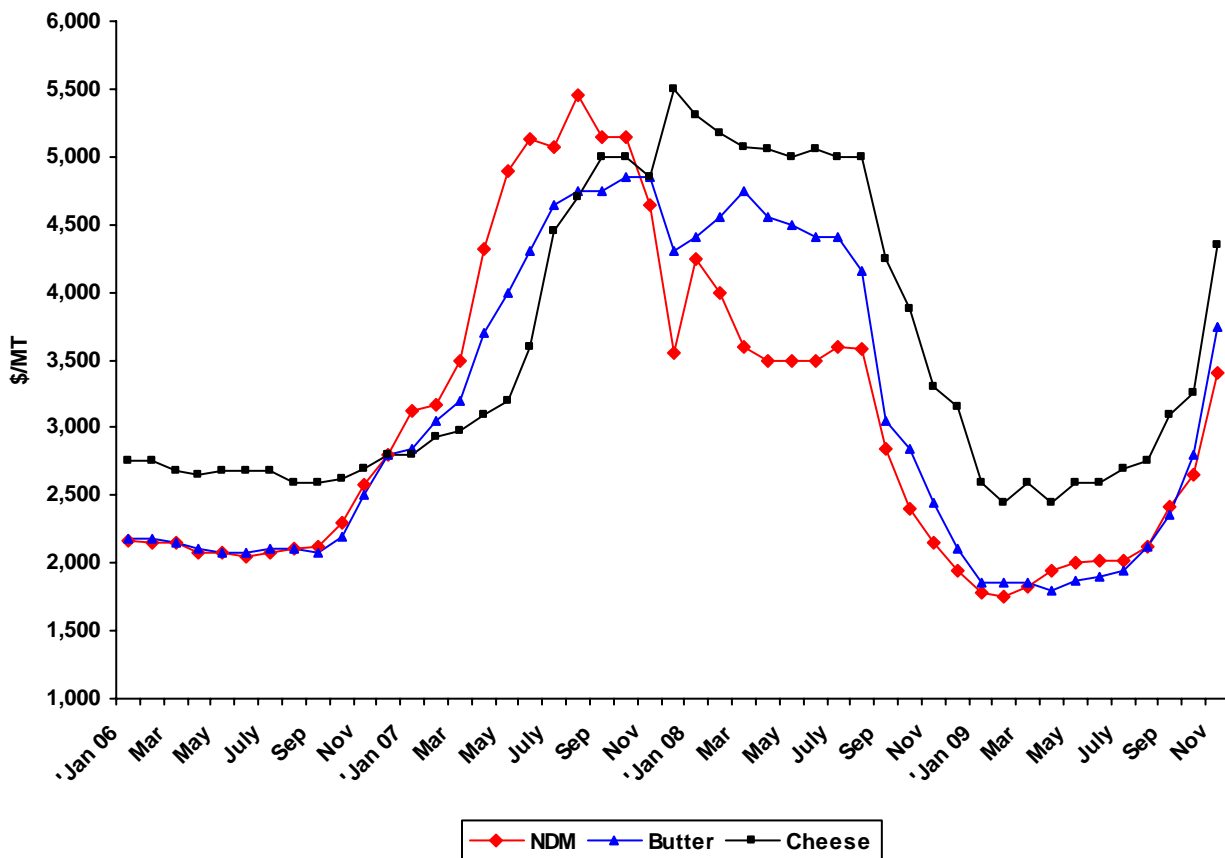


Dairy: World Markets and Trade

December 2009

Global dairy prices have staged a dramatic and somewhat unlikely rebound given the availability of ample stocks of butterfat and nonfat dry milk (NDM) in the United States and the EU. The reality, however, is that stocks of U.S. NDM have been mostly committed while EU stocks are at this time unavailable to markets since any release would likely negatively impact on domestic prices and risk igniting political opposition. A surprising aspect that may have contributed to this recovery is the resiliency of import demand for such dairy products as NDM. Total trade of NDM among selected exporters averaged around 1.05 million tons between 2005 and 2008. In 2009, despite a severe global recession, exports of NDM are forecast to slip by only 4 percent to 1.01 million tons.

Oceania Prices (FOB) for NDM, Butter, and Cheese



Dairy Production and Trade Developments

Summary

The recovery in international dairy prices that was initially viewed as a short term phenomenon appears to have solidified with prices for NDM holding above \$3,000 per ton FOB EU port, while butter has been trading at well above \$4,000 per ton FOB EU port. This in contrast to six months ago when NDM and butter export prices were both trading at below \$2,500 per ton. This sharp recovery appears to suggest that import demand is staging a comeback and was probably not as negatively affected by the global recession as initially anticipated. In addition, available exportable supplies are likely to remain limited as domestic milk output in the U.S. and the EU is forecast to decline in 2010, while the 2009/2010 milk production outlook in Oceania is mixed.

For the first half of 2010, there is some unease regarding the international price outlook. While producers welcome these higher prices, there is concern that the sharp run-up in prices will choke demand leading to a significant correction. There is also the question of how the EU will dispose of the substantial intervention stocks which stood at 76,400 tons of butter and 259,300 tons of NDM on December 10, 2009. In the United States, uncommitted CCC Government stocks of NDM currently total around 27,000 tons, while some 90,000 tons has been committed to domestic programs. However, further surplus purchases under the CCC price support program are not anticipated for 2010 as lower milk production is expected to result in relatively tight markets for dairy products.

