United States
Department of
Agriculture

Foreign
Agricultural
Service

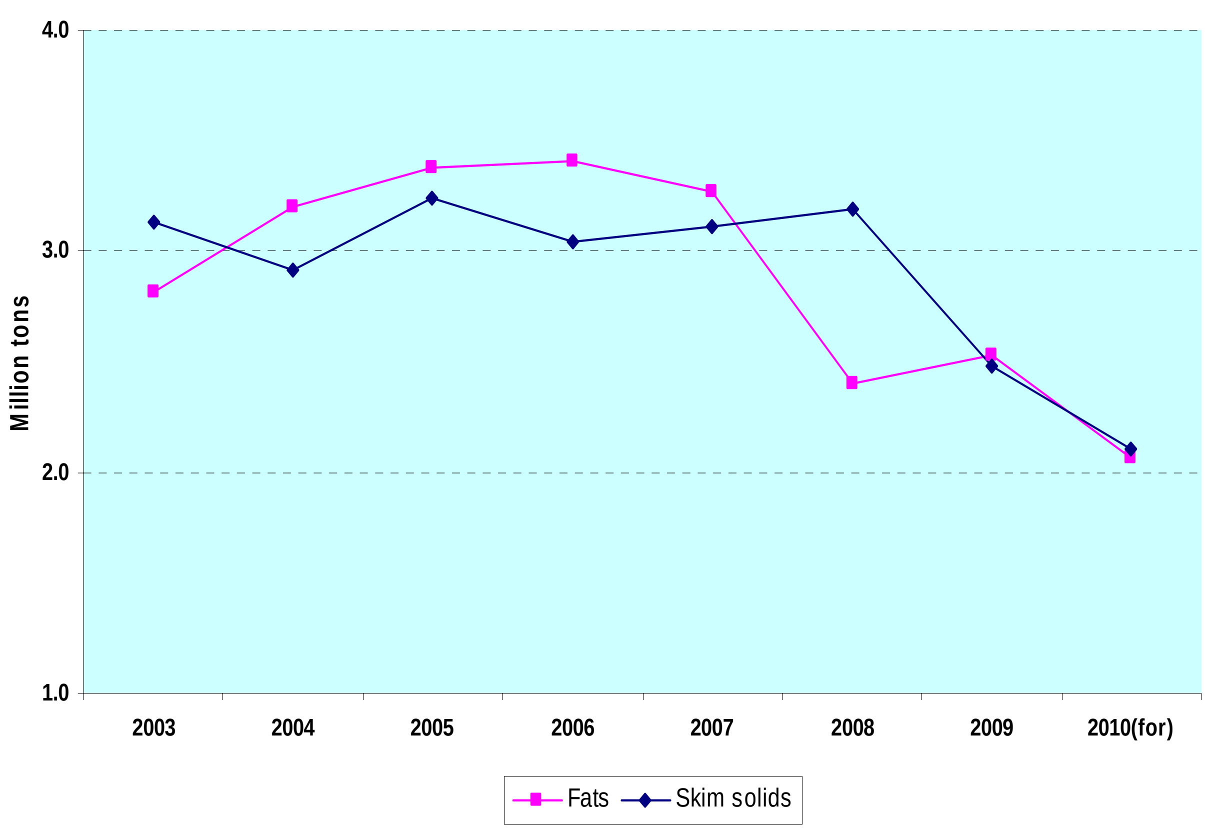
Dairy: World Markets and Trade

July 2010

Although the U.S. has long been an attractive market for dairy imports, in recent years, imports both on a fat and skim milk equivalent (M.E.) basis have been declining. In terms of fat basis imports, this decline has been particularly pronounced with respect to cheeses which have dropped in consecutive years from 216,000 tons in 2003 to a forecast 111,000 tons in 2010. In 2009, cheese accounted for nearly 40 percent of imports on an m.e. basis. It appears that the historically attractive price margin created by high U.S. cheese prices relative to world prices has diminished leading foreign exporters to shift their focus to emerging markets.

