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Agricultural Outlook Forum
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Arlington, Virginia

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Dairy Farmers of America's joint venture with the Chinese

Jay Waldvogel



RON TIMMERMAN | TIMMERMAN FARMS | LITTLE FALLS, N.Y.

Dairy Farmers of America's joint venture with the Chinese

More Cooperative.



DFA Introduction

A Global Perspective

Our approach to China

DFA overview

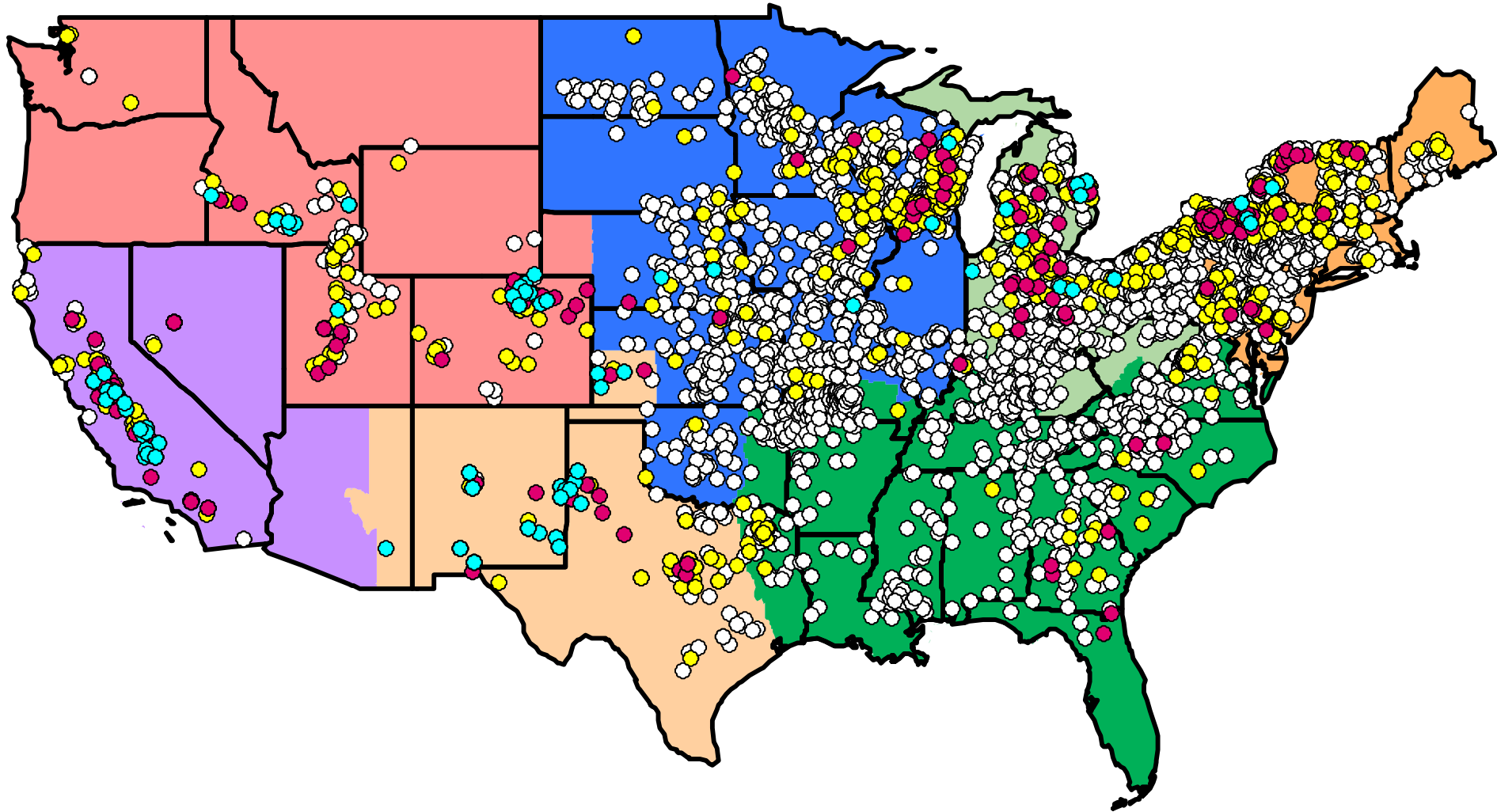
- **A farmer-owned cooperative**
- **Member farms across the US**
 - Nearly 9,000 member farms
 - Produce 23% of all US milk



More Cooperative.



