



World Milk Day

June 1

Dairy in Southeast Asia:

A rapid overview of key trends and some issues

Vinod Ahuja and Steve Staal

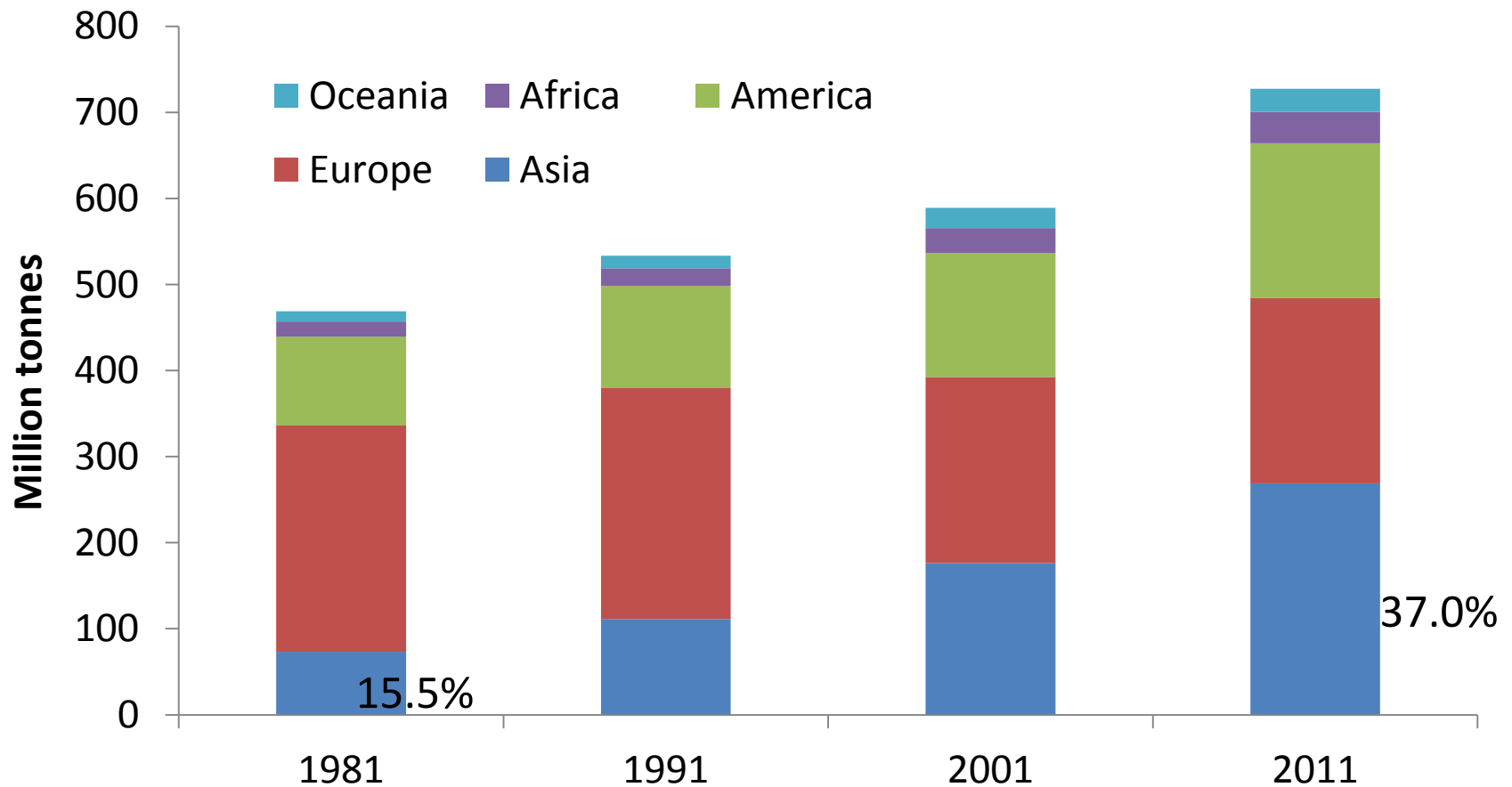
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June 1, 2013
Bangkok



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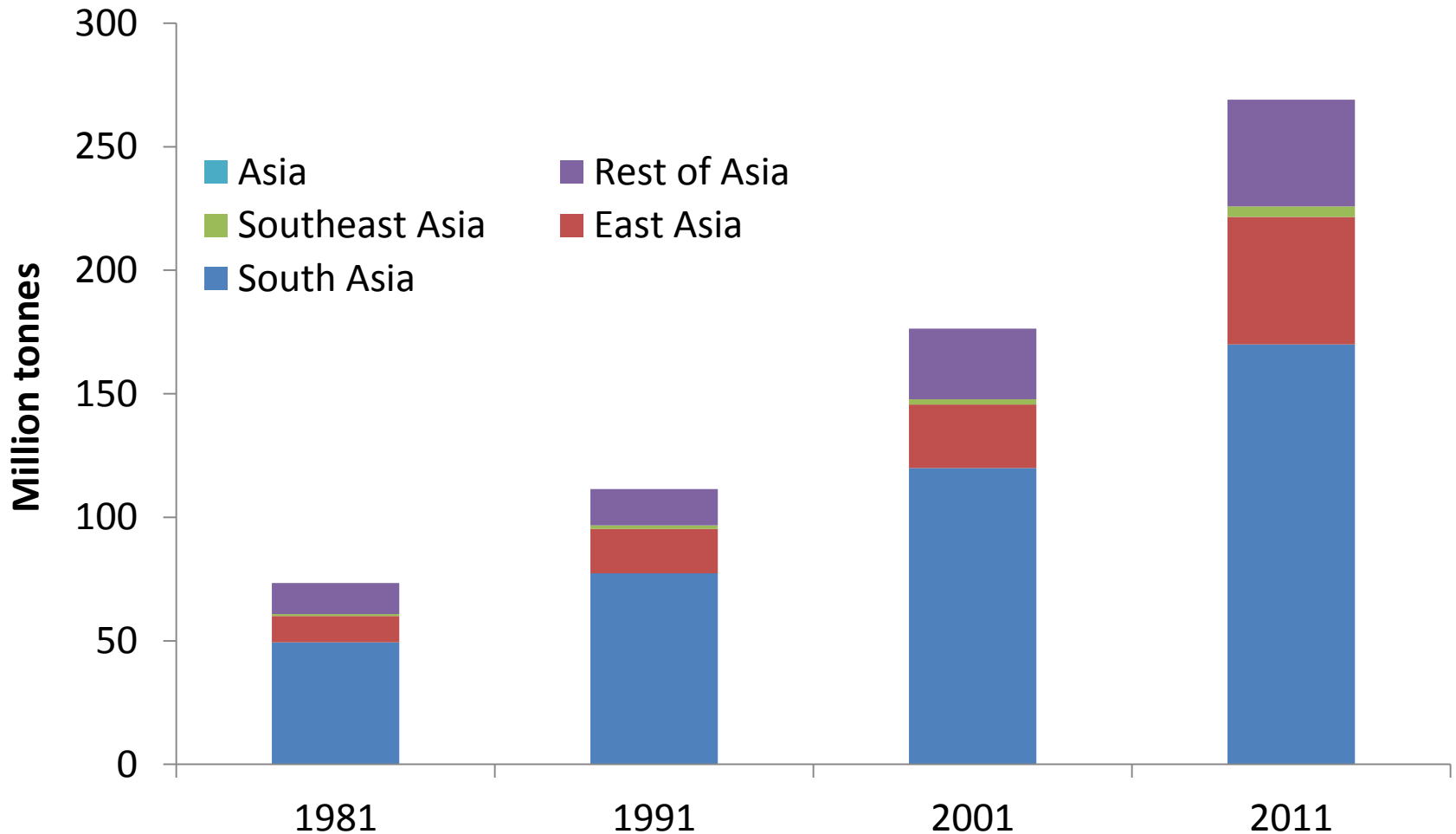
Growing share of Asia in Milk Production



