

Longview 2030

Overview

- Longview provides a framework to explore future scenarios which can be used to guide and test strategy. It is relevant for strategic planning, due diligence, policy developments, and investment strategy.
- This summary is a product of our [Global Dairy Directions](#) platform which adds up, analyses and provides a rolling market outlook for the short and long term for global dairy markets.
- Why prepare a long-term outlook? We are frequently asked questions by a range of people engaged in or around the dairy sector about what's beyond the short-term. How do all the big variables that are often spoken about play out over time – environmental pressures on milk producers; the pace of demand growth for dairy in the developing world; the competition from alternative foods; increasing self-sufficiency in China – to name a few?
- We extended our analysis using the [Dairy Trade Simulator](#) (DTS) to provide a framework that can examine those questions.
- The aim is not to accurately predict the future. There will be, and should be, discussion about assumptions relevant to the long term outlook. But we think that discussion can be aided by a detailed view of the future, how it adds up, and how we might get there.
- Therefore we give subscribers **the option of accessing the Longview DTS model**, so they can test their own opinions, run “what ifs” and develop their own scenarios.
- We will update this outlook on a regular basis, as the starting point shifts, trends develop and change and as we know more about the likely future.

Section	Contents	Pages
1 Summary	1. Overview 2. How we've approached the analysis 3. The most likely view of the future 4. Further considerations	4-9
2 The levers of change	1. Overview 2. The levers of change <ul style="list-style-type: none">○ Limits on NZ milk output○ EU milk growth in volatile times○ Can the US keep growing?○ Asian fast food demand○ China's changing milk needs○ Developing Asian growth○ Burgeoning infant formula demand○ Aging Japan○ Substitutes and synthetics reducing demand○ Will Russia return from the cold? 3. Other influences? <ul style="list-style-type: none">○ Can Brazil become a dairy powerhouse?○ What role for India?○ Can Venezuela recover?○ What will Brexit mean?○ A stable oil market?○ Will FTAs spur further demand?	11-35
3 Scenarios	1. “Most likely” future scenario 2. Milk values over time 3. Who can fill the milk supply gap? 4. Global use of fat 5. Strategic response 6. Weather’s volatile influence 7. Your own scenario	37-48
Appendix A	1. Approach 2. What does the baseline show? 3. Fats and protein 4. What drives prices over time 5. Assumptions	50-58
Appendix B	1. Approach 2. The Long Term DTS	60-61
Appendix C	1. The most likely scenario 2. The most likely scenario – detailed tables	63-74