On a skim solids basis, after hovering at around 3.0 million tons m.e. annually since the mid-2000's, U.S. imports dropped rapidly in 2009 and are expected to drop further in 2010. Imports of skim solids are largely accounted for by casein, milk protein concentrates (MPC's) and whey products. While the same factors affecting cheese imports are probably responsible, it is notable that in 2009, U.S. production of MPC's totaled an impressive 41,731 tons (40-89.9% protein). Given that the U.S. production of MPC's is relatively new, if the production of 2009 is any indication, it seems likely that continued rapid growth of this product will likely be to the detriment of future imports of MPC's .

Annual U.S. Dairy Imports - Fat and Skim Solids Milk Equivalent Basis



Dairy Production and Trade Developments

Summary

During the first half of 2010, international dairy markets were surprisingly strong with the price of Oceania butter and cheese averaging around $4,000 ton FOB while skimmed milk powder (SMP) averaged above $3,000 ton. This appears to have been due to a combination of tight dairy product supplies following lower than anticipated milk production in Oceania (primarily New Zealand) coupled with a modest recovery in global economic activity which stimulated demand. Although there are significant government held surplus volumes of SMP and to a lesser extent butter available in the EU-27, these quantities are being carefully metered out in order to minimize any negative impact on markets. To date, SMP intervention stocks for commercial use remain unsold while some 60,000 tons has been allocated for use in domestic aid programs. The EU has clearly signaled that it will not accept SMP bids that could undermine market prices and potentially impact dairy farmers. In the United States, the previously held U.S. CCC held stockpile of SMP was largely channeled into domestic assistance programs during 2009 and early 2010.

There are signs, however, that global dairy prices are set to ease in the coming months. The recent Fonterra (Global Dairy Trade) auction held in early July, while arguably not reflecting a fully transparent market, indicated a month-to-month drop of 10-15 percent for butter, SMP, and whole milk powder (WMP). In the EU, prices of SMP and whey have slipped while WMP, cheese, and butter remain at relatively stable at surprisingly high levels. Irrespective, any decline is unlikely to signal a dramatic pull-back in prices since the fundamental conditions governing supply and demand in international markets are unlikely to change radically for the balance of 2010. In the United States and the EU, domestic dairy markets have shown marked improvement from 2009 and forecasts do not point to a sharp drop in prices that would trigger government purchases of surplus products.

It is likely that the correction in prices is more a reflection of anticipated increase in supplies as the new Oceania season approaches rather than a downshift in demand. The current key economic indicators, particularly for the emerging markets in Asia, remain positive with annual world Gross Domestic Product (GDP) growth slated to reach 3.5 (3-4) percent in 2010 – up from - 2.0 percent in 2009. In Asia, GDP is expected to grow by nearly 8 percent while the key market of China is forecast to expand by 9-10 percent. Mexico – a major market for U.S. dairy commodities – is also projected to recover with economic output pegged to expand by almost 4.5 percent.

In the United States, demand for dairy products should remain fairly firm since GDP growth is forecast to grow by 3-4 percent; a sharp turnaround from 2009 when the economy shrank by 2.4 percent. Nevertheless, persistent unemployment at around 9-10 percent remains a concern. In the EU (Eurozone), GDP is likely to grow by a modest 1 percent; however, the sovereign debt issues particularly in Greece are wildcard factors that could roil markets.

From the supply perspective, while New Zealand's new season milk production may regain it's 3-4 percent annual increase, the prospect of Australia reversing years of declining milk output is

becoming a dimmer prospect as drought is becoming more the norm and rain the exception. Further, Oceania stocks for all the major dairy commodities particularly WMP are on the low side and any pick-up in demand or minor interruption in supply could rapidly translate into higher prices. In the United States and the EU, while milk supplies are expected to increase it appears that a further significant demand draw on internal supplies could pressure prices. In the United States, the recent jump in butter prices may well have been driven by the prospect of export sales. Cheese prices could follow a similar path.

