

DairyField

Long-Term Player

Darigold sees a robust future ahead for U.S. dairy products in the global marketplace.

Darigold Inc. has been selected as the winner of the second annual Exporter of the Year Award, sponsored by *Dairy Field* and the U.S. Dairy Export Council (USDEC).

The Seattle-based cooperative and dairy products manufacturer was chosen in recognition of its long history and consistent success in exporting activities and making great strides in driving demand for U.S. dairy output abroad, efforts that continue to build momentum to the present day.

Darigold has been involved in export activities since the 1920s. "When Europe implemented considerable subsidies for its dairy exports in the 1950s, the competitiveness of U.S. dairy products was challenged," recounts Dermot Carey, vice president of Darigold's Ingredients Division.

In the late 1950s, Darigold opened an evaporated milk plant in the Philippines to supply locally manufactured products using U.S.-supplied skim milk powder; this plant operated for 20 years. "In more recent years, we have participated in the various government and industry-led export programs, and several years ago made a decision to commit to and develop our export markets for the long term," Carey says. "As a cooperative, Darigold's export efforts were and are still driven today by the desire to broaden the company's markets to increase returns to our member-owners and create value for our customers."

Today, Darigold exports dairy products to Japan, China, Southeast Asia, Mexico, South America, the Middle East and Europe. The com-



John Underwood, president and chief executive officer of Darigold Inc. (left), and Dermot Carey, vice president of Darigold's Ingredients Division.

pany employs a joint effort between its own Seattle-based sales group and Darigold's long-term export partner, Seattle-based James Farrell Co., to execute global sales and deliveries.

"Coupled with our frequent visits to customers in these markets, we utilize James Farrell Company's expertise in logistics and delivery systems and local in-country presence to provide an efficient and effective platform for our coordinated sales efforts and customer service," Carey explains.

Darigold declined to reveal exact figures for its export sales. But Carey does report that export sales of milk powders were in excess of 50 percent of total category sales, while exported whey products accounted for more than 80 percent of category sales. Coming in at No. 12 on *Dairy Field's* 2007 Top 100 processors ranking, Darigold's 2006 total sales (including milk, cheese and cultured products marketed in the Pacific Northwest) are estimated at \$1.5 billion.

Carey says Darigold's export

activities have reinforced the importance and value of strong relationships and commitment to customers and markets. "As with any business activity, our export activities have had their ups and downs, but the experience and knowledge gained is extremely valuable and has helped us grow as a company and become a dependable supplier to our customers," he says.

"These activities have helped us to learn how to manage change and volatility in both our domestic and international markets, and how to identify and respond to our customer's needs. Our export activities also have enhanced our returns to our member-owners by creating product opportunities beyond those currently available in the domestic markets."

Looking ahead, Darigold foresees a robust future for itself and U.S. dairy exports. "Export marketing is a long-term commitment and the U.S. has finally arrived at the global dairy product stage as a legitimate player," Carey says. "We can sustain this position if we understand and respect our role as a dependable, committed supplier.

With the continued growth in global demand for dairy products there is a need for the U.S. as a supplier, and this offers tremendous opportunities to our industry. As we pursue these opportunities, we will broaden our markets and demonstrate the U.S. can compete in the global arena."

The 2007 Exporter of the Year Award will be presented to Darigold during a USDEC Webcast scheduled for September 10. Watch www.dairyfield.com for more details. ○