

Elements of a Regional Dairy Strategy

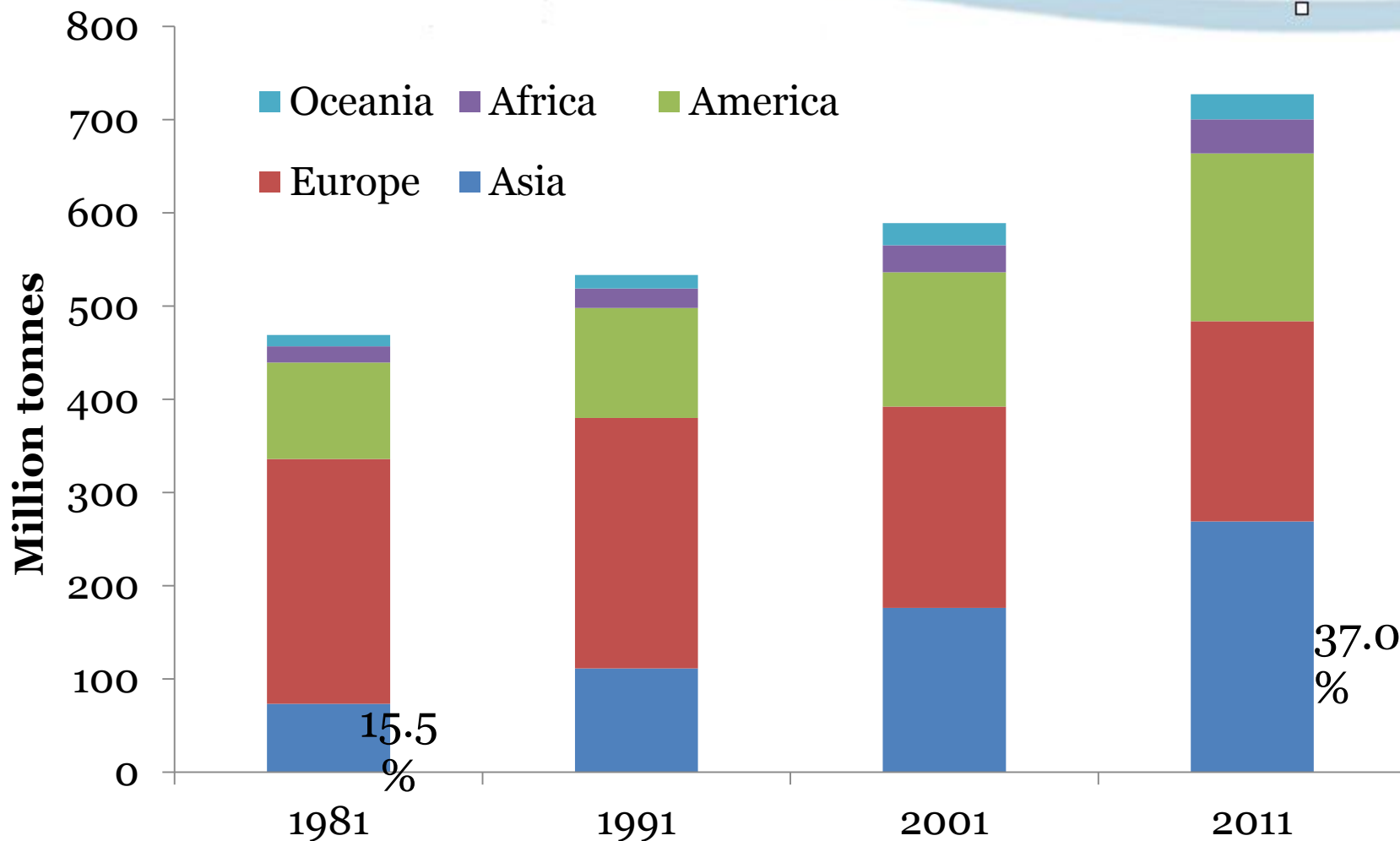


Outline

- Quick recap of trends and issues
- The Chiang Mai Declaration
- The Changing Landscape
- New vision and strategic objectives???
- The way forward???

