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Dairies bullish on exports, sustainability

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CLE ELUM, Wash. -- The United States has grown to 11 to 12 percent of the world dairy trade, taking market share away from New Zealand and Europe and it has to keep doing that to continue growing, a Darigold vice president says.

The challenge is identifying and producing products other countries can afford, Dermot Carey, vice president of Darigold's ingredients division, told 200 dairy owners and operators attending the annual meeting of the Washington State Dairy Products Commission at Suncadia resort, Nov. 14.

Southeast Asia, China, the Middle East and Northern Africa are growth areas, Carey said. Economic, dietary and religious differences play into what products they want, he said.

China prefers making its own yogurt and cheese but needs and wants U.S. powder milk, Carey said.

India and China have growing middle classes that want dairy products, he said. Southeast Asia is building new dairy plants but doesn't have enough milk to fill them and wants to import. Exports validate and facilitate growth in U.S. dairy -- without them "we couldn't keep growing," Carey said.

The U.S. overproduces powder milk by 50 percent and exports more of it now, depending less on sales to the U.S. government, he said. Continued growth of the world's population bodes well for continued growth of the U.S. dairy industry, he said.

Seattle-based Darigold sells over 8 billion pounds of milk annually, is among the top four milk producers in the U.S. and top 20 in the world, he said.

Another convention speaker was Don Schriver, sustainability consultant for Dairy Management Inc. at the Innovation Center for U.S. Dairy, Rosemont, Ill.



Dan Wheat/Capital Press

Don Schriver, sustainability consultant, Dairy Management Inc., Rosemont, Ill., Nov. 14, 2012.

Sustainability is a word, he said, that was first met with trepidation among producers but that came from consumers wanting to know natural resources will be sustained for future generations.

"A lot of it is stewardship, animal husbandry, best practices, things we have always done," he said.

"In fact, over the past 60 years, dairy producers have reduced their carbon footprint by 63 percent through improvements in animal genetics, feeding ratios, animal health programs, cow comfort and overall management practices, according to Cornell University," he said. "More milk is produced today with far fewer cows."

U.S. dairies produce 196.2 billion pounds of milk annually worth \$31.4 billion in farm receipts.

In 2006, the Food and Agriculture Organization (FAO) of the United Nations said global livestock causes 18 percent of global greenhouse gas emissions, Schriver said. Dairy opponents misinterpreted that as dairy, not all livestock, he said.

At the urging of the Innovation Center and International Dairy Federation, the FAO did a study in 2010 that showed dairy accounts for 2.7 percent of global greenhouse emissions. The U.S. is about 2 percent, Schriver said.

In 2008, in the face of retailers wanting sustainability scorecards, dairy producers formed the Innovation Center, defined sustainability, set standards and goals, including reducing greenhouse gas emissions 25 percent by 2020.

Sustainability was defined as "providing consumers with nutritious dairy products they want in a way that makes the industry, people and the earth economically, environmentally and socially better now and for future generations."

"We might snicker, but there's a lot more of the general public than us," Schriver said. "Customers are willing to stay with us if they know we are doing the best we can to protect resources and the environment."

"We do what we do because it's good for business, consumers care about it and talk with their money, retailers are asking for it, competitors are doing it and it's better to be self-directed than government-regulated."

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