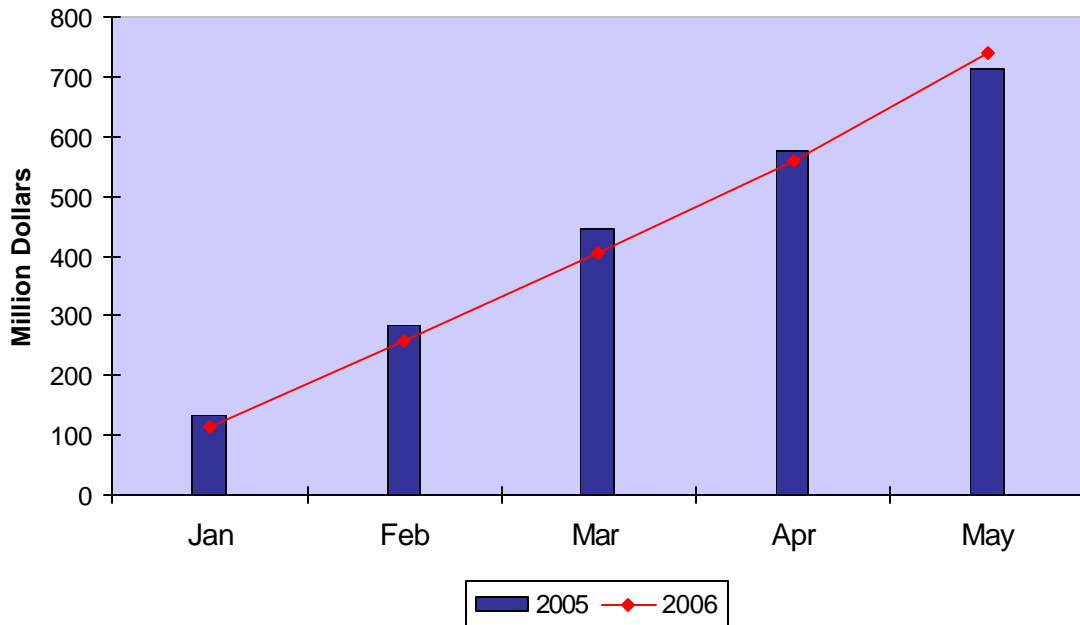


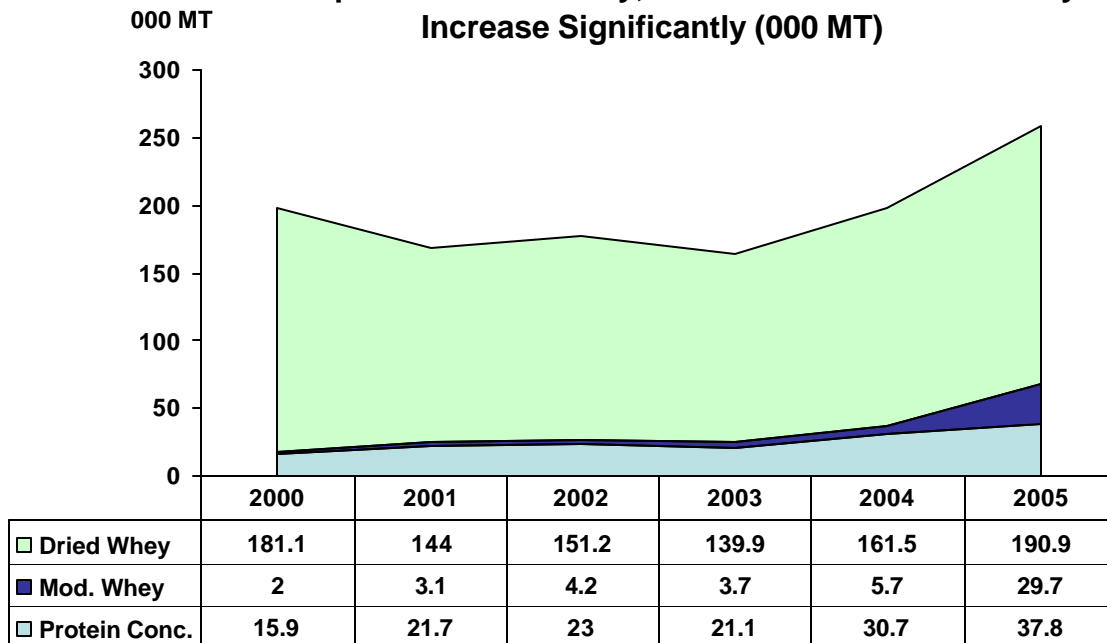


Dairy: World Markets and Trade

**Cumulative Value of U.S. Dairy Exports Through May 2006
Start to Exceed the 2005 Pace**



**U.S. Exports of Dried Whey, Proteins and Modified Whey
Increase Significantly (000 MT)**



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This edition of the Dairy: World Markets and Trade circular is based on post reports submitted since May 2006 and on available secondary information. U.S. information is from USDA sources. Reflecting the greater availability of information electronically, production and trade data for some countries is only shown in aggregate. Scheduled reports were received from the following countries:

Algeria	AG5006	Indonesia	ID5026
Argentina	AR5032	Japan	JA5064 *
Australia	AS5036 *	Korea (Rep.)	KS5053
Brazil	BR5625	Mexico	MX5096 *
Canada	CA5073 *	New Zealand	NZ5021 *
Chile	CI5025	Philippines	RP5041
China, P. Rep	CH5075	Romania	RO5014
EU-25	E35202 *	Russian F.	RS5074 *
Egypt	EG5022	Taiwan	TW5040
India	IN5121	Ukraine	UP5018

* Semi-annual updates submitted in May 2006

Detailed data for both listed and non-listed countries can be found on the following website:

<http://www.fas.usda.gov/psd/>

The individual country reports can be obtained from the following website:

<http://www.fas.usda.gov/scripts/attacherep/default.asp>

Situation and outlook information on the U.S. dairy industry can be obtained from:

<http://www.ers.usda.gov/publications/so/view.asp?f=livestock/ldp-mbb/>

DAIRY: WORLD MARKETS AND TRADE

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Dairy Production and Trade Developments

Summary

The outlook for international dairy markets for the balance of 2006 continues to be fairly positive as demand continues to be driven by strong economic growth – over 6 percent forecast in developing countries and over 7 percent in Asian nations. This strong growth, particularly in developing regions, translates into rising disposable income accelerating expenditures not only for basic food products but also higher value added branded products. In the key China market, growth is expected to drop only slightly from the previous year but still near 10 percent. However, concerns remain over the persistence of high oil prices and the upward adjustment of interest rates in response to inflationary fears generated by these energy prices.

Global prices for the major dairy commodities, i.e., nonfat dry milk (NDM), whole milk powder (WMP), and cheese experienced a mild decline but for the most part appear to be settling at relatively high levels. In contrast, butterfat markets remain unsettled as excess supplies in the EU have filled the limited intervention stores that offer a fixed support price. As a result, prices have been slipping in recent months and the EU has been raising export restitutions in order to stimulate butterfat exports and balance the domestic market.

The milk supply situation is forecast to remain stable with milk production in Oceania expected to increase by nearly one percent with gains in New Zealand being offset by a decline in Australian production. In the EU, milk output for 2006 is projected to be fractionally higher and aside from butterfat, the internal markets appear to be well balanced. The consumption of cheese and other dairy products continues to absorb excess supplies of milk and export restitutions for WMP, and cheese are low or have been eliminated in the case of NDM.

U.S. milk production is still posting strong gains; however, lower dairy product prices are expect to spur higher domestic disappearance of both fat and skim-solids. Exports on a fiscal year basis are forecast to moderate in 2006 from the record setting pace of last year but at \$1.6 billion this will still be 33 percent above the 2001-2005 average of \$1.2 billion. The weakness in the dollar will continue to provide a competitive edge to U.S. dairy exports and may add a further boost for the remainder of 2006. Already in calendar 2006, U.S. dairy exports through May are running 4 percent ahead of last year.

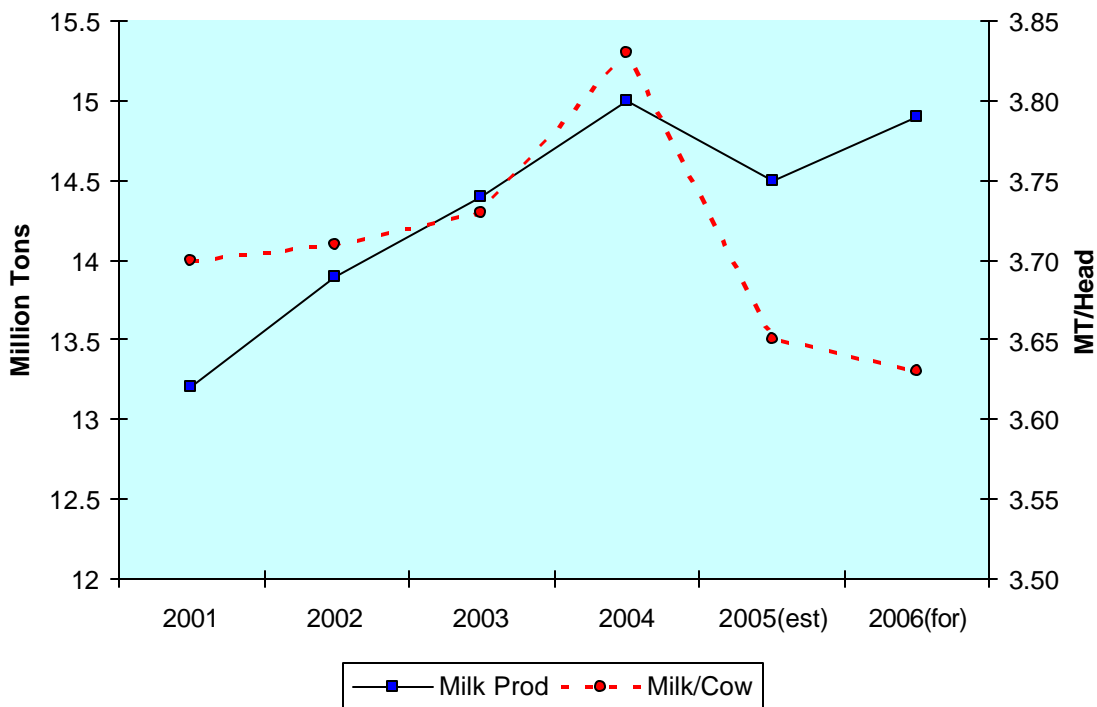
Dairy Production

The 2006 forecast for Australian milk production was adjusted down by 5 percent to 10.25 million tons reflecting the emergence of dry conditions in southeastern Australia

during the latter half of the season. This impact has been particularly severe in the main producing state of Victoria where milk production in March and April is reported to have dropped relative to last year by 8.9 percent and 5.8 percent, respectively. The Australian Bureau of Meteorology noted that “Australia-wide, it was the fifth driest June from 107 years of records, whilst it was the driest on record for Western Australia and the third driest for Victoria.” Consequently, total Australian milk output is now expected to decline by 2 percent from last year. In addition, the appreciation of the Australian dollar coupled with a drop in export prices is lowering profit margins and keeping financial pressure on dairy farmers. For the beginning of the next production season, the Australian Bureau of Meteorology is currently forecasting average temperatures and rainfall.