In any event, a price correction could be modest since the economic outlook for 2010 suggests that import demand for dairy products should improve. The GDP growth rate for developed economies is expected to grow by 1.7 percent annually while growth in developing economies is forecast to rise by 5.5 percent. In the key Asian market, China is forecast to grow by 9.3 percent while GDP growth for the region is slated at about 7 percent. While these rates are relatively subdued compared to the heady pace of growth in 2008, they nevertheless represent a welcome turnaround from 2009 when global GDP shrank by 2.2 percent.

The 2010 outlook for the U.S. dairy exports is relatively bright with NDM and cheese exports expected to expand by 16 percent and 7 percent, respectively. In 2009, although U.S. cheese exports dropped by 21 percent from the record setting levels of 2008, they were surprisingly robust and well above the 2005-2007 average. NDM exports are expected to be competitive on world markets; however, a decrease in U.S. production may lead to some rationing of NDM if domestic demand is sufficiently strong.

Milk Production: 2010 Forecast Summary

Summary of Major Milk Producer Forecasts for CY 2010 (1,000 Metric Tons)

	2008	2009 (p)	2010 (Dec. forecast)	Change 10' - 09'
Argentina	10,010	10,100	10,300	2%
Australia	9,500	9,670	9,570	- 1%
Brazil	27,820	28,795	30,235	5%
EU-27	133,848	133,800	134,000	0%
New Zealand	15,141	16,601	17,021	3%
United States	86,179	85,820	85,230	-1%

Note: Australia July-June, New Zealand June-May year

Australian milk production is forecast to decline primarily due to lower cow numbers – down 2 percent - following severe drought and a cost squeeze between high input costs and lower milk prices. The situation is improving as pastures are reported to be in good condition and increased rainfall has led to a modest improvement in irrigation water. Nevertheless, there is considerable uncertainty over Australia's longer term ability to resume consistent growth and even return to levels of production attained between 2000 and 2003. In contrast, New Zealand milk production is expected to reach a record high as the herd is forecast to expand by 2.5 percent. This is very much in line with the 5-year (2003-2008) annual average growth rate of around 2 percent annually.

In the EU-27, milk output is forecast to rise marginally in 2010 as producers recover from the low prices experienced in 2009. The EU has supported dairy prices by extending the period of intervention to bridge the gap between August 2009 and March 2010 and heavy use of export subsidies to move surplus dairy products onto world markets.

For 2010, U.S. milk production is forecast to decline by less than 1 percent following an expected half percent drop in 2009. Although higher prices are anticipated in 2010, the liquidation of dairy cows – although lower than initially expected – will still lower the herd by a significant 2.4 percent.

Cheese:

After a forecast decline of nearly 3 percent in 2009, cheese production in Oceania is expected to grow by about 2 percent with all the increase forecast to occur in New Zealand. Cheese exports for Australia and New Zealand in 2010 are forecast to grow significantly, 28 percent and 6 percent, largely as stocks are drawn down.

In the EU-27, cheese production is forecast to grow by 1 percent with approximately 93 percent of

this increase being absorbed by domestic consumption and 7 percent being channeled to the export markets. Exports are expected to grow modestly by 1 percent and based on current trends for 2009 the majority of this cheese is destined to Russia, the United States, Switzerland, and Japan.

In the United States, although cheese shipments in 2009 will likely decline significantly from the record setting pace of 2008; nevertheless, they are surprisingly strong given the poor state of the world economy. More impressively, cheese exports to Mexico – the principal market for U.S. cheese – from January 2009 through October were up 10 percent in comparison to the same period last year. For 2010, U.S. cheese production is expected to be fractionally lower due to an expected drop in milk production which will likely keep markets tight. However, exports are expected to grow by 7 percent which while lower than the annual average growth rate of 22 percent registered between 2004 and 2008, will likely account for about 2.4 percent of domestic production. In 2005, exports accounted for around 1.4 percent of domestic cheese production.

Butter:

In the second half of 2009, global butterfat markets staged an impressive comeback which appears to have been due to two events. First, India after being largely absent from markets in 2008 purchased substantial quantities of butteroil from New Zealand effectively reducing stocks significantly. Trade data indicates that India from January 2009 through October purchased 18,000 tons of butteroil. Second, anticipating low prices, global purchasers allowed pipeline stocks to decline and then were caught in short positions as buyers collectively attempted to secure supplies. This rush to markets is believed to have also been a precipitating factor leading to sharp price rises.

For 2010, butter production in Oceania is expected to drop by 4 percent and while exports from Australia are expected to grow modestly, shipments for New Zealand are forecast to drop marginally. For the EU, production is also expected to be slightly lower as milk supplies will likely be channeled into the production of cheese. EU exports in 2009 were significantly aided by the subsidization of around 68,000 tons (butter equivalent) of butterfat under the tender system and while export subsidies have been suspended, the EU still has some 76,000 tons of butter in intervention. While no further accumulation of butter intervention stocks are forecast, if global prices decline the EU can easily ramp-up export subsidies.

