in stores is not produced in Austria. Most of these products come from Denmark, Ireland, Germany, Italy or France.

**MCDONALD’S+BERGLANDMILCH**

McDonald’s and Berglandmilch are celebrating their 10th anniversary of co-operation in which 200 selected farmers in the Kärnten area are paid €320,000 pa for producing milk to the standards required by McDonald’s. Cows are in free movement pens and are fed GMO- and palmoil-free feed. Farmers cannot use glyphosate and are restricted in use of antibiotics. This milk ends up in products delivered to the fast food chain.

**DAIRY TRADE SURPLUS UP**

Austria’s dairy exports were up 4.3% in the first half of 2020 to €652m. Dairy imports were up 4.1% to €417m, producing a trade surplus of €235m, up 4.4% from the previous year. The biggest export product is cheese, with sales of 78,000t generating €329m while 65,000t worth €256m was imported. In the case of butter, 1,800t was exported and 8,700t imported; fermented products, yogurt etc €76m in exports and €27m in imports; liquid dairy products €161m in exports and €39m in imports; dried products €26m in exports and €34m in imports; and whey products €50m in exports and €26m in imports. Germany, Italy, Netherlands and China were the main destinations. Despite early challenges, exports to EU countries have largely remained stable during the pandemic. Exports to third countries including China have increased.

**Switzerland**

**HOCHDORF END WHEAT GERM PRODUCTION**

Struggling Hochdorf, who are consolidating operations, have stopped production of wheat germ at their Welschenrohr site to release capacity and storage space for use by their Bimbosan brand for filling and dispatch. The changes will take effect from the end of January 2021. The move will see an end to Hochdorf’s wheat germ production and is expected to result in cost savings of around CHF1m. Bimbosan will relocate their Welschenrohr HQ, which will be sold, to Hochdorf.

• **Co-op Zentralschweizer Milchproduzenten** (ZMP), who sell members’ milk to processors, announced a 1.5 rappen increase to their farmgate milk price to 55.5 rappen/kg. The base price for organic milk is unchanged at 84.5 rappen.

**Ireland**

**CONFLICTS OF INTEREST RIFE AT ORNUA**

Ornuu’s proposed new board structure does not meet corporate governance best practice standards, which require a majority of the board to be independent non-executive directors, according to Prof. Niamh Brennan of University College, Dublin. The success of the changes—prompted by the tensions arising from from Glanbia’s launch of Truly Grass-Fed, which competes head-on with Ornuu’s Kerrygold brand—will depend on the skills mix arising from it. Writing in the IFJ, Prof. Brennan says that if corporate best practice is to be achieved, amid increasing potential conflicts, the board must be slimmed down and fewer directors should be representing supplier members. Glanbia own 25% of Ornuu, and two of their senior executives—chairman Martin Keane and Jim Bergin—currently sit on the Ornuu board. “Such directors are not independent,” Prof Brennan says. The new board is set to comprise 16 individuals—eight from Ornuu member co-ops, and eight others. An ideal board size is 11 or fewer, according to Prof. Brennan.

**Ireland**

**AUGUST MILK PRICES STILL INCREASING**

Having stabilised after April cuts of 0.5c-2c/litre, most of the main Irish co-ops have continued to increase their farmgate milk prices over the past 3mths, with nine doing so in August and the remaining—who increased their July prices—unchanged, according to the latest IFJ monthly milk price league table. August increases ranged from 0.24c (Arbawn) to 0.94c (North Cork). North Cork moved up six places, dislodging Aurivo from the position it has held for 5mths just below the four west Cork co-ops at the top of the league. Dairygold were bottom. The average price was up 0.4c at 29.8c/litre.

IRISH MILK PRICE LEAGUE TABLE c/litre

	2020	August	v. July
Drinagh	30.87		+0.50
Bandon	30.72		+0.49
Barryroe	30.72		+0.49
Lisavaird	30.72		+0.50
North Cork	29.67		+0.94
Arbawn	29.65		+0.24
Kerry	29.51		+0.47
Aurivo	29.51		=
Lakeland	29.41		=
Tipperary	29.18		=
Glanbia	29.03		+0.43
Centenary	29.03		+0.47
Dairygold	28.96		=
avge	29.77		+0.40

Source: IFJ

**DAIRYGOLD GROWTH**

Dairygold are expecting another decade of milk supply growth but at a more modest 2.6% pa, reaching 1.6bn litres by 2025. Investment is likely to be supported through a members’ fund, possibly via the well-used loan scheme.