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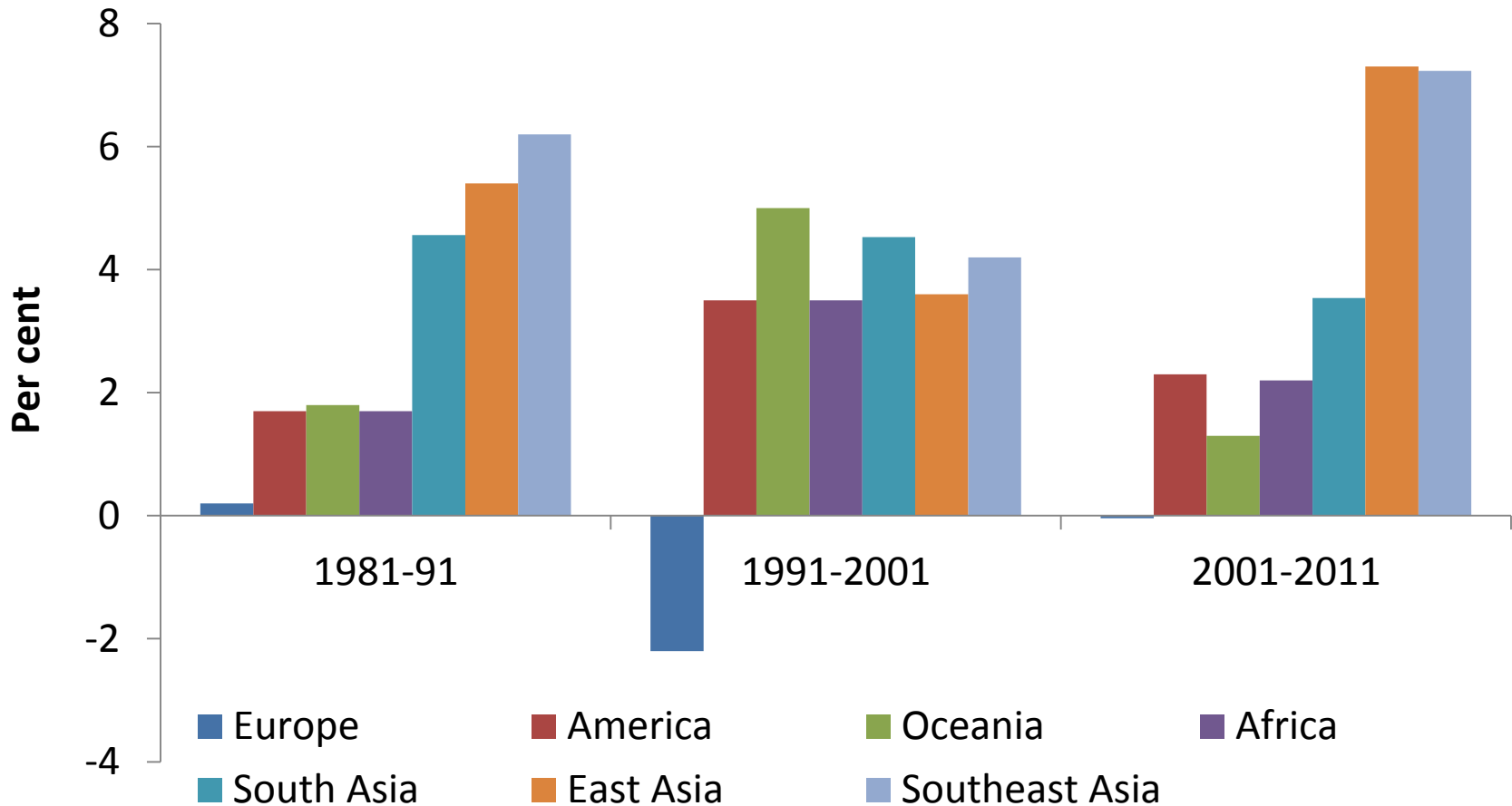
and changing landscape within Asia



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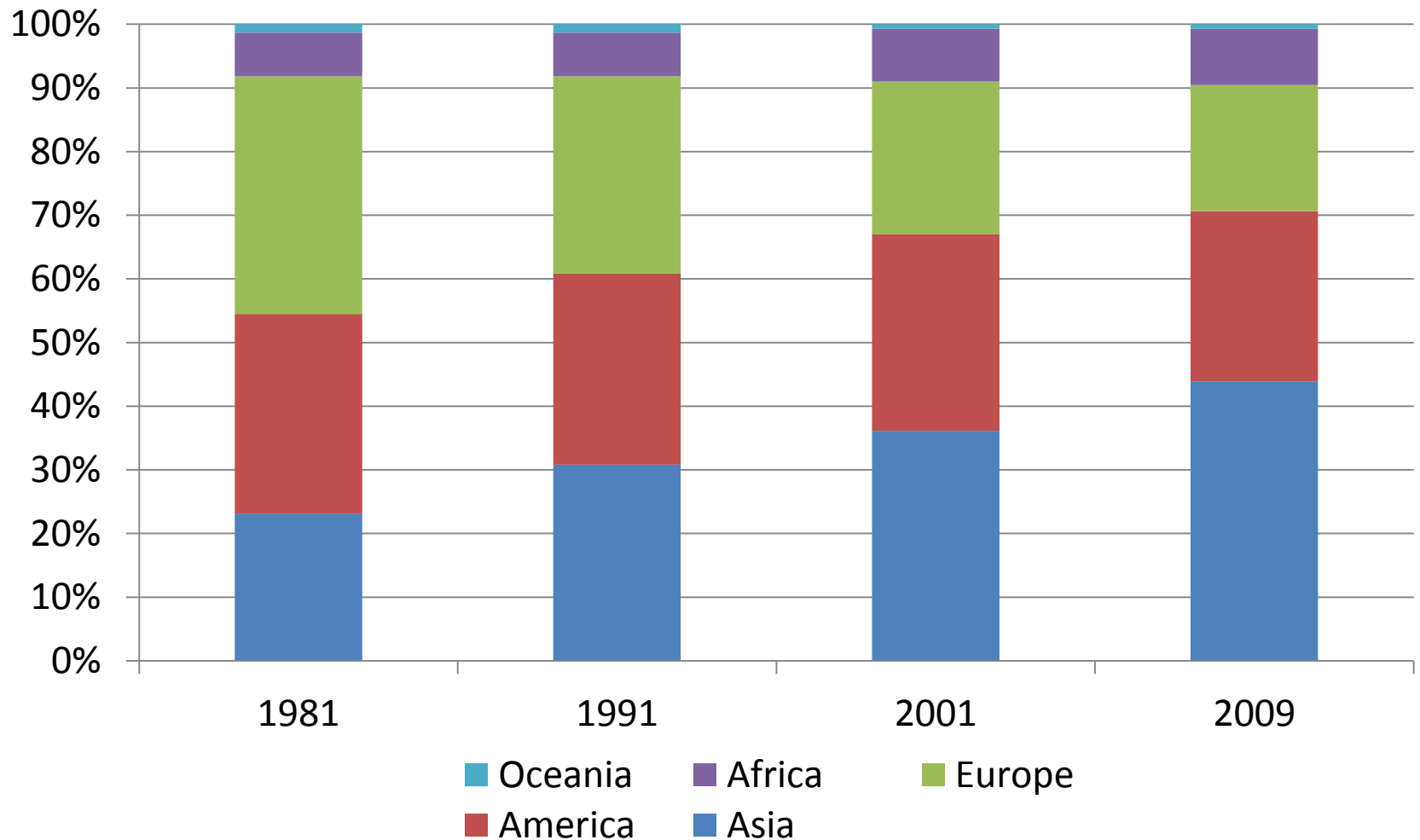
Annual Growth Rates in production