The 2006 New Zealand milk production forecast has been raised by 6 percent and total milk output is now expected to rebound by 3 percent over last year to reach 14.9 million tons. The 2005/06 season was marked by the onset of poor weather conditions during the peak milk production period that capped milk flows and led to a reduction in milk per cow yields. However, the expansion in cow numbers - up 3 percent from last year - resulted in near record milk output. For the next season, a modest gain in milk per cow productivity will likely boost milk output to levels that could well exceed the record of 15 million tons set in 2003/04. In fact, given that the herd size has grown by an average of 2.7 percent over the past 5 years it seems highly likely that New Zealand milk production will rise by 2 to 3 percent.

New Zealand Milk Production



The 2006 EU milk production forecast is raised marginally but total milk production is slated to increase by less than half a percent over last year despite higher milk quota limits. Under the 2003 Common Agricultural Policy (CAP) reforms the ceilings on 2006 production quotas for 11 EU members are raised by 0.5 percent. However, due to fears over excess supplies and low prices in such countries as the U.K., France, and Germany, the extra quota is unlikely to be exploited. Consequently, most of the reported increase in milk production is due to the greater flow of fluid milk to the processing industry in the new member states. Most of the additional milk that is being made available from greater production is being absorbed by the cheese industry which is expected to expand output by 1 percent. In contrast, the NDM and butter production is anticipated to decline while WMP output is stagnant.

In the United States, milk production is expected to increase due to expansion in the dairy herd – up about 1 percent over 2005 – and higher milk per cow productivity. Consequently, the 2006 forecast is raised by 332,000 tons to reach 82.58 million tons representing an increase of nearly 3 percent over last year’s level. Nevertheless, higher feed grain prices coupled with lower milk prices are eventually expected to dampen any expansionist tendencies. Cheese production is expected to grow by 2.4 percent over last year and is only slightly below the average annual growth rate of 2.8 percent registered over the past 5 years. Surprisingly, strong butter monthly production figures point to a significant increase in output this year and the forecast is raised by 40,000 tons to 660,000 tons which is an 8 percent jump over last year. NDM production is also anticipated to increase; however, rising commercial use is expected to limit CCC removals to less than 50,000 tons.

**Summary of Change In The 2005 to 2006 Production Forecast
For Fluid Milk And Dairy Products
(000 MT)**

Country	Fluid Milk	Cheese	Butter	NDM	WMP
U.S.	+2,300	+100	+49	+50	+5
EU-25	+273	+80	-25	-34	0
Australia	-179	-34	+1	+10	-9
New Zealand	+400	-1	+54	+24	+55

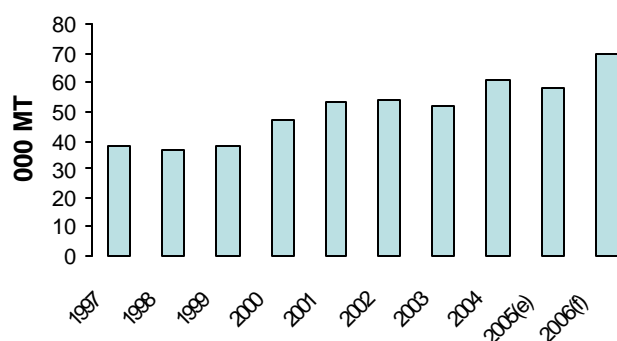
Dairy Trade

The 2006 forecast for cheese trade in selected countries has been revised down by 4 percent since the December 2005 forecast due to lower export projections for the EU and Oceania. In New Zealand, cheese production is virtually unchanged and exports of cheese are expected to remain flat from 2005. Most of the additional milk flows are being channeled into the production of WMP and butterfat. However, Australian exports of cheese are now expected to fall significantly by 14 percent from 2005, reflecting lower milk production and lower export returns for cheese. In the EU, the cheese export forecast has also been lowered by 4 percent to 480,000 tons which is a 2 percent decline

from 2005. This comes despite an expected rise in domestic production and is indicative of growing domestic consumption for cheese and increased competition in international markets.

Although U.S. cheese exports are relatively minor in world trade, higher world prices have boosted exports of U.S. cheese which are expected to jump by 21 percent over 2005 to reach a record 70,000 tons. Exports to Mexico have been particularly strong and year-

U.S. Cheese Exports



to-date data through May 2006 indicates that relative to last year's pace, U.S. shipments to Mexico are up 57 percent. The other major markets are Canada, Japan, and Korea.

U.S. imports of cheese for 2006 were originally expected to grow above last year; however, imports are currently trailing last year's rate largely as a result of low domestic prices. Consequently, U.S. imports of cheese for 2006 are now anticipated to decline by 11 percent to 187,000 tons.

The global situation for butterfat has changed significantly particularly with respect to the EU where the export picture has deteriorated substantially. Originally the EU was expected to ship volumes similar to last year; however, strong export competition has led to a 22 percent downward revision in the 2006 export forecast. This was particularly evident in sales to Russia which suffered due to strong competition from the Ukraine. EU exports of butterfat are now forecast to drop by 18 percent this year to 280,000 tons. As a result, domestic prices have declined and producers have filled intervention stores up to the 50,000-ton limit for a guaranteed price (i.e., 92 percent of €2,824.4/ton or \$3,530/ton). Further EU intervention purchases have taken place but under a tender system which offers lower than the buy-in price. Starting July 1, 2006, the intervention price of butter drops by 8 percent to €2,595.2/ton (\$3,244/ton) and will be limited to 40,000 tons in 2007. Additional, purchases may take place at the discretion of the EU Commission.

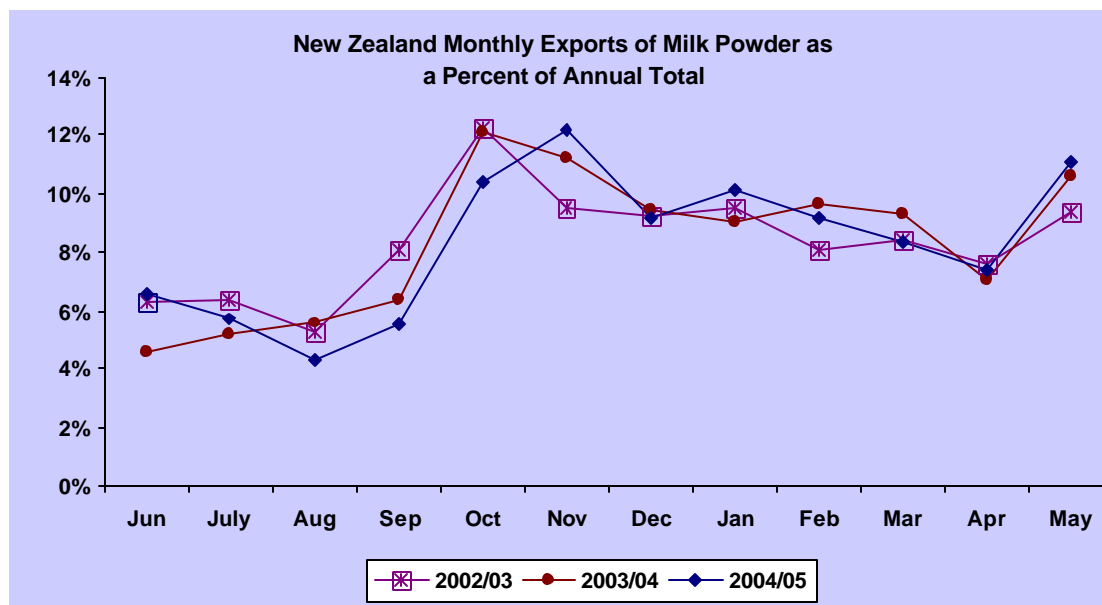
In Oceania, the 2006 butter export forecast for New Zealand was raised by 21 percent due to increased milk flows which in turn led to higher butterfat production. Butter exports for 2006 are now estimated to grow by 17 percent over 2005 but will still remain below the peak levels of 2003 and 2004.

The 2006 forecast in NDM exports in selected countries was raised by 4 percent in expectation of higher than anticipated exports from Oceania. Nevertheless, this is only a small increase from 2005 – 2 percent – and is well below the average of 2003 and 2004 when NDM trade was 100,000 tons higher. This suggests that global markets will likely remain well balanced for the remainder of the year. The U.S. export forecast remains unchanged and reflects the slower pace of shipments through May 2006 which were down 22 percent compared to the same period last year.

In terms of WMP there have been no significant changes in the export outlook with exports among selected countries expected to be 3 percent lower than forecast but still 4 percent above 2005 exports. For Oceania, the 2006 projection has been decreased marginally – less than 1 percent – but still represents an increase of 54,000 tons in comparison to 2005. In contrast, EU shipments in 2006 are expected to be lower than in 2005. The EU appears to have adopted a conservative posture by not increasing export restitutions in order to match lower global prices and competition from Oceania.