Member Farms



DFA overview

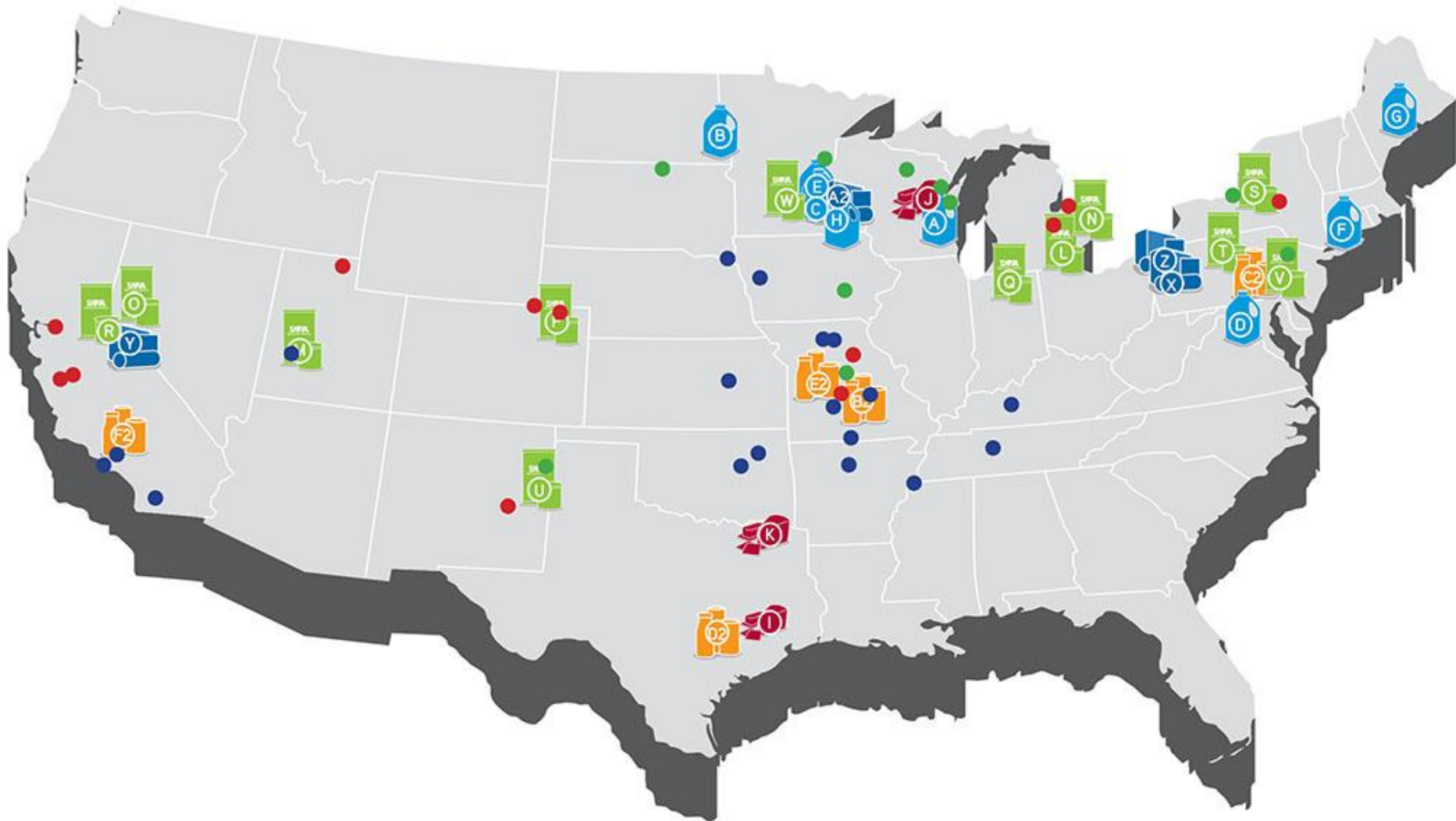
- **A farmer-owned cooperative**
- **Member farms across the US**
 - Nearly 9,000 member farms
 - Produce 23% of all US milk
- **Processing network**
 - 33 DFA managed facilities
 - Invested in 77 facilities in total
- **Diverse commercial businesses**
 - \$5+ billion annual revenue