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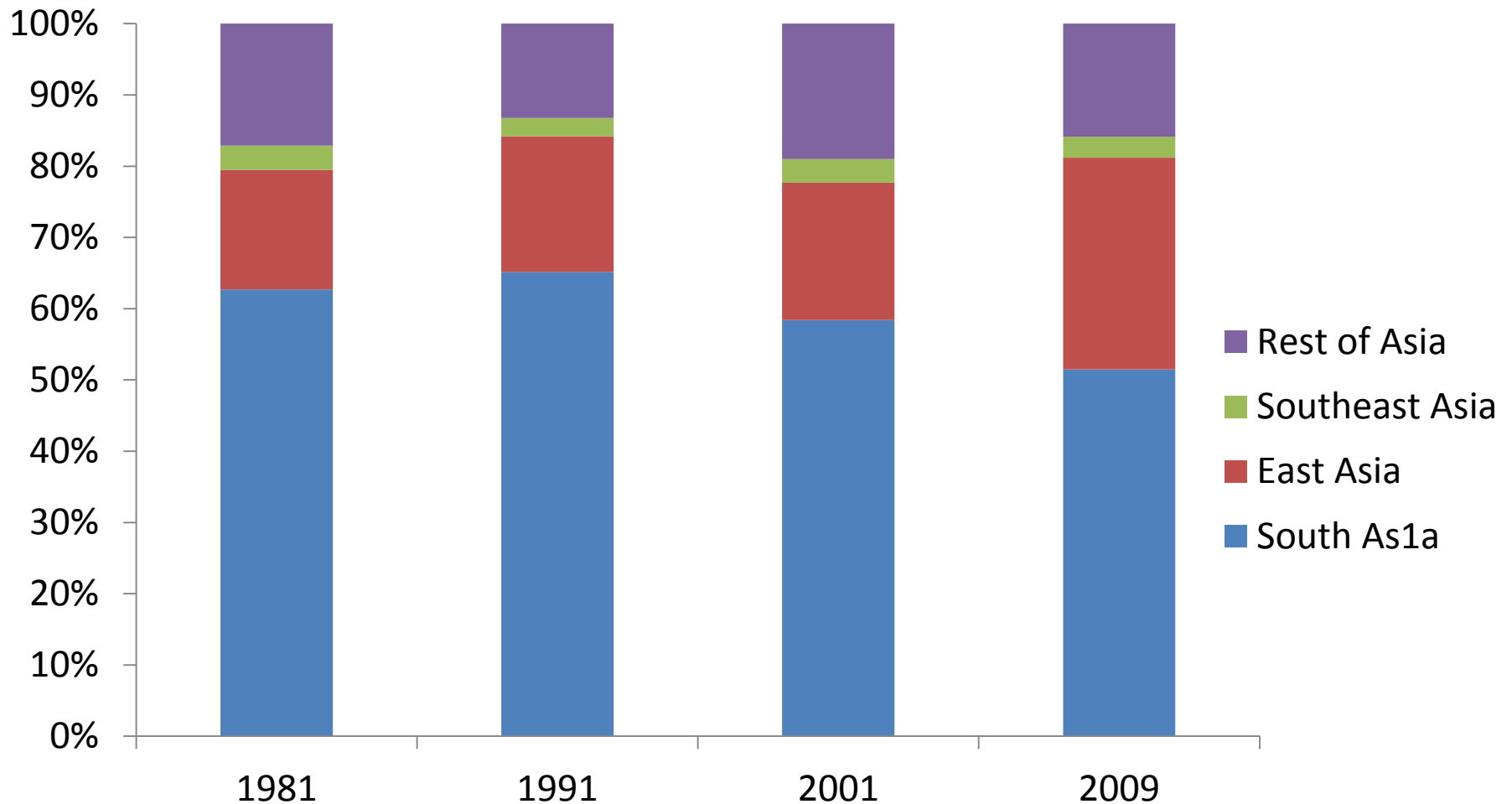
Regional Shares in total consumption



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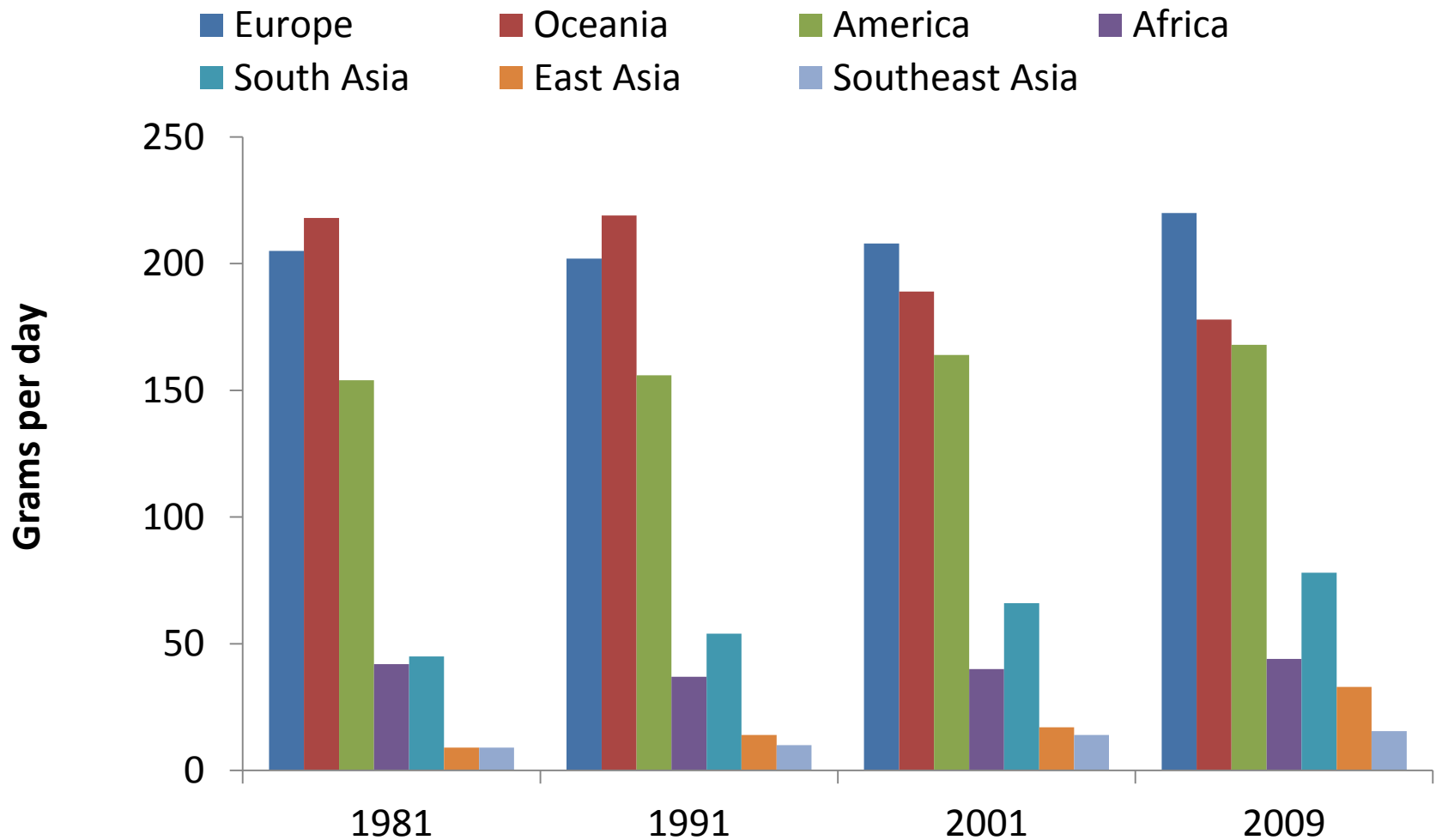
and within Asia . . .