World Dairy Prices

International dairy prices for cheese and WMP have been sliding for the past 6-12 months but appear to be stabilizing above \$2,000/ton FOB N. Europe. This is likely to remain the case for the balance of the year as economic conditions favor continued growth in demand for dairy products and supplies are relatively well balanced. The milk production season in Oceania is completed and new season dairy product shipments will probably not start to ramp up significantly until October 2006. In the EU, the Commission has kept export restitutions for milk powder and cheese under tight control while the United States is not considered a major supplier of cheese and WMP. Consequently, there is unlikely to be any downward pressure on prices for the remainder of the year.



The butterfat outlook is for a continued slide in prices as the EU attempts to deal with surplus supplies by raising export restitutions. Since the beginning of the year export refunds for butter have been increased by 8 percent to the current €95/ton (\$1,245/ton). However, the volume of excess supplies is not substantial since EU private and public stocks for July total around 216,000 tons which is well below the past 5-year average of 277,000 tons. Further, EU butter stocks tend to reach their maximum level in August and September and are subsequently drawn down as domestic production declines until the following spring. Consequently, world butterfat prices will probably start to stabilize in early fall.

The extreme range for NDM prices reflects at one end the globally competitive price of U.S. NDM trading at around \$2,000/mt FOB and at the other extreme, the price of EU NDM. At present, the EU domestic market looks set to remain balanced for the remainder of the year and there are no intervention stocks of NDM. In fact, the EU has terminated export restitutions and given that internal prices have been strengthening, EU exports of NDM are likely to be limited for the foreseeable future. Consequently, this leaves the United States as the major global supplier. Since the U.S. CCC support price is at \$1,764/ton (ex-plant) this effectively sets a price floor for world prices for the balance of the year.

COWS MILK: SUMMARY FOR SELECTED COUNTRIES

1,000 Head

Milk Cow Numbers	2001	2002	2003	2004	(p) 2005	(f) 2006
North America						
Canada	1,091	1,084	1,065	1,055	1,066	1,049
Mexico	6,800	6,800	6,800	6,800	6,850	6,875
United States	9,103	9,139	9,083	9,012	9,041	9,120
Sub-total	16,994	17,023	16,948	16,867	16,957	17,044
South America						
Argentina	2,450	2,150	2,000	2,000	2,100	2,150
Brazil	15,900	15,600	15,300	15,200	15,100	15,050
Sub-total	18,350	17,750	17,300	17,200	17,200	17,200
European Union - 25 1/	25,747	25,140	24,456	23,963	23,533	22,677
Eastern Europe						
Romania	1,564	1,550	1,684	1,694	1,587	1,650
Former Soviet Union						
Russia	12,500	12,200	11,700	11,200	10,400	9,770
Ukraine	4,958	4,918	4,715	4,313	3,950	3,910
Sub-total	17,458	17,118	16,415	15,513	14,350	13,680
South Asia						
India	35,900	36,000	36,500	37,000	38,000	38,600
Asia						
China	2,848	3,420	4,466	5,466	6,700	8,100
Japan	971	966	964	936	910	910
Sub-total	3,819	4,386	5,430	6,402	7,610	9,010
Oceania						
Australia 2/	2,281	2,369	2,050	2,036	2,041	2,045
New Zealand 3/	3,557	3,749	3,842	3,920	3,970	4,100
Sub-total	5,838	6,118	5,892	5,956	6,011	6,145
TOTAL SELECTED COUNTRIES	125,670	125,085	124,625	124,595	125,248	126,006

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.

FAS/CMP/DLP July 2006

COWS MILK: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

Fluid Milk Production	2001	2002	2003	2004	(p) 2005	(f) 2006
North America						
Canada	8,106	7,964	7,734	7,905	7,797	7,725
Mexico	9,501	9,560	9,784	9,874	9,855	9,976
United States	74,994	77,140	77,290	77,535	80,282	82,582
Sub-total	92,601	94,664	94,808	95,314	97,934	100,283
South America						
Argentina	9,500	8,500	7,950	9,250	9,850	10,300
Brazil	22,300	22,635	22,860	23,317	24,025	24,680
Sub-total	31,800	31,135	30,810	32,567	33,875	34,980
European Union - 25 1/	130,069	131,040	131,847	130,620	132,027	132,300
Eastern Europe						
Romania	5,188	5,150	5,400	5,723	5,500	5,700
Former Soviet Union						
Russia	33,000	33,500	33,000	32,000	32,000	32,200
Ukraine	13,169	13,860	13,400	13,787	13,800	13,800
Sub-total	46,169	47,360	46,400	45,787	45,800	46,000
South Asia						
India	36,400	36,200	36,500	37,500	38,500	39,450
Asia						
China	10,255	12,998	17,463	22,606	28,000	33,800
Japan	8,300	8,385	8,400	8,329	8,285	8,210
Sub-total	18,555	21,383	25,863	30,935	36,285	42,010
Oceania						
Australia 2/	10,864	11,608	10,636	10,377	10,429	10,250
New Zealand 3/	13,162	13,925	14,346	15,000	14,500	14,900
Sub-total	24,026	25,533	24,982	25,377	24,929	25,150
TOTAL SELECTED COUNTRIES	384,808	392,465	396,610	403,823	414,850	425,873

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.

FAS/CMP/DLP July 2006

COWS MILK : SUMMARY FOR SELECTED COUNTRIES

MT/Head

Fluid Milk Production Per Cow	2001	2002	2003	2004	(p) 2005	(f) 2006
North America						
Canada	7.43	7.35	7.26	7.49	7.31	7.36
Mexico	1.40	1.41	1.44	1.45	1.44	1.45
United States	8.24	8.44	8.51	8.60	8.88	9.06
South America						
Argentina	3.88	3.95	3.98	4.63	4.69	4.79
Brazil	1.40	1.45	1.49	1.53	1.59	1.64
European Union - 25 1/						
	5.05	5.21	5.39	5.45	5.61	5.83
Eastern Europe						
Romania	3.32	3.32	3.21	3.38	3.47	3.45
Former Soviet Union						
Russia	2.64	2.75	2.82	2.86	3.08	3.30
Ukraine	2.66	2.82	2.84	3.20	3.49	3.53
South Asia						
India	1.01	1.01	1.00	1.01	1.01	1.02
Asia						
China	3.60	3.80	3.91	4.14	4.18	4.17
Japan	8.55	8.68	8.71	8.90	9.10	9.02
Oceania						
Australia 2/	4.76	4.90	5.19	5.10	5.11	5.01
New Zealand 3/	3.70	3.71	3.73	3.83	3.65	3.63

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.

FAS/CMP/DLP July 2006

COWS MILK : SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

Fluid Milk Consumption	2001	2002	2003	2004	(p) 2005	(f) 2006
North America						
Canada	2,909	2,884	2,810	2,835	2,846	2,800
Mexico	4,075	4,080	4,352	4,349	4,266	4,295
United States	26,850	27,002	27,173	27,289	27,365	27,494
Sub-total	33,834	33,966	34,335	34,473	34,477	34,589
South America						
Argentina	2,350	1,990	2,050	1,800	1,900	2,000
Brazil	12,390	12,295	12,391	12,743	13,175	13,309
Sub-total	14,740	14,285	14,441	14,543	15,075	15,309
European Union - 25 1/	36,385	34,471	34,633	34,234	34,027	34,100
Eastern Europe						
Romania	3,500	3,460	3,662	3,840	3,700	3,819
Former Soviet Union						
Russia	14,140	14,350	13,350	12,900	12,850	12,400
Ukraine	3,200	3,300	3,450	5,112	4,320	4,170
Sub-total	17,340	17,650	16,800	18,012	17,170	16,570
South Asia						
India	33,300	33,500	34,000	35,500	38,500	39,700
Asia						
China	4,463	5,678	7,661	10,315	13,000	15,800
Japan	4,941	5,002	5,035	4,955	4,775	4,680
Sub-total	9,404	10,680	12,696	15,270	17,775	20,480
Oceania						
Australia 2/	1,920	1,966	1,982	2,020	2,083	2,116
New Zealand 3/	355	355	360	360	360	360
Sub-total	2,275	2,321	2,342	2,380	2,443	2,476
TOTAL SELECTED COUNTRIES	150,778	150,333	152,909	158,252	163,167	167,043

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.

FAS/CMP/DLP July 2006

CHEESE PRODUCTION: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	2001	2002	2003	2004	(p) 2005	(f) 2006
North America						
Canada	329	350	342	345	351	355
Mexico	140	145	126	134	136	138
United States	3,747	3,877	3,881	4,026	4,140	4,240
Sub-total	4,216	4,372	4,349	4,505	4,627	4,733
South America						
Argentina	440	370	325	370	400	425
Brazil	460	470	460	470	480	495
Sub-total	900	840	785	840	880	920
European Union - 25	5,865	5,993	6,100	6,371	6,500	6,580
Eastern Europe						
Romania	90	88	23	26	28	29
Former Soviet Union						
Russia	260	340	335	350	375	380
Ukraine	105	129	169	224	270	290
Sub-total	365	469	504	574	645	670
North Africa						
Egypt	395	410	450	455	460	462
Asia						
Japan	34	36	35	35	36	36
Korea	20	20	23	24	23	23
Sub-total	54	56	58	59	59	59
Oceania						
Australia 2/	374	413	368	389	375	341
New Zealand 3/	281	312	301	305	291	290
Sub-total	655	725	669	694	666	631
TOTAL SELECTED COUNTRIES	12,540	12,953	12,938	13,524	13,865	14,084

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.