Milk Production: 2010 Forecast Summary

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

	2008	2009	2010 (Dec. 2009 for.)	2010 (July for.)	Change 10' for.
Australia	9,500	9,670	9,570	9,200	- 4%
EU-27	133,848	133,700	134,000	134,000	0%
New Zealand	15,141	16,601	17,021	16,726	- 2%
United States	86,174	85,874	85,230	86,710	+ 2%

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

The Australian milk production forecast was revised down as a result of low cow numbers and unexpectedly dry conditions that struck during the critical spring flush period. During the past five years Australian milk output has posted an annual growth rate (CAGR) of -2.4 percent largely as a result of drought. For the future, milk production will likely remain constrained by low cow numbers which have dropped from 2 million in 2005 to an estimated 1.6 million in 2010. For the next season, should normal rainfall patterns materialize, even if the cow herd grew by 3 percent and one assumed an optimistic milk per cow yield of 5.8 ton/hd), milk production would nevertheless still be below the levels attained in 2008/09.

New Zealand milk production was similarly affected but by a late-season drought on North Island which led to a downward adjustment in the forecast. For the year, milk output is now expected to expand by 1 percent – well below the 3 percent originally forecast. Nevertheless, farmers are expected to reap the reward of high global product prices this year and next as the milk payout at NZ$6.10/kg milk solids is the second highest recorded. Next season there is speculation that the payout will be higher. Consequently, assuming normal weather, milk output next season has the potential to expand by 2-3 percent which could translate up to an additional 500,000 tons of milk. Over the longer term, South Island, which now accounts for slightly over a third of total New Zealand production, is likely to experience the most growth since it has the potential to convert substantial tracks of land for sheep and beef to dairy.

In the EU-27, milk production is anticipated to remain fairly steady although an improved milk yield per cow will lead to a marginal increase in total production. There has been some debate regarding the extension of quotas; however, at present, the proposal to end milk production quotas by 2015 stands.

In a reversal, annual U.S. milk production in 2010 is expected to grow by 1 percent largely as a result of higher milk yield per cow. Milk feed margins are anticipated to improve over 2009 due to a combination of lower feed costs and higher milk prices. For 2010, the annual all milk price is projected to average $15.80/cwt to $16.10/cwt which is a sharp improvement in comparison to the average of $12.84/cwt dairy farmers received in 2009. Lower feed costs and improved supplies of forage are expected to support improved milk per cow while increased profitability will mitigate the decline in cow numbers.

Cheese:

For 2009/10 (June-May), the New Zealand cheese production estimate is revised down from th previous forecast resulting in an annual 12 percent drop in comparison to the previous year. Exports, however, are estimated to have grown marginally over the previous year which was likely sustained by a drawdown in stocks. It appears that strong returns from exports of WMP are channeling a significant portion of New Zealand's manufacturing milk into the production of WMP.

The Australian cheese production estimate remains largely unchanged from the previous forecast and year-over-year output is expected to be slightly down. The export forecast has also been lowered but cheese shipments are still expected to have increased over the previous year by 18 percent which are expected to be supplied by stocks.

The EU-27 cheese production forecast was raised by 1 percent from the prior forecast and is expected to account for most of the additional manufacturing milk forecast for 2010. Returns driven by strong domestic and export demand are anticipated to favor the production of cheese for the balance of the year. The pace of exports has been exceptional in the first half of 2010 and the export forecast is raised by 85,000 tons (18 percent) from the December 2009 forecast to 560,000 tons.

In the United States, prices for 2010 are forecast to favor the production of butter/powder at the expense of cheese and annual cheese production is expected to drop 1 percent from the previous year. The cheese export forecast is raised by 18,000 tons from the December forecast to 140,000 tons which represents a nearly 30 percent improvement over the previous year. In the period Jan-May 2010, Mexico has been the major destination accounting for nearly 30 percent of the 64,000 tons exported.