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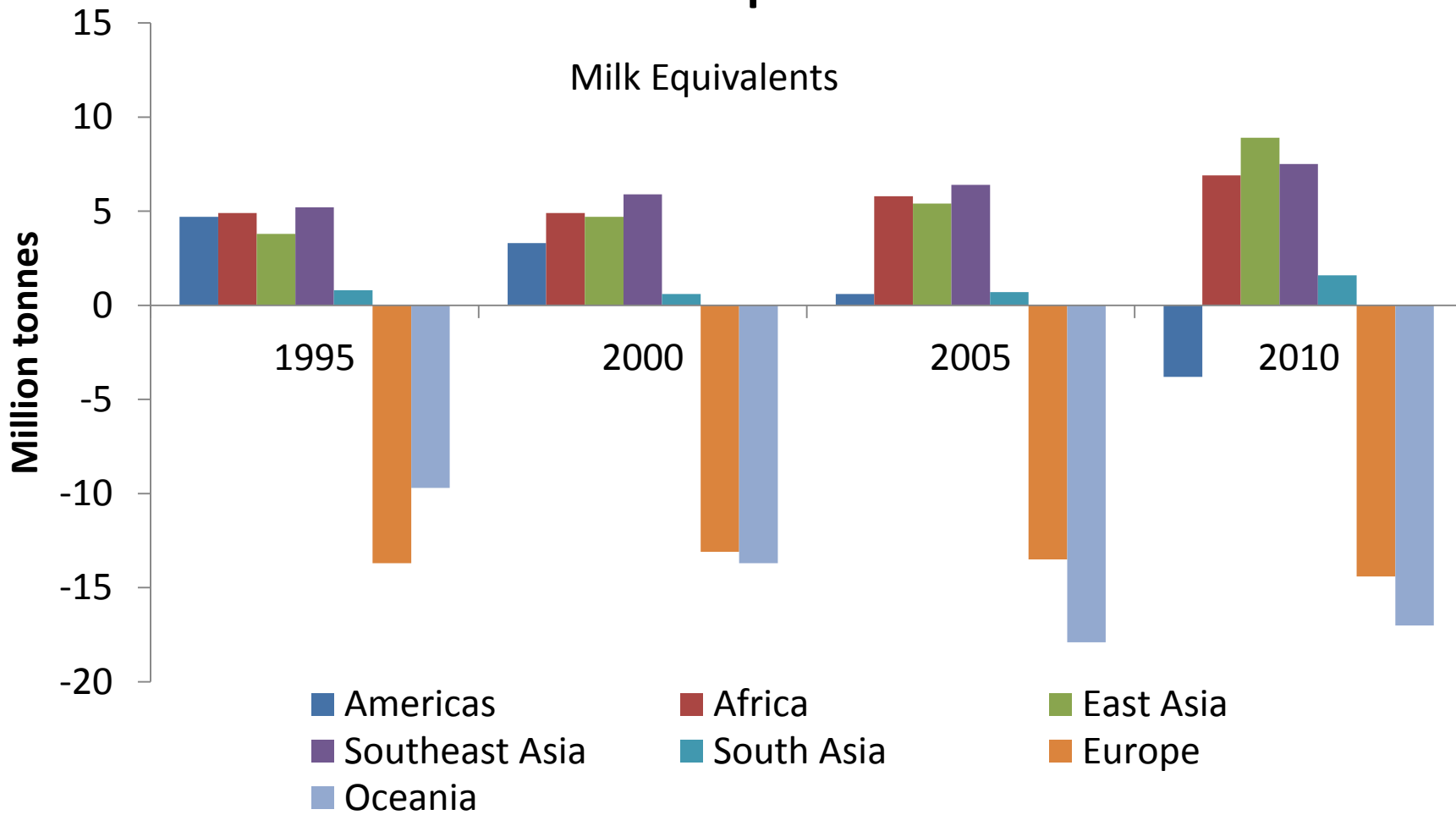
Per capita milk consumption