**YEMEN FUNDRAISER**

Leinster dairy farmer Mike Magan, a former chairman of Lakeland Dairies, has set up a pan-industry fundraising initiative, Together For Yemen. It aims to collect the value of milk from one cow for one day from every farmer in Ireland, in order to buy Irish WMP for the famine relief work of the Red Cross in Yemen. Farmer interest via social media encouraged co-ops, led by Lakeland and Dairygold, to get involved. Close to 100% of dairy processors are now backing the initiative.

**UK wholesale prices****SEPTEMBER PRICES FIRMER**

Cream, butter and SMP wholesale markets firmed in September. AHDB Dairy estimate the wholesale price of bulk cream increased by £50 from August to £1,530/t, and is now 75% higher than its April low. The average butter wholesale price was up £100 at £3,180/t—now up 33% from its April low—and SMP was up £80 to £1,940/t. AHDB's estimate for mild Cheddar was unchanged at £2,920/t. AMPE for September was estimated at 29.5ppl, up 1.3p from last month, and MCVE was 31.6ppl.

**UK markets****DOORSTEP DELIVERIES BACK AGAIN**

According to Kantar data analysed by AHDB Dairy, the number of customers using milkmen/women rose from 527,000 to 716,000 during lockdown as consumers tried to minimise trips out of the home, with many sites forced to turn customers away. As restrictions lifted in mid-summer, customer numbers dipped to around 672,000, but remained higher than at the beginning of the year. Notable was the shift in demographics: traditionally milkmen tended to be used by older, wealthier and retired consumers. At lockdown, the new customer base was driven by 'pre-families' and families. In a recent survey the main reason given for taking up doorstep delivery was to support local businesses (70%), followed by convenience (54%), 'good quality' (36%), and environmental advantages (32%). Despite the extra cost, 21% said doorstep deliveries were good value, and 14% cited a good range of products. Some 6% even thought doorstep delivery "cheap". Services offering milk in non-plastic packaging and using electric vehicles were seen as popular with the younger, family-orientated demographic driven by sustainability targets.

**UK milk prices****MÜLLER & ARLA PRICES INCREASE**

Müller have announced they are increasing their November farmgate milk price by 1ppl for non-aligned suppliers who meet the conditions for the Müller Direct Premium 2020 (requiring farmers to adhere to four herd management initiatives). It is the first price change for Müller direct suppliers this year. Rob Hutchison, operations director, said: "It is important to stress that there remain considerable Covid-19 and Brexit-related uncertainties ahead which may impact market returns, but we aim to ensure that Müller remain a reliable and progressive partner for the dairy farmers who choose to supply us."

**Arla's** 0.5c/kg farmgate milk price increase for October translates into an increase of 0.5ppl for UK suppliers (including a 0.06p/kg quarterly currency adjustment). The organic milk price has been cut by 1.5ppl. **Pattemores** announced a 1ppl increase in their farmgate milk price for October.

**Yew Tree, Freshways** (reportedly now looking for new suppliers) and **Glanbia Cheese** have all increased their November milk prices

by 1ppl. **Cotteswold Dairy** announced a 1.1ppl increase for November. Also from November, **Tesco** have cut their farmgate milk price by 0.56ppl and **Sainsbury's** have cut their milk price by 0.06ppl.

**Northern Ireland****DAIRY FARMERS CLAIM £11m IN COVID SUPPORT**

More than £18m has been claimed from a Covid-19 support scheme for farmers in Northern Ireland, with £11m going to dairy farmers. About 11,000 dairy, beef, sheep and horticultural businesses applied to the agriculture department (DAERA) fund as part of a £25m Covid-19 support package announced by the Northern Ireland Executive. Applications opened on Sept 7 and about 98% of eligible farmers applied.