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DFA Processing Network



DFA overview

- **A farmer-owned cooperative**
- **Member farms across the US**
 - Nearly 9,000 member farms
 - Produce 23% of all US milk
- **Processing network**
 - 33 DFA managed facilities
 - Invested in 77 facilities in total
- **Diverse commercial businesses**
 - \$5+ billion annual revenue
- **Leading US dairy company**
 - \$18 billion annual revenue
 - Marketing 30% of all US milk



More Cooperative.





More Cooperative.



DFA Overview

A Global Perspective

Our approach to China

Global Dairy Demand

More People....More Money....More Places



Globalization

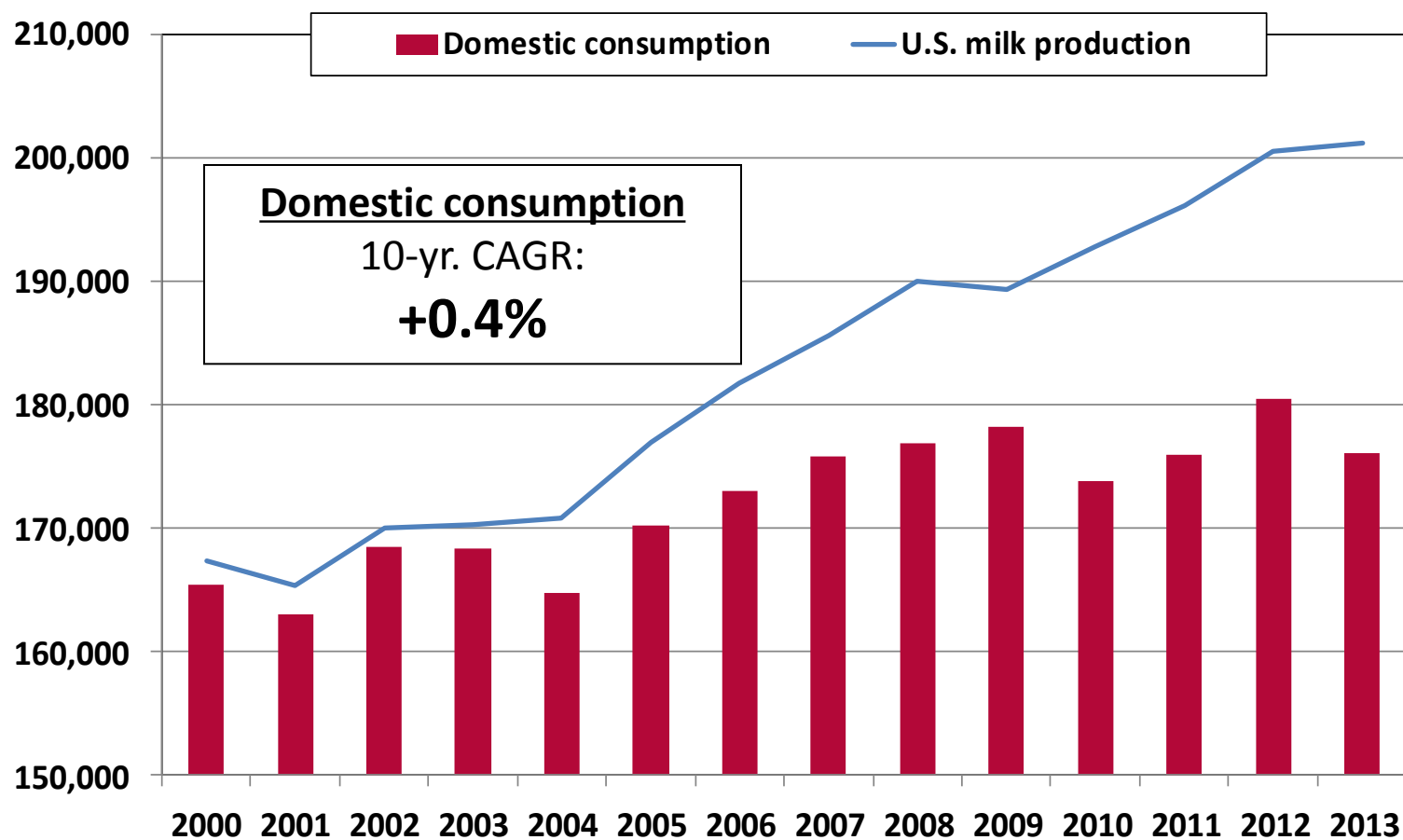
- Free flow of information
- Free flow of capital