Butter:

The New Zealand butter production estimate was raised slightly from the previous forecast but the year-on-year increase is a modest 2 percent. Butter exports, however, have been fairly robust due to attractive global prices. Consequently, the export forecast was revised up 12 percent which is expected have led to a drawdown in stocks. In Australia, butter production is estimated to have been scaled back relative to last year but as in New Zealand, the strength of the export market is expected to have led to a drop in stock levels.

In the EU-27, 2010 butter output is expected to drop by 1.5 percent over the previous year as milk is shifted into the production of cheese. Exports, however, are anticipated to increase by 15 percent over 2009 largely supplied by releases from intervention stocks. At present, intervention stocks stand at 52,000 tons and a substantial amount – in the order of 51,000 tons – has been slated for release during the May- September period for use in domestic assistance programs. Despite this influx of butter, domestic prices are surprisingly strong and holding at $2.20/lb – some 27 percent higher than at the same period last year.

The U.S. butter export forecast is raised by one third from the previous forecast but at 32,000 remains well below levels obtained in 2007 and 2008. There is some expectation that should the outflow of butter to the export market increase significantly; domestic prices will rise to effectively ration supplies. There appears to be some evidence of this effect already as the monthly CME price average has increased in consecutive months since February 2010 ($1.36/lb) through June 2010 ($1.64/lb). Price increases appear to also reflect lower available supplies of milk fat as the national milk fat test percentages for the first half of the year have been below last year's comparable period. This may also explain to a certain extent why end-May cold storage stocks were down 16 percent in comparison to the same period last year.

SMP:

Oceania exports for SMP are estimated to have grown by 11 percent over last year largely due to a sharp upward revision (23 percent) in the forecast for New Zealand. Since production is only expected to have expanded slightly, these shipments likely led to a reduction in stocks.

Due to the strong pace of shipments in early 2010 particularly to such destinations as Algeria, Russia, and Indonesia, the EU-27 export forecast is raised by 42 percent from the previous forecast. Intervention stocks which stood at around 257,000 tons at the beginning of the year are currently at around 236,000 tons and are forecast to drop to 200,000 tons by the end of the year.

The U.S. export forecast for SMP is raised by 3 percent from the December forecast with total shipments in 2010 expected to grow by 20 percent over 2009. Shipments during the first quarter at 54,000 tons were disappointing in light of the favorable price differential between the U.S. and world market prices. Shipments in the first two months of the second quarter jumped to 67,000 tons and U.S. SMP is expected to remain relatively competitive for the balance of the year.

Whole Milk Powder (WMP):

The New Zealand WMP production estimate is raised slightly to 760,000 tons which is a less than a 1 percent increase over the previous year. Exports, however, totaled 894,000 tons which represents a 35 percent increase in comparison to the 2008/09 year. This means that a substantial drawdown in WMP stocks likely occurred. China has been by far the biggest purchaser of New Zealand WMP, accounting for some 26 percent of total exports. More impressively, China more than doubled its purchases from the previous year and a continuation of such purchases is likely to be a bullish factor for the balance of this year.

The EU-27 export forecast is revised down 10 percent from December and WMP exports are expected to drop by 8 percent to 425,000 tons in comparison to the previous year. It appears that relatively firm prices within the EU-27 may have reduced the competitiveness of WMP leading to a 10 percent drop in early year (January-April) shipments of WMP.

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	10,907	10,910	11,010
United States	80,255	82,455	84,211	86,174	85,874	86,710
Sub-total	**98,225**	**100,887**	**103,080**	**105,351**	**104,984**	**105,970**
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**	**133,700**	**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	7,910	7,850
Sub-total	**35,819**	**40,071**	**43,259**	**42,282**	**36,355**	**39,140**
Oceania						
Australia 2/	10,429	10,395	9,870	9,500	9,670	9,200
New Zealand 3/	14,500	15,200	15,640	15,141	16,601	16,726
Sub-total	**24,929**	**25,595**	**25,510**	**24,641**	**26,271**	**25,926**
TOTAL SELECTED COUNTRIES	**410,338**	**419,179**	**427,840**	**432,476**	**429,870**	**437,002**