**Company reports****GLANBIA CHEESE SALES TOP £300m**

Northwich, Cheshire-based Glanbia Cheese, a joint venture between Glanbia PLC of Ireland and Leprino Foods of the US, have reported sales in calendar year 2019 up 9% at £300.2m and operating profits up 12% at £30.9m, pushing their operating margin up from 10% to 10.3%. Pre-tax profit was up 16% at £32.0m, making them one of the most profitable cheesemakers in the UK. Of their total production of close to 100,000t of cheese (50,000t at Magheralin and 45,000t at Llangefni), 62% was sold in the UK and 37% was sold in the rest of Europe. Staff numbers were up from 377 to 382. Their tax charge was up 16% at £5.8m. Dividends were unchanged at about £20m. On their latest figures, Glanbia Cheese are now the 7th biggest dairy company operating in the UK on the basis of annual turnover. Glanbia Cheese are a joint venture between Glanbia PLC of Ireland and Leprino Foods of the US; Leprino are based in Denver, Colorado, and are the biggest cheesemakers in the world, making over 1m tonnes a year at nine plants spread across the US. Glanbia Cheese's main Mozzarella production plants are at Magheralin, Northern Ireland, and Llangefni on the island of Anglesey in north Wales. The company is headquartered in Northwich in Cheshire.

**COUNTY MILK TAKE BRAEFORGE HIT**—The Langslow family's Wilmslow-based dairy trading and milk brokering operation County Milk Products have reported sales up 3.3% to another record £261.1m

for calendar year 2019—making them the 10th biggest dairy company operating in the UK—but operating profits of £1.04m were reversed into losses of £720,000 and pre-tax profits of £0.7m were reversed into losses of £422,000. The reported losses were entirely attributable to a one-off write-down of their shareholding in the south of England liquid milk business Braeforge/Pensworth from £1.1m to £355,000 as a result of a significant cut in the balance sheet valuation of the business. Last December they agreed to sell this shareholding and directors say proceeds from the sale were in excess of the valuation of the shareholding in their 2018 balance sheet. They said the overall business continued to generate good profitability. They say they have undertaken Brexit planning to secure their customer and supplier base. Staff numbers were up from 92 to 107. Directors' combined remuneration was cut by 40% to £734,000.

Ed Salt's Knutsford, Cheshire-based goat milk operation **Delamere Dairy** have reported sales up 15% to £28.8m for calendar year 2019. Operating profits were down 13% to £1.0m, cutting average operating margin from 4.6% to 3.5%, and pre-tax profits were down 14% at £970,000m. Exports to Europe were up 40% while exports to the rest of the world were down 44%. Tax charge was down 15% at £172,000. Dividends of £575,000 were paid (2018: nil). Remuneration for directors was up about 80% at £575,000. Directors said Brexit brought new risks for the business. They reported significant growth in sales of sterilised milk.

Calveley, Cheshire-based dairy suppliers **J. S. Bailey**—mainly suppliers of grated, block and flavoured cheeses to the catering and foodservice industries from their Calveley factory—have reported sales virtually unchanged at £33.6m for the year to September 2019 and operating and pre-tax profits down 17% at £1.24m, cutting operating margin from 4.5% to 3.7%. Total equity was up 21% at £9.7m. Staff numbers were down from 81 to 80. Unchanged dividends of £2,000 were paid. Two directors shared total remuneration of £580,000.

**Scotland****BUMPER SUMMER FOR MACKIE'S**

Mackie's of Scotland have reported April-Aug ice cream sales up 35% year-on-year, which was in line with Kantar data showing volume sales for ice cream across the UK up 33% in the 12wks to June 14. This was despite forced closures impacting food service businesses, such as cafes, bars, theatres and attractions. Mackie's credited their 90-strong team of staff who adapted, going "above and beyond", to keep freezer aisles stocked. Mac Mackie, MD and one of three sibling owners, said: "It would have been a huge undertaking to have achieved this in normal times, so in these circumstances it is incredible." Sales totalled around 70m scoops. Their fastest growing flavour was salted caramel (+86% from last year).

**UK company news****WYKE GO SOLAR ON NEW STORAGE FACILITY**

Wyke Farms have installed a 65kw solar array on their new cheese storage dispatch building at Wincanton, Somerset. The state-of-the-art building controls temperature at 12 degrees for up to 1,762 pallets of cheese, amounting to around 2,000t of additional storage capacity to meet growing export sales for vintage varieties. Rich Clothier, managing director and third generation family member at Wyke, said: "My grandmother's stone maturing barn on the farm stayed at a steady 12c with some small seasonal variations. We have replicated that closely in order to keep the recipe as close to hers as possible." It is Wyke's fifth business solar array set. They were the first national Cheddar brand to be 100% self-sufficient using energy generated from solar and biogas and are extending this goal to become a net positive business.