Globalization

- **Free flow of information**
- **Free flow of capital**
- **Practical impacts**

U.S. milk production and consumption

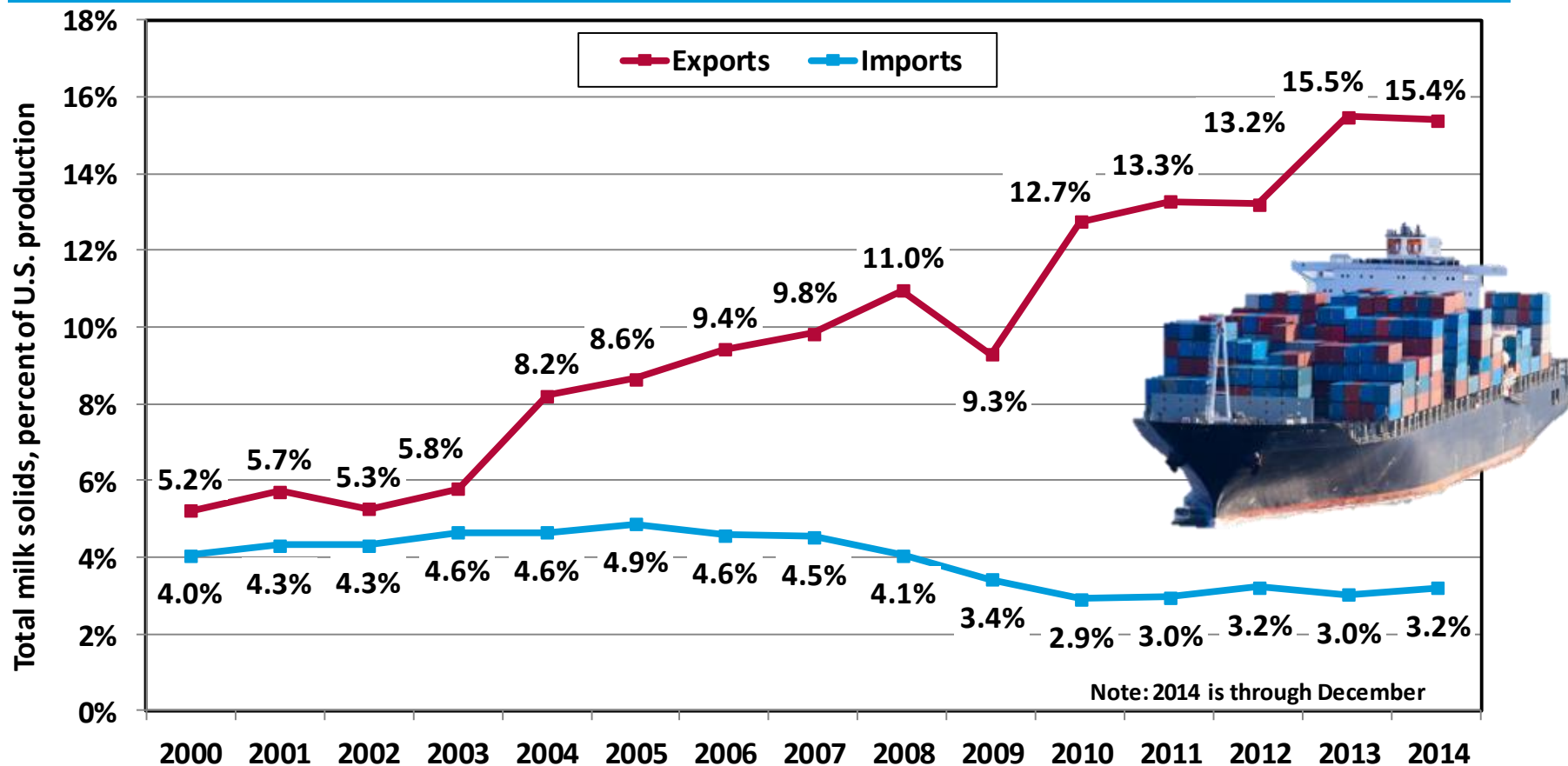