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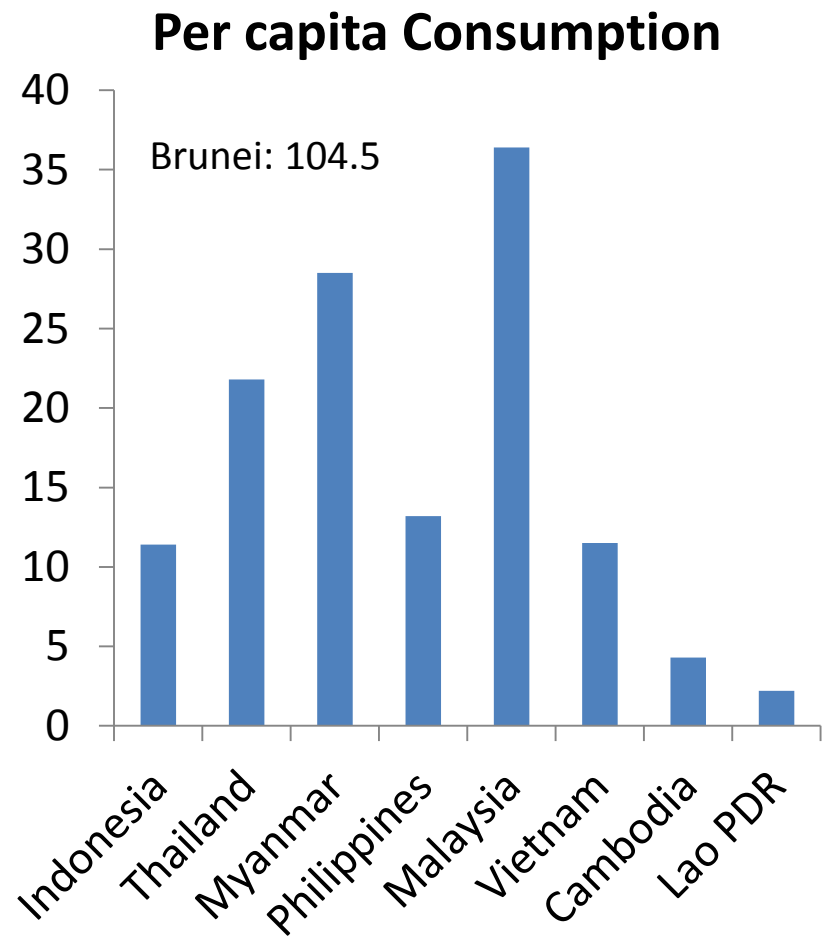
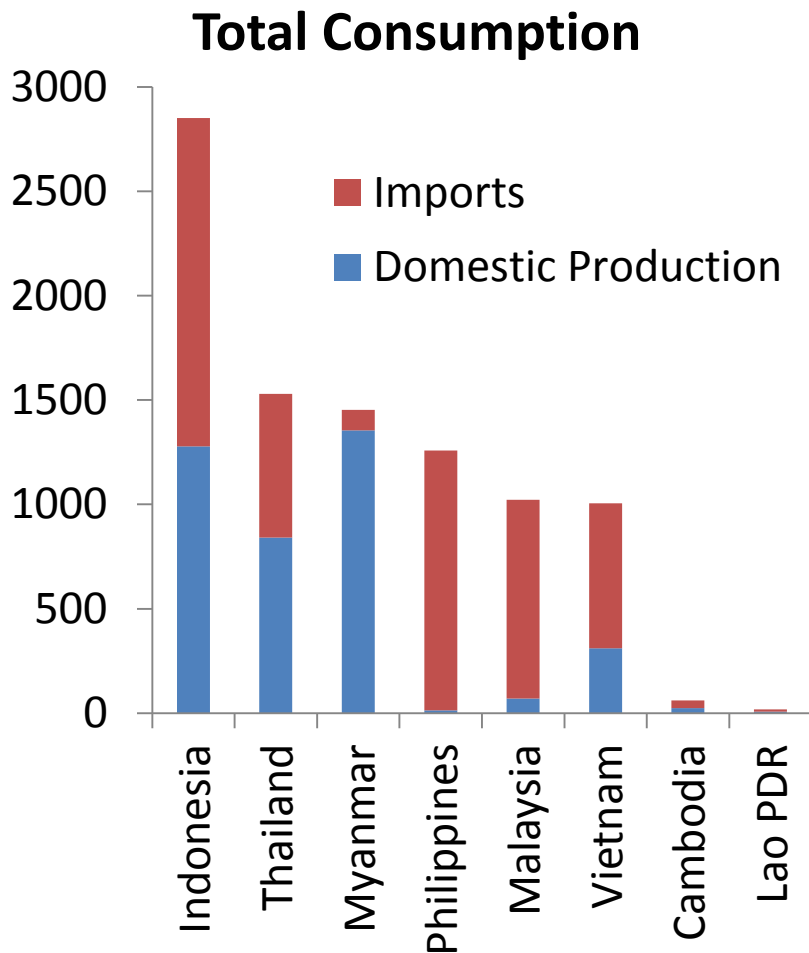
Net Imports



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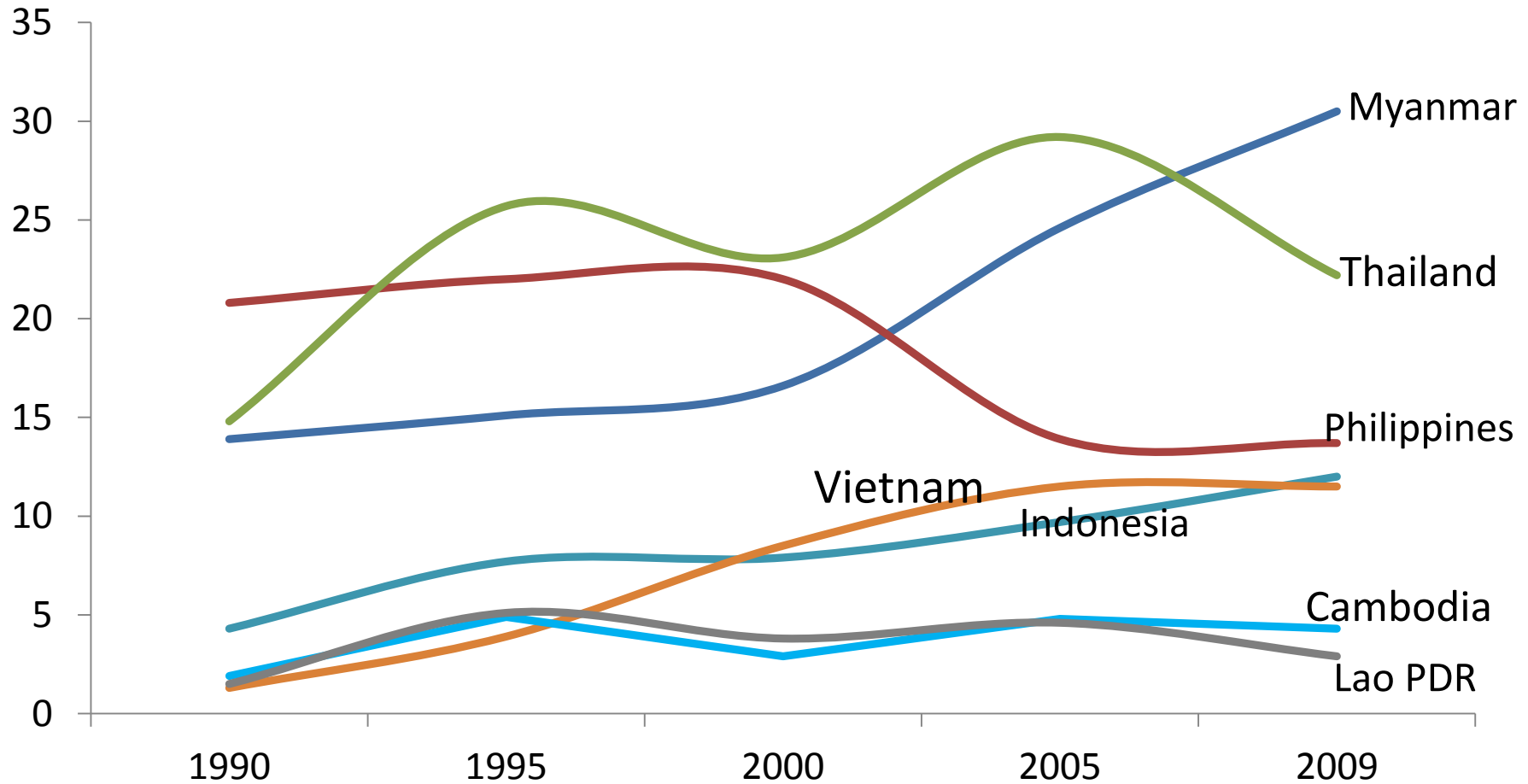
Within Southeast Asia