**UK trade****LACK OF REGULATION 'BAD FOR DAIRY'—MEAD**

Lack of regulation and control over the international food market, with little to stop production being taken to extremes to "make a bit more money out of it", is stripping the "humanity" from global food and farming systems, the boss of the UK's largest organic brand says. Tim Mead, CEO of organic dairy Yeo Valley, told London-based 'i' news that "unfettered capitalism" was causing people to adopt warped diets divorced from ethics, local growing conditions or seasonality. Yeo Valley produce over 2,000t of yogurt, butter, milk and ice cream a week. In the interview, Mead said decisions to start producing milk in hot, dry and grass-free countries because residents there "want a latte or an ice cream" were among growing production systems that showed "no respect" for animals and meant that "milk is produced in a way that it probably shouldn't be". And consumer demand for processed 'plant-based' foods like almond milk is driving environmental "horror stories" of skyrocketing pesticide and water use in the world's almond-growing hub of California, he said. "Personally I think we need to eat more plant-based stuff," Mead said. "What I don't think is right is to take two almonds, and ship them thousands of miles around the world, and put them in a carton when you could just eat the almonds."

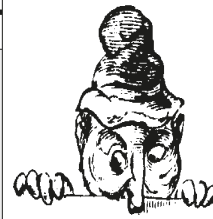
**A2 under pressure?**—a2 Milk have been consistently ebullient about their success and prospects, and analysts and the stock market have followed suit—until August 18 when share prices started to slide. Last week they dropped 16% on the NZX between Tuesday and Friday (to just over NZ\$15), and were down 18.5% in a week in Australia (to just under A\$14 on Friday). A2's announcement of the collapse of the so-called daigou market—in informal agents in Oceania buying product to sell on in China—prompted the falls (see p1). Clearly the company's inventories are higher than normal, not only because of the loss of daigou trade but also because they built up additional cover in the June quarter as China imports in general gained momentum. They say they are pulling back on orders with supplier Synlait to reduce inventories to appropriate levels, but insist they have no issue with ageing stock. Meanwhile, in August, non-executive director David Hearn and five senior executives including CEO Geoff Babidge, who took up the reins again last December when Jane Hrdlicka quit, sold more than a million shares during the post-results trading window. Babidge last week defended their action as unrelated, insisting the board had only just come to the view that the inventory issues would continue into the next quarter. Last month a2 appointed David Bortolussi as their CEO-elect but he cannot leave his current job as brands boss at Hanes in Australia—a big undergarment business now also busy making Covid masks—until early next year. No date given so far.

**Dean Foods/DFA**—DFA have flogged off the former Dean Foods-Berkeley Farms processing plant site in California—and taken a \$27m loss on the deal. The 20-acre site in Hayward has been bought for \$48.2m by a developer who plans to bulldoze the buildings and replace them with a big industrial and logistics centre. The plant was closed down by Dean Foods in April, days before DFA completed their acquisition of the Dean portfolio, triggering the layoff of 315 people, and was blamed on Dean Foods' bankruptcy. At this time, according to county records, the site was valued at around \$75m.

**Covid care**—Saputo Australia have been handing out vouchers for restaurants/cafés in Warrnambool, Vic, to every employee of their Allansford site in a bid to put some money into tills. Could this catch on?

**Cowboy action**—Dutchmen Jaap Korteweg and Niko Koffeman have been working all year on the production of milk protein directly from grass, in a bid to avoid any "diversion" through a cow. The start-up is called 'Those Vegan Cowboys' and aims to produce milk and whey proteins by fermentation which will be used specifically for the production of cheese alternatives. The R&D work will take 7yrs, they say. If fermentative milk protein were to be used on a large scale, it would cut the use by cows of Dutch pasture by up to 80%, according to 'Those Vegan Cowboys'. They should not be underestimated: the two entrepreneurs, together with 'De Vegetarische Slager' ('Vegan butcher'), have already developed alternative 'meat' products—and sold the business to Unilever.