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Dairy Trade Balance

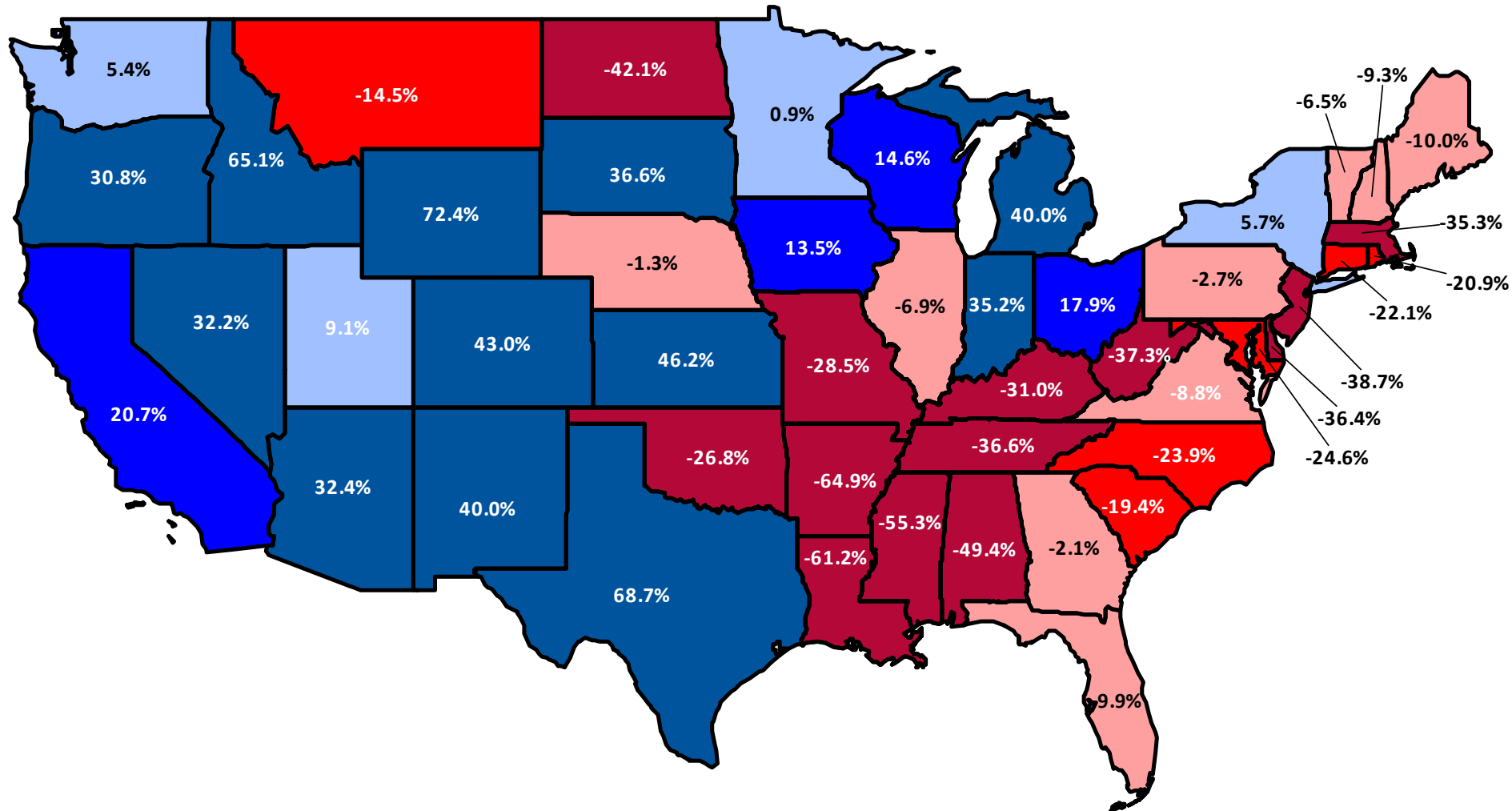
Total milk solids, percent of U.S. milk production