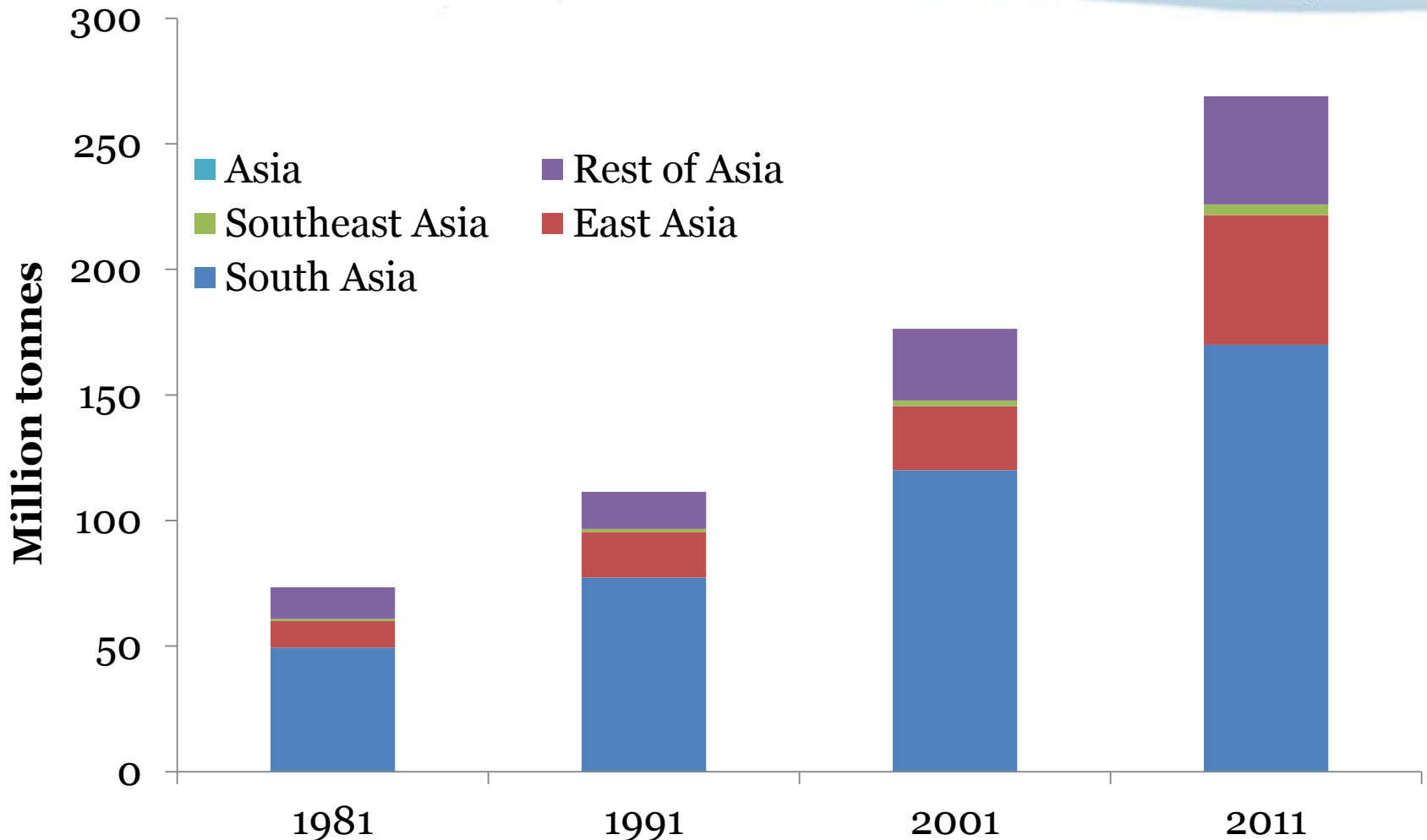


Growing share of Asia in Milk Production



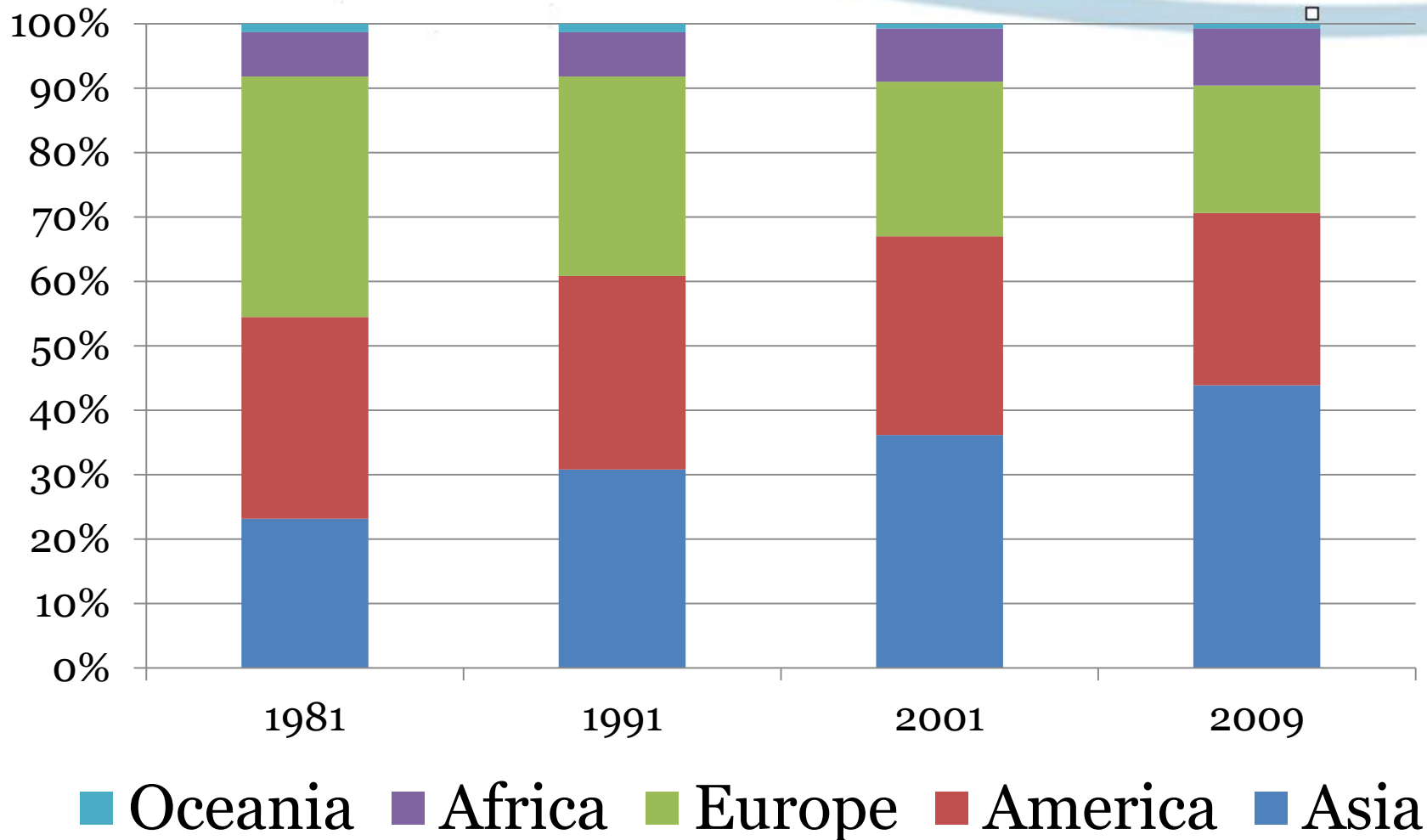
Source: FAOSTAT

and changing landscape within Asia