—Dairy farming stocking densities are coming down in the Netherlands, according to the Dutch statistics office, with more farms reporting two or

**I hear....**

fewer livestock units per hectare—44% in 2019 compared with 35% in 2013. More than two-thirds of farms are running 2.3 livestock units per ha, compared with 58% in 2013. Dutch curbs on phosphate use are believed to be responsible for this.

**Ornua board**—Likely contenders for the new Ornua board under new plans to

cut the number of members who are also on the board of their respective co-ops (see p5) are already emerging. The Carbery nomination is expected to be Joe O'Sullivan, CEO of Drinagh Co-op since 1990 but who will now cede the role to Seamus Daly from January 1, 2021 (see People, p5). In the west, dairy farmer Sean Sweeney has already been nominated; he will have to resign from the Aurivo board. Is stepping down from a co-op board in order to be on the Ornua board in the spirit of the new plans?

**F/C structure**—Farmers are still pushing against proposed changes at FrieslandCampina. A proposal to change the structure of the co-op board was rejected by the Members' Council last week. The proposal included plans to reduce the size of the Council in order to change the voting weighting, and to make adjustments to the way the co-op controls its operations. In the history of the co-op, apparently, there has never been a case in which a proposal to amend the articles of association has been rejected by the Council.

**Making waves**—What do organic milk co-op OMSCo, Rodda's of Cornwall, Belton Farm, Ornua Foods, Crediton Dairy and Dairy UK all have in common? The answer is: former Milk Link CEO Neil Kennedy, who is a director of all of them. He has also resigned from another 20 directorships in the UK food sector in his time. The latest addition to his portfolio is Porange—incorporated on May 5—which names Amanda Grist, FD of organic milk co-op OMSCo, as a co-director. Kennedy has been at OMSCo since 2016 and was elevated to chairman to replace Nick Saphir, now running AHDB. Porange, it seems, is an interim vehicle set up under Kennedy's leadership to facilitate changes to OMSCo's business structure that include enabling them to raise a member levy. The proposals, unanimously endorsed by the board, are intended to help OMSCo secure funding for further developments to their ongoing value-added strategy for processing, products and brands—thereby maximising returns for members' milk. The proposals will be subject to a member vote at the end of October. An intriguing development.

—With no Brexit agreement yet on trading standards equivalence for any products of animal origin between the EU and UK, let alone dairy, and possibly nothing until 10 days before Christmas, it seems odd that Defra Permanent Secretary (and formerly DG for EU Exit Delivery at Defra) Tamara Finkelstein and Secretary of State George Eustice faced an Efra parliamentary committee meeting on Brexit preparedness for two and a quarter hours without any discernible reference to dairy, and very little to border control, equivalence or tariffs for any agricultural products. Eustice indicated that it could be November before papers are published offering more details on the specifics. There were plenty of questions on challenges facing fish, lamb, beef, etc., but not one MP asked about dairy. Have lobbyists given up? Or are they in hiding, embarrassed that the uptake of the government's Covid-19 dairy farmer 'rescue package' proved a somewhat damp squib?

It was 'all change' for the top 3 in the latest Dairy Foods list of the top 100 dairy companies and co-ops in North America, ranked by estimated or latest reported turnover. **Dairy Farmers of America**, unsurprisingly, leapt seven companies thanks to their acquisition of Dean Foods, to take the no.1 spot, with turnover increasing from \$4,649m in 2019 to a whopping \$11,361m (including an estimated percentage of Dean's 2019 revenues). The number of plants they own almost doubled, from 45 to 86, although some are already being sold on or out of dairying. This puts the co-op just above still-growing **Saputo** of Canada—whose sales were up 24% to \$11,261m—and **Nestlé**, last year's no.1 (sales down 25% to \$11,041m). **Agropur**, also of Canada, moved up one place to no.5, and **Schreiber Foods** to no.6 despite unchanged sales, as **Kraft Heinz** slipped for the third year in a row. **Conagra** jumped from no.18 to no.8, and **Prairie Foods** co-op from no.16 to no.9 after

buying a number of Dean Foods plants. **Land O'Lakes** made it back into the top 10 alongside **California Dairies** (down 22% at \$4,000m). Outside the top 10, **Grupo Lala**, of Mexico, despite an extra eight plants, saw sales virtually unchanged after a 28% increase in 2018. **Glanbia Nutritionals** were up from no.22 to no.14 (+22% to \$3,500m). There was relatively few changes of position in the rest of the league—significant exceptions included **Upstate Niagara** co-op, who jumped 10 places to no.37. **Bongards** were also growing (+12% to \$649m). Richard Ferranti's **Rich Products** (42 plants globally) are one to watch—dairy and dairy-containing sales in the US were up from \$173m to \$453m last year, out of total sales of \$4bn. Turkey Hill sales were up 33%, moving them up eight places. **Page USA** dropped out of the top.70, with sales down 21% to \$290m.