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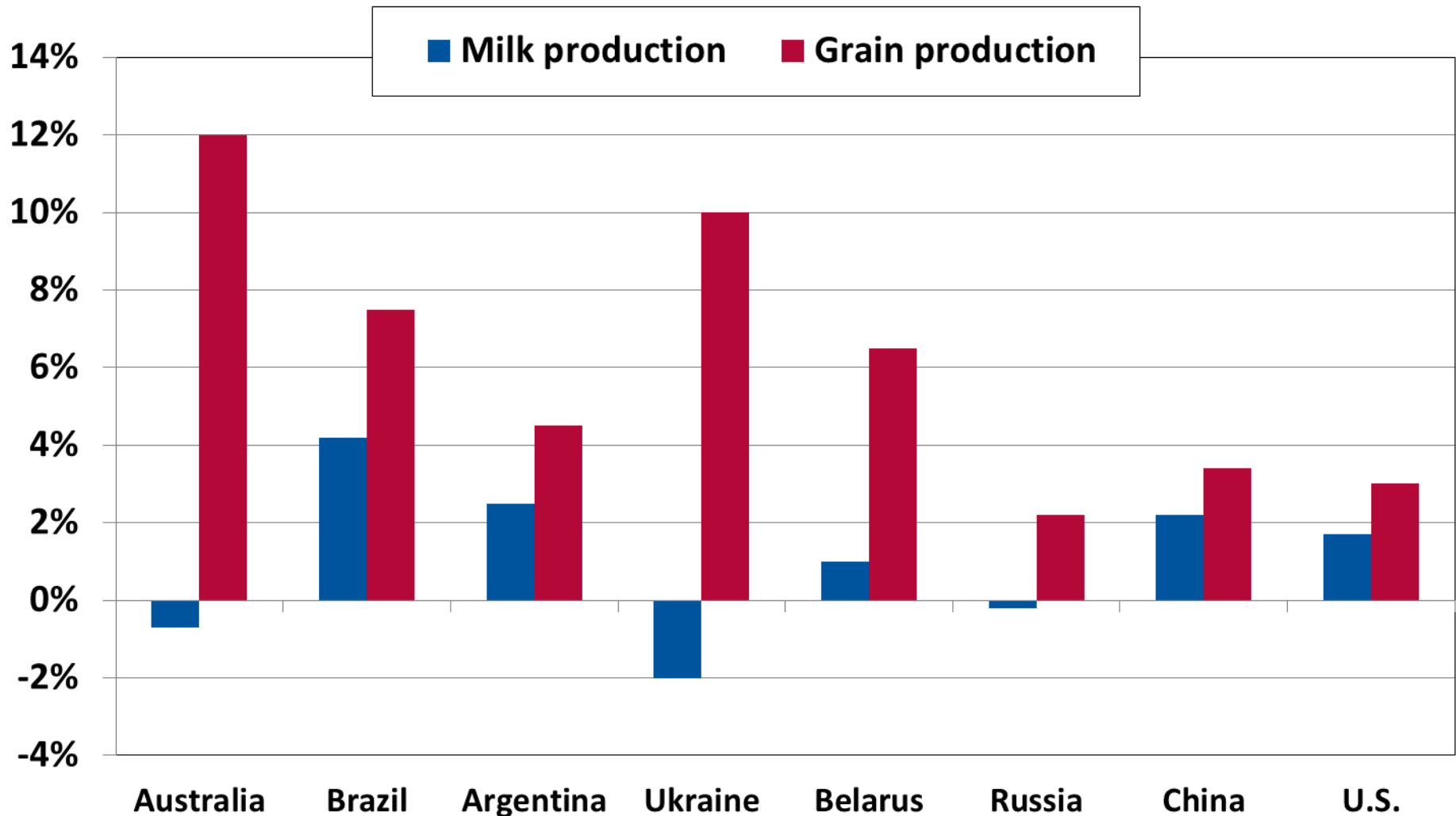
10-year shift in U.S. milk production



Are we competitive?