NDM:

NDM production for selected countries in 2010 is expected to decline by more than 3 percent with significant reductions forecast for New Zealand – down 15 percent – and the United States – down 9 percent. Nevertheless, expectations are that global NDM prices in 2010 will be relatively strong and exports are expected to rebound in the U.S. and the EU and to a lesser extent in Oceania. After an expected drop of 34 percent in 2009, U.S. exports of NDM are anticipated to increase by 16 percent to reach 300,000 tons, while in the EU shipments are forecast to grow by 36 percent to 225,000 tons. In 2009, despite the subsidization of 183,000 tons of NDM, the EU accumulated substantial intervention stocks currently standing at around 259,000 tons. For 2010, prices are forecast to remain above intervention support levels and thus intervention purchases of surplus

powder are not expected. Although the EU recently suspended export subsidies for NDM (and all other dairy products) the EU retains the ability to activate their export subsidy program at any time and under World Trade Organization disciplines, can subsidize the annual (July-June) export of 323,000 tons of NDM.

Whole Milk Powder (WMP):

Global trade in WMP is dominated by New Zealand which is expected to account for nearly 50 percent of exports in 2010 among selected countries. Exports of WMP from New Zealand have expanded at a rapid clip growing at annual average of around 7 percent since 2005. For 2010, exports of WMP are anticipated to grow by 8 percent to reach a record 810,000 tons. The other major suppliers to world markets are the EU and Argentina; EU WMP exports are forecast to remain flat while Argentina is expected to increase by 6 percent.

On the import side, China has emerged as a major market of WMP with imports growing explosively by over 3 and half times to reach an estimated 165,000 tons in 2009. The Chinese melamine scandal that undermined confidence in domestically produced dairy products was likely a major factor in explaining this sharp increase. Further, this strong demand likely explains why WMP prices in August started to exhibit such a bullish sentiment under Fonterra's global trade auctions. By October 2009, New Zealand had already shipped 146,000 tons of WMP to China. For 2010, although WMP imports are expected to decline by 9 percent more than likely, China will remain a key purchaser of WMP on global markets.

COWS MILK: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

Fluid Milk Production	2005	2006	2007	2008	(p) 2009	(f) 2010
North America						
Canada	7,806	8,041	8,212	8,270	8,200	8,250
Mexico	10,164	10,391	10,657	10,909	11,132	11,355
United States	80,255	82,455	84,211	86,179	85,820	85,230
Sub-total	98,225	100,887	103,080	105,358	105,152	104,835
South America						
Argentina	9,500	10,200	9,550	10,010	10,100	10,300
Brazil	24,250	25,230	26,750	27,820	28,795	30,235
Sub-total	33,750	35,430	36,300	37,830	38,895	40,535
European Union - 27 1/	134,672	132,206	132,604	133,848	133,800	134,000
Former Soviet Union						
Russia	32,000	31,100	32,200	32,500	32,500	32,800
Ukraine	13,423	12,890	11,997	11,524	11,300	10,961
Sub-total	45,423	43,990	44,197	44,024	43,800	43,761
South Asia						
India	37,520	41,000	42,890	44,500	45,865	47,670
Asia						
China	27,534	31,934	35,252	34,300	28,445	31,290
Japan	8,285	8,137	8,007	7,982	7,900	7,850
Sub-total	35,819	40,071	43,259	42,282	36,345	39,140
Oceania						
Australia 2/	10,429	10,395	9,870	9,500	9,670	9,570
New Zealand 3/	14,500	15,200	15,640	15,141	16,601	17,021
Sub-total	24,929	25,595	25,510	24,641	26,271	26,591
TOTAL SELECTED COUNTRIES	410,338	419,179	427,840	432,483	430,128	436,532

Source: Counselor and attache reports, official statistics, and results of office research.

Notes:

(p) Preliminary.

(f) Forecast.

(1) Based on deliveries

(2) Year ending June 30 of the year shown.

(3) Year ending May 31 of the year shown.

ISAD/OGA/FAS

Dec 2009

COWS MILK: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

Fluid Milk Consumption	2005	2006	2007	2008	(p) 2009	(f) 2010
North America						
Canada	2,831	3,058	3,086	3,145	3,080	3,110
Mexico	4,400	4,450	4,275	4,265	4,421	4,630
United States	27,220	27,515	27,536	27,670	27,700	27,683
Sub-total	34,451	35,023	34,897	35,080	35,201	35,423
South America						
Argentina	1,800	1,900	1,900	1,975	1,980	2,000
Brazil	13,400	13,755	10,170	10,684	10,900	11,382
Sub-total	15,200	15,655	12,070	12,659	12,880	13,382
European Union - 27 1/	34,932	34,084	33,334	33,744	33,800	33,800
Former Soviet Union						
Russia	12,845	12,000	12,000	12,100	12,105	12,150
Ukraine	5,441	6,086	3,641	3,520	3,527	3,120
Sub-total	18,286	18,086	15,641	15,620	15,632	15,270
South Asia						
India	36,600	39,920	42,680	44,520	45,315	47,100
Asia						
China	12,500	13,809	14,820	14,581	11,791	13,225
Japan	4,775	4,648	4,521	4,442	4,300	4,250
Sub-total	17,275	18,457	19,341	19,023	16,091	17,475
Oceania						
Australia 2/	2,145	2,127	2,162	2,205	2,310	2,348
New Zealand 3/	360	360	360	345	331	340
Sub-total	2,505	2,487	2,522	2,550	2,641	2,688
TOTAL SELECTED COUNTRIES	159,249	163,712	160,485	163,196	161,560	165,138

Source: Counselor and attache reports, official statistics, and results of office research.

Notes:

(p) Preliminary.

(f) Forecast.