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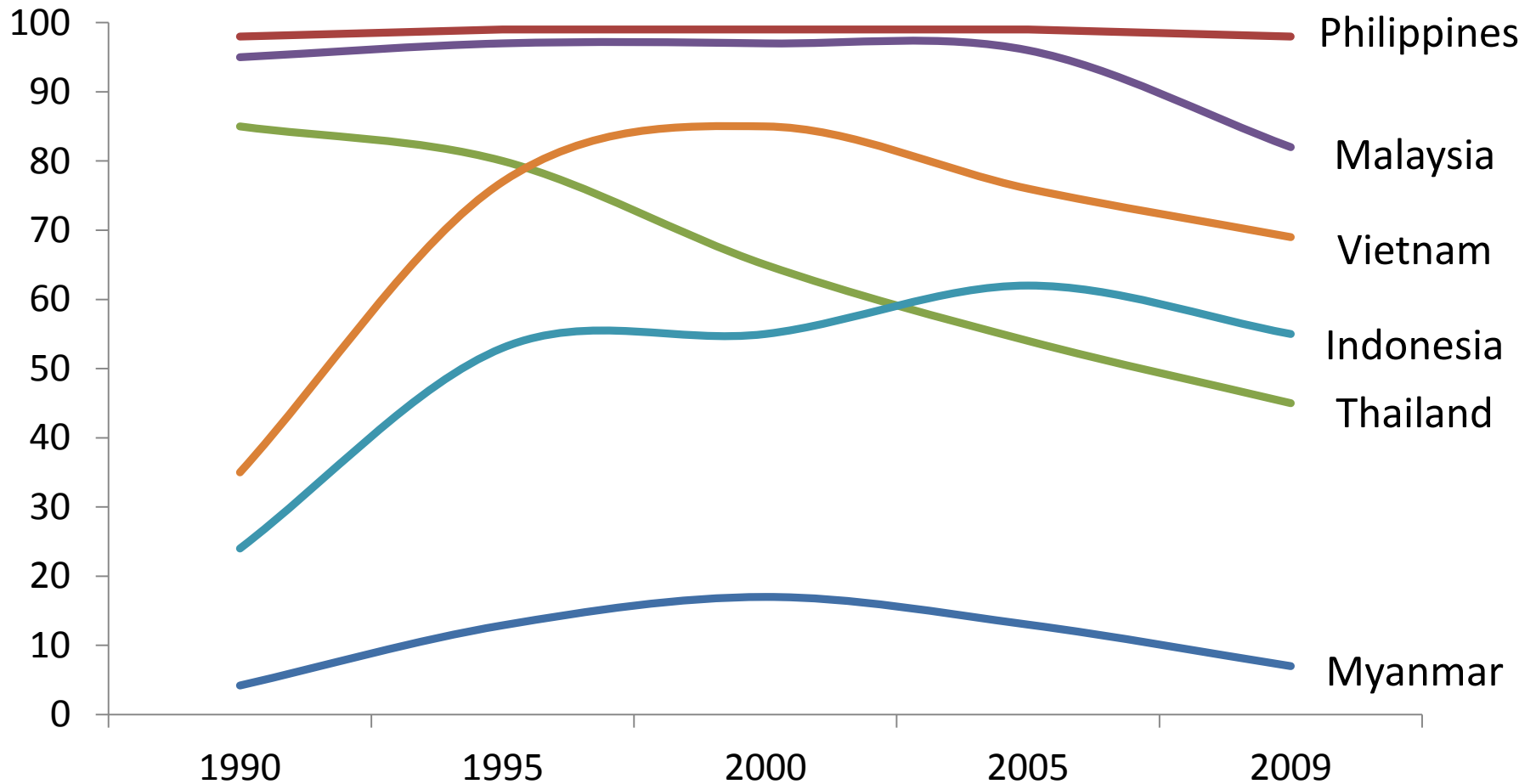
Per capita consumption (kg/capita/yr)



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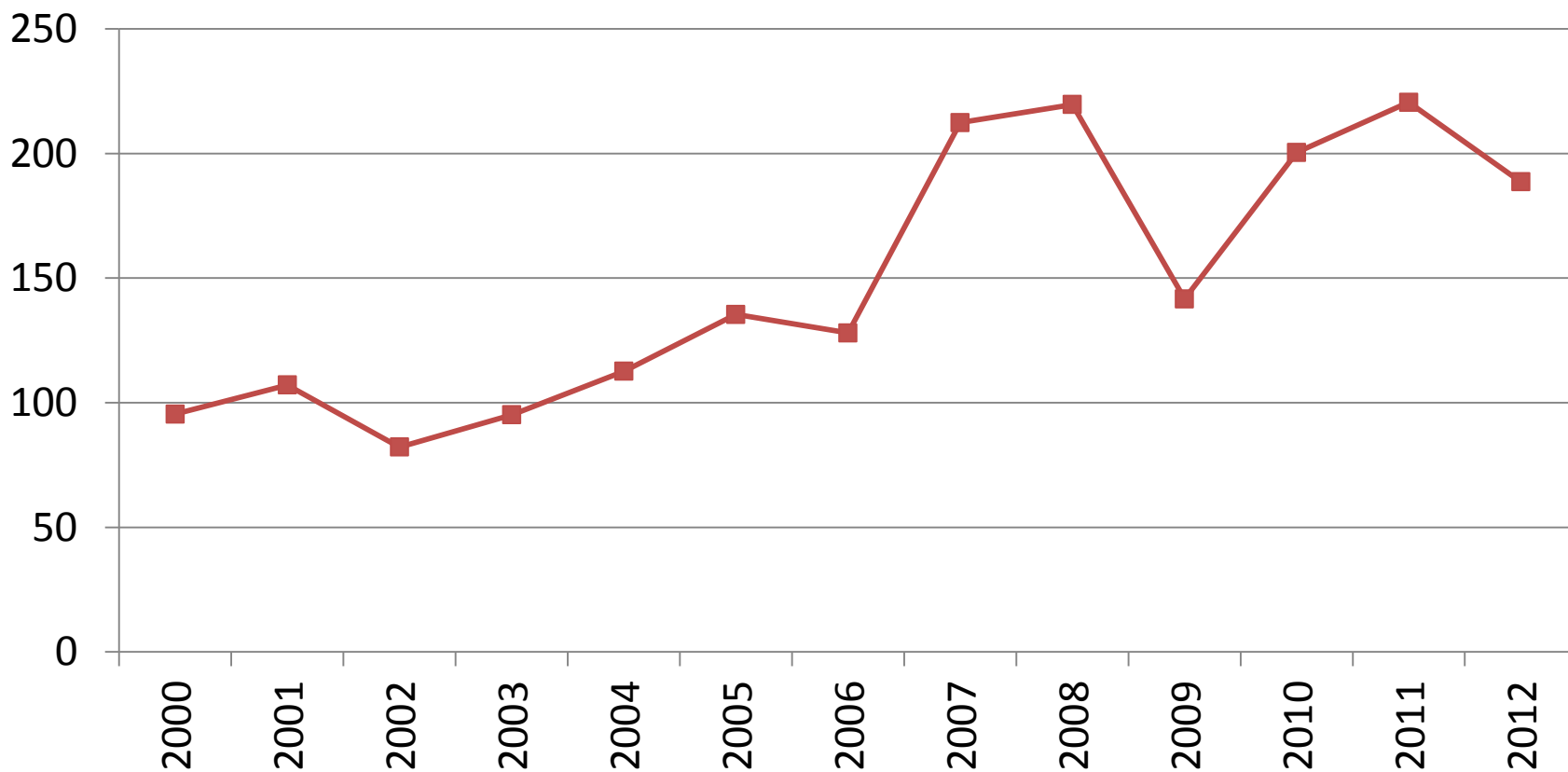
Changing import shares



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FAO International Dairy Price Index