- **New Zealand**
- **European Union**
- **Brazil and Argentina**

Grain and milk production annual average growth rate



Source: Rabobank, % CAGR 2006

vs. 2013

The value of farmers



DFA Overview

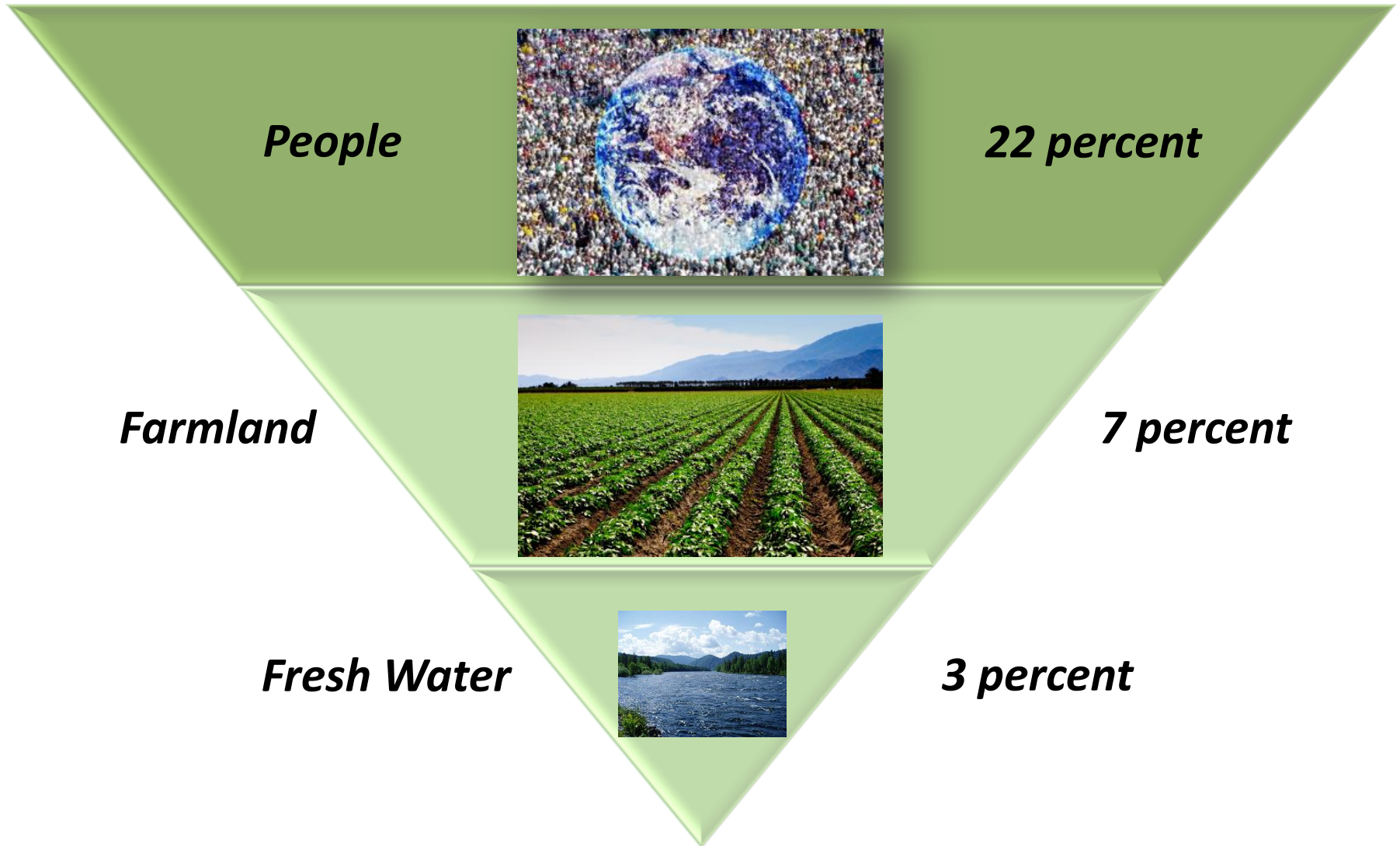
A Global Perspective

Our approach to China

DFA's Approach

- **Enter markets where we can compete**

China's food challenge



DFA's Approach

- Enter markets where we can compete
- Focus on volume growth and “premiumization”
- Follow our U.S. customers and develop relations with leading local companies
- Build lasting relationships with like minded businesses
- Understand and manage risk

DFA's joint venture with the Chinese



DFA's joint venture with the Chinese



DFA's joint venture with the Chinese



DFA's joint venture with the Chinese



DFA's joint venture with the Chinese



Thank You



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