(1) Based on deliveries

(2) Year ending June 30 of the year shown.

(3) Year ending May 31 of the year shown.

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COWS MILK: SUMMARY FOR SELECTED COUNTRIES

1,000 Head

Milk Cow Numbers	2005	2006	2007	2008	(p) 2009	(f) 2010
North America						
Canada	1,066	1,019	995	985	978	983
Mexico	5,964	5,897	6,010	6,204	6,400	6,527
United States	9,050	9,137	9,189	9,315	9,195	8,970
Sub-total	16,080	16,053	16,194	16,504	16,573	16,480
South America						
Argentina	2,100	2,150	2,150	2,150	2,100	2,100
Brazil	15,100	15,290	15,925	16,700	17,200	17,600
Sub-total	17,200	17,440	18,075	18,850	19,300	19,700
European Union - 27 1/	25,355	24,944	24,178	24,176	24,248	24,000
Former Soviet Union						
Russia	10,400	9,900	9,910	9,800	9,530	9,440
Ukraine	4,130	3,840	3,221	3,096	2,856	2,730
Sub-total	14,530	13,740	13,131	12,896	12,386	12,170
South Asia						
India	38,000	38,000	38,000	38,500	38,000	38,500
Asia						
China	6,800	7,900	8,755	8,575	7,115	7,632
Japan	910	900	871	862	848	840
Sub-total	7,710	8,800	9,626	9,437	7,963	8,472
Oceania						
Australia 2/	2,041	1,870	1,800	1,730	1,700	1,665
New Zealand 3/	3,970	4,100	4,163	4,200	4,365	4,470
Sub-total	6,011	5,970	5,963	5,930	6,065	6,135
TOTAL SELECTED COUNTRIES	124,886	124,947	125,167	126,293	124,535	125,457

Source: Counselor and attache reports, official statistics, and results of office research.

Notes:

(p) Preliminary.

(f) Forecast.

(1) Based on deliveries

(2) Year ending June 30 of the year shown.

(3) Year ending May 31 of the year shown.

ISAD/OGA/FAS

Dec 2009

COWS MILK : SUMMARY FOR SELECTED COUNTRIES

MT/Head

Fluid Milk Production Per Cow	2005	2006	2007	2008	(p) 2009	(f) 2010
North America						
Canada	7.32	7.89	8.25	8.40	8.38	8.39
Mexico	1.70	1.76	1.77	1.76	1.74	1.74
United States	8.87	9.02	9.16	9.25	9.33	9.50
South America						
Argentina	4.52	4.74	4.44	4.66	4.81	4.90
Brazil	1.61	1.65	1.68	1.67	1.67	1.72
European Union - 27 1/						
	5.31	5.30	5.48	5.54	5.52	5.58
Former Soviet Union						
Russia	3.08	3.14	3.25	3.32	3.41	3.47
Ukraine	3.25	3.36	3.72	3.72	3.96	4.02
South Asia						
India	0.99	1.08	1.13	1.16	1.21	1.24
Asia						
China	4.05	4.04	4.03	4.00	4.00	4.10
Japan	9.10	9.04	9.19	9.26	9.32	9.35
Oceania						
Australia 2/	5.11	5.56	5.48	5.49	5.69	5.75
New Zealand 3/	3.65	3.71	3.76	3.61	3.80	3.81

Source: Counselor and attache reports, official statistics, and results of office research.

Notes:

(p) Preliminary.

(f) Forecast.

(1) Based on deliveries

(2) Year ending June 30 of the year shown.

(3) Year ending May 31 of the year shown.

ISAD/OGA/FAS

Dec 2009

CHEESE PRODUCTION: SUMMARY FOR SELECTED COUNTRIES 1/

1,000 Metric Tons

	2005	2006	2007	2008	(p) 2009	(f) 2010
North America						
Canada	352	291	308	285	280	295
Mexico	178	182	184	188	225	231
United States	4,150	4,320	4,435	4,506	4,575	4,574
Sub-total	4,680	4,793	4,927	4,979	5,080	5,100
South America						
Argentina	400	480	520	525	534	543
Brazil	495	528	580	607	614	648
Sub-total	895	1,008	1,100	1,132	1,148	1,191
European Union - 27	6,625	6,801	6,760	6,800	6,730	6,800
Former Soviet Union						
Russia	375	405	435	430	445	460
Ukraine	274	210	244	249	250	245
Sub-total	649	615	679	679	695	705
Asia						
Japan	39	40	43	47	45	45
Korea	24	28	24	25	26	27
Philippines	5	6	7	9	10	n.a.
Sub-total	68	74	74	81	81	72
Oceania						
Australia 2/	375	362	360	344	325	325
New Zealand 3/	297	292	350	292	294	306
Sub-total	672	654	710	636	619	631
TOTAL SELECTED COUNTRIES	13,589	13,945	14,250	14,307	14,353	14,499

Source: Counselor and attache reports, official statistics, and results of office research.

Notes:

(p) Preliminary.

(f) Forecast.

(1) Excludes fresh cheese

(2) Year ending June 30 of the year shown.

(3) Year ending May 31 of the year shown.