FAS/CMP/DLP July, 2006

CHEESE CONSUMPTION: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	2001	2002	2003	2004	(p) 2005	(f) 2006
North America						
Canada	334	358	348	358	365	368
Mexico	206	210	204	214	219	222
United States	3,913	4,006	4,040	4,194	4,293	4,377
Sub-total	4,453	4,574	4,592	4,766	4,877	4,967
South America						
Argentina	420	350	310	338	350	360
Brazil	466	479	463	468	476	490
Sub-total	886	829	773	806	826	850
European Union - 25	5,522	5,593	5,713	5,961	6,105	6,190
Eastern Europe						
Romania	90	88	22	25	26	28
Former Soviet Union						
Russia	394	465	498	528	615	625
Ukraine	75	94	110	133	162	164
Sub-total	469	559	608	661	777	789
North Africa						
Egypt	402	414	454	459	464	465
Asia						
Japan	236	240	229	254	248	241
Korea	52	51	59	65	66	68
Sub-total	288	291	288	319	314	309
Oceania						
Australia 2/	205	225	230	230	223	210
New Zealand 3/	23	28	28	28	28	28
Sub-total	228	253	258	258	251	238
TOTAL SELECTED COUNTRIES	12,338	12,601	12,708	13,255	13,640	13,836

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.

FAS/CMP/DLP July, 2006

CHEESE IMPORTS: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	2001	2002	2003	2004	(p) 2005	(f) 2006
North America						
Canada	27	28	24	24	25	25
Mexico	66	65	78	82	85	86
United States	198	214	216	214	209	187
Sub-total	291	307	318	320	319	298
South America						
Argentina	6	1	1	0	2	4
Brazil	8	11	6	4	3	3
Sub-total	14	12	7	4	5	7
European Union - 25	142	116	127	106	95	90
Eastern Europe						
Romania	0	0	2	3	2	3
Former Soviet Union						
Russia	140	130	175	190	250	260
Ukraine	2	2	2	3	2	2
Sub-total	142	132	177	193	252	262
North Africa						
Egypt	9	9	9	9	10	10
Asia						
Japan	202	204	194	219	212	205
Korea	34	31	36	41	43	45
Sub-total	236	235	230	260	255	250
Oceania						
Australia 2/	43	45	51	49	50	52
New Zealand 3/	2	1	2	2	2	3
Sub-total	45	46	53	51	52	55
TOTAL SELECTED COUNTRIES	879	857	923	946	990	975

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.

FAS/CMP/DLP July, 2006

CHEESE EXPORTS: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	2001	2002	2003	2004	(p) 2005	(f) 2006
North America						
Canada	19	17	11	11	10	12
Mexico	0	0	0	2	2	2
United States	53	54	52	61	58	70
Sub-total	72	71	63	74	70	84
South America						
Argentina	18	26	23	31	45	65
Brazil	2	2	3	6	7	8
Sub-total	20	28	26	37	52	73
European Union - 25	485	516	514	516	490	480
Eastern Europe						
Romania	0	0	3	4	4	4
Former Soviet Union						
Russia	5	5	10	10	10	10
Ukraine	31	37	61	94	110	130
Sub-total	36	42	71	104	120	140
North Africa						
Egypt	2	5	5	5	6	7
Asia						
Japan	0	0	0	0	0	0
Korea	1	0	1	0	0	0
Sub-total	1	0	1	0	0	0
Oceania						
Australia 2/	219	218	207	212	227	195
New Zealand 3/	251	277	290	289	265	265
Sub-total	470	495	497	501	492	460
TOTAL SELECTED COUNTRIES	1,086	1,157	1,180	1,241	1,234	1,248

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.

FAS/CMP/DLP July, 2006

CHEESE ENDING STOCKS: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	2001	2002	2003	2004	(p) 2005	(f) 2006
North America						
Canada	49	52	59	59	60	60
Mexico	0	0	0	0	0	0
United States	301	332	337	322	320	300
Sub-total	350	384	396	381	380	360
South America						
Argentina	34	29	22	23	30	34
Brazil	0	0	0	0	0	0
Sub-total	34	29	22	23	30	34
European Union - 25	0	0	0	0	0	0
Eastern Europe						
Romania	5	5	5	5	5	5
Former Soviet Union						
Russia	8	8	10	12	12	17
Ukraine	2	2	2	2	2	0
Sub-total	10	10	12	14	14	17
North Africa						
Egypt	0	0	0	0	0	0
Asia						
Japan	15	15	15	15	15	15
Korea	3	3	2	2	2	2
Sub-total	18	18	17	17	17	17
Oceania						
Australia 2/	58	73	55	51	26	14
New Zealand 3/	43	51	36	26	26	26
Sub-total	101	124	91	77	52	40
TOTAL SELECTED COUNTRIES	518	570	543	517	498	473

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.

FAS/CMP/DLP July, 2006

BUTTER PRODUCTION: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	2001	2002	2003	2004	(p) 2005	(f) 2006
North America						
Canada	84	77	84	84	83	79
Mexico	70	70	77	88	89	92
United States	559	615	563	567	611	660
Sub-total	713	762	724	739	783	831
South America						
Brazil	78	70	72	75	77	78
European Union - 25	2,021	2,226	2,226	2,154	2,155	2,130
Eastern Europe						
Romania	6	6	6	9	7	9
Former Soviet Union						
Russia	270	280	280	270	275	280
Ukraine	156	131	148	138	140	145
Sub-total	426	411	428	408	415	425
North Africa						
Egypt	12	12	13	12	11	12
Asia						
India	2,250	2,400	2,450	2,600	2,850	3,200
Japan	80	83	80	80	84	86
Sub-total	2,330	2,483	2,530	2,680	2,934	3,286
Oceania						
Australia 2/	160	164	163	132	131	132
New Zealand 3/	352	380	405	418	341	395
Sub-total	512	544	568	550	472	527
TOTAL SELECTED COUNTRIES	6,098	6,514	6,567	6,627	6,854	7,298

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.

FAS/CMP/DLP July, 2006

BUTTER CONSUMPTION: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	2001	2002	2003	2004	(p) 2005	(f) 2006
North America						
Canada	89	86	92	93	83	82
Mexico	105	107	117	141	144	147
United States	579	581	595	607	616	641
Sub-total	773	774	804	841	843	870
South America						
Brazil	77	78	74	75	77	78
European Union - 25	1,903	1,999	1,983	1,937	1,948	1,939
Eastern Europe						
Romania	7	8	9	12	10	12
Former Soviet Union						
Russia	380	400	440	437	385	410
Ukraine	100	110	140	103	110	115
Sub-total	480	510	580	540	495	525
North Africa						
Algeria	0	14	15	15	15	15
Egypt	57	62	60	40	41	47
Sub-total	57	76	75	55	56	62
Asia						
India	2,251	2,399	2,449	2,608	2,845	3,185
Japan	92	88	89	88	86	86
Taiwan	0	10	12	11	12	12
Sub-total	2,343	2,497	2,550	2,707	2,943	3,283
Oceania						
Australia 2/	57	50	60	60	65	66
New Zealand 3/	27	26	26	26	26	26
Sub-total	84	76	86	86	91	92
TOTAL SELECTED COUNTRIES	5,724	6,018	6,161	6,253	6,463	6,861

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.

FAS/CMP/DLP July, 2006

BUTTER IMPORTS: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	2001	2002	2003	2004	(p) 2005	(f) 2006
North America						
Canada	26	19	20	28	24	22
Mexico	35	37	40	53	55	55
United States	34	16	15	23	18	12
Sub-total	95	72	75	104	97	89
South America						
Brazil	2	8	4	1	1	1
European Union - 25	93	92	92	93	85	85
Eastern Europe						
Romania	0	2	3	3	3	3
Former Soviet Union						
Russia	110	120	160	170	110	140
Ukraine	2	1	0	0	0	0
Sub-total	112	121	160	170	110	140
North Africa						
Algeria	0	12	15	15	15	15
Egypt	45	50	47	28	30	35
Sub-total	45	62	62	43	45	50
Asia						
India	3	2	1	10	5	0
Japan	0	4	13	7	6	5
Taiwan	0	10	12	11	12	12
Sub-total	3	16	26	28	23	17
Oceania						
Australia 2/	12	7	7	9	10	11
New Zealand 3/	0	0	0	0	1	1
Sub-total	12	7	7	9	11	12
TOTAL SELECTED COUNTRIES	362	380	429	451	375	397

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.

FAS/CMP/DLP July, 2006

BUTTER EXPORTS: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	2001	2002	2003	2004	(p) 2005	(f) 2006
North America						
Canada	16	17	12	17	20	22
Mexico	0	0	0	0	0	0
United States	0	3	10	8	8	6
Sub-total	16	20	22	25	28	28
South America						
Brazil	3	0	2	1	1	1
European Union - 25	196	222	307	354	340	280
Eastern Europe						
Romania	0	0	0	0	0	0
Former Soviet Union						
Russia	3	5	5	5	5	5
Ukraine	53	15	18	42	30	35
Sub-total	56	20	23	47	35	40
North Africa						
Algeria	0	0	0	0	0	0
Egypt	0	0	0	0	0	0
Sub-total	0	0	0	0	0	0
Asia						
India	2	3	2	2	10	15
Japan	0	0	0	0	0	0
Taiwan	0	0	0	0	0	0
Sub-total	2	3	2	2	10	15
Oceania						
Australia 2/	123	125	110	75	70	75
New Zealand 3/	347	353	399	400	316	370
Sub-total	470	478	509	475	386	445
TOTAL SELECTED COUNTRIES	743	743	865	904	800	809

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.

FAS/CMP/DLP July, 2006

BUTTER ENDING STOCKS: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	2001	2002	2003	2004	(p) 2005	(f) 2006
North America						
Canada	20	13	13	15	19	16
Mexico	0	0	0	0	0	0
United States	25	72	45	20	25	50
Sub-total	45	85	58	35	44	66
South America						
Brazil	0	0	0	0	0	0
European Union - 25						
	151	248	276	232	184	180
Eastern Europe						
Romania	0	0	0	0	0	0
Former Soviet Union						
Russia	27	22	17	15	10	15
Ukraine	15	22	12	5	5	0
Sub-total	42	44	29	20	15	15
North Africa						
Algeria	0	1	1	1	1	1
Egypt	0	0	0	0	0	0
Sub-total	0	1	1	1	1	1
Asia						
India	0	0	0	0	0	0
Japan	21	20	24	23	27	32
Taiwan	0	0	0	0	0	0
Sub-total	21	20	24	23	27	32
Oceania						
Australia 2/	6	2	2	8	14	16
New Zealand 3/	50	51	31	23	23	23
Sub-total	56	53	33	31	37	39
TOTAL SELECTED COUNTRIES	315	451	421	342	308	333

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.