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 July 2010

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	4,263	4,290	4,360
United States	27,416	27,705	27,710	28,096	27,640	27,902
Sub-total	**34,647**	**35,213**	**35,071**	**35,504**	**35,010**	**35,372**
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**	**33,700**	**33,700**
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	4,264	4,125
Sub-total	**17,275**	**18,457**	**19,341**	**19,023**	**16,055**	**17,350**
Oceania						
Australia 2/	2,145	2,127	2,162	2,205	2,312	2,350
New Zealand 3/	360	360	360	345	331	340
Sub-total	**2,505**	**2,487**	**2,522**	**2,550**	**2,643**	**2,690**
TOTAL SELECTED COUNTRIES	**159,445**	**163,902**	**160,659**	**163,620**	**161,235**	**164,864**

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.

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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	1.70	1.69
United States	8.87	9.02	9.16	9.25	9.34	9.67
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	5.51	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	9.33	9.35
Oceania						
Australia 2/	5.11	5.56	5.48	5.49	5.69	5.53
New Zealand 3/	3.65	3.71	3.76	3.61	3.80	3.74

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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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	240	240
United States	4,150	4,320	4,435	4,506	4,585	4,540
Sub-total	**4,680**	**4,793**	**4,927**	**4,979**	**5,105**	**5,075**
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**	**6,810**	**6,860**
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	47
Korea	24	28	24	25	26	27
Philippines	13	13	12	14	14	n.a.
Sub-total	**76**	**81**	**79**	**86**	**85**	**74**
Oceania						
Australia 2/	375	362	360	344	325	320
New Zealand 3/	297	292	350	292	300	265
Sub-total	**672**	**654**	**710**	**636**	**625**	**585**
TOTAL SELECTED COUNTRIES	**13,597**	**13,952**	**14,255**	**14,312**	**14,468**	**14,490**

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.

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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	309	311
United States	4,275	4,428	4,542	4,523	4,586	4,530
Sub-total	**4,905**	**5,001**	**5,127**	**5,084**	**5,205**	**5,156**
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**	**6,381**	**6,380**
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	229	247
Korea	69	72	74	72	76	79
Sub-total	**320**	**319**	**342**	**306**	**305**	**326**
Oceania						
Australia 2/	223	225	215	215	220	225
New Zealand 3/	28	28	28	22	20	24
Sub-total	**251**	**253**	**243**	**237**	**240**	**249**
TOTAL SELECTED COUNTRIES	**13,315**	**13,660**	**13,939**	**14,048**	**14,165**	**14,225**

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 July. 2010

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	73	75
United States	209	206	198	172	162	111
Sub-total	**323**	**317**	**310**	**266**	**260**	**211**
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**	**81**	**80**
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	184	200
Korea	44	44	50	47	50	52
Philippines	13	13	12	14	14	n.a.
Sub-total	**269**	**264**	**287**	**248**	**248**	**252**
Oceania						
Australia 2/	49	61	64	70	60	50
New Zealand 3/	2	3	3	6	4	5
Sub-total	**51**	**64**	**67**	**76**	**64**	**55**
TOTAL SELECTED COUNTRIES	**997**	**990**	**1,016**	**1,034**	**985**	**963**

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 July. 2010

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	108	140
Sub-total	**69**	**82**	**113**	**146**	**120**	**152**
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**	**510**	**560**
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	140	165
New Zealand 3/	265	267	309	283	270	276
Sub-total	**492**	**469**	**521**	**485**	**410**	**441**
TOTAL SELECTED COUNTRIES	**1,238**	**1,235**	**1,293**	**1,261**	**1,186**	**1,304**