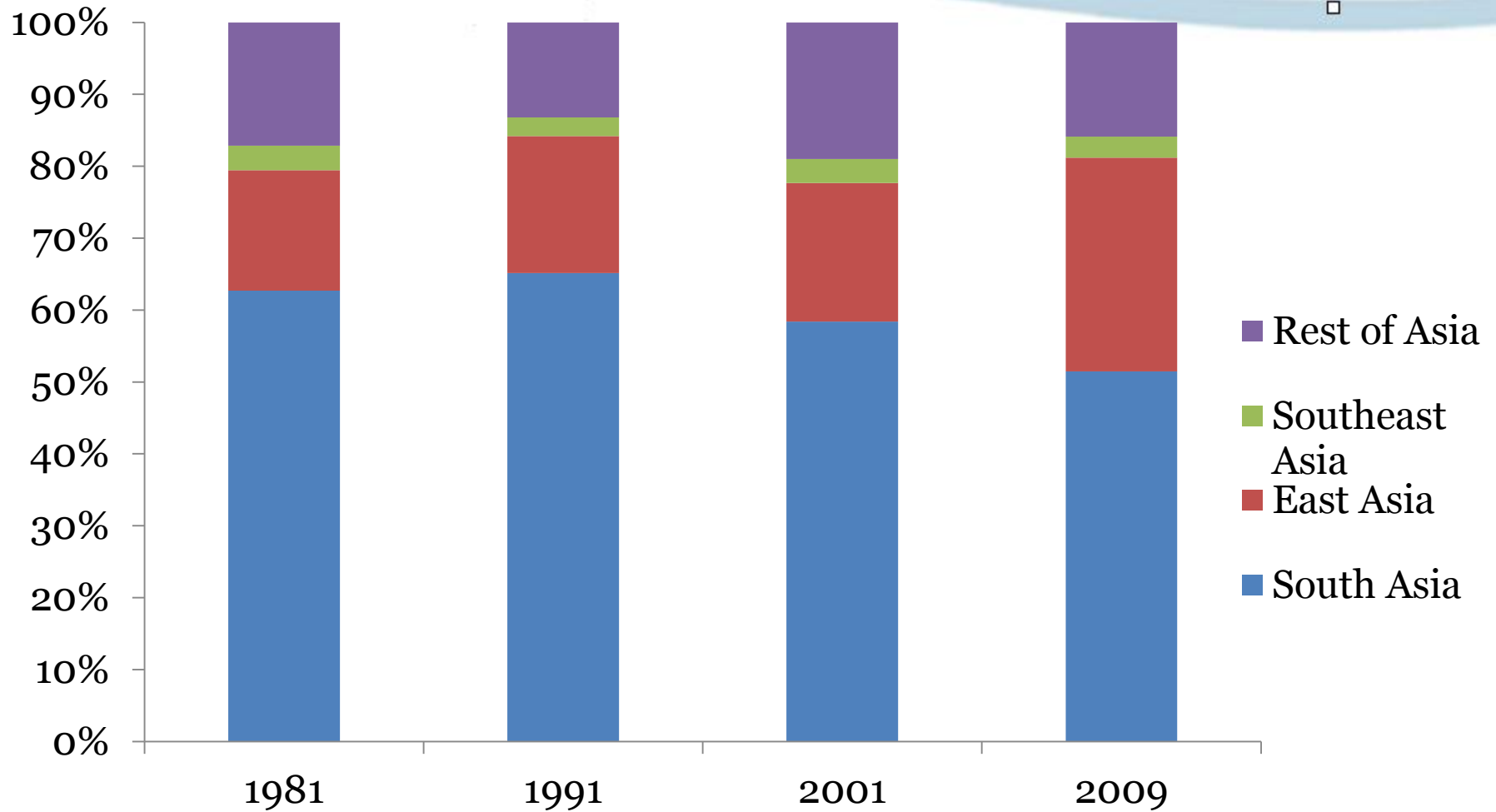
Source: FAOSTAT

Regional Shares in total consumption



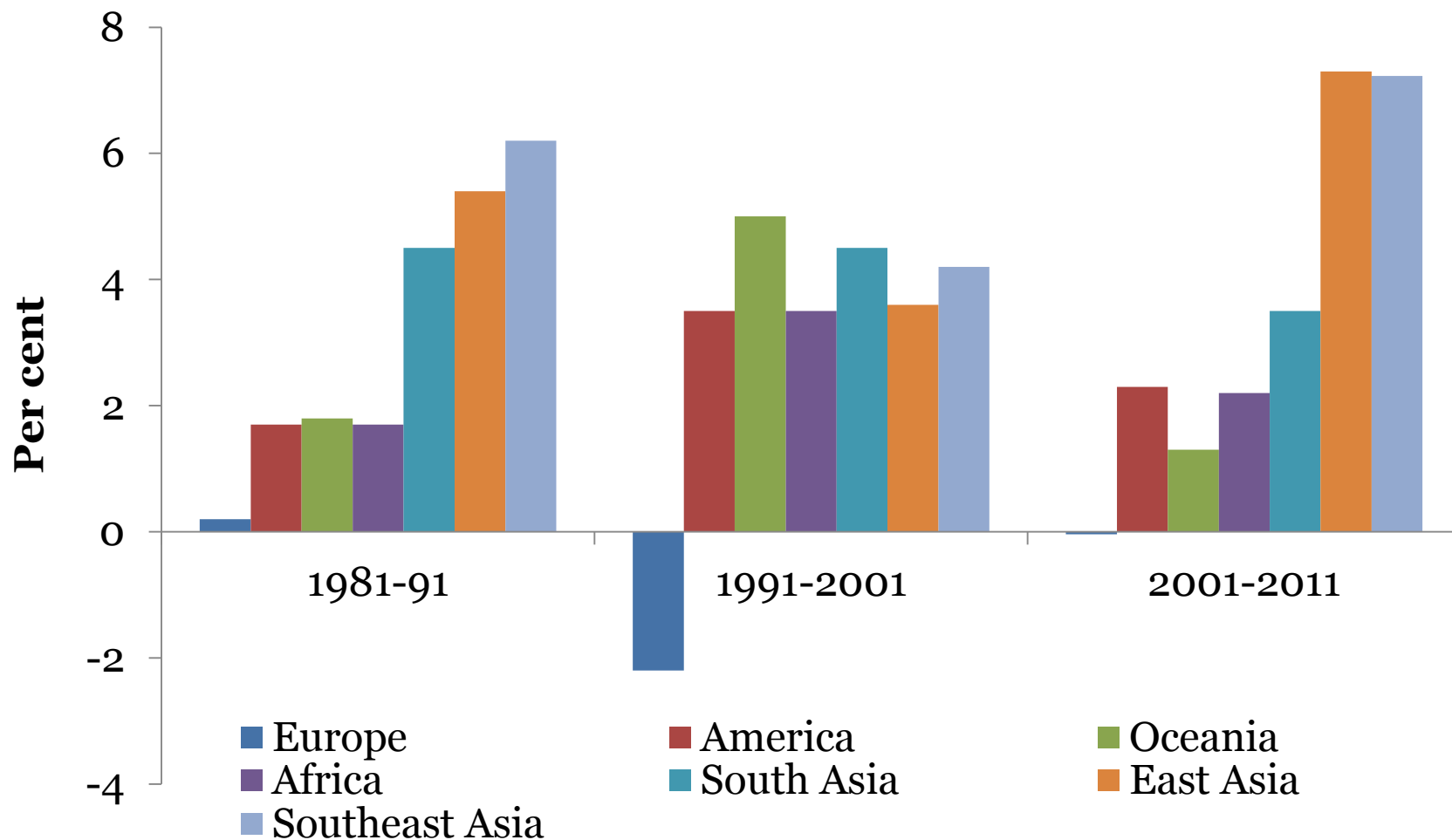
Source: FAOSTAT

and within Asia . . .