Turnover was down for only six companies in the top 70 companies.

DAIRY FOODS TOP 75—2019 (US\$m)					
	Foreign owned	HQ	Plants	2020 sales	v.'19
1. DFA*	-	Kansas City, KS	86	11,361	+145%
2. Saputo Inc.	Can	Montreal, Que	47+	11,261	+24%
3. Nestlé USA***	Switz	Arlington, VA	79	11,041	-25%
4. Danone N.America	Fr	White Plains, NY	12	6,520	+5.6%
5. Agropur*	Can	Saint-Hubert, Que	38	5,467	+5.6%
6. Schreiber Foods	-	Green Bay, WI	31	5,000	=
7. Kraft Heinz***	-	Chicago, IL	11+	4,890	-7.5%
8. Conagra Brands	-	Chicago, IL	4	4,560	+63%
9. Prairie Farms*	-	Edwardsville, IL	52	4,161	+34%
10. Land O'Lakes*	-	Arden Hills, MN	9	4,000	+2.6%
=10. California Dairies*	-	Visalia, CA	6	4,000	-22%
12. Grupo Lala	Mex	Mexico City	30	3,923	+0.7%
13. Unilever**	UK/Neth	Englewood Cliffs, NJ	6+	3,900	+4.3%
14. Glanbia Nutritionals	Ire	Chicago, IL	6	3,500	+22%
15. Lepirino Foods	-	Denver, CO	11	3,500	+9.3%
16. Kroger	-	Cincinnati, OH	19	3,303	+2.0%
17. Great Lakes Cheese	-	Hiram, OH	8	3,250	=
18. Lactalis North Am.	Fr	NY & Toronto	26	3,018	+5.0%
19. General Mills***	-	Minneapolis, MN	7	3,007	-11%
20. Hilmar Cheese	-	Hilmar, CA	2	2,652	+2.0%
21. HP Hood	-	Lynnfield, MA	13	2,400	=
22. Darigold*	-	Seattle, WA	11	2,296	+1.4%
23. Publix Supermarkets	-	Lakeland, FL	3	1,904	+5.6%
24. Foremost Farms*	-	Baraboo, WI	12	1,800	+13%
25. Grassland Dairy	-	Greenwood, WI	6	1,779	+2.0%
26. AMPI*	-	New Ulm, MN	8	1,700	+6.3%
27. Chobani	-	Norwich, NY	3	1,639	+5.0%
28. Borden Dairy	-	Dallas, TX	12	1,400	+17%
29. H-E-B	-	San Antonio, TX	3	1,398	+8.0%
30. Wells Enterprises	-	Le Mars IA	5	1,385	+3.4%
=31. Sargento Foods	-	Plymouth, WI	3	1,330	-6.9%
=31. Masters Gallery	-	Plymouth, WI	2	1,300	+18%
33. Albertsons Dairy ***	-	Boise, ID	9	1,226	+3.3%
34. Emmi Americas	Switz	Fitchburg, WI	8	1,153	+8.2%
35. Organic Valley*^	-	La Farge, WI	4	1,100	=