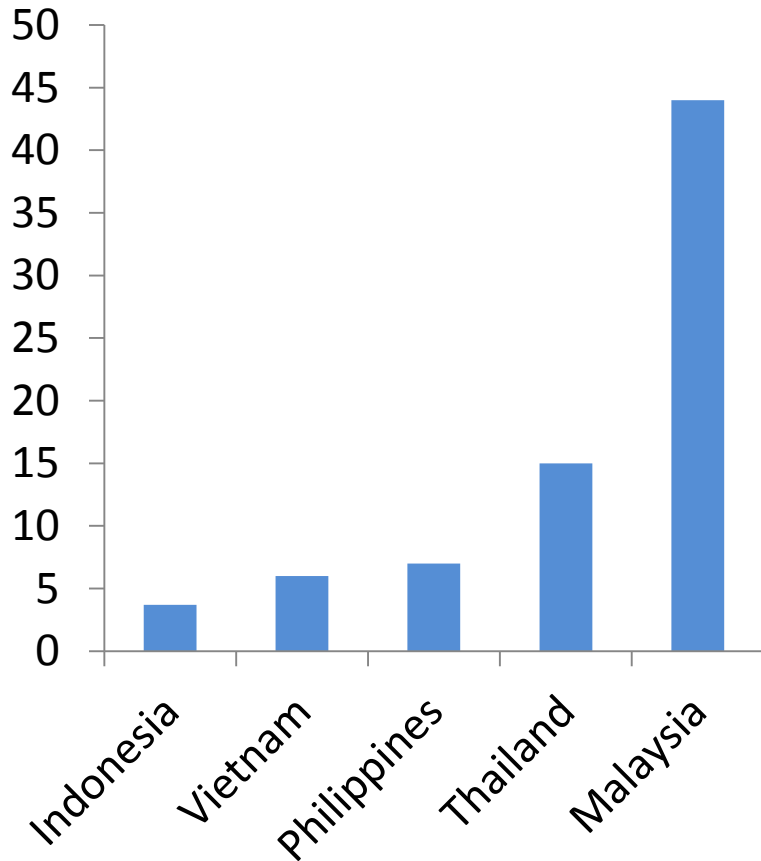


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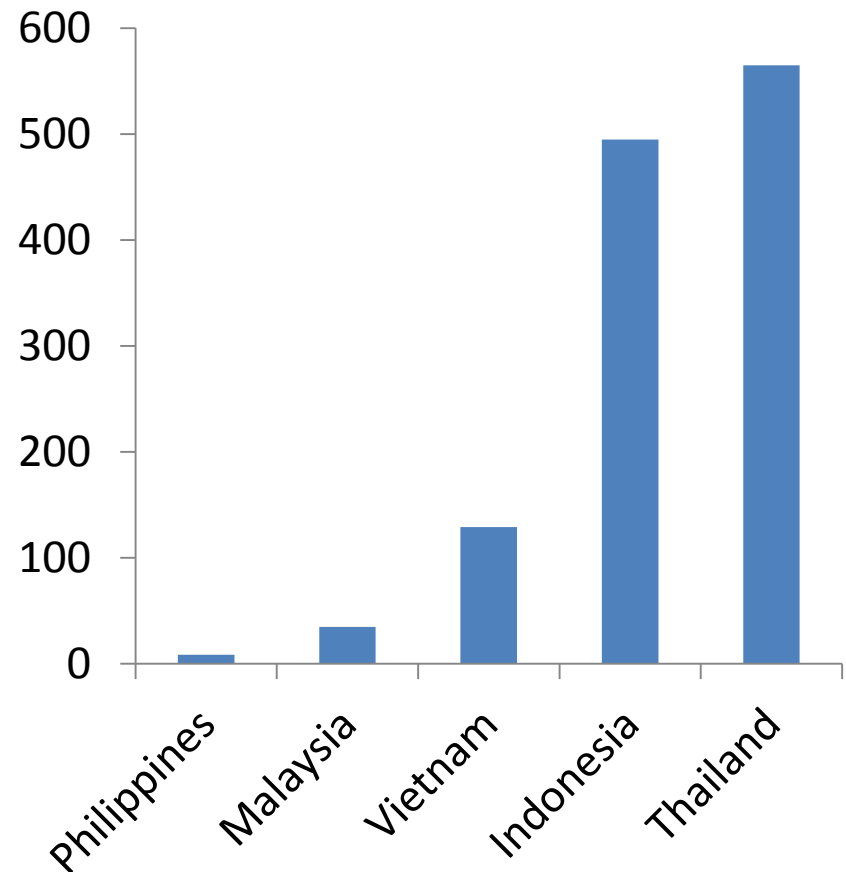
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Diverse production structures

Average farm size



Cow population ('000)