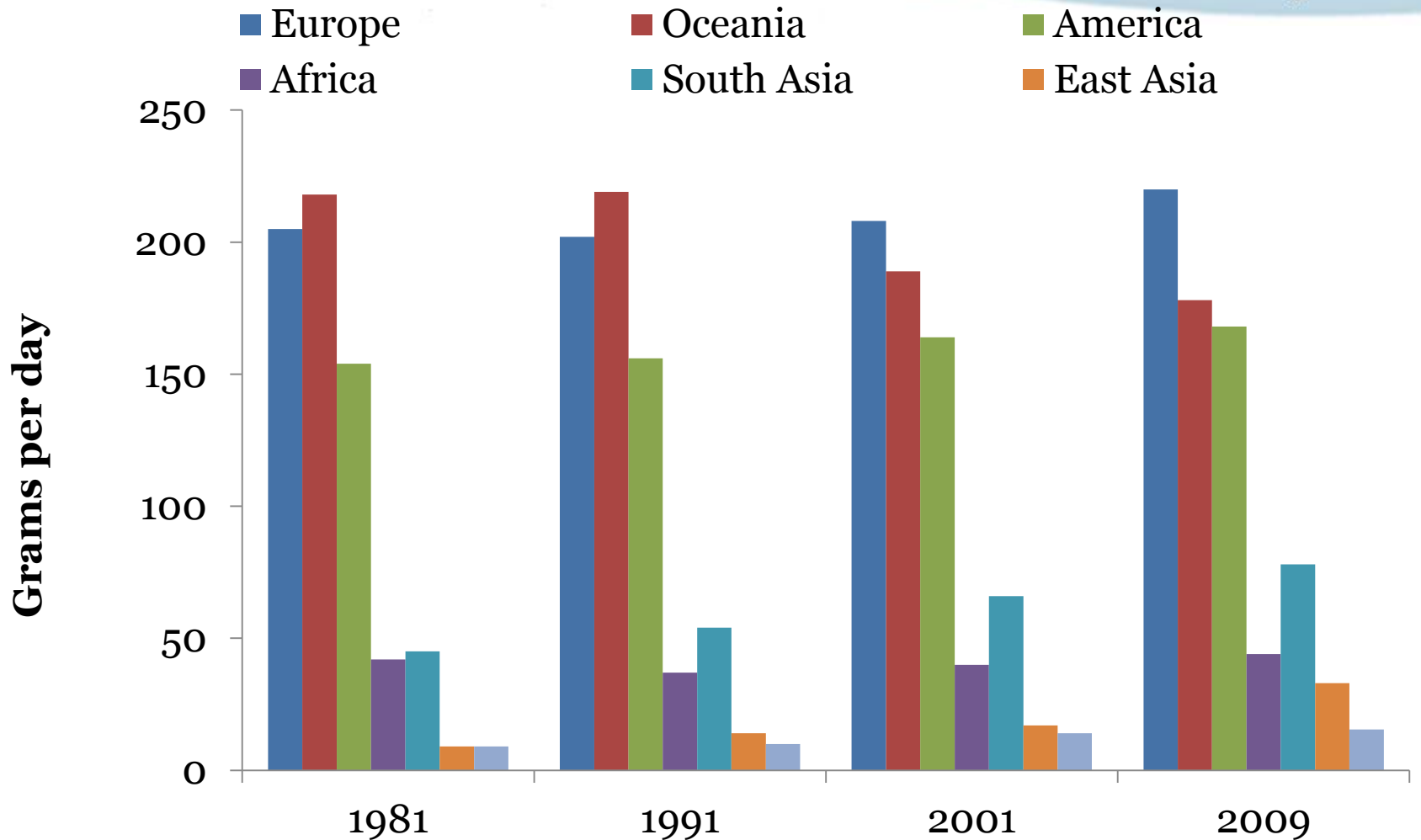
Source: FAOSTAT

Annual Growth Rates in production



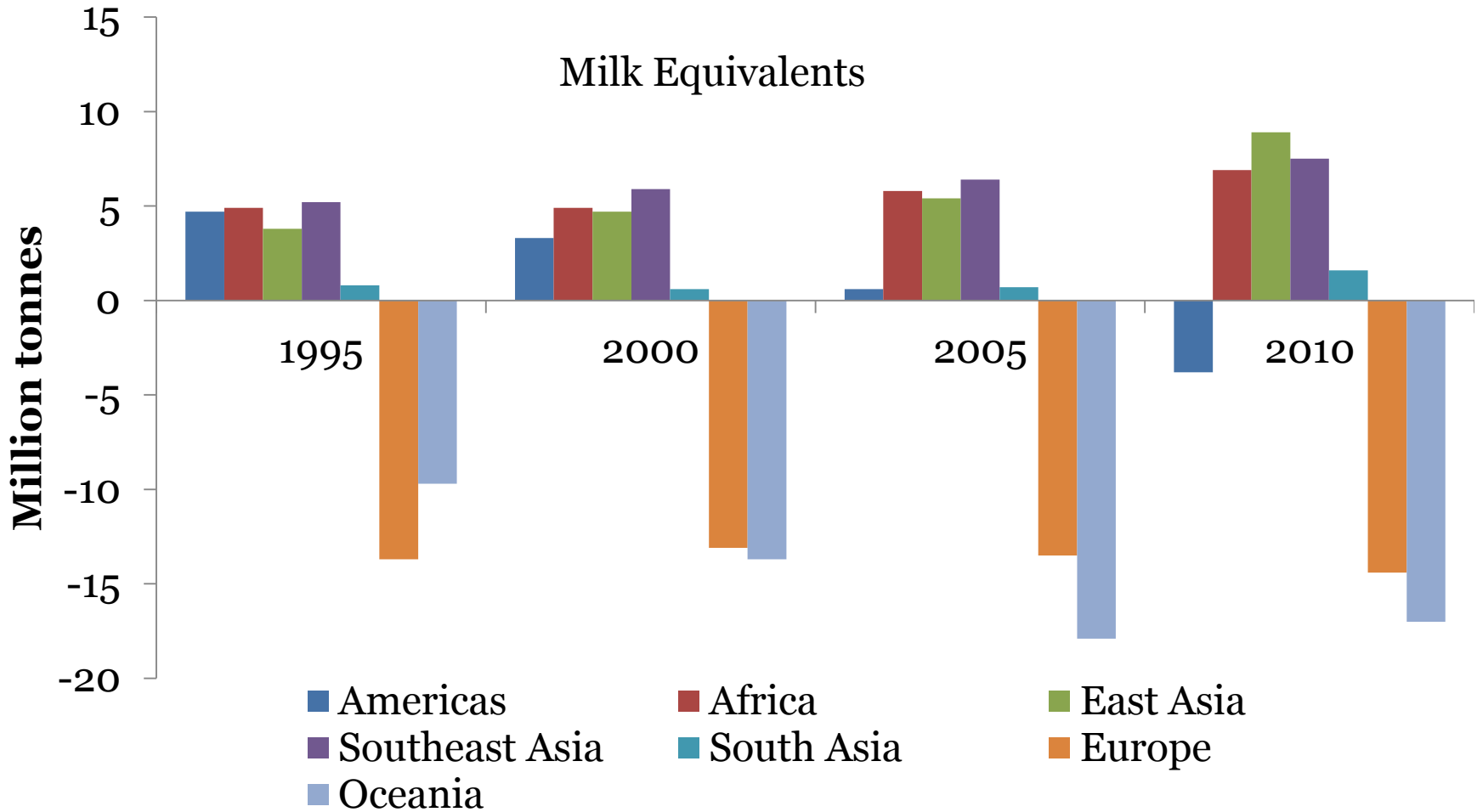