36. Fairlife	-	Chicago, IL	4	1,070	+1.8%
37. Upstate Niagara*	-	Buffalo, NY	8	1,032	+15%
38. Agri-Mark*	-	Andover, MA	4	997	+6.5%
39. Bel Brands	Fr	Chicago, IL	3	926	+2.6%
40. Michigan Milk Prod.*	-	Novi, MI	3	850	+5.2%
41. Tillamook*	-	Tillamook, OR	2	847	+7.4%
42. Utd Dairymen of Ariz*	-	Tempe, AZ	1	831	+5.3%
43. Savencia US	Fr	New Holland, PA	8	816	+3.4%
44. Daisy Brand	-	Dallas, TX	3	764	+1.0%
45. Bongards*	-	Bongards, MN	3	649	+12%
46. Milk Specialities Global	-	Eden Prairie, MN	10	709	+3.2%
47. Southeast Milk*	-	Bellevue, FL	1	685	-2.1%
48. Schuman Cheese	-	Fairfield, NJ	5	662	+2.0%
49. T. Marzetti^	-	Columbus, OH	3	657	+1.0%
50. Crystal Creamery	-	Modesto, CA	2	599	+2.0%
51. First District*	-	Litchfield, MN	1	580	+4.7%
52. Rockview Farms	-	City of Industry, CA	3	512	+0.4%
53. BelGioioso Cheese	-	Green Bay, WI	9	500	+1.1%
54. Blue Bell Creameries	-	Brenham, TX	3	496	+2.1%
55. Maryland & Virginia*	-	Reston, VA	4	454	+2.0%
56. Rich Products	-	Buffalo, NY	22+	453	+162%
57. Berner Foods & Bev.	-	Dakota, IL	1	424	+1.9%
58. Gehl Foods	-	Germanstow, WI	2	357	+2.0%
59. Turkey Hill Dairy	-	Conestoga, PA	1	400	+33%
=60. SmithFoods	-	Orville, OH	3	377	+1.9%
=60. Byrne Dairy	-	Lafayette, NY	3	377	+1.9%
62. Galliker Dairy	-	Johnstown, PA	2	376	+1.9%
63. Grande Cheese	-	Fond du Lac, WI	6	375	+1.9%
64. Brewster Cheese	-	Brewster, OH	3	359	+2.0%
65. Gossner Foods	-	Logan, UT	3	343	+7.5%
66. Dippin' Dots^	-	Paduca, KY	1	330	nc
67. Shamrock Farms	-	Phoenix, AZ	2	319	+1.9%
68. Continental Dairy*	-	Coopersville, MI	1	314	+1.9%
69. Producers Dairy Foods	-	Fresno, CA	2	306	+2.0%
70. Litehouse	-	Sandpoint, ID	3	297	+2.1%

\*Co-op. US-owned unless stated otherwise. Some sales figures are estimated by D/F.  
 \*\*N.America, updated to include Canada from 2018. Inc. some non-dairy.  
 \*\*\*est. for dairy only; ^ Includes some non-dairy  
 Source: Dairy Foods magazine

**DAIRY INDUSTRY NEWSLETTER (DIN)**  
 Editor: Catherine Paice, tel: +44 (0) 1892 882 794. Email: catherine@dairyindustrynewsletter.co.uk  
 Publisher: Barry Wilson, tel: +44 (0) 203 432 1998. Email: barry.din@gmail.com  
**All subscription, payment and conference enquiries should be addressed to:**  
 Carolyn Moore: tel: +44 (0) 203 773 8794. Email: carolyn@dairyindustrynewsletter.co.uk  
 Payments by BACS: HSBC Bank, 240 Lavender Hill, Clapham Junction, London SW11 1LH.  
 Account no. 52016427, sort code 40-02-16, IBAN: GB46HBUK40021652016427, SWIFTBIC: HBUKGB4115C.  
 Payments can also be made in euros and US dollars, please contact Carolyn for details (see above).  
**Website: https://dairyindustrynewsletter.co.uk**—Our website includes a daily, comprehensive, regularly updated news service, with market prices from more than 20 products worldwide, international milk price comparisons, company reports and pdf copies of the newsletter. If you already subscribe to the printed version of DIN, you can add website access for £200 or €230 or \$240.  
**Digital subscription:** Online only, no hard copy mailed to subscriber; full access to our website where recent editions of DIN are available as pdfs.  
 Dairy Industry Newsletter (Eden Publishing): PO Box 1215, Cambridge CB1 0UR.  
 Published every two weeks (25 issues/year) and printed by Tavistock Printmaster, 20 Cheddars Lane, Cambridge CB5 8LD.

ANNUAL DIN SUB. RATES	
<b>Print edition:</b>	
UK	£520
Europe	€600
Elsewhere	\$660
<b>Combined print copy &amp; website access</b>	
UK	£720
Europe	€830
Elsewhere	\$900
<b>Digital (website) only</b>	
UK	£680
Europe	€770
Elsewhere	\$830
Digital subscription includes DIN online, website, access to our daily updated news service, market prices, UK company reports and archives.	