ISAD/OGA/FAS

Dec. 2009

CHEESE CONSUMPTION: SUMMARY FOR SELECTED COUNTRIES 1/

1,000 Metric Tons

	2005	2006	2007	2008	(p) 2009	(f) 2010
North America						
Canada	365	307	319	310	310	315
Mexico	265	266	266	251	293	302
United States	4,275	4,428	4,542	4,521	4,614	4,700
Sub-total	4,905	5,001	5,127	5,082	5,217	5,317
South America						
Argentina	350	424	473	488	500	504
Brazil	491	529	576	605	617	650
Sub-total	841	953	1,049	1,093	1,117	1,154
European Union - 27	6,219	6,339	6,309	6,393	6,345	6,410
Former Soviet Union						
Russia	615	625	675	750	735	780
Ukraine	164	170	194	185	182	180
Sub-total	779	795	869	935	917	960
Asia						
Japan	251	247	268	234	230	235
Korea	69	72	74	72	76	79
Sub-total	320	319	342	306	306	314
Oceania						
Australia 2/	223	225	215	215	215	215
New Zealand 3/	28	28	28	22	20	22
Sub-total	251	253	243	237	235	237
TOTAL SELECTED COUNTRIES	13,315	13,660	13,939	14,046	14,137	14,392

Source: Counselor and attache reports, official statistics, and results of office research.

Notes:

(p) Preliminary.

(f) Forecast.

(1) Excludes fresh cheese

(2) Year ending June 30 of the year shown.

(3) Year ending May 31 of the year shown.

ISAD/OGA/FAS

Dec. 2009

CHEESE IMPORTS: SUMMARY FOR SELECTED COUNTRIES 1/

1,000 Metric Tons

	2005	2006	2007	2008	(p) 2009	(f) 2010
North America						
Canada	25	25	26	26	25	25
Mexico	89	86	86	68	72	75
United States	209	206	198	170	167	185
Sub-total	323	317	310	264	264	285
South America						
Argentina	2	2	3	3	3	3
Brazil	3	6	4	5	10	12
Sub-total	5	8	7	8	13	15
European Union - 27	93	99	83	83	85	85
Former Soviet Union						
Russia	250	230	250	340	310	340
Ukraine	6	8	12	13	9	10
Sub-total	256	238	262	353	319	350
Asia						
Japan	212	207	225	187	185	190
Korea	44	44	50	47	50	52
Philippines	5	6	7	9	10	n.a.
Sub-total	261	257	282	243	245	242
Oceania						
Australia 2/	49	61	64	65	68	68
New Zealand 3/	2	3	3	6	4	6
Sub-total	51	64	67	71	72	74
TOTAL SELECTED COUNTRIES	989	983	1,011	1,022	998	1,051

Source: Counselor and attache reports, official statistics, and results of office research.

Notes:

(p) Preliminary.

(f) Forecast.

(1) Excludes fresh cheese

(2) Year ending June 30 of the year shown.

(3) Year ending May 31 of the year shown.

CHEESE EXPORTS: SUMMARY FOR SELECTED COUNTRIES 1/

1,000 Metric Tons

	2005	2006	2007	2008	(p) 2009	(f) 2010
North America						
Canada	9	9	9	10	8	8
Mexico	2	2	4	5	4	4
United States	58	71	100	131	104	111
Sub-total	69	82	113	146	116	123
South America						
Argentina	45	58	45	36	42	46
Brazil	7	5	8	7	7	10
Sub-total	52	63	53	43	49	56
European Union - 27	499	561	534	490	470	475
Former Soviet Union						
Russia	10	10	10	20	20	20
Ukraine	116	50	62	77	77	75
Sub-total	126	60	72	97	97	95
Oceania						
Australia 2/	227	202	212	202	145	185
New Zealand 3/	265	267	309	283	275	292
Sub-total	492	469	521	485	420	477
TOTAL SELECTED COUNTRIES	1,238	1,235	1,293	1,261	1,152	1,226

Source: Counselor and attache reports, official statistics, and results of office research.

Notes:

(p) Preliminary.

(f) Forecast.

(1) Excludes fresh cheese

(2) Year ending June 30 of the year shown.

(3) Year ending May 31 of the year shown.

BUTTER PRODUCTION: SUMMARY FOR SELECTED COUNTRIES 3/

1,000 Metric Tons

	2005	2006	2007	2008	(p) 2009	(f) 2010
North America						
Canada	84	75	79	85	82	82
Mexico	137	200	214	180	165	170
United States	611	657	695	746	700	708
Sub-total	832	932	988	1,011	947	960
South America						
Brazil	77	79	82	84	76	78
European Union - 27	2,155	2,035	2,053	2,040	2,090	2,060
Former Soviet Union						
Russia	275	290	300	305	280	290
Ukraine	118	105	100	85	72	70
Sub-total	393	395	400	390	352	360
Asia						
India	2,749	3,050	3,360	3,690	3,910	4,160
Japan	84	80	75	72	80	80
Sub-total	2,833	3,130	3,435	3,762	3,990	4,240
Oceania						
Australia 1/	131	129	117	111	134	129
New Zealand 2/	379	390	442	422	428	412
Sub-total	510	519	559	533	562	541
TOTAL SELECTED COUNTRIES	6,800	7,090	7,517	7,820	8,017	8,239

Source: Counselor and attache reports, official statistics, and results of office research.

Notes:

(p) Preliminary.

(f) Forecast.

(1) Year ending June 30 of the year shown.

(2) Year ending May 31 of the year shown.

(3) Includes butter equivalent of butteroil/anhydrous milk fat.