Source: FAOSTAT

Per capita milk consumption

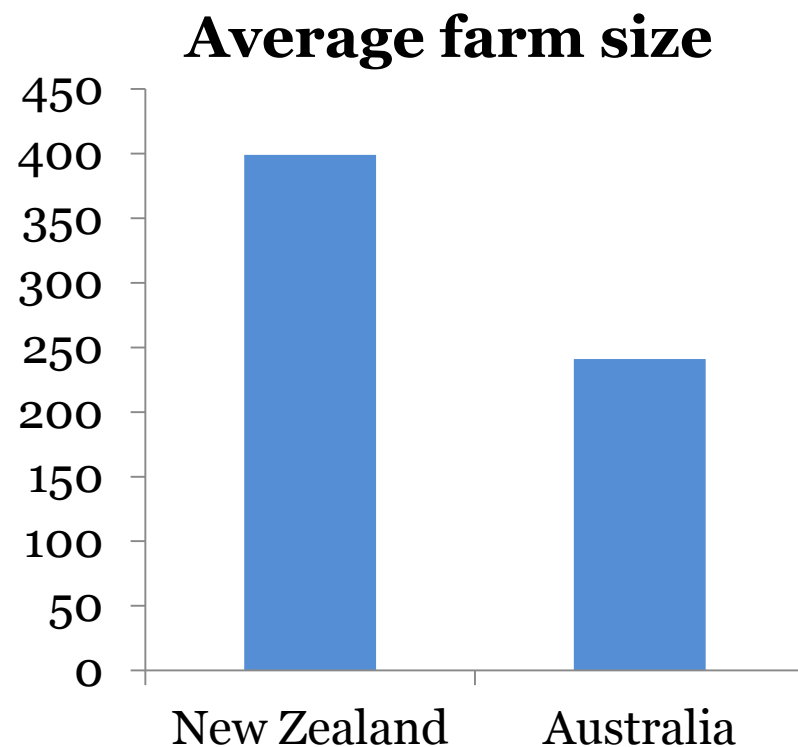
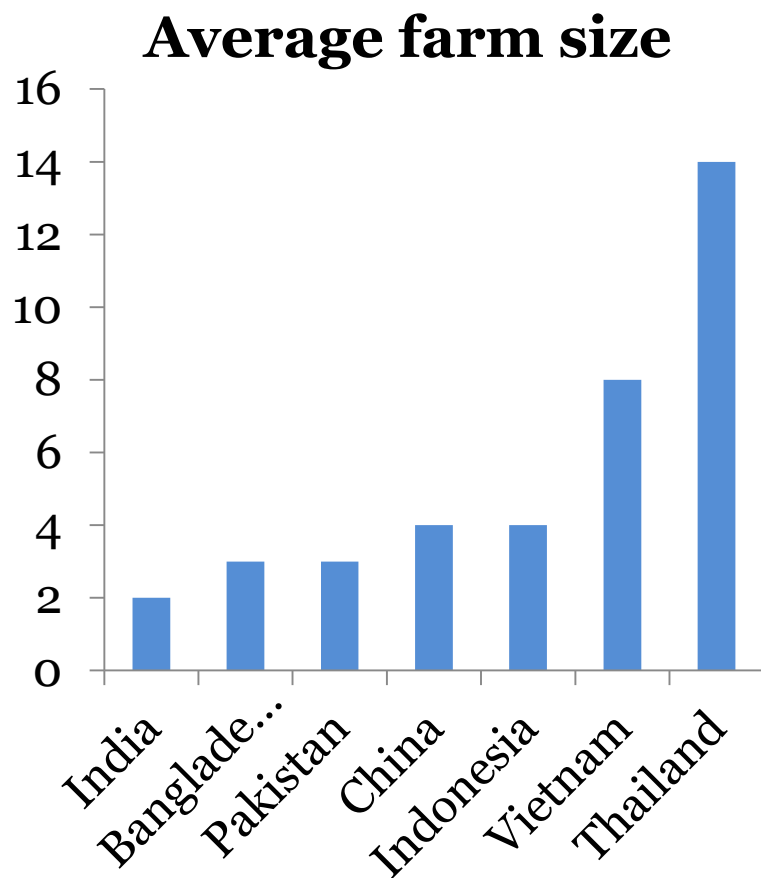