FAS/CMP/DLP July, 2006

NONFAT DRY MILK PRODUCTION: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	2001	2002	2003	2004	(p) 2005	(f) 2006
North America						
Canada	90	83	91	90	75	76
Mexico	143	150	150	170	172	175
United States 1/	641	724	721	638	740	790
Sub-total	874	957	962	898	987	1,041
South America						
Argentina	40	34	31	35	40	42
Brazil	103	107	108	110	113	117
Chile	9	9	9	10	10	11
Colombia	5	6	7	8	9	0
Sub-total	157	156	155	163	172	170
European Union - 25 2/	1,215	1,369	1,326	1,066	1,094	1,060
Former Soviet Union						
Russia	130	140	145	125	110	120
Ukraine	92	63	71	78	80	82
Sub-total	222	203	216	203	190	202
North Africa						
Algeria	0	0	0	0	0	0
Asia						
China	70	72	83	68	60	55
India	175	185	200	235	270	290
Indonesia	0	0	0	0	0	0
Japan	175	183	183	183	187	190
Korea	22	35	26	25	25	25
Philippines	0	0	0	0	0	0
Taiwan	0	0	0	0	0	0
Sub-total	442	475	492	511	542	560
Oceania						
Australia 3/	265	261	215	203	206	216
New Zealand 4/	227	255	289	274	225	249
Sub-total	492	516	504	477	431	465
TOTAL SELECTED COUNTRIES	3,402	3,676	3,655	3,318	3,416	3,498

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

Notes:

(p) Preliminary.

(f) Forecast.

(1) Includes NDM production plus preliminary estimate of other SMP production.

(2) Based on deliveries

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

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

FAS/CMP/DLP July, 2006

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

	2001	2002	2003	2004	(p) 2005	(f) 2006
North America						
Canada	45	46	42	58	76	78
Mexico	286	287	335	338	342	347
United States	428	491	657	621	608	526
Sub-total	759	824	1,034	1,017	1,026	951
South America						
Argentina	20	16	18	19	20	20
Brazil	114	123	112	112	115	117
Chile	15	15	16	15	15	16
Colombia	9	9	9	8	9	0
Peru	13	9	9	8	6	0
Sub-total	171	172	164	162	165	153
European Union - 25	985	989	1,013	950	973	898
Former Soviet Union						
Russia	165	170	180	170	165	180
Ukraine	20	20	21	15	15	15
Sub-total	185	190	201	185	180	195
North Africa						
Algeria	80	110	93	90	100	100
Egypt	15	18	27	24	23	25
Sub-total	95	128	120	114	123	125
Asia						
China	88	107	133	127	113	105
India	182	195	186	231	250	270
Indonesia	82	95	105	115	121	120
Japan	207	223	211	222	227	225
Korea	30	34	33	31	32	32
Philippines	99	90	96	104	112	115
Taiwan	34	31	23	17	15	15
Sub-total	722	775	787	847	870	882
Oceania						
Australia 2/	33	35	35	20	20	20
New Zealand 3/	5	5	5	5	5	5
Sub-total	38	40	40	25	25	25
TOTAL SELECTED COUNTRIES	2,955	3,118	3,359	3,300	3,362	3,229

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.

FAS/CMP/DLP July, 2006

NONFAT DRY MILK IMPORTS: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	2001	2002	2003	2004	(p) 2005	(f) 2006
North America						
Canada	3	1	2	2	4	7
Mexico	141	132	173	168	170	172
United States	3	6	1	1	1	1
Sub-total	147	139	176	171	175	180
South America						
Argentina	0	0	1	0	0	0
Brazil	11	19	7	4	5	4
Chile	6	5	9	3	5	5
Colombia	4	3	1	0	0	0
Peru	13	9	9	8	6	0
Sub-total	34	36	27	15	16	9
European Union - 25	48	30	56	26	7	15
Former Soviet Union						
Russia	50	50	60	65	70	75
Ukraine	0	0	1	0	0	0
Sub-total	50	50	61	65	70	75
North Africa						
Algeria	97	114	80	90	100	100
Egypt	15	18	27	24	23	25
Sub-total	112	132	107	114	123	125
Asia						
China	18	35	51	61	55	52
India	0	0	0	15	0	0
Indonesia	98	110	120	125	135	135
Japan	53	44	43	37	34	35
Korea	5	4	5	4	4	5
Philippines	89	100	110	120	130	135
Taiwan	34	31	23	17	15	15
Sub-total	297	324	352	379	373	377
Oceania						
Australia 2/	2	3	4	2	2	4
New Zealand 3/	0	0	0	1	1	1
Sub-total	2	3	4	3	3	5
TOTAL SELECTED COUNTRIES	690	714	783	773	767	786

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.

FAS/CMP/DLP July, 2006

NONFAT DRY MILK EXPORTS: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	2001	2002	2003	2004	(p) 2005	(f) 2006
North America						
Canada	46	49	36	16	6	12
Mexico	0	0	0	0	0	0
United States 1/	96	126	141	231	300	250
Sub-total	142	175	177	247	306	262
South America						
Argentina	18	22	14	18	22	22
Brazil	0	3	3	2	3	4
Chile	0	0	0	0	0	1
Sub-total	18	25	17	20	25	27
European Union - 25 2/	284	267	339	283	197	185
Former Soviet Union						
Russia	15	20	25	20	15	15
Ukraine	71	43	51	63	65	67
Sub-total	86	63	76	83	80	82
North Africa						
Algeria	0	0	0	0	0	0
Egypt	0	0	0	0	0	0
Sub-total	0	0	0	0	0	0
Asia						
China	0	0	1	2	2	2
India	8	10	23	10	15	20
Indonesia	16	15	18	12	10	20
Japan	0	0	0	0	0	0
Korea	0	0	0	0	0	0
Philippines	0	12	14	16	18	20
Taiwan	0	0	0	0	0	0
Sub-total	24	37	56	40	45	62
Oceania						
Australia 3/	218	231	193	187	174	204
New Zealand 4/	195	248	314	305	221	245
Sub-total	413	479	507	492	395	449
TOTAL SELECTED COUNTRIES	967	1,046	1,172	1,165	1,048	1,067

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

Notes:

(p) Preliminary.

(f) Forecast.

(1) Includes NDM exports plus SMP exports

(2) Based on deliveries

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

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

FAS/CMP/DLP July, 2006

NONFAT DRY MILK ENDING STOCKS: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	2001	2002	2003	2004	(p) 2005	(f) 2006
North America						
Canada	19	8	23	41	38	31
Mexico	42	37	25	25	25	25
United States	408	521	445	232	65	80
Sub-total	469	566	493	298	128	136
South America						
Argentina	10	6	6	4	2	2
Brazil	0	0	0	0	0	0
Chile	4	3	5	3	3	2
Colombia	1	1	0	0	0	0
Peru	1	1	1	1	1	0
Sub-total	16	11	12	8	6	4
European Union - 25	45	188	218	77	8	0
Former Soviet Union						
Russia	0	0	0	0	0	0
Ukraine	2	2	2	2	2	2
Sub-total	2	2	2	2	2	2
North Africa						
Algeria	19	23	10	10	10	10
Egypt	0	0	0	0	0	0
Sub-total	19	23	10	10	10	10
Asia						
China	0	0	0	0	0	0
India	34	14	5	14	19	19
Indonesia	15	15	12	10	14	9
Japan	66	70	85	83	77	77
Korea	6	11	9	7	4	2
Philippines	4	2	2	2	2	2
Taiwan	0	0	0	0	0	0
Sub-total	125	112	113	116	116	109
Oceania						
Australia 2/	18	16	7	5	19	15
New Zealand 3/	98	100	70	35	35	35
Sub-total	116	116	77	40	54	50
TOTAL SELECTED COUNTRIES	792	1,018	925	551	324	311

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.

FAS/CMP/DLP July, 2006

WHOLE MILK POWDER PRODUCTION: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	2001	2002	2003	2004	(p) 2005	(f) 2006
North America						
Canada	0	0	0	0	0	0
Mexico	0	0	0	0	0	0
United States	19	21	18	19	15	10
Sub-total	19	21	18	19	15	10
South America						
Argentina	185	205	198	260	270	270
Brazil	345	355	390	420	440	460
Chile	62	56	50	51	55	60
Sub-total	592	616	638	731	765	790
European Union - 25	918	870	865	857	840	840
Former Soviet Union						
Russia	110	120	110	90	85	90
Ukraine	19	17	20	28	29	30
Sub-total	129	137	130	118	114	120
North Africa						
Algeria	0	0	0	0	0	0
Asia						
China	610	577	750	832	918	1,000
India	0	0	0	0	0	0
Indonesia	45	45	46	45	48	50
Japan	0	0	0	0	0	0
Korea	0	0	0	0	0	0
Philippines	0	0	0	0	0	0
Taiwan	6	6	7	6	6	6
Sub-total	661	628	803	883	972	1,056
Oceania						
Australia 2/	205	239	170	187	189	180
New Zealand 3/	480	540	619	628	585	640
Sub-total	685	779	789	815	774	820
TOTAL SELECTED COUNTRIES	3,004	3,051	3,243	3,423	3,480	3,636

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.