ISAD/OGA/FAS

Dec-09

BUTTER CONSUMPTION: SUMMARY FOR SELECTED COUNTRIES 3/

1,000 Metric Tons

	2005	2006	2007	2008	(p) 2009	(f) 2010
North America						
Canada	86	79	78	88	89	90
Mexico	188	249	284	229	223	230
United States	617	642	651	689	694	710
Sub-total	891	970	1,013	1,006	1,006	1,030
South America						
Brazil	77	79	80	81	82	84
European Union - 27	1,943	1,934	2,006	1,946	1,938	1,950
Former Soviet Union						
Russia	385	400	420	453	410	435
Ukraine	94	92	97	82	89	90
Sub-total	479	492	517	535	499	525
Asia						
India	2,743	3,055	3,360	3,680	3,935	4,170
Japan	86	89	92	86	75	75
Taiwan	12	11	14	9	9	10
Sub-total	2,841	3,155	3,466	3,775	4,019	4,255
Oceania						
Australia 2/	65	62	55	64	68	68
New Zealand 3/	26	26	26	23	20	23
Sub-total	91	88	81	87	88	91
TOTAL SELECTED COUNTRIES	6,322	6,718	7,163	7,430	7,632	7,935

Source: Counselor and attache reports, official statistics, and results of office research.

Notes:

(p) Preliminary.

(f) Forecast.

(1) Year ending June 30 of the year shown.

(2) Year ending May 31 of the year shown.

(3) Includes butter equivalent of butteroil/anhydrous milk fat.

ISAD/OGA/FAS

Dec-09

BUTTER IMPORTS: SUMMARY FOR SELECTED COUNTRIES 3/

1,000 Metric Tons

	2005	2006	2007	2008	(p) 2009	(f) 2010
North America						
Canada	24	15	13	7	10	10
Mexico	51	49	72	49	58	60
United States	19	18	17	16	17	17
Sub-total	94	82	102	72	85	87
South America						
Brazil	1	1	1	1	8	8
European Union - 27	81	84	93	66	65	65
Former Soviet Union						
Russia	110	115	130	150	135	150
Ukraine	0	0	0	0	0	0
Sub-total	110	115	130	150	135	150
Asia						
India	1	10	10	5	30	20
Japan	6	4	11	18	7	0
Taiwan	12	11	14	10	11	n.a.
Sub-total	19	25	35	33	48	20
Oceania						
Australia 2/	10	10	13	14	19	20
New Zealand 3/	1	1	1	2	4	2
Sub-total	11	11	14	16	23	22
TOTAL SELECTED COUNTRIES	316	318	375	338	364	352

Source: Counselor and attache reports, official statistics, and results of office research.

Notes:

(p) Preliminary.

(f) Forecast.

(1) Year ending June 30 of the year shown.

(2) Year ending May 31 of the year shown.

(3) Includes butter equivalent of butteroil/anhydrous milk fat.

ISAD/OGA/FAS

Dec-09

BUTTER EXPORTS: SUMMARY FOR SELECTED COUNTRIES 3/

1,000 Metric Tons

	2005	2006	2007	2008	(p) 2009	(f) 2010
North America						
Canada	20	18	13	1	2	3
Mexico	0	0	0	0	0	0
United States	6	11	40	89	16	32
Sub-total	26	29	53	90	18	35
South America						
Brazil	1	1	3	4	2	2
European Union - 27	340	248	216	153	140	175
Former Soviet Union						
Russia	0	0	0	0	0	0
Ukraine	24	18	4	6	1	0
Sub-total	24	18	4	6	1	0
Asia						
India	7	5	10	15	5	10
Sub-total	7	5	10	15	5	10
Oceania						
Australia 2/	70	82	80	54	66	75
New Zealand 3/	316	366	439	369	407	406
Sub-total	386	448	519	423	473	481
TOTAL SELECTED COUNTRIES	784	749	805	691	639	703

Source: Counselor and attache reports, official statistics, and results of office research.

Notes:

(p) Preliminary.

(f) Forecast.

(1) Year ending June 30 of the year shown.

(2) Year ending May 31 of the year shown.

(3) Includes butter equivalent of butteroil/anhydrous milk fat.

ISAD/OGA/FAS

Dec-09

NONFAT DRY MILK PRODUCTION: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	2005	2006	2007	2008	(p) 2009	(f) 2010
North America						
Canada	73	72	75	87	80	82
Mexico	208	230	253	239	245	250
United States 1/	684	676	669	845	803	732
Sub-total	965	978	997	1,171	1,128	1,064
South America						
Argentina	40	30	24	25	25	26
Brazil	113	117	128	128	125	120
Sub-total	153	147	152	153	150	146
European Union - 27	1,074	955	1,005	980	1,080	1,020
Former Soviet Union						
Russia	110	110	115	120	70	110
Ukraine	78	80	90	65	48	50
Sub-total	188	190	205	185	118	160
Asia						
China	60	55	58	53	54	55
India	256	295	320	345	370	400
Japan	187	180	173	158	165	165
Korea	24	18	22	20	17	15
Sub-total	527	548	573	576	606	635
Oceania						
Australia 3/	206	221	205	177	227	210
New Zealand 4/	225	247	325	256	346	295
Sub-total	431	468	530	433	573	505
TOTAL SELECTED COUNTRIES	3,185	3,139	3,310	3,345	3,505	3,384

Source: Counselor and attache reports, official statistics, and results of office research.