Source: FAOSTAT

Net Imports

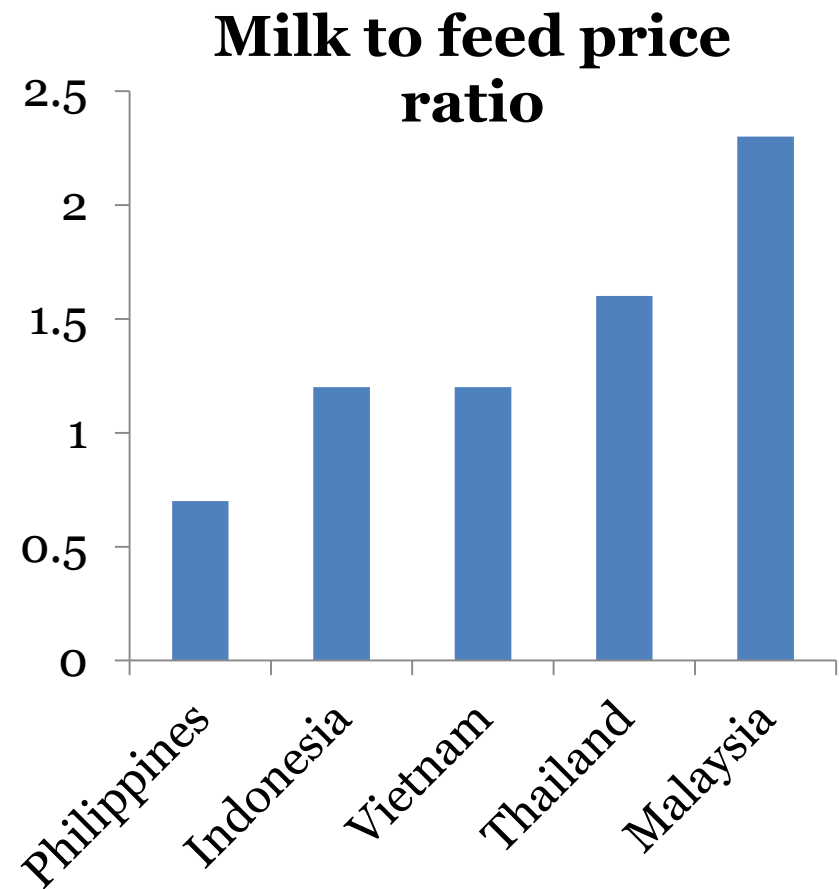
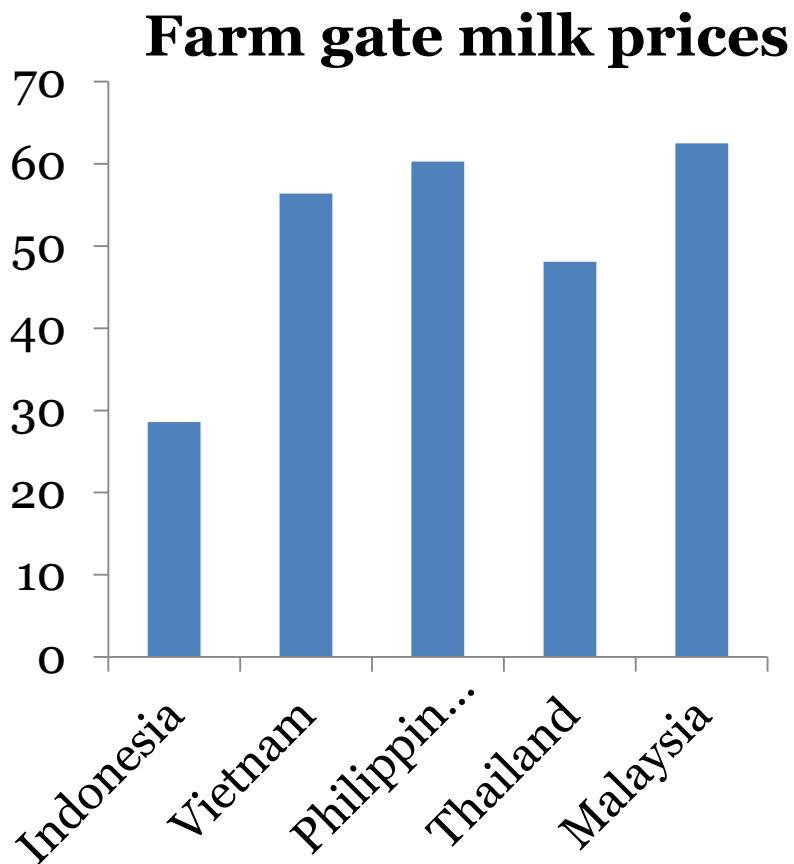


Diverse production structures



Source: International Farms Comparison Network (IFCN)