FAS/CMP/DLP July, 2006

WHOLE MILK POWDER CONSUMPTION: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	2001	2002	2003	2004	(p) 2005	(f) 2006
North America						
Canada	0	0	0	0	0	0
Mexico	55	45	45	35	35	35
United States	24	25	21	22	17	11
Sub-total	79	70	66	57	52	46
South America						
Argentina	90	95	84	86	90	90
Brazil	420	426	430	435	443	453
Chile	61	54	52	52	53	53
Sub-total	571	575	566	573	586	596
European Union - 25	416	357	368	343	352	372
Former Soviet Union						
Russia	119	130	124	109	110	115
Ukraine	8	11	12	10	10	10
Sub-total	127	141	136	119	120	125
North Africa						
Algeria	107	118	118	140	160	160
Asia						
China	608	626	821	898	956	1,026
India	0	0	0	0	0	0
Indonesia	66	58	63	65	75	80
Japan	0	0	0	0	0	0
Korea	0	0	0	0	0	0
Philippines	50	30	17	17	18	18
Taiwan	34	35	34	36	32	32
Sub-total	758	749	935	1,016	1,081	1,156
Oceania						
Australia 2/	25	24	25	23	25	27
New Zealand 3/	1	1	1	1	1	1
Sub-total	26	25	26	24	26	28
TOTAL SELECTED COUNTRIES	2,084	2,035	2,215	2,272	2,377	2,483

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.

FAS/CMP/DLP July, 2006

WHOLE MILK POWDER IMPORTS: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	2001	2002	2003	2004	(p) 2005	(f) 2006
North America						
Canada	0	0	0	0	0	0
Mexico	55	45	45	35	35	35
United States	4	4	3	3	2	2
Sub-total	59	49	48	38	37	37
South America						
Argentina	1	0	1	1	4	5
Brazil	43	95	33	21	25	20
Chile	4	2	16	4	5	5
Sub-total	48	97	50	26	34	30
European Union - 25	3	7	5	3	2	2
Former Soviet Union						
Russia	15	16	20	25	30	30
Ukraine	0	0	0	0	0	0
Sub-total	15	16	20	25	30	30
North Africa						
Algeria	110	116	123	161	160	160
Asia						
China	41	77	91	91	67	60
India	0	0	0	0	0	0
Indonesia	35	33	20	21	26	31
Japan	0	0	0	0	0	0
Korea	0	0	0	0	0	0
Philippines	50	45	42	45	48	52
Taiwan	28	29	27	30	26	26
Sub-total	154	184	180	187	167	169
Oceania						
Australia 2/	7	3	7	12	15	15
New Zealand 3/	0	0	2	2	1	1
Sub-total	7	3	9	14	16	16
TOTAL SELECTED COUNTRIES	396	472	435	454	446	444

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.

FAS/CMP/DLP July, 2006

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

	2001	2002	2003	2004	(p) 2005	(f) 2006
North America						
Canada	0	0	0	0	0	0
Mexico	0	0	0	0	0	0
United States	0	0	0	0	0	1
Sub-total	0	0	0	0	0	1
South America						
Argentina	85	136	100	177	185	190
Brazil	1	24	3	16	22	30
Chile	6	10	10	8	8	11
Sub-total	92	170	113	201	215	231
European Union - 25	506	520	502	517	490	470
Former Soviet Union						
Russia	6	6	6	6	5	5
Ukraine	11	6	8	18	19	20
Sub-total	17	12	14	24	24	25
North Africa						
Algeria	0	0	0	0	0	0
Asia						
China	43	28	20	25	29	34
India	0	0	0	0	0	0
Indonesia	22	20	1	1	1	1
Japan	0	0	0	0	0	0
Korea	0	0	0	0	0	0
Philippines	0	15	25	28	30	34
Taiwan	0	0	0	0	0	0
Sub-total	65	63	46	54	60	69
Oceania						
Australia 2/	183	213	142	173	161	170
New Zealand 3/	511	481	635	669	585	630
Sub-total	694	694	777	842	746	800
TOTAL SELECTED COUNTRIES	1,374	1,459	1,452	1,638	1,535	1,596

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.

FAS/CMP/DLP July, 2006

WHOLE MILK POWDER ENDING STOCKS: SUMMARY FOR SELECTED COUNTRIES

1,000 Metric Tons

	2001	2002	2003	2004	(p) 2005	(f) 2006
North America						
Canada	0	0	0	0	0	0
Mexico	0	0	0	0	0	0
United States	1	1	1	1	1	1
Sub-total	1	1	1	1	1	1
South America						
Argentina	38	12	27	25	24	19
Brazil	31	31	21	11	11	8
Chile	11	5	9	4	3	4
Sub-total	80	48	57	40	38	31
European Union - 25	0	0	0	0	0	0
Former Soviet Union						
Russia	0	0	0	0	0	0
Ukraine	0	0	0	0	0	0
Sub-total	0	0	0	0	0	0
North Africa						
Algeria	6	4	9	30	30	30
Asia						
China	0	0	0	0	0	0
India	0	0	0	0	0	0
Indonesia	4	4	6	6	4	4
Japan	0	0	0	0	0	0
Korea	0	0	0	0	0	0
Philippines	0	0	0	0	0	0
Taiwan	0	0	0	0	0	0
Sub-total	4	4	6	6	4	4
Oceania						
Australia 2/	10	15	25	28	46	44
New Zealand 3/	20	78	63	23	23	33
Sub-total	30	93	88	51	69	77
TOTAL SELECTED COUNTRIES	121	150	161	128	142	143

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

Notes:

(p) Preliminary.

(f) Forecast.

(1) Based on deliveries

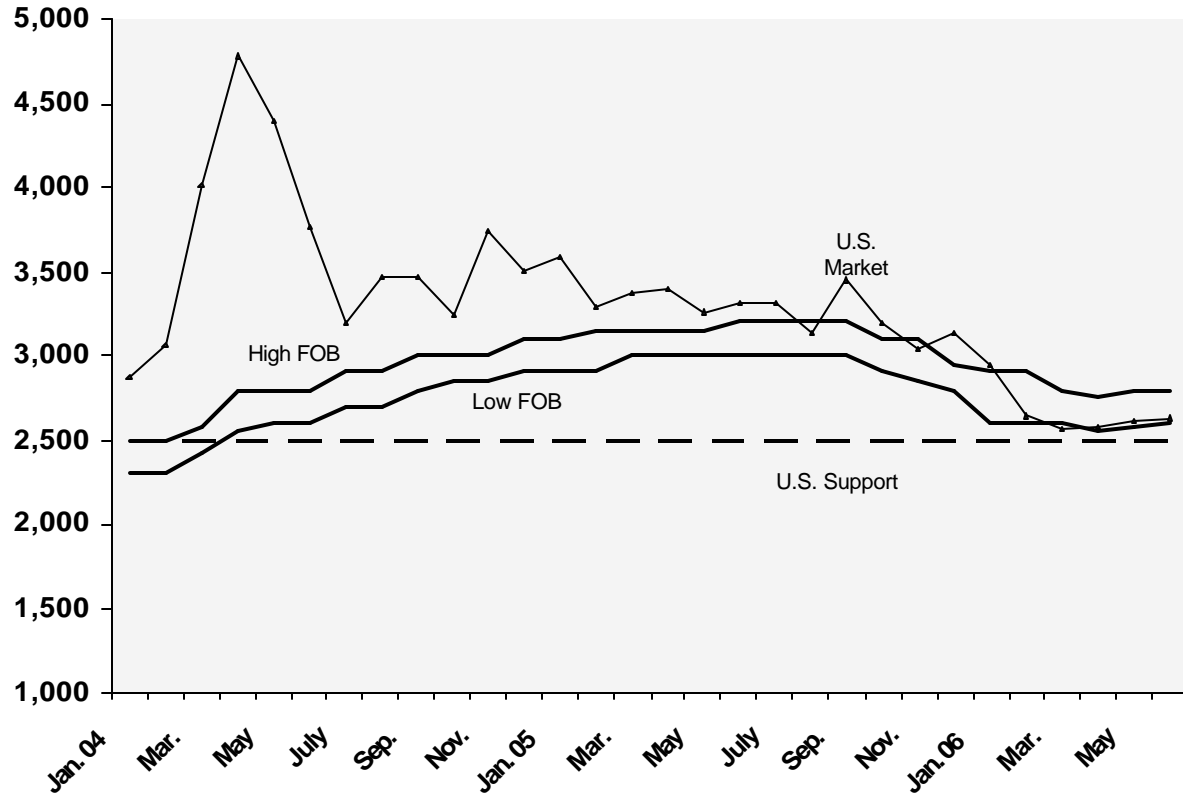
(2) Year ending June 30 of the year shown.