Notes:

- (p) Preliminary.
- (f) Forecast.
- (1) Includes NDM production and SMP production.
- (2) Based on deliveries
- (3) Year ending June 30 of the year shown.
- (4) Year ending May 31 of the year shown.

ISAD/OGA/FAS

Dec-2009

NONFAT DRY MILK CONSUMPTION: SUMMARY FOR SELECTED COUNTRIES
1,000 Metric Tons

	2005	2006	2007	2008	(p) 2009	(f) 2010
North America						
Canada	71	75	65	70	69	75
Mexico	364	343	374	405	418	433
United States	561	426	386	415	621	443
Sub-total	996	844	825	890	1,108	951
South America						
Argentina	18	12	9	9	10	10
Brazil	115	122	128	134	135	137
Sub-total	133	134	137	143	145	147
European Union - 27	963	896	813	809	640	800
Former Soviet Union						
Russia	165	140	150	180	105	152
Ukraine	21	16	33	21	34	35
Sub-total	186	156	183	201	139	187
Asia						
China	115	116	94	107	119	125
India	225	245	270	310	345	365
Indonesia	121	132	145	156	172	181
Japan	197	200	204	170	150	155
Korea	30	28	25	26	25	24
Philippines	77	76	76	65	82	n.a.
Taiwan	19	20	20	15	19	n.a.
Sub-total	784	817	834	849	912	850
Oceania						
Australia 2/	35	38	42	49	49	49
New Zealand 3/	5	5	5	1	1	2
Sub-total	40	43	47	50	50	51
TOTAL SELECTED COUNTRIES	3,102	2,890	2,839	2,942	2,994	2,986

Source: Counselor and attache reports, official statistics, and results of office research.

Notes:

(p) Preliminary.

(f) Forecast.

(1) Includes NDM and SMP.

(2) Based on deliveries

(3) Year ending June 30 of the year shown.

(4) Year ending May 31 of the year shown.

ISAD/OGA/FAS

Dec-2009

NONFAT DRY MILK IMPORTS: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	2005	2006	2007	2008	(p) 2009	(f) 2010
North America						
Canada	4	3	3	4	3	3
Mexico	155	113	121	173	180	190
United States	5	2	2	1	1	1
Sub-total	164	118	126	178	184	194
South America						
Argentina	0	0	0	0	0	0
Brazil	5	9	4	7	13	20
Sub-total	5	9	4	7	13	20
European Union - 27	10	21	10	8	5	5
Former Soviet Union						
Russia	70	45	50	75	50	60
Ukraine	0	0	0	0	9	10
Sub-total	70	45	50	75	59	70
North Africa						
Algeria	72	68	91	90	91	85
Asia						
China	55	62	40	55	65	70
India	15	0	0	0	0	0
Indonesia	135	140	147	159	178	187
Japan	34	32	36	32	35	30
Korea	6	7	5	5	8	9
Philippines	87	95	98	85	95	n.a.
Taiwan	19	20	20	15	17	n.a.
Sub-total	351	356	346	351	398	296
Oceania						
Australia 2/	4	5	4	4	4	4
New Zealand 3/	1	1	1	1	1	1
Sub-total	5	6	5	5	5	5
TOTAL SELECTED COUNTRIES	605	555	541	624	664	590

Source: Counselor and attache reports, official statistics, and results of office research.

Notes:

(p) Preliminary.

(f) Forecast.

(1) Includes NDM and SMP.

(2) Based on deliveries

(3) Year ending June 30 of the year shown.

(4) Year ending May 31 of the year shown.

ISAD/OGA/FAS

Dec-2009

NONFAT DRY MILK EXPORTS: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	2005	2006	2007	2008	(p) 2009	(f) 2010
North America						
Canada	6	13	14	11	10	10
Mexico	0	0	0	0	0	0
United States 1/	277	287	258	391	258	300
Sub-total	283	300	272	402	268	310
South America						
Argentina	22	21	11	14	15	17
Brazil	3	4	4	1	3	3
Sub-total	25	25	15	15	18	20
European Union - 27	190	88	202	179	165	225
Former Soviet Union						
Russia	15	15	15	15	15	18
Ukraine	57	64	57	44	23	25
Sub-total	72	79	72	59	38	43
Asia						
China	0	1	4	1	0	0
India	40	50	40	35	30	35
Indonesia	10	10	5	5	5	6
Japan	0	0	0	0	0	0
Korea	0	0	0	0	0	0
Philippines	18	18	18	15	15	n.a.
Sub-total	68	79	67	56	50	41
Oceania						
Australia 3/	141	189	175	120	162	170
New Zealand 4/	221	243	327	251	310	324
Sub-total	362	432	502	371	472	494
TOTAL SELECTED COUNTRIES	1,000	1,003	1,130	1,082	1,011	1,133

Source: Counselor and attache reports, official statistics, and results of office research.

Notes:

(p) Preliminary.

(f) Forecast.

(1) Includes NDM and SMP.

(2) Based on deliveries

(3) Year ending June 30 of the year shown.

(4) Year ending May 31 of the year shown.

ISAD/OGA/FAS

Dec-2009

WHOLE MILK POWDER PRODUCTION: SUMMARY FOR SELECTED COUNTRIES
1,000 Metric Tons

	2005	2006	2007	2008	(p) 2009	(f) 2010
North America						
United States	15	14	14	23	21	19
Sub-total	15	14	14	23	21	19
South America						
Argentina	255	260	186	200	222	235
Brazil	440	465	526	572	473	518
Chile	47	50	53	80	58	62
Sub-total	742	775	765	852	753	815
European Union - 27	858	800	776	840	790	810
Former Soviet Union						
Russia	85	90	95	95	70	95
Ukraine	28	26	25	30	15	14
Sub-total	113	116	120	125	85	109
Asia						
China	918	1,030	1,150	1,120	977	1,030
Indonesia	48	48	47	48	56	62
Taiwan	5	1	1	2	0	0
Sub-total	971	1,079	1,198	1,170	1,033	1,092
Oceania						
Australia 2/	189	152	135	142	148	140
New Zealand 3/	585	611	671	651	754	800
Sub-total	774	763	806	793	902	940
TOTAL SELECTED COUNTRIES	3,473	3,547	3,679	3,803	3,584	3,785

Source: Counselor and attache reports, official statistics, and results of office research.

Notes:

(p) Preliminary.

(f) Forecast.

(1) Based on deliveries

(2) Year ending June 30 of the year shown.

(3) Year ending May 31 of the year shown.

ISAD/OGA/FAS

Dec-2009

WHOLE MILK POWDER CONSUMPTION: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	2005	2006	2007	2008	(p) 2009	(f) 2010
North America						
United States	21	15	24	20	27	22
Sub-total	21	15	24	20	27	22
South America						
Argentina	98	54	59	75	70	70
Brazil	445	479	503	512	525	541
Sub-total	543	533	562	587	595	611
European Union - 27	951	1,071	1,137	954	1,050	1,210
Former Soviet Union						
Russia	110	100	115	130	96	128
Ukraine	8	8	12	9	12	10
Sub-total	118	108	127	139	108	138
North Africa						
Algeria	175	176	180	160	172	171
Asia						
China	50	48	44	50	50	51
Indonesia	75	74	74	91	100	105
Philippines	9	10	10	14	14 n.a.	
Taiwan	31	31	31	18	28	29
Sub-total	165	163	159	173	192	185
Oceania						
Australia 2/	22	27	27	27	27	27
New Zealand 3/	1	1	1	1	1	1
Sub-total	23	28	28	28	28	28
TOTAL SELECTED COUNTRIES	1,996	2,094	2,217	2,061	2,172	2,365

Source: Counselor and attache reports, official statistics, and results of office research.

Notes:

(p) Preliminary.

(f) Forecast.

(1) Based on deliveries

(2) Year ending June 30 of the year shown.

(3) Year ending May 31 of the year shown.

ISAD/OGA/FAS

Dec-2009

WHOLE MILK POWDER IMPORTS: SUMMARY FOR SELECTED COUNTRIES
1,000 Metric Tons

	2005	2006	2007	2008	(p) 2009	(f) 2010
North America						
United States	14	13	20	16	20	15
Sub-total	14	13	20	16	20	15
South America						
Argentina	3	1	2	1	2	2
Brazil	25	31	19	23	67	40
Sub-total	28	32	21	24	69	42
European Union - 27	3	3	2	1	0	0
Former Soviet Union						
Russia	30	15	25	45	35	45
Ukraine	0	0	0	0	1	1
Sub-total	30	15	25	45	36	46
North Africa						
Algeria	167	182	161	153	180	170
Asia						
China	65	74	59	46	165	150
Indonesia	26	27	27	44	46	48
Philippines	35	40	42	50	52	0
Taiwan	26	30	30	16	28	29
Sub-total	152	171	158	156	291	227
Oceania						
Australia 2/	15	13	11	13	14	15
New Zealand 3/	1	1	1	1	1	1
Sub-total	16	14	12	14	15	16
TOTAL SELECTED COUNTRIES	410	430	399	409	611	516

Source: Counselor and attache reports, official statistics, and results of office research.

Notes:

(p) Preliminary.

(f) Forecast.

(1) Based on deliveries

(2) Year ending June 30 of the year shown.

(3) Year ending May 31 of the year shown.

ISAD/OGA/FAS

Dec-2009

WHOLE MILK POWDER EXPORTS: SUMMARY FOR SELECTED COUNTRIES
1,000 Metric Tons

	2005	2006	2007	2008	(p) 2009	(f) 2010
North America						
United States	8	12	10	19	14	12
Sub-total	8	12	10	19	14	12
South America						
Argentina	162	210	117	138	155	165
Brazil	26	17	42	83	15	17
Chile	6	7	10	15	15	15
Sub-total	194	234	169	236	185	197
European Union - 27	492	422	366	485	465	465
Former Soviet Union						
Russia	5	5	5	10	9	12
Ukraine	20	18	13	21	4	5
Sub-total	25	23	18	31	13	17
Asia						
China	32	33	72	62	12	10
Philippines	26	30	32	36	38	0
Sub-total	58	63	104	98	50	10
Oceania						
Australia 2/	161	153	130	125	150	130
New Zealand 3/	585	634	670	621	750	810
Sub-total	746	787	800	746	900	940
TOTAL SELECTED COUNTRIES	1,523	1,541	1,467	1,615	1,627	1,641

Source: Counselor and attache reports, official statistics, and results of office research.

Notes:

(p) Preliminary.

(f) Forecast.

(1) Based on deliveries

(2) Year ending June 30 of the year shown.

(3) Year ending May 31 of the year shown.

ISAD/OGA/FAS Dec-2009