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 July. 2010

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	163	170
United States	611	657	695	746	714	725
Sub-total	**832**	**932**	**988**	**1,011**	**959**	**977**
South America						
Argentina	47	50	55	61	51	52
Brazil	77	79	82	84	76	78
Sub-total	**124**	**129**	**137**	**145**	**127**	**130**
European Union - 27	**2,155**	**2,035**	**2,053**	**2,040**	**2,030**	**2,000**
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	81	85
Sub-total	**2,833**	**3,130**	**3,435**	**3,762**	**3,991**	**4,245**
Oceania						
Australia 1/	131	129	117	111	132	114
New Zealand 2/	379	390	442	422	428	435
Sub-total	**510**	**519**	**559**	**533**	**560**	**549**
TOTAL SELECTED COUNTRIES	**6,847**	**7,140**	**7,572**	**7,881**	**8,019**	**8,261**

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 Jul-10

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	237	246
United States	617	642	651	689	707	719
Sub-total	**891**	**970**	**1,013**	**1,006**	**1,033**	**1,055**
South America						
Argentina	42	36	34	36	34	36
Brazil	77	79	80	81	82	84
Sub-total	**119**	**115**	**114**	**117**	**116**	**120**
European Union - 27	**1,943**	**1,934**	**2,006**	**1,946**	**1,895**	**1,927**
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	74	77
Taiwan	12	11	14	9	9	10
Sub-total	**2,841**	**3,155**	**3,466**	**3,775**	**4,018**	**4,257**
Oceania						
Australia 2/	65	62	55	64	68	70
New Zealand 3/	26	26	26	23	20	23
Sub-total	**91**	**88**	**81**	**87**	**88**	**93**
TOTAL SELECTED COUNTRIES	**6,364**	**6,754**	**7,197**	**7,466**	**7,649**	**7,977**

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 Jul-10

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	74	76
United States	0	0	1	3	18	20
Sub-total	**75**	**64**	**86**	**59**	**102**	**106**
South America						
Brazil	**1**	**1**	**1**	**1**	**8**	**8**
European Union - 27	**81**	**84**	**93**	**66**	**63**	**60**
Former Soviet Union						
Russia	110	115	130	150	135	150
Ukraine	19	18	17	16	17	15
Sub-total	**129**	**133**	**147**	**166**	**152**	**165**
Asia						
India	1	10	10	5	30	20
Japan	6	4	14	18	0	2
Taiwan	12	11	14	9	9	10
Sub-total	**19**	**25**	**38**	**32**	**39**	**32**
Oceania						
Australia 2/	10	10	13	20	14	16
New Zealand 3/	1	1	1	2	4	1
Sub-total	**11**	**11**	**14**	**22**	**18**	**17**
TOTAL SELECTED COUNTRIES	**316**	**318**	**379**	**346**	**382**	**388**

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 Jul-10

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	18	32
Sub-total	**26**	**29**	**53**	**90**	**20**	**35**
South America						
Argentina	4	16	21	25	17	16
Brazil	1	1	3	4	2	2
Sub-total	**5**	**17**	**24**	**29**	**19**	**18**
European Union - 27	**340**	**248**	**216**	**153**	**148**	**170**
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	58	71	70
New Zealand 3/	316	366	439	369	409	458
Sub-total	**386**	**448**	**519**	**427**	**480**	**528**
TOTAL SELECTED COUNTRIES	**788**	**765**	**826**	**720**	**673**	**761**

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 Jul-10

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/	695	686	679	859	785	790
Sub-total	**976**	**988**	**1,007**	**1,185**	**1,110**	**1,122**
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	167	170
Korea	24	18	22	20	17	15
Sub-total	**527**	**548**	**573**	**576**	**608**	**640**
Oceania						
Australia 3/	206	221	205	177	227	170
New Zealand 4/	225	247	325	256	361	365
Sub-total	**431**	**468**	**530**	**433**	**588**	**535**
TOTAL SELECTED COUNTRIES	**3,196**	**3,149**	**3,320**	**3,359**	**3,504**	**3,477**