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

FAS/CMP/DLP July, 2006

\$/Metric Ton

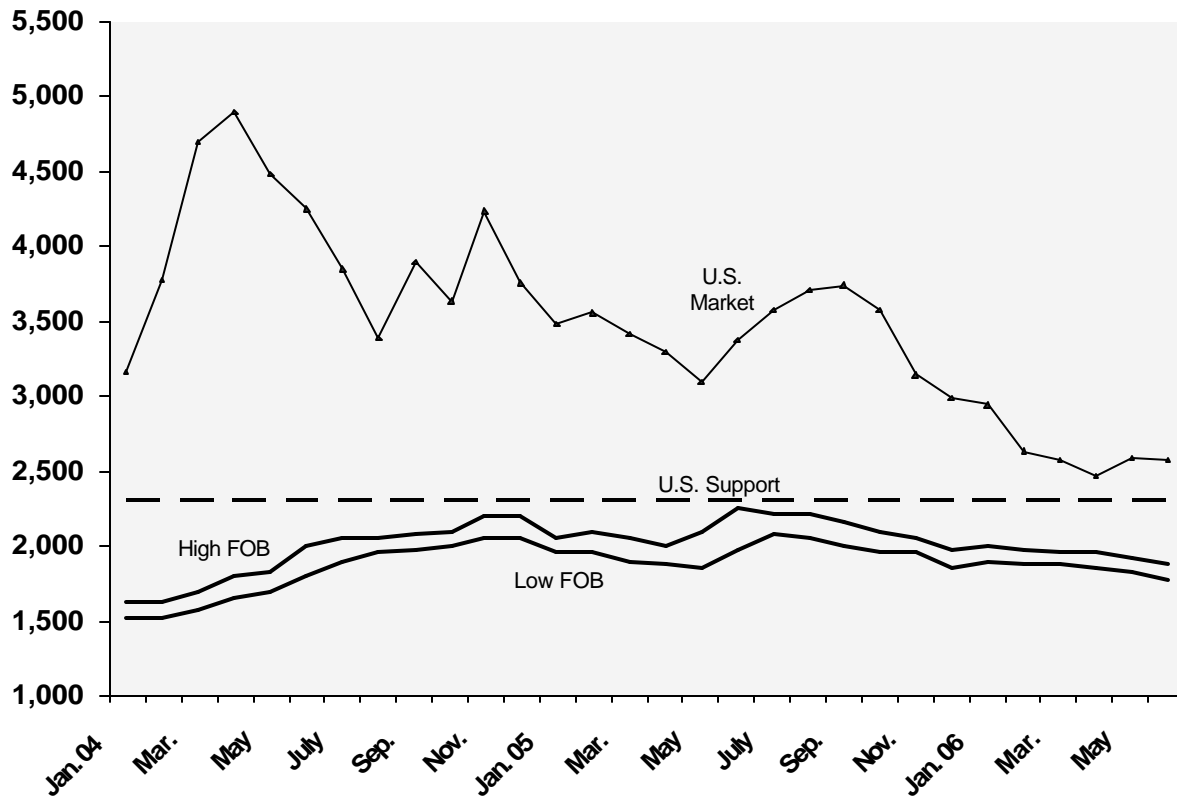
WORLD CHEDDAR CHEESE PRICES



	N. Europe High FOB	N. Europe Low FOB	U.S. Market (CME #40 Block)	U.S. Support
Jan. 05	3,100	2,900	3,585	2,494
Feb.	3,150	2,900	3,290	2,494
Mar.	3,150	3,000	3,375	2,494
Apr.	3,150	3,000	3,400	2,494
May	3,150	3,000	3,255	2,494
June	3,200	3,000	3,320	2,494
July	3,200	3,000	3,315	2,494
Aug.	3,200	3,000	3,140	2,494
Sep.	3,200	3,000	3,450	2,494
Oct.	3,100	2,900	3,190	2,494
Nov.	3,100	2,850	3,035	2,494
Dec.	2,950	2,800	3,135	2,494
Jan. 06	2,900	2,600	2,940	2,494
Feb.	2,900	2,600	2,645	2,494
Mar.	2,800	2,600	2,565	2,494
Apr.	2,750	2,550	2,570	2,494
May	2,800	2,575	2,615	2,494
June	2,800	2,600	2,630	2,494

\$/Metric Ton

WORLD BUTTER PRICES

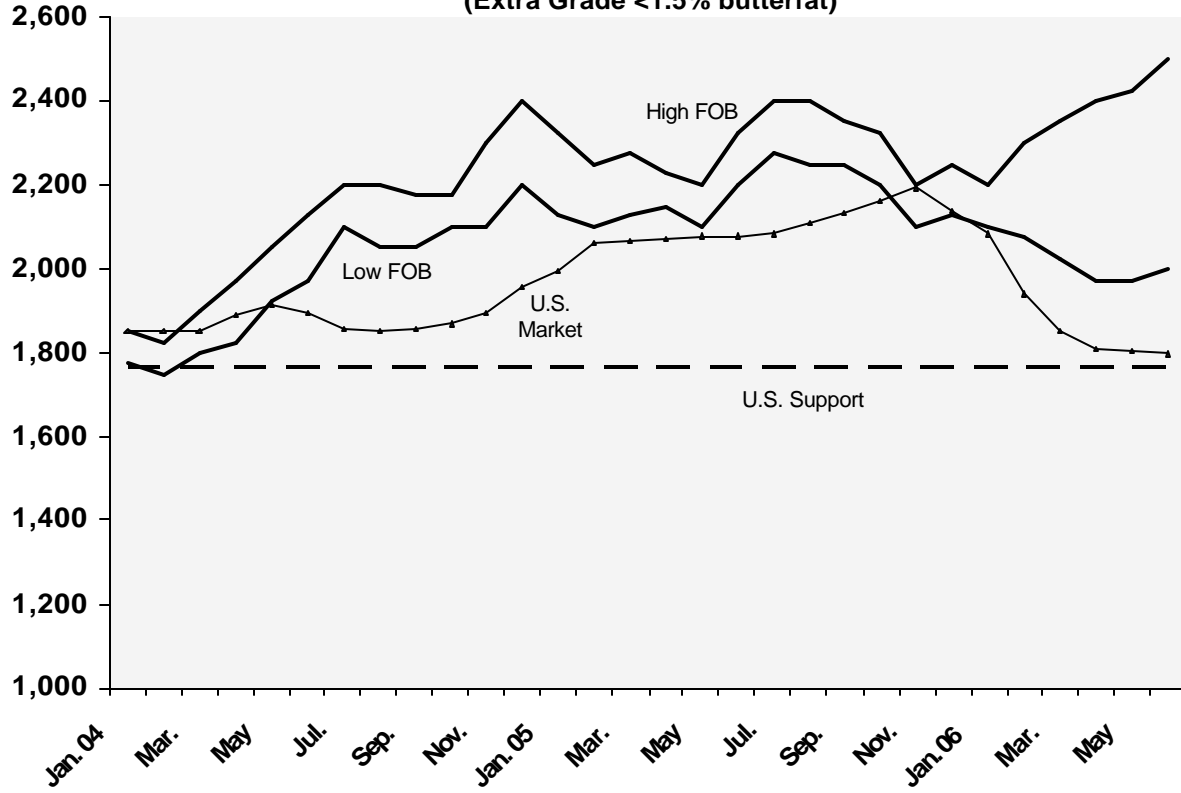


	N. Europe High FOB 82%	N. Europe Low FOB 82%	U.S. Market (80%-Salted CME)	U.S. Support
Jan. 05	2,050	1,950	3,480	2,315
Feb.	2,100	1,950	3,560	2,315
Mar.	2,050	1,900	3,423	2,315
Apr.	2,000	1,875	3,290	2,315
May	2,100	1,850	3,095	2,315
June	2,250	1,975	3,375	2,315
July	2,225	2,075	3,570	2,315
Aug.	2,225	2,050	3,720	2,315
Sep.	2,150	2,000	3,745	2,315
Oct.	2,100	1,950	3,570	2,315
Nov.	2,050	1,950	3,145	2,315
Dec.	1,975	1,850	2,990	2,315
Jan. 06	2,000	1,900	2,945	2,315
Feb.	1,975	1,875	2,630	2,315
Mar.	1,950	1,875	2,570	2,315
Apr.	1,950	1,850	2,465	2,315
May	1,925	1,825	2,590	2,315
June	1,875	1,775	2,565	2,315

\$/Metric Ton

WORLD NONFAT DRY MILK PRICES

(Extra Grade <1.5% butterfat)

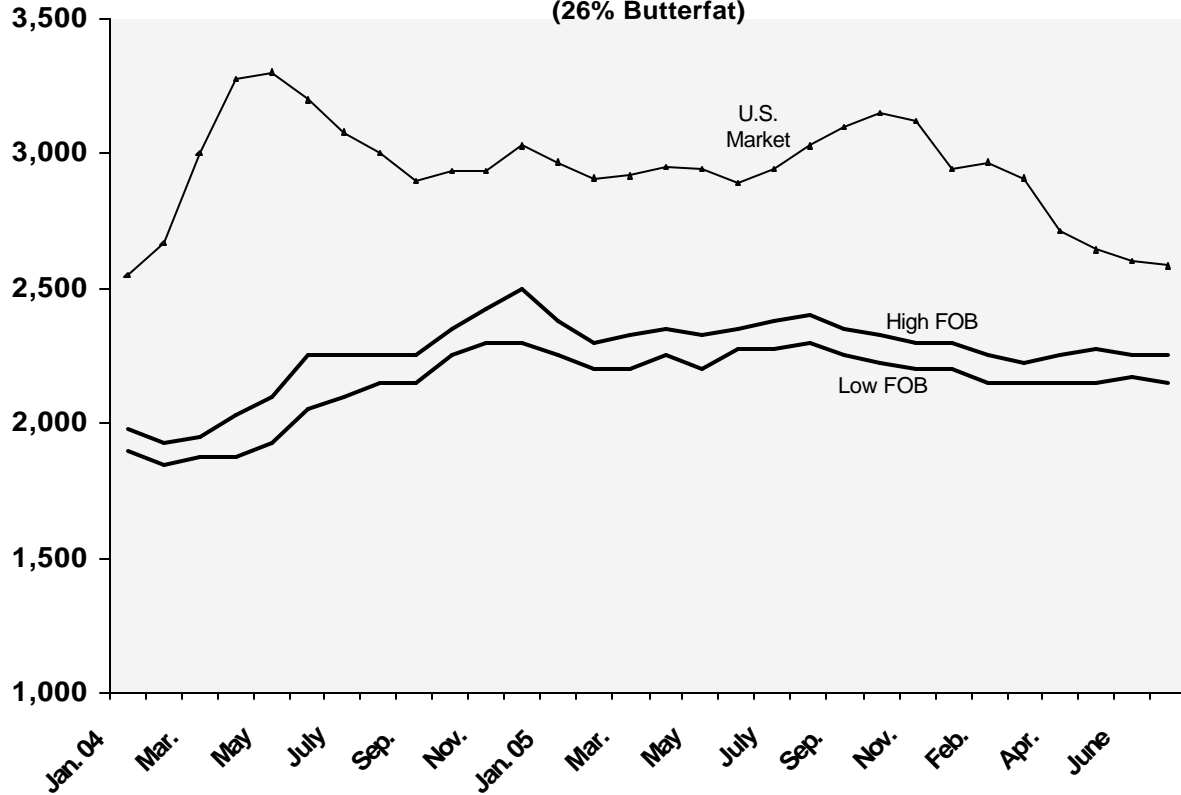


	N. Europe High FOB	N. Europe Low FOB	U.S. Market West	U.S. Support
Jan. 05	2,325	2,125	1,995	1,764
Feb.	2,250	2,100	2,060	1,764
Mar.	2,275	2,125	2,065	1,764
Apr.	2,225	2,150	2,070	1,764
May	2,200	2,100	2,080	1,764
June	2,325	2,200	2,075	1,764
July	2,400	2,275	2,085	1,764
Aug.	2,400	2,250	2,110	1,764
Sep.	2,350	2,250	2,135	1,764
Oct.	2,325	2,200	2,160	1,764
Nov.	2,200	2,100	2,195	1,764
Dec.	2,250	2,125	2,140	1,764
Jan. 06	2,200	2,100	2,085	1,764
Feb.	2,300	2,075	1,940	1,764
Mar.	2,350	2,025	1,850	1,764
Apr.	2,400	1,975	1,810	1,764
May	2,425	1,975	1,805	1,764
June	2,500	2,000	1,795	1,764

\$/Metric Ton

WORLD WHOLE MILK PRICES

(26% Butterfat)

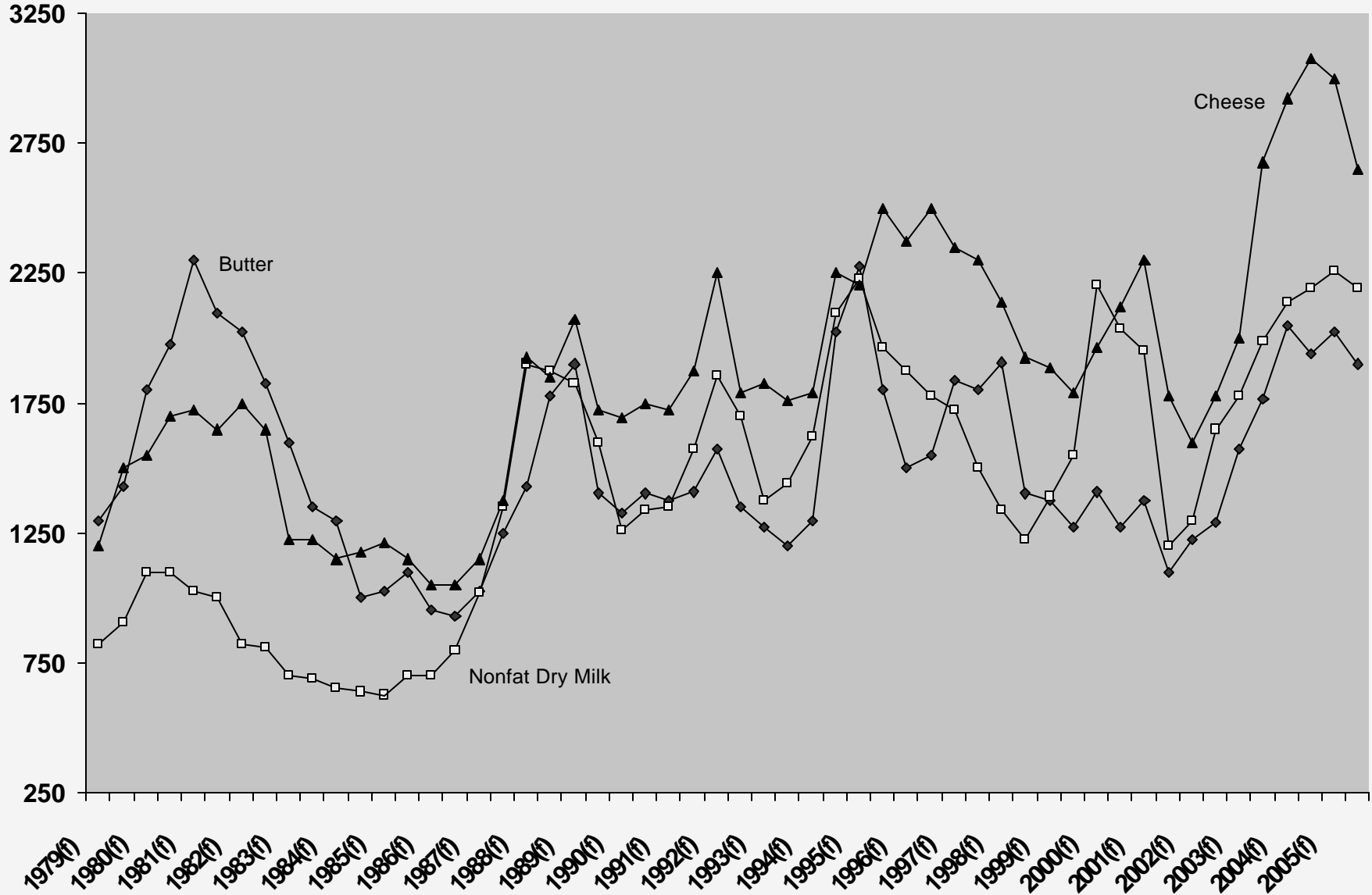


	N. Europe High FOB	N. Europe Low FOB	U.S. Market
Jan. 05	2,375	2,250	2,965
Feb.	2,300	2,200	2,910
Mar.	2,325	2,200	2,915
Apr.	2,350	2,250	2,950
May	2,325	2,200	2,945
June	2,350	2,275	2,895
July	2,375	2,275	2,940
Aug.	2,400	2,300	3,030
Sep.	2,350	2,250	3,095
Oct.	2,325	2,225	3,150
Nov.	2,300	2,200	3,120
Dec.	2,300	2,200	2,945
Jan. 06	2,250	2,150	2,965
Feb.	2,225	2,150	2,910
Mar.	2,250	2,150	2,710
Apr.	2,275	2,150	2,645
May	2,250	2,175	2,600
June	2,250	2,150	2,580

Historical Prices for Butter, Nonfat Dry Milk, and Cheese

1979-2006 Spring and Fall Price, EU FOB

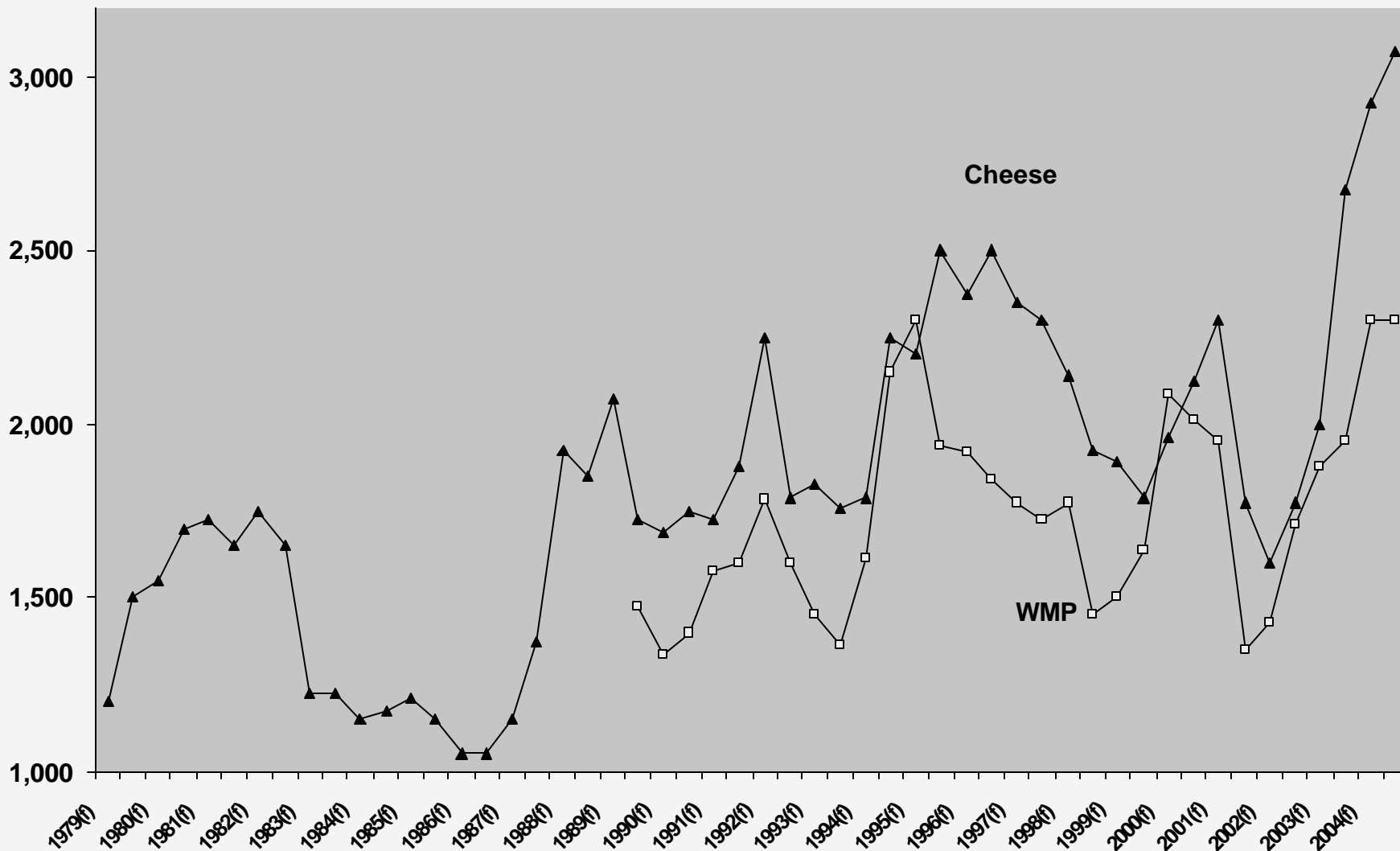
\$/MT



Historical Prices For Cheese and Whole Milk Powder (WMP)

1979-2005 Spring and Fall Price, EU FOB, WMP Prices 1990-2005 Only

\$/MT



Historical Prices for Butter and Nonfat Dry Milk

1979-2006 Spring and Fall Price, EU FOB

\$/MT