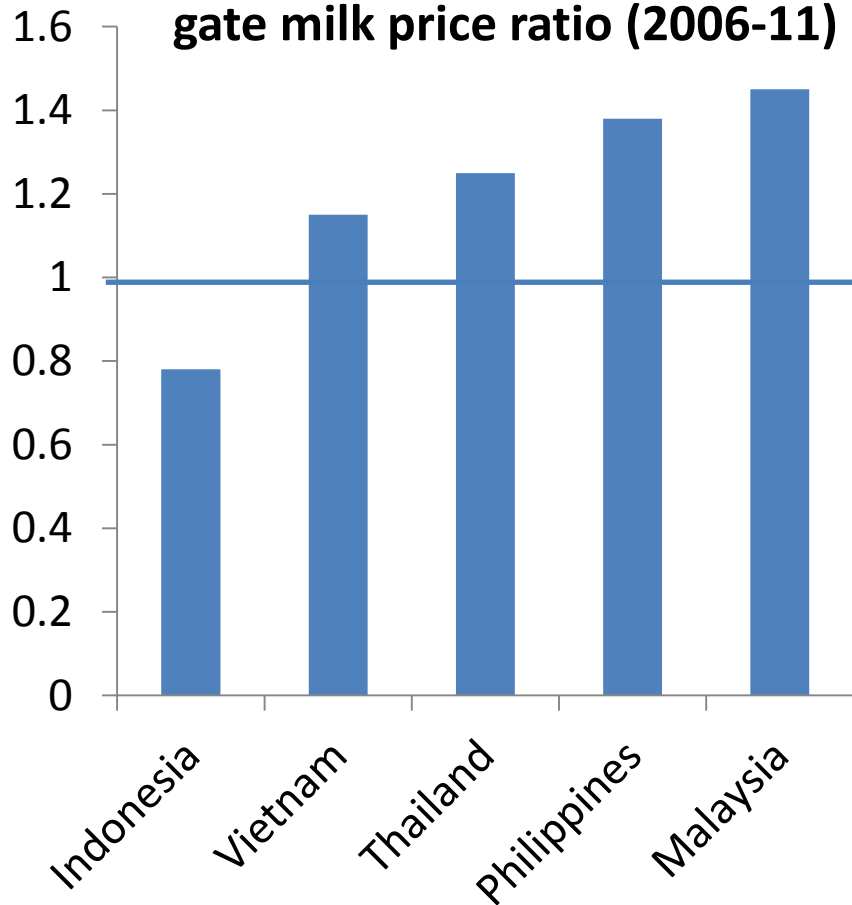


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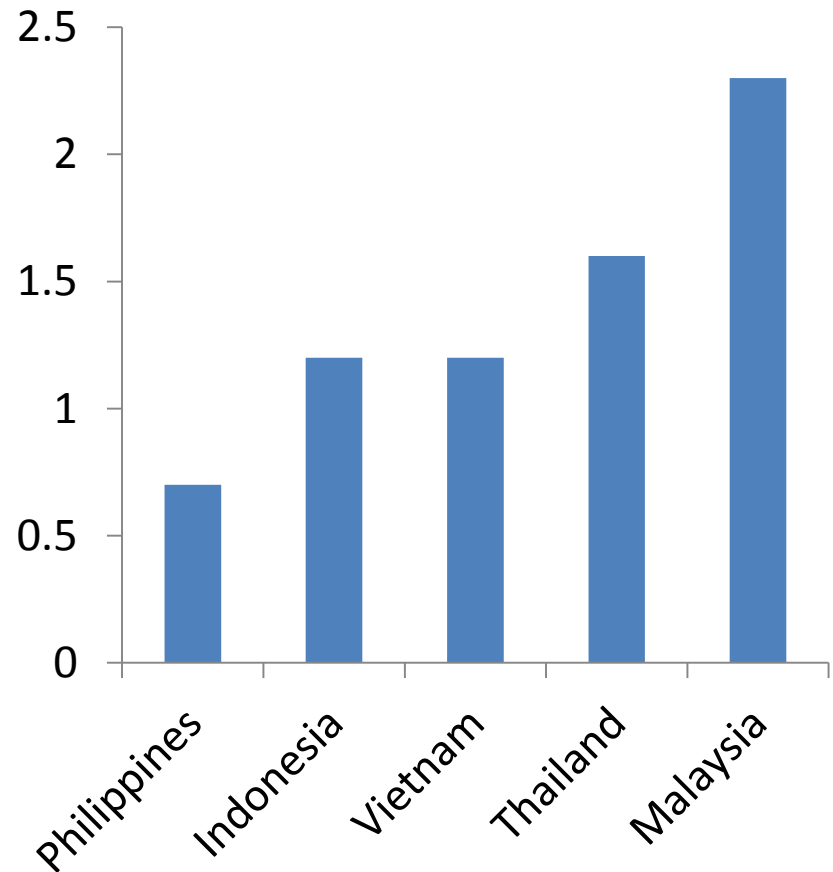
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and potential profitability indicators

Domestic-international farm gate milk price ratio (2006-11)



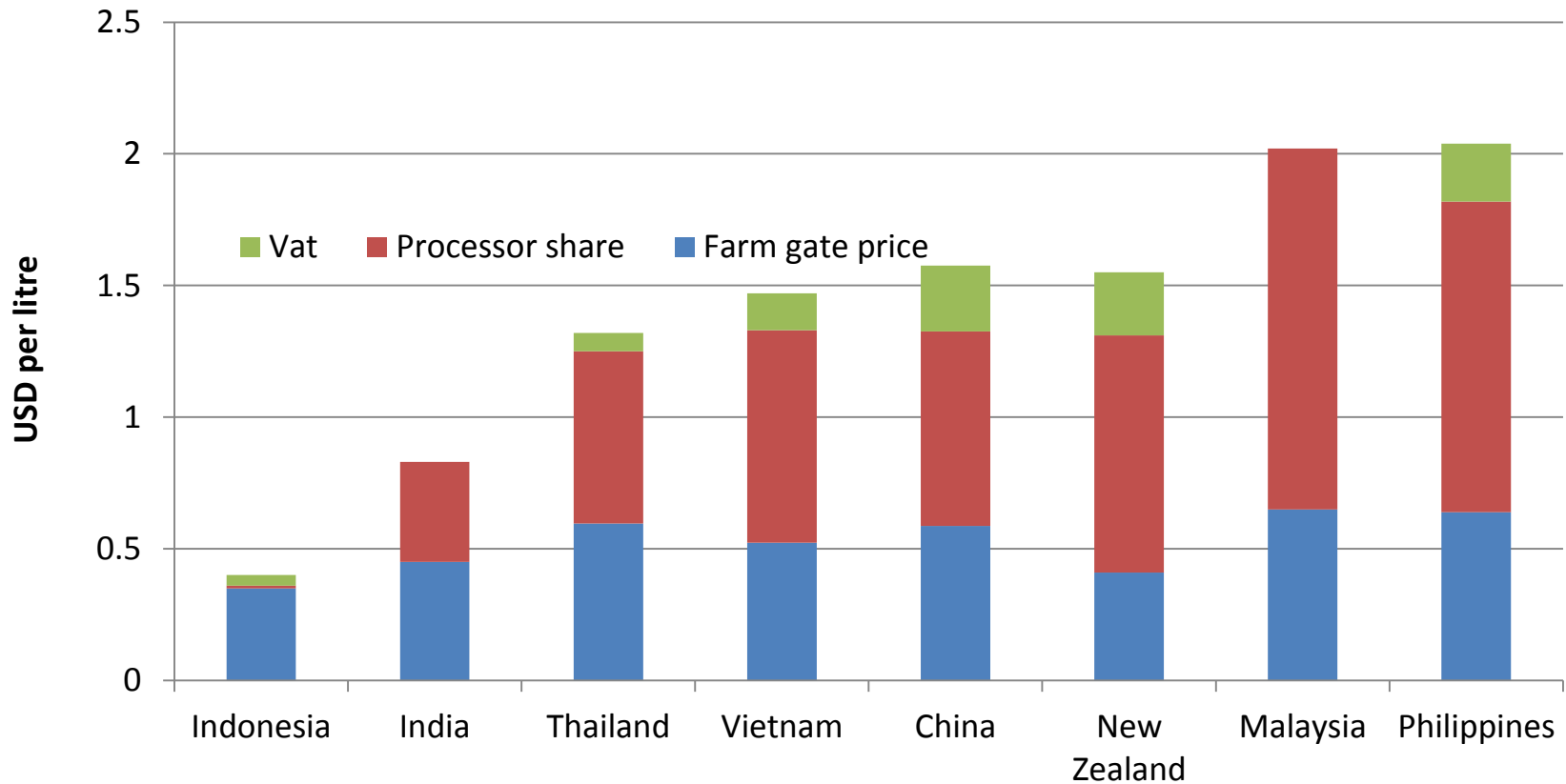
Milk to feed price ratio



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Structure of market price



A blue banner at the top of the slide features a white milk splash on the left side. The text "World Milk Day" is written in a bold, red, rounded font with a white outline, and "June 1" is written in a smaller, white, sans-serif font below it.

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Advent of ASEAN Economic
Community and multitude of FTAs

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AEC Pillars

- Single market and production base
- Competitive economic region
- Equitable economic development
- Integration into the global economy.

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FTAs

- **ASEAN – China Free Trade Area (ACFTA)**
- **ASEAN – Korea Free Trade Area (AKFTA)**
- **ASEAN – Japan Free Trade Area (AJFTA)**
- **ASEAN – India Free Trade Area (AIFTA)**
- **ASEAN - Australia New Zealand Free Trade Area (AANZFTA)**

The image features a blue background with white milk splashes. On the left, a white milk splash is shown with a white milk carton pouring milk into it. The text "World Milk Day" is written in a bold, red, rounded font with a white outline, centered at the top. Below it, the date "June 1" is written in a white, sans-serif font.

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Some questions for consideration

- Growing production and stagnant per capita consumption. Is there a need to stimulate consumption? Why and how?
- Should regional and national policy promote self-sufficiency, or continue to depend significantly on imports under an argument of differential comparative advantage?
- Some countries still maintain trade barriers imports to protect their domestic industries. Can or should these be maintained?
- Smallholder production predominates in many countries, while significant scaling up in others. Should there be a regional position on those trends?

The image features a blue banner at the top with white milk splashes. On the left, a white milk splash is shown with a white straw. The text "World Milk Day" is written in a bold, red, rounded font with a white outline. Below it, "June 1" is written in a white, sans-serif font.

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Some questions for consideration

- Can AEC contribute to ‘equitable socio-economic development’? What are the potential mechanisms towards realizing that goal?
- What about SMEs in the value chain? Can they comply with non-tariff requirements? SPS, TBT?
- Implications of increasing resource scarcity and increasing price volatility

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Thank you