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 July 2010

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	408	431	443
United States	572	436	396	429	584	476
Sub-total	**1,007**	**854**	**835**	**907**	**1,084**	**994**
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**	**597**	**764**
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	152	160
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**	**914**	**855**
Oceania						
Australia 2/	35	38	42	49	50	51
New Zealand 3/	5	5	5	1	1	4
Sub-total	**40**	**43**	**47**	**50**	**51**	**55**
TOTAL SELECTED COUNTRIES	**3,113**	**2,900**	**2,849**	**2,959**	**2,930**	**3,002**

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 July 2010

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	176	192	200
United States	5	2	2	1	1	1
Sub-total	**164**	**118**	**126**	**181**	**196**	**204**
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**	**6**	**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	34	25
Korea	6	7	5	5	8	9
Philippines	87	93	93	80	105	n.a.
Taiwan	19	20	20	15	19	n.a.
Sub-total	**351**	**354**	**341**	**346**	**409**	**291**
Oceania						
Australia 2/	4	5	4	4	4	4
New Zealand 3/	1	1	1	1	1	4
Sub-total	**5**	**6**	**5**	**5**	**5**	**8**
TOTAL SELECTED COUNTRIES	**605**	**553**	**536**	**622**	**688**	**598**

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 July 2010

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	310
Sub-total	**283**	**300**	**272**	**402**	**268**	**320**
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**	**230**	**320**
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	125
New Zealand 4/	221	243	327	251	310	400
Sub-total	**362**	**432**	**502**	**371**	**472**	**525**
TOTAL SELECTED COUNTRIES	**1,000**	**1,003**	**1,130**	**1,082**	**1,076**	**1,269**

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 July 2010

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	27	30
Sub-total	**15**	**14**	**14**	**23**	**27**	**30**
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**	**745**
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	130
New Zealand 3/	585	611	671	651	754	760
Sub-total	**774**	**763**	**806**	**793**	**902**	**890**
TOTAL SELECTED COUNTRIES	**3,473**	**3,547**	**3,679**	**3,803**	**3,590**	**3,681**

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 July-2010

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	22	15	35	29
Sub-total	**21**	**15**	**22**	**15**	**35**	**29**
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	**369**	**381**	**412**	**356**	**331**	**320**
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	951	1,071	1,137	954	1,050	1,210
Indonesia	75	74	74	91	100	105
Philippines	9	10	10	9	9	10
Taiwan	31	31	31	18	28	29
Sub-total	**1,066**	**1,186**	**1,252**	**1,072**	**1,187**	**1,354**
Oceania						
Australia 2/	22	27	27	27	28	29
New Zealand 3/	1	1	1	1	1	1
Sub-total	**23**	**28**	**28**	**28**	**29**	**30**
TOTAL SELECTED COUNTRIES	**2,315**	**2,427**	**2,583**	**2,357**	**2,457**	**2,653**

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 July-2010

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	18	10
Sub-total	**14**	**13**	**20**	**16**	**18**	**10**
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**	**1**	**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	45	36	40
Taiwan	26	30	30	16	28	29
Sub-total	**152**	**171**	**158**	**151**	**275**	**267**
Oceania						
Australia 2/	15	13	11	13	14	15
New Zealand 3/	1	1	1	1	1	0
Sub-total	**16**	**14**	**12**	**14**	**15**	**15**
TOTAL SELECTED COUNTRIES	**410**	**430**	**399**	**404**	**594**	**550**

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 July-2010

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	11	24	9	11
Sub-total	**8**	**12**	**11**	**24**	**9**	**11**
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**	**460**	**425**
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	27	30
Sub-total	**58**	**63**	**104**	**98**	**39**	**40**
Oceania						
Australia 2/	161	153	130	111	158	115
New Zealand 3/	585	634	670	621	664	894
Sub-total	**746**	**787**	**800**	**732**	**822**	**1,009**
TOTAL SELECTED COUNTRIES	**1,523**	**1,541**	**1,468**	**1,606**	**1,528**	**1,699**

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 July-2010