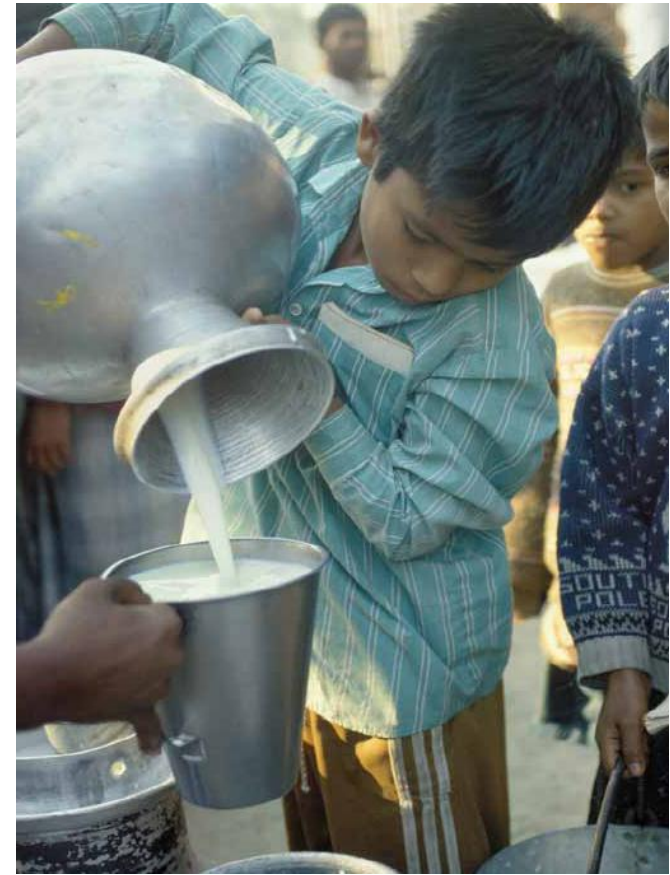
and potential profitability indicators



Source: International Farms Comparison Network (IFCN)

Huge opportunities for

- Productivity gains
- Quality gains
- Substituting imports
- Spreading risks, improving competitiveness
- Protecting environment through mixed/integrated farming
- Nutrition, income, jobs . . .
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The Chiang Mai Declaration

(February 2008)

An Asian Glass of Milk A
Day for Every Asian Child

Vision and Mission Statements

Vision: Asian milk for health and prosperity

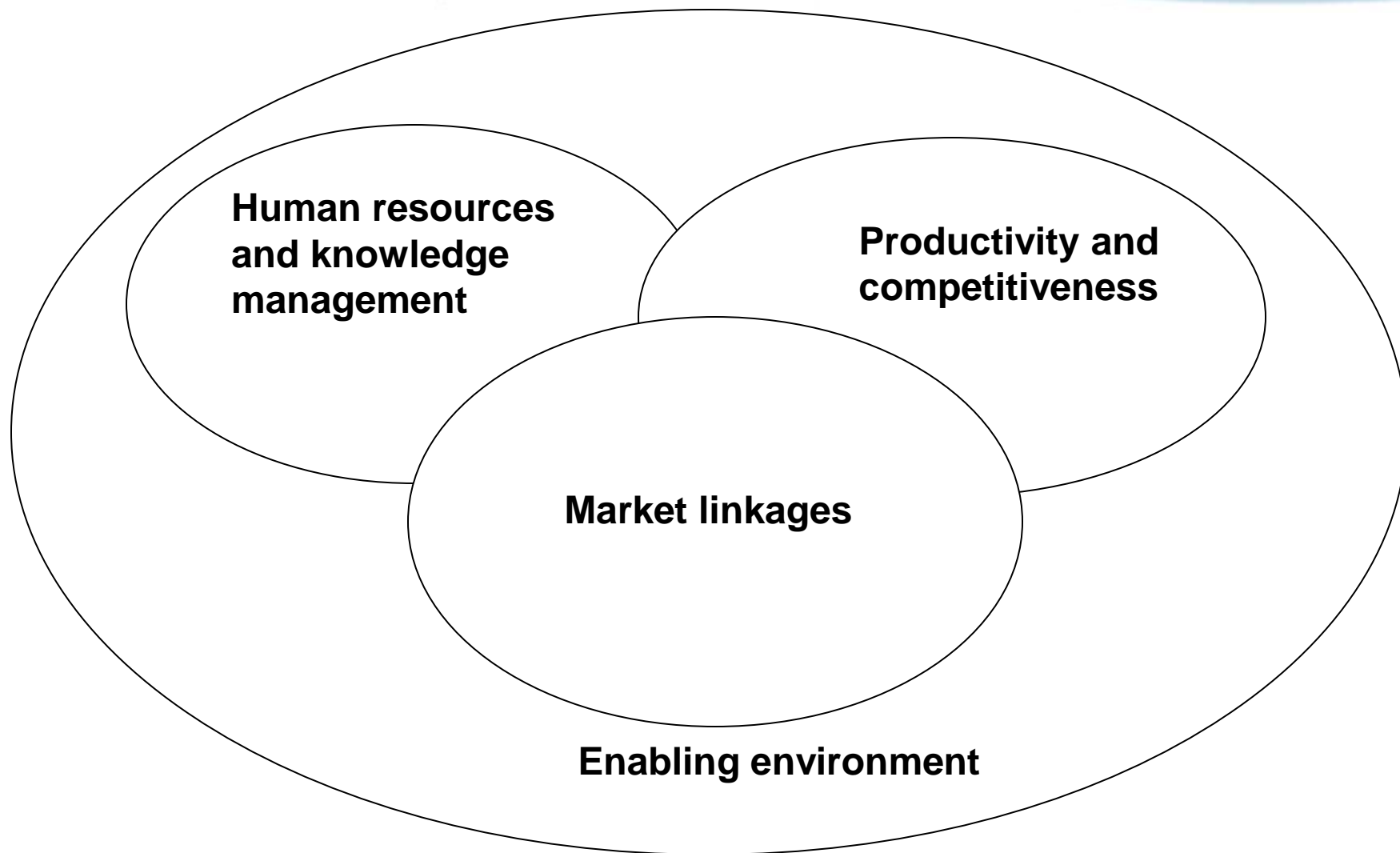
Mission: Improving the competitiveness of smallholder milk producers to provide more and better quality milk and dairy products to Asian consumers.

Strategic Objectives



- A glass of Asian milk a day for every Asian child.
- Regional self-reliance and enhanced dairy food security
- Smallholders better linked to markets and enabled to become commercial dairy entrepreneurs.
- Each link in the dairy food chain becomes more efficient, productive and profitable in a socially and environmentally responsible manner, for delivering affordable milk and dairy products to urban consumers.
- Higher earnings for safer, higher quality milk.
- Regional and national recognition of the multiple benefits of smallholder dairy production.

Key strategic pillars



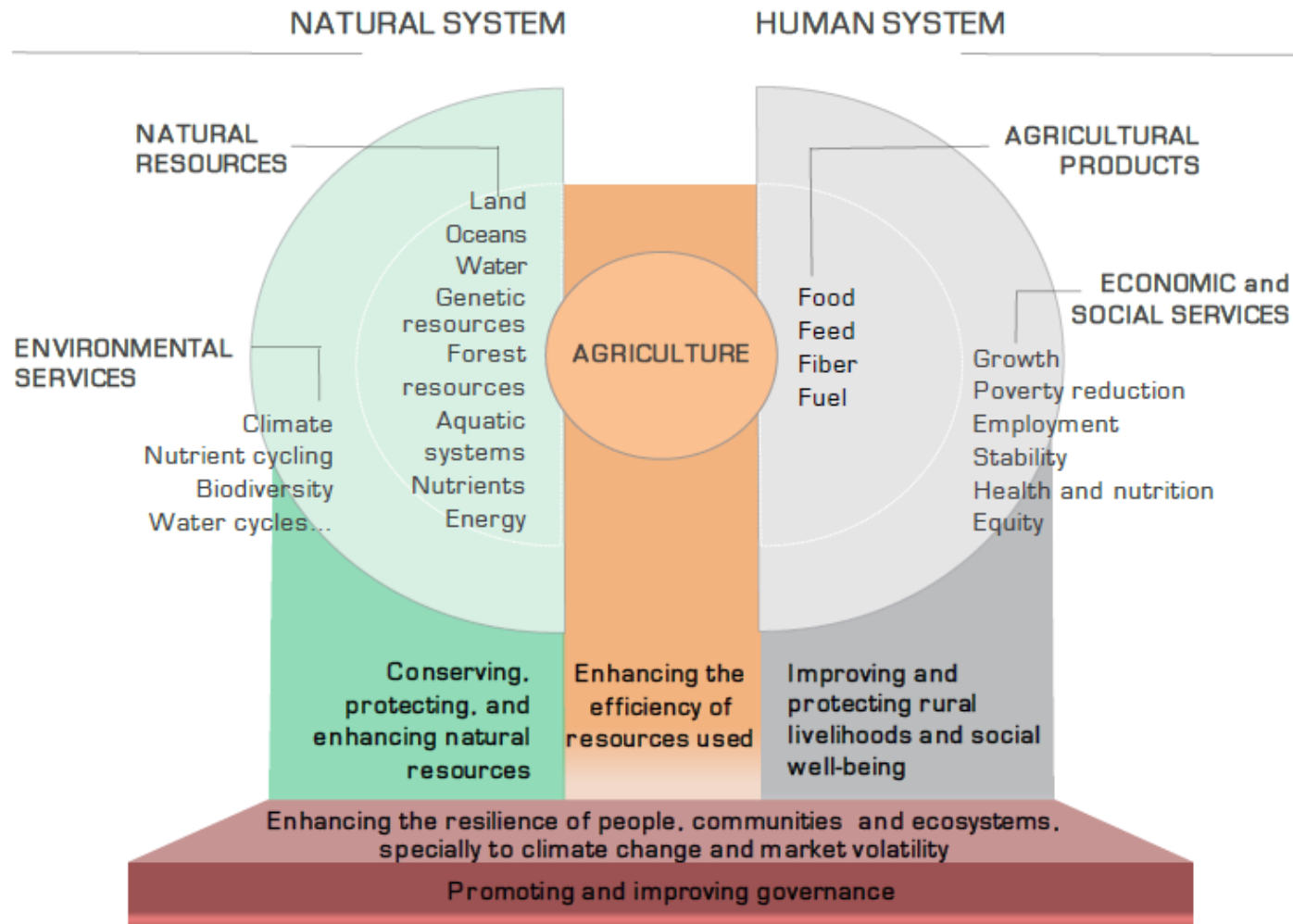
Changing landscape and future outlook

- Continuing strong positive outlook for global dairy industry but increased volatility in international prices
- Rapidly declining common resource base and growing feed costs
- Increasing environmental concerns and enforcement
- Increased consumer demand for food safety, convenience, quality
- Growing intensity and pressure to intensify and scale up production systems for higher outputs per unit of land/water/labour
- Despite rapid growth and scaling up smallholder continue to produce over 80 percent of local milk marketed in Asia

The sector needs to adapt to new realities

- Enhanced efficiency of
 - Water, nutrients, energy, land and labour
- Protect soil, water and biodiversity
- Climate change adaptation and mitigation
- Protection against diseases
- Build system resilience

The vision and principles for sustainability



Where do we go from here?



Look back and forward □

What are/were the historical competitive advantages for dairy sector in Asia, what changes have occurred in the last 10 years (2004-2014) and what changes do we foresee in the next 10 years (2015-2025)? The group may wish to consider these separately for South Asia, East Asia and South East Asia. The group may also consider categorizing these along sub categories such as production systems, marketing and international trade, access to resources.

- What are new areas of engagement that may not have been so important 10 years ago but are likely to be very important in the next 10 years?
- What are the key areas of risks that we need to plan for?
- In view of the historical advantages/disadvantages, likely changes and the risks, please articulate a vision statement and strategic objectives for the dairy sector in Asia.
- What is required to steer the sector development along the new vision and strategic objectives?

- How do we ensure cohesive multi-stakeholder action and cooperation? What kind of platform do we need? What should be the structure of such a platform? What sort of linkages should it maintain with other relevant platforms?
- Clearly, we are not starting from scratch. Stakeholders are already conscious of the need to mainstream sustainability and to reflect this commitment in programs and practices. The industry has numerous programs which contribute to sustainability. How do we map existing initiatives that support sustainability? What should be the mechanism and the key indicators to map?

- Beyond the ongoing initiatives, clearly there is lot to be done. This requires continued investment in research, development, extension and education by industry bodies, companies, governments, donors and civil society. How do we generate and ensure synergies in our efforts?
- We need to continuously monitor, evaluate and improve the sustainability performance dairy sector in Asia. What should we monitor? Periodicity? What would be the monitoring and evaluation mechanism?

Next steps?



- How do we come together?—Name the coalition
- The shared objectives
- Rules of engagement
- Resources
- Milestones